



**Borough of Tamworth**

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## **AUDIT AND GOVERNANCE COMMITTEE**

21 October 2020

Dear Councillor

A meeting of the Audit and Governance Committee will be held in **Online Meeting on Thursday, 29th October, 2020 at 6.00 pm**. Members of the Committee are requested to attend.

Yours faithfully

A handwritten signature in black ink, appearing to be 'AOS', followed by a long horizontal line extending to the right.

**CHIEF EXECUTIVE**

### **A G E N D A**

#### **NON CONFIDENTIAL**

- 1 Apologies for Absence**
- 2 Minutes of the Previous Meeting (Pages 5 - 8)**
- 3 Declarations of Interest**

*To receive any declarations of Members' interests (pecuniary and non-pecuniary) in any matters which are to be considered at this meeting.*

*When Members are declaring a pecuniary or non-pecuniary interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a pecuniary or non-pecuniary interest in respect of which they do not have a dispensation.*

- 4 Local Government and Social Care Ombudsman Annual Review 19/20**  
(Pages 9 - 52)  
*(Report of the Assistant Director, People)*
- 5 Audit Findings Report 2019/20** (Pages 53 - 76)  
*(The Audit Findings Report 2019/20 from Grant Thornton, the External Auditors)*
- 6 Management Representation Letter 2019/20** (Pages 77 - 80)  
*(Executive Director, Finance)*
- 7 Annual Statement of Accounts & Report 2019/20** (Pages 81 - 250)  
*(Report of the Executive Director, Finance)*
- 8 Review of the Annual Report On The Treasury Management Service and Actual Prudential Indicators 2019/20** (Pages 251 - 274)  
*(Report of the Executive Director, Finance)*
- 9 Review Of The Proposed Investment In Property Funds** (Pages 275 - 284)  
*(Report of the Executive Director, Finance)*
- 10 Risk Management Quarterly Update** (Pages 285 - 330)  
*(Report of the Assistant Director, Finance)*
- 11 Internal Audit Quarterly Update Report** (Pages 331 - 346)  
*(Report of the Head of Audit and Governance and Monitoring Officer)*
- 12 Counter Fraud Update** (Pages 347 - 376)  
*(Report of the Head of Audit and Governance and Monitoring Officer)*
- 13 Annual Governance Statement & Code of Corporate Governance** (Pages 377 - 444)

*(Report of the Head of Audit and Governance and Monitoring Officer)*

**14 Review of the Constitution and Scheme of Delegation** (Pages 445 - 724)

*(Report of the Head of Audit and Governance and Monitoring Officer)*

**15 Audit and Governance Committee Timetable** (Pages 725 - 732)

*(Discussion Item)*

**A Private Meeting of the Members and the external and internal auditors will follow this meeting**

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**Access arrangements**

*If you have any particular access requirements when attending the meeting, please contact Democratic Services on 01827 709267 or e-mail [democratic-services@tamworth.gov.uk](mailto:democratic-services@tamworth.gov.uk). We can then endeavour to ensure that any particular requirements you may have are catered for.*

**Filming of Meetings**

*The public part of this meeting may be filmed and broadcast. Please refer to the Council's Protocol on Filming, Videoing, Photography and Audio Recording at Council meetings which can be found [here](#) for further information.*

*The Protocol requires that no members of the public are to be deliberately filmed. Where possible, an area in the meeting room will be set aside for videoing, this is normally from the front of the public gallery. This aims to allow filming to be carried out whilst minimising the risk of the public being accidentally filmed.*

*If a member of the public is particularly concerned about accidental filming, please consider the location of any cameras when selecting a seat.*

**FAQs**

*For further information about the Council's Committee arrangements please see the FAQ page [here](#)*

To Councillors: M Summers, M Bailey, C Cooke, J Faulkner, M Oates, S Pritchard and R Rogers

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**MINUTES OF A MEETING OF THE  
AUDIT AND GOVERNANCE COMMITTEE  
HELD ON 23rd JULY 2020**

**PRESENT:** Councillor M Summers (Chair), Councillors M Bailey (Vice-Chair), C Cooke, J Faulkner, M Oates and R Rogers

**Officers** Stefan Garner (Executive Director Finance), Joanne Sands (Assistant Director Partnerships), Rebecca Neill (Head of Audit & Governance and Monitoring Officer) and Jodie Small (Legal, Democratic and Corporate Support Assistant)

**Visitors** Mark Stocks (Grant Thornton)

Apologies received from: Councillor(s) S Pritchard

**50 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 13 February 2020 were approved and signed as a correct record.

*(Moved by Councillor J Faulkner and seconded by Councillor M Oates)*

**51 DECLARATIONS OF INTEREST**

There were no declarations of Interest.

**52 UPDATE FROM EXTERNAL AUDITORS**

Mark Stocks provided an update to the committee.

**53 RISK MANAGEMENT QUARTERLY REVIEW UPDATE**

The Executive Director Finance reported on the Risk Management process and progress to date for the current financial year.

Following the Committee's questions on a number of corporate risks, the Chair highlighted to Members that the Corporate Scrutiny Committee would be

recommending to Cabinet that the risks associated with future Council investment in property funds in light of the current COVID-19 pandemic, be brought to a subsequent meeting of the Audit & Governance Committee, as the Committee appointed by Council to scrutinise treasury management activities.

**RESOLVED** That the Committee;  
Endorsed the Corporate Risk Register.

*(Moved by Councillor M Summers and seconded by Councillor C Cooke)*

#### **54 REGULATION OF INVESTIGATORY POWERS ACT 2000**

The Assistant Director Partnerships presented her report which was to consider updates to the Council's Regulation of Investigatory Powers Act 2020 Policy, receive update on any activity to 30 June 2020 and move to annual reports on the usage of those powers. The Committee debated the report and in particular the usage of such powers in relation to fly tipping.

**RESOLVED** That Committee;

- Approved annual reporting of the use of RIPA powers (as outlined in IPCO guidance) and review the RIPA policy during the first meeting of the Committee in each financial year,
- Endorsed updates to the Council's RIPA Policy to include Social Media Policy,
- Endorsed the RIPA monitoring report for the quarter to 30 June 2020.

*(Moved by Councillor J Faulkner and seconded by Councillor M Bailey)*

#### **55 INTERNAL AUDIT ANNUAL REPORT AND UPDATE**

The Head of Audit & Governance and Monitoring Officer presented her report which comprised Internal Audit's Annual Report, including results for the quarter 4 to 31 March 2020 (as well as an update on progress during quarter 1 to 30 June 2020). The Committee sought assurance on those reports noted with a limited or no assurance opinion.

**RESOLVED** That the Committee;  
Noted Internal Audit's Annual Report (Appendix 1), which includes results for the quarter 4 to 31 March 2020 (as well as an update on progress during quarter

1 to 30 June 2020).

*(Moved by Councillor J Faulkner and seconded by Councillor C Cooke)*

## **56 PROS AND CONS OF INDEPENDENT MEMBERS**

The Head of Audit and Governance & Monitoring Officer briefed the Audit & Governance Committee on the 'pros and cons' of appointing independent member/s to the Audit & Governance Committee and a proposed roadmap for a potential appointment process should the Committee wish to proceed. The Committee debated in detail the pros and cons of independent member appointments and whether to remunerate.

The Committee requested that the 5 year time restriction on candidates eligibility in that they must not be a Councillor or officer of the Council in the preceding five years prior to appointment, be verified as to whether this was law or whether a shorter period could suffice.

### **RESOLVED**

That the Committee;

Considered the report and decided to proceed with the process to appoint up to two independent member/s to the Audit & Governance Committee.

That those independent member positions be unremunerated, but subject to reasonable travel allowances.

*(Moved by Councillor M Summers and seconded by Councillor C Cooke)*

## **57 AUDIT & GOVERNANCE COMMITTEE TIMETABLE**

The Chair summarised the Committee timetable which included the reports which had been previously circulated to the Committee during the Covid-19 restrictions, which now required formal endorsement.

The Head of Audit & Governance informed the Committee that the Local Government Association had recently issued a new member code of conduct for consultation. As member conduct was the domain of the Audit & Governance Standards Sub Committee, it would seem appropriate that this Committee provide input into the corporate response to the consultation, with an open invite to other Councillors who wished to contribute.

### **RESOLVED**

That the Committee;

Formally endorsed the following previously circulated reports:

- Internal Audit Plan and Charter 2020/21
- Review of Financial Guidance

- Public Sector Internal Audit Standards; and Quality Assurance & Improvement Programme
- Audit & Governance Committee's Annual Report 2019/20
- Grant Thornton's External Audit Plan Update
- Grant Thornton's Informing the Risk Assessment
- Update on Audit Matters from Public Sector Audit Appointments Limited
- Future Procurement and Market Supply Options Review
- CIPFA Section 151 Update and Review of Financial Resilience Index
- Review of the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2020/21 and the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2019/20
- Final Accounts 2019/20 – Accounting Policies and Action Plan

By virtue of Paragraph 1, 3 od Part 1 of Schedule 12A of the Local Government Act 1972:

- Risk Based Verification (Exempt item).

Agreed the Committee Timetable.

Councillors M Summers, J Faulkner, M Bailey and C Cooke attend a code of conduct working group on behalf of the Audit & Governance Committee.

*(Moved by Councillor M Oates and seconded by Councillor M Bailey)*

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Chair

THURSDAY, 29 OCTOBER 2020

**REPORT OF ASSISTANT DIRECTOR PEOPLE****LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REVIEW  
19/20****EXEMPT INFORMATION**

None

**PURPOSE**

To advise the committee of the contents of the Local Government and Social Care Ombudsman's Annual Report Letter for the year ended 31<sup>st</sup> March 2020 in relation to complaints against Tamworth Borough Council.

**RECOMMENDATIONS**

It is recommended that:

- The Committee endorse the Annual Review Letter and summary of complaints, enquiries and decisions made as attached at Appendix 1

**EXECUTIVE SUMMARY**

As councillors will be aware, the Local Government and Social Care Ombudsman (LGSCO) produces an annual letter setting out statistics about complaints relating to our authority that have been referred to the LGSCO. This year's letter was published in July and covers the period April 2019 to March 2020.

All decisions made by the ombudsman regarding complaints against Tamworth Borough Council can be found on the LGSCO website <https://www.lgo.org.uk/decisions>. In summer 2019 the LGSCO launched an interactive map of councils performance nationally which can be found on this link <https://www.lgo.org.uk/your-councils-performance>.

In October 2020 the LGSCO published new guidance on complaint handling which can be found at appendix 3 of this report. This guidance is currently being reviewed alongside the Councils Tell Us scheme and the to ensure that our complaints process is in line with the LGSCO guidance

In the year 2018/19 the Ombudsman received 15 enquiries and complaints about our authority, and made 13 reported decisions, leaving two complaints with unreported decisions.

The decisions were split as follows:

- Five complaints/ enquiries were referred back to the Council for local resolution (for example if the complainant had not exhausted the Councils policy or the complaint had already been resolved locally).
- Two complaints/ enquiries were closed after initial enquiries were made this might be because the law says the ombudsman is not allowed to investigate it, or because it would not be an effective use of public funds if they did.
- For a further two of the complaints the ombudsman advised that the complainant to go through our complaints procedure.
- Two of the complaints were “incomplete/ invalid” meaning that there was insufficient information for the process to proceed
- One decision was not upheld after full investigation, the ombudsman found no fault in the Councils actions
- The final decision was upheld by the ombudsman with the remedy being a formal apology financial redress for avoidable distress, time and trouble.

The 15 complaints received by the Ombudsman were split into the following areas:

- 6 complaints for Housing
- 4 complaints for benefits/ tax
- 2 complaints for Highways
- 1 complaint for Environment Services
- 2 with no reported area

Within the year the ombudsman undertook two detailed investigations into complaints regarding the Council, one of which was upheld meaning a 50% uphold rate compared with an average uphold rate of 45% for comparable authorities.

Appendix 2 gives further detail on both the complaints and decisions made.

In comparison just 6 complaints were received by the ombudsman in the 2018/19 financial year, so the referrals this year represent a significant increase, however, as only 2 of the complaints have been fully investigated it appears that complainants are contacting the ombudsman outside of due process. A number of complaints have again been referred back to the Council as the internal complaints process had not been exhausted.

## **RESOURCE IMPLICATIONS**

There are no resource implications arising from this report

## **LEGAL/RISK IMPLICATIONS**

Failure to manage complaints effectively not only reduces the opportunities to learn from the information they provide but also could have a negative impact on the council’s reputation and increase costs via compensation payments. The review of the complaints process will help reduce this risk.

## **EQUALITIES IMPLICATIONS**

There are no equalities implications arising from this report

## **SUSTAINABILITY IMPLICATIONS**

There are no sustainability implications arising from this report

## **BACKGROUND INFORMATION**

The Committee's role and function includes a requirement to monitor the effectiveness of Local Government and Social Care Ombudsman (LGSCO) investigations. As the operation of the LGSCO forms part of this regulatory framework the Committee is provided with the LGSCO annual review for consideration. The LGSCO distribute annual review letters to all councils regarding their performance in dealing with complaints made about them to the Ombudsman. The aim is to provide councils with information to help them improve complaint handling, and improve services more generally, for the benefit of the public. The letters also include a summary of statistics relating to the complaints received by the LGSCO and dealt with against each council.

The LGSCO has the power to investigate complaints by members of the public who consider that they have been caused injustice by maladministration or service failure in connection with action taken by the Council and certain other bodies in the exercise of its administrative functions. Whilst the Ombudsman can investigate complaints about how the Council has done something, it cannot question what a Council has done simply because someone does not agree with it.

A complainant must give the Council an opportunity to deal with a complaint against it first although in practice this is not always the route taken. The ombudsman expects the Council's own complaints procedure to be used in the first instance, in this case the two stages of the Tell Us scheme. If a complainant is not satisfied with the action the Council takes he or she can send a written complaint to the Local Government and Social Care Ombudsman and they are informed on how to do so at the conclusion of the Tell Us Stage Two.

The objective of the Ombudsman is to secure, where appropriate, satisfactory redress for complainants and better administration for the authorities. Since 1989, the Ombudsman has had power to issue advice on good administrative practice in local government based on experience derived from their investigations.

The LGSCO provide each local authority with an annual review of the authority's performance in dealing with complaints against it which were referred to the relevant Ombudsman, so that the authority can learn from its own performance compared to other authorities.

## **REPORT AUTHOR**

Zoe Wolicki – Assistant Director People

## **LIST OF BACKGROUND PAPERS**

- Audit and Governance committee report 24<sup>th</sup> October 2019 – Annual Review 2018/19

## **APPENDICES**

Appendix 1 – Local Government Annual Review Letter 2020

Appendix 2 – Complaints Received and Decided 2019/2020

Appendix 3 – Effective Complaint Handling for Local Authorities (October 2020)



22 July 2020

*By email*

Mr Barratt  
Chief Executive  
Tamworth Borough Council

Dear Mr Barratt

### **Annual Review letter 2020**

I write to you with our annual summary of statistics on the decisions made by the Local Government and Social Care Ombudsman about your authority for the year ending 31 March 2020. Given the exceptional pressures under which local authorities have been working over recent months, I thought carefully about whether it was still appropriate to send you this annual update. However, now, more than ever, I believe that it is essential that the public experience of local services is at the heart of our thinking. So, I hope that this feedback, which provides unique insight into the lived experience of your Council's services, will be useful as you continue to deal with the current situation and plan for the future.

### **Complaint statistics**

This year, we continue to place our focus on the outcomes of complaints and what can be learned from them. We want to provide you with the most insightful information we can and have made several changes over recent years to improve the data we capture and report. We focus our statistics on these three key areas:

**Complaints upheld** - We uphold complaints when we find some form of fault in an authority's actions, including where the authority accepted fault before we investigated. A focus on how often things go wrong, rather than simple volumes of complaints provides a clearer indicator of performance.

**Compliance with recommendations** - We recommend ways for authorities to put things right when faults have caused injustice. Our recommendations try to put people back in the position they were before the fault and we monitor authorities to ensure they comply with our recommendations. Failure to comply with our recommendations is rare. An authority with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

**Satisfactory remedies provided by the authority** - We want to encourage the early resolution of complaints and to credit authorities that have a positive and open approach to

resolving complaints. We recognise cases where an authority has taken steps to put things right before the complaint came to us. The authority upheld the complaint and we agreed with how it offered to put things right.

Finally, we compare the three key annual statistics for your authority with similar types of authorities to work out an average level of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

This data will be uploaded to our interactive map, [Your council's performance](#), along with a copy of this letter on 29 July 2020, and our Review of Local Government Complaints. For further information on how to interpret our statistics, please visit our [website](#).

### **Resources to help you get it right**

There are a range of resources available that can support you to place the learning from complaints, about your authority and others, at the heart of your system of corporate governance. [Your council's performance](#) launched last year and puts our data and information about councils in one place. Again, the emphasis is on learning, not numbers. You can find the decisions we have made, public reports we have issued, and the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

I would encourage you to share the tool with colleagues and elected members; the information can provide valuable insights into service areas, early warning signs of problems and is a key source of information for governance, audit, risk and scrutiny functions.

Earlier this year, we held our link officer seminars in London, Bristol, Leeds and Birmingham. Attended by 178 delegates from 143 local authorities, we focused on maximising the impact of complaints, making sure the right person is involved with complaints at the right time, and how to overcome common challenges.

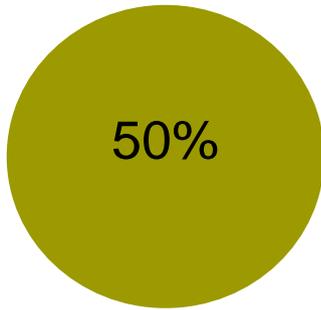
We have a well-established and successful training programme supporting local authorities and independent care providers to help improve local complaint handling. During the year, we delivered 118 courses, training more than 1,400 people. This is 47 more courses than we delivered last year and included more training to adult social care providers than ever before. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training).

Yours sincerely,



Michael King  
Local Government and Social Care Ombudsman  
Chair, Commission for Local Administration in England

### Complaints upheld



**50%** of complaints we investigated were upheld.

This compares to an average of **45%** in similar authorities.

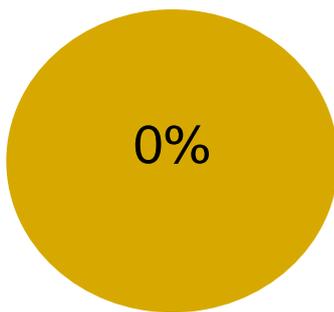
**1**  
upheld decision

Statistics are based on a total of 2 detailed investigations for the period between 1 April 2019 to 31 March 2020

### Compliance with Ombudsman recommendations

No recommendations were due for compliance in this period

### Satisfactory remedies provided by the authority



In **0%** of upheld cases we found the authority had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **20%** in similar authorities.

**0**  
satisfactory remedy decisions

Statistics are based on a total of 2 detailed investigations for the period between 1 April 2019 to 31 March 2020

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## Complaints Received

Reference	Authority	Category	Received
19002061	Tamworth Borough Council	Highways & Transport	08 May 2019
19002774	Tamworth Borough Council	Benefits & Tax	21 May 2019
19003094	Tamworth Borough Council	Housing	28 May 2019
19003518	Tamworth Borough Council	Housing	05 Jun 2019
19004363	Tamworth Borough Council	Housing	17 Jun 2019
19006203	Tamworth Borough Council	Null	12 Jul 2019
19006686	Tamworth Borough Council	Benefits & Tax	23 Jul 2019
19009701	Tamworth Borough Council	Environmental Services & Public Protection & Regulation	11 Sep 2019
19010634	Tamworth Borough Council	Housing	24 Sep 2019
19011463	Tamworth Borough Council	Benefits & Tax	08 Oct 2019
19012392	Tamworth Borough Council	Housing	23 Oct 2019
19012590	Tamworth Borough Council	Null	25 Oct 2019
19014272	Tamworth Borough Council	Benefits & Tax	20 Nov 2019
19017182	Tamworth Borough Council	Highways & Transport	16 Jan 2020
19018283	Tamworth Borough Council	Housing	31 Jan 2020
<b>Key</b>			
Decision Made			
No decision			

## Decisions Made

Reference	Authority	Category	Decided	Decision	Decision Reason	Remedy	Service improvement recommendations
19002061	Tamworth Borough Council	Highways & Transport	31/10/2019	Not Upheld	no mal		
19002774	Tamworth Borough Council	Benefits & Tax	09/07/2019	Closed after initial enquiries	Not warranted by alleged mal/service failure		
19003518	Tamworth Borough Council	Housing	05/06/2019	Referred back for local resolution	Premature Decision - advice given		
19004363	Tamworth Borough Council	Housing	17/06/2019	Advice given	Signpost - go to complaint handling		
19006203	Tamworth Borough Council	Null	12/07/2019	Incomplete/Invalid	Insufficient information to proceed and PA advised		
19006686	Tamworth Borough Council	Benefits & Tax	18/03/2020	Upheld	mal & inj	Apology, Financial redress: Avoidable distress/time and trouble	
19009701	Tamworth Borough Council	Environmental Services & Public Protection & Regulation	09/11/2019	Closed after initial enquiries	26(6)(c) Court remedy		
19010634	Tamworth Borough Council	Housing	24/09/2019	Referred back for local resolution	Premature Decision - advice given		
19011463	Tamworth Borough Council	Benefits & Tax	08/10/2019	Referred back for local resolution	Premature Decision - advice given		
19012392	Tamworth Borough Council	Housing	23/10/2019	Advice given	Signpost - go to complaint handling		
19012590	Tamworth Borough Council	Null	25/10/2019	Incomplete/Invalid	Insufficient information to proceed and PA advised		
19014272	Tamworth Borough Council	Benefits & Tax	21/01/2020	Referred back for local resolution	Premature Decision - referred to BinJ		
19018283	Tamworth Borough Council	Housing	31/01/2020	Referred back for local resolution	Premature Decision - referred to BinJ		
<b>Key</b>							
No investigation	Investigation no fault found	Investigation fault found					



**complaint fo**  
tell us about your complaint – so we can  
anything – or have any difficulties filling

ails

title

***Effective Complaint  
Handling for local  
authorities***



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## Setting the standard for complaints

Having spent more than 30 years investigating complaints across a wide range of bodies in the public and private sector, I have always felt English Local Government stands out as an exemplar of good practice in listening to and acting upon public concerns. This document captures some of that rich experience, from councils and from our own investigations, and shares it with the sector for mutual benefit.

In the best authorities, complaints are never just a 'back office' customer service function. They put public concerns right at the heart of their corporate governance – where they should be – to ensure the voice of the citizen is firmly embedded in their risk management and accountability systems.

Most authorities use complaints as a barometer of external opinion and as an early warning of problems that might otherwise stay unseen. The best take that a step further and use critical feedback to drive a sophisticated culture of learning, reflection, and improvement. After all, at a time when money is tight, why spend a fortune on consultants, when the public are already providing free, first-hand intelligence about your organisation?

On an individual level, many of the most effective Council Leaders, Chief Executives, and Directors I have encountered take an active personal interest in complaints and concerns. That evidence enables them to scrutinise what they are being told internally with feedback from the frontline. And that insight equips them as leaders, to know when and where they should step-in, to cut through corporate defensiveness and bring an end to damaging disputes.



**The best authorities... put public concerns right at the heart of their corporate governance ...to ensure the voice of the citizen is firmly embedded in their risk management and accountability systems.**



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Most importantly, the culture of listening to public concerns is fundamental to the democratic principles that define local government. That is why it is so impressive to see the work elected members do in many authorities through the scrutiny and oversight of complaints – providing the transparency and accountability that underpins continued public trust and engagement.

My office has been a part of that culture of 'Making Complaints Count' for nearly half a century – acting as the independent guarantor of citizens' rights, but also as a critical friend to local government. As part of that role, we have a statutory duty to provide guidance on complaint standards and have done so over many decades, in consultation with the sector, alongside an active programme of training to share our expertise.

This is the latest version of that guidance, rooted in the real-world experience of investigating tens of thousands of public concerns over recent years and updated to reflect the contemporary realities of local government. I hope that you find it useful in your work and in delivering our shared commitment to put the public voice at the heart of local accountability.

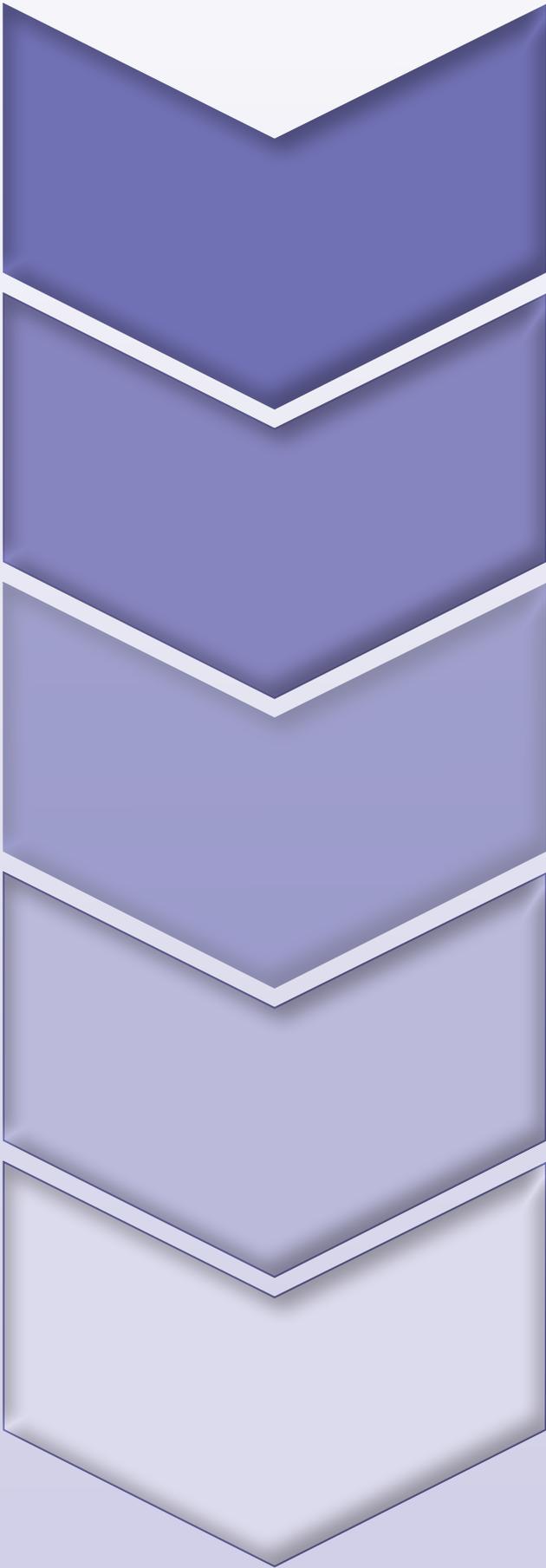


**Michael King**

**Local Government and  
Social Care Ombudsman**

**October 2020**

# ***An effective complaints process***



# Complaints Standards - Principles of Effective Complaint Handling

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# Your complaints process

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Your complaint process should be **tailored** to allow you to determine each complaint on its own merits. Investigations should be **proportionate** and **pragmatic**. You should be able to identify and act on learning opportunities from complaints, ensuring the lessons reach people in the council who can effect change.

## Each complaint on its own merits

A good complaints process should comply with the law. In some cases the law sets out how you should handle a complaint, review or appeal, including timescales for responses. These include complaints about:

- > Children's services
- > Adult social care (including blue badge assessments)
- > School admissions, exclusions and transport
- > Housing benefit and council tax
- > Homelessness
- > Standards and member conduct
- > Parking and traffic offences.

These must be adhered to.

If a complaint does not fall under a statutory process then it is for you to determine how to respond to the complaint properly. We believe a good complaint process is flexible depending on the complaint and the complainant. There is no right or wrong number of stages to a non-statutory complaint process, what matters most is you investigate the complaint robustly and consider your findings properly. Once you are satisfied with your response you should direct the complainant to the Ombudsman by using the standard wording at the [end of this guide](#). This does not necessarily have to be at the end of the complaint process, but once you are satisfied there is no merit in further consideration and you have reached your final decision. The choice is yours.

### **Example:**

You have a two-stage complaint process. Mr X's complaint is completely upheld at stage one. Mr X remains unhappy and asks to progress to stage two. You are satisfied you have robustly investigated the complaint and responded appropriately. You write to Mr X explaining your reasons and direct him to the Ombudsman.

### **Example:**

You have not upheld Miss Y's complaint at stage one or two of your process. You have directed Miss Y to the Ombudsman but she then sends you new and relevant information which she wants you to consider. We would expect you to consider this new information.

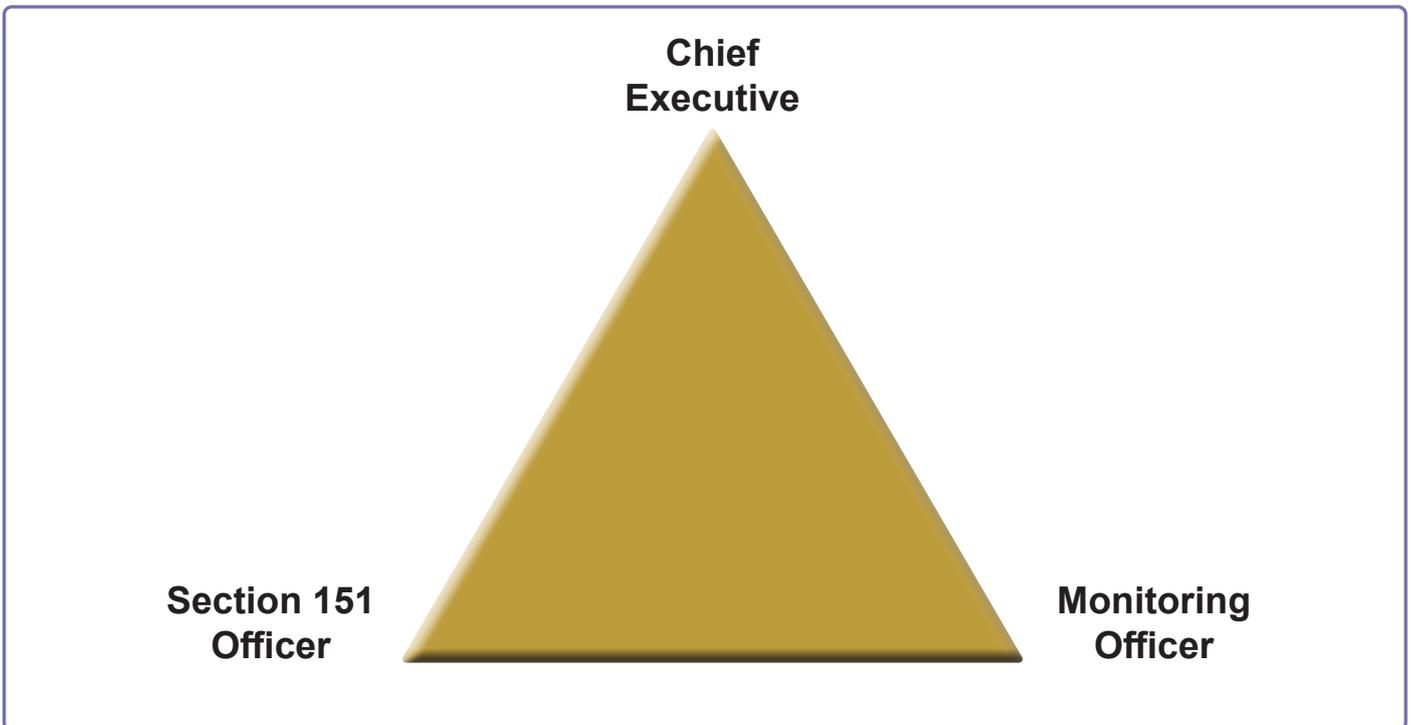
# Your complaints process

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## The right person at the right time

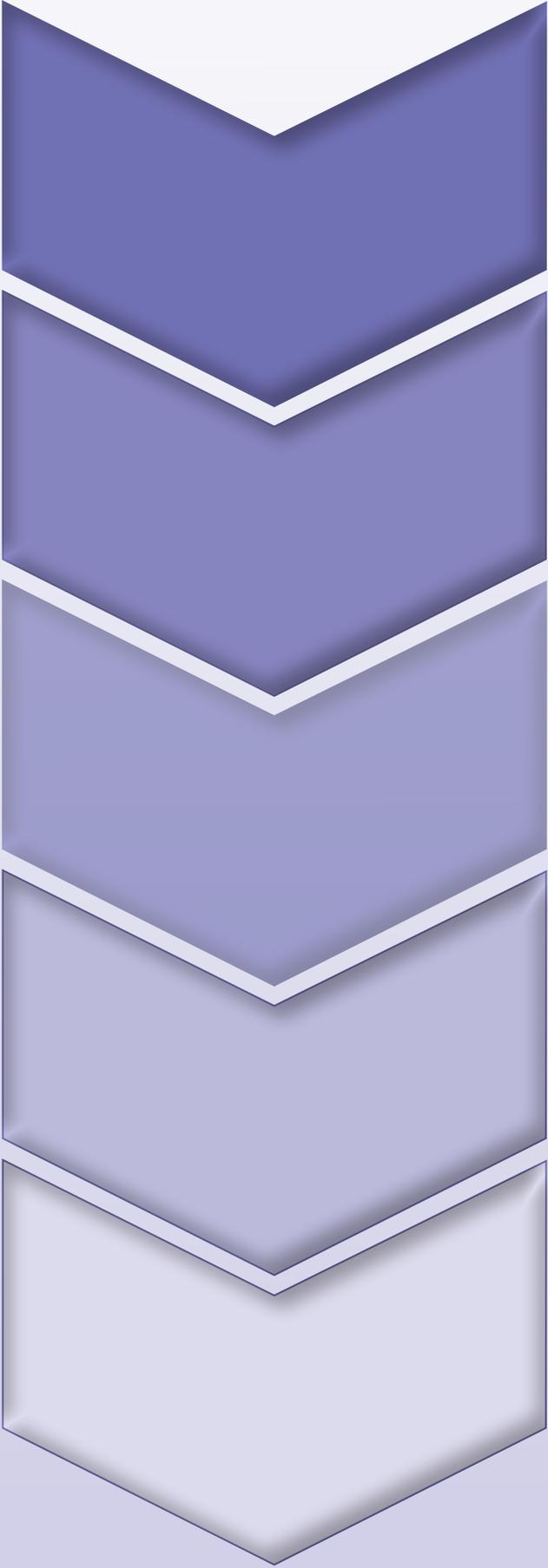
For a complaints process to work properly it is vital the right people are involved and can make changes when something goes wrong. We expect robust oversight of complaint handling and any organisation who provides services on your behalf. An effective complaints process will ensure the right people are involved at the right stage.

To ensure effective governance, we believe the golden triangle of statutory officers at a council should be aware and engaged with complaints, and will intervene at the right time if needed.



Learning from complaints should be at the centre of your risk management and audit function and inform your contracting arrangements. You should have effective

reporting mechanisms to ensure the right people hear about your complaint performance.

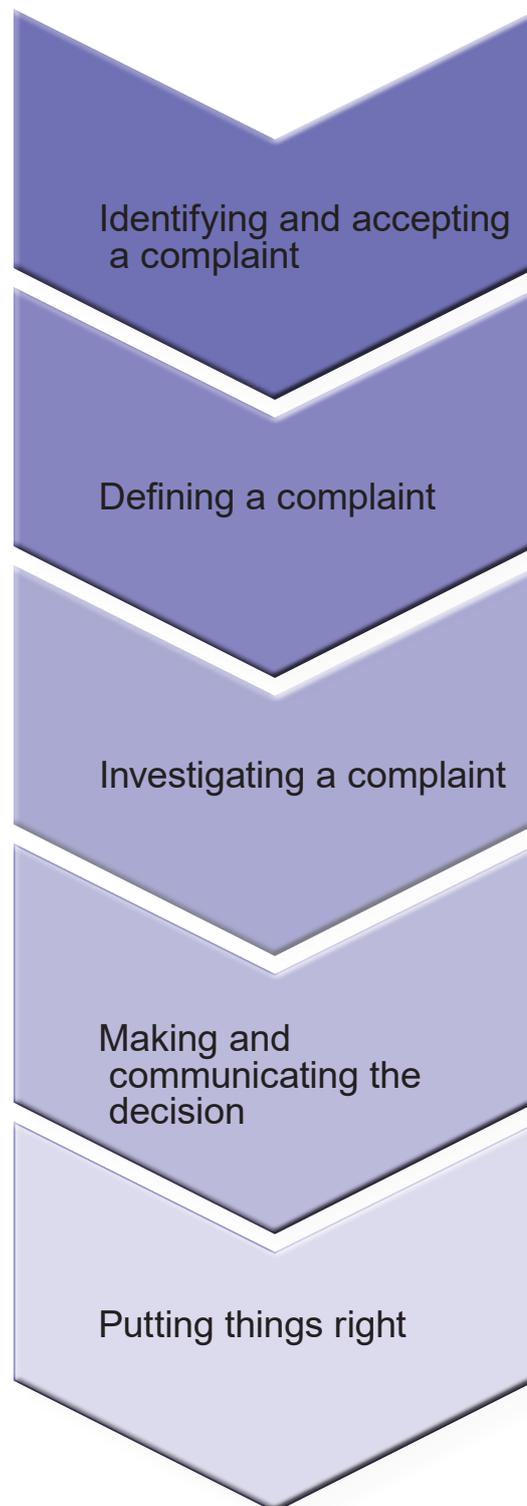


***A practical  
guide to  
effective  
complaint  
handling***

# Effective Complaint Handling – a practical guide

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There are five key elements to effective complaint handling:



# Identifying and accepting a complaint

**“A complaint is an expression of dissatisfaction about a council service (whether that service is provided directly by the council or by a contractor or partner) that requires a response.”**

Making a complaint should be simple, accessible, clear and straightforward. We believe there is **no wrong door for complaints**. There is no difference between a ‘formal’ and an ‘informal’ complaint. While one service user may send in a letter headed ‘formal complaint’ another may tell frontline staff about something that concerns them. Both are expressions of dissatisfaction that require a response. You should have procedures in place for effectively identifying and accepting a complaint, no matter how it is raised, or with whom.

## Getting it right

Make sure your complaints policy complies with the relevant law. It should be simple, clear and easy to access.

## Being customer focused

Consider whether you need to make any reasonable adjustments for the complainant.

## Being open and accountable

People should know they can complain and how to do it.

## Acting fairly and proportionately

Offer service users support to make a complaint, if needed.

## Putting things right

If you find something has gone wrong, do not wait until the complaint process has been completed to put it right.

## Questions to ask on receiving a complaint:

- > Does the service user want to pursue a complaint?  
*They may have an outstanding request for a service that hasn't been actioned. You should be able to identify when repeated service failure becomes a complaint.*
- > Does the complainant have a representative? Do they have the complainant's consent to act on their behalf, and are you satisfied they are acting in the complainant's best interests?
- > Have you already considered and responded to the complaint?
- > Is the complaint within the scope of the authority's complaints procedure?
- > If so, which procedure should the complaint be considered under, and what are the timescales?
- > Do parts of the complaint concern another public sector organisation (e.g. Health Service)?

If the complaint will require a joint investigation with another organisation, you should decide who is going to take the lead, and what information you are able to share with each other. A joint investigation should not impact the complainant's experience.

# Defining a complaint

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We believe the best way to accurately define a complaint is to speak to the complainant. This will allow you to:

- > Check your understanding of the issue they want you to investigate and under which complaint process you should consider it.
- > Identify opportunities to resolve the complaint at the earliest opportunity.
- > Manage the complainant's expectations and answer any questions about the process.
- > Hear the complainant's view of what has gone wrong and how they say it has affected them.

Where possible, we recommend you define the complaint from the complainant's point of view. Include details of what the complainant thinks has gone wrong and how it impacted them.

It is good practice to write to the complainant setting out your understanding of their complaint, what will happen next, and when they can expect a response. This helps reduce the likelihood of a later complaint that you have not addressed their concerns.

If the complainant disagrees with your complaint statement, and you cannot reach agreement, you should ensure you have established what is at the heart of the complaint, and what the complainant wants. You should let the complainant know you will proceed on that basis.

## **Being customer focused**

Define what the complainant says went wrong from their point of view and the impact they say it has had on them.

## **Being open and accountable**

Be clear on timescales, and when the complainant will hear from you again.

## **Seeking continuous improvement**

What are people complaining about? If you are receiving multiple complaints about the same issue it can be a sign of systemic failure.

### **Example:**

Mrs X complains the council has failed to carry out a proper assessment of her needs. She says this has resulted in her being denied services she is entitled to.

# Investigating a complaint

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Once you are clear what the complaint is about you will need to gather information and evidence to reach a decision. You need to use this information to decide two things:

**What happened?**

**What should have happened?**

The information you need will depend on the nature of the complaint. Below are potential useful sources.

**What happened:**

- > The complainant or representative
- > Members of staff
- > Third parties
- > Case records
- > Correspondence (Emails/ Phone records/ Letters).

**What should have happened:**

- > The law
- > Government guidance/ circulars
- > Council policies and procedures
- > Case law
- > Professional bodies
- > The Ombudsman's view.

You then need to decide what information is relevant, reliable and important to the issue being complained about.

You may want to ask yourself:

- > Who/ where/ when is the information from?
- > Is it supported by other information?
- > Are there any gaps? Do you need more information?
- > Do you have enough information to make a decision that will stand up to scrutiny?

The Ombudsman investigates fault causing injustice. When reviewing conflicting information it is sometimes useful to ask whether what happened disadvantaged the complainant.

**Being open and accountable**

Let the complainant know who is investigating their complaint and how they can contact them.

**Being customer focused**

Keep the complainant informed at all stages of your investigation, especially if there is a delay.

**Getting it right**

Spend time planning the investigation, deciding how you will obtain the information you need.

# Making and communicating a decision

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## **“Your complaint, our decision”**

When a person asks you to consider their complaint, it is your role to investigate the issue, taking into account all the available facts and evidence. Once you have done this, it is for you to make a final decision on the matter.

It is not always possible to make a decision beyond all reasonable doubt. The Ombudsman makes decisions **on the balance of probabilities**. We believe this is preferable to making no decision at all.

We believe there are three central questions when making a decision on a complaint:

- > Was the authority or its agents at fault? Should what happened not have happened?
- > If so, how exactly has this disadvantaged the complainant?
- > If so, what does the authority need to do to put things right?

### **Getting it right**

Be clear what your decision is, and what you will do to put things right if something has gone wrong.

### **Being customer focused**

Consider whether the complainant needs support understanding your decision, such as a meeting to discuss the findings.

### **Being open and accountable**

Share the information you have considered with the complainant so they can understand your findings.

### **Acting fairly and proportionately**

Ensure the complainant knows how they can challenge the decision if they remain unhappy.

### **Putting things right**

If something has gone wrong tell the complainant how and when you will put it right.

## **A good decision letter consists of:**

- > The statement of complaint (agreed with the complainant at the start of the process).
- > The steps you have taken to investigate the complaint.
- > What you have taken into account.
- > Your decision and reasons for it.
- > What will happen next: if action is to be taken, how, when, and by whom?
- > Any changes you will make to processes and procedures following the complaint.
- > If the complainant disagrees, how they can challenge the decision.

# Putting things right

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***Put the complainant back in the position they would have been, had the fault not occurred***

Our [Guidance on remedies](#) explains the principles underpinning how we remedy complaints

## Putting things right for the complainant

Where possible, try to put the complainant back in the position they would have been, had the fault not happened.

- > Focus less on what went wrong, and more on the consequences. The injustice.
- > Consider whether the complainant has contributed to the consequences.
- > Take account of the complainant's views, but exercise your own judgement.
- > Any remedy should be appropriate and proportionate to the harm suffered.
- > Sometimes specific actions will be required (e.g a new assessment or appeal).
- > If there is no other way to put things right, consider a financial payment in line with our [Guidance on remedies](#).
- > Assess whether the complainant has been put to a lot of time and trouble pursuing the complaint.
- > ***If there is something to apologise for, do it.***

## Putting things right

If you have found something went wrong, what has been the impact on the complainant? *That is what you need to put right*

## Useful further reading

- > [Scottish Public Services Ombudsman's guidance on apologies](#)
- > [Your Council's Performance - Our interactive map to find local authority performance data](#)

## Seeking continuous improvement

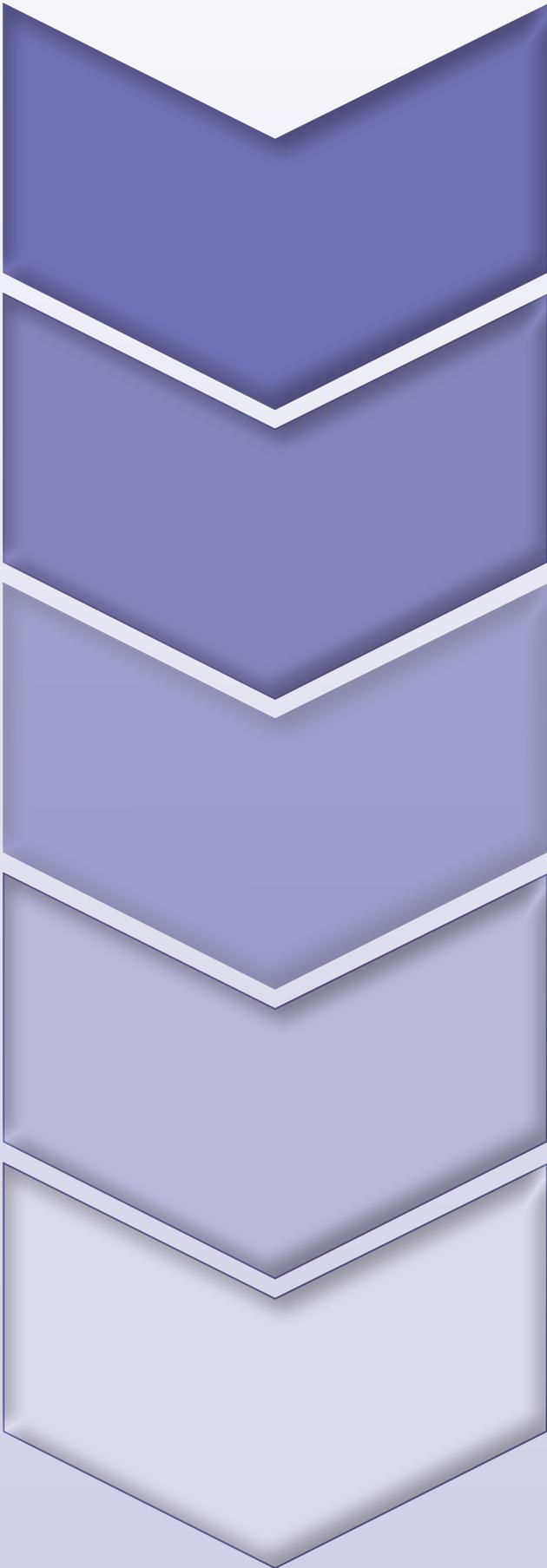
Make sure you have a mechanism in place to learn from complaints you uphold.

## Making sure it doesn't happen again

Most complainants say to us they want to make sure what happened to them doesn't happen to someone else. Your complaints process should help you to find the root causes of problems and make improvements to systems and processes where they haven't worked properly. This can include changing policies and procedures, or training staff.

You can find examples of how we put things right in our [published decisions](#), and our [interactive map](#) of councils' performance, where we highlight the service improvements implemented by councils following our decisions.

# ***Statutory complaints procedures***



# Children's social care complaints

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The Children Act 1989 requires councils which provide children's services to set up a three stage complaints process. As a statutory procedure, the Children Act complaints process should be adhered to. People should be encouraged to give the council a chance to put things right before coming to us. And it follows that councils must make sure they administer the procedure properly and effectively, taking into account the extensive guidance available. Children, young people and their parents deserve a complaints system that ensures their voices are heard and issues are resolved fairly and swiftly.

## What is covered under the statutory procedure?

The procedure covers complaints about services delivered to children and young people under Part 3 of the 1989 Act and specific functions under Parts 4 and 5 of the Act. This includes services to children in need or in care; about how the council applies to take a child into care; many complaints about fostering, special guardianship and adoption services and complaints about services to children leaving care.

The procedure exists to consider complaints not just by or on behalf of children, but from their parents, foster carers, special guardians, adopters and others who may have an interest in their wellbeing.

You can find further details about what is covered by following the link to the [regulations](#) and statutory guidance: [Getting the Best from Complaints](#).

## What is excluded from the statutory procedure?

The procedure does not include complaints about child protection matters or how the council assesses families and prepares reports for the court in private proceedings (so-called Section 7 or 37 reports). These will be dealt with under the council's own complaints procedure. Councils should be clear which procedure they are using and why.

Councils may decide not to accept a complaint that is made late (i.e. over a year after the events complained of) but should not impose this restriction rigidly. It may suspend investigation of a complaint if there is ongoing court action or police investigations. If you do suspend an investigation, make sure you explain your reasons clearly to the complainant.

As with all complaints, we expect councils to assess each complaint on its own merits when deciding which process to follow.

### Useful further reading

- > [Focus Report – Are we getting the best from children's social care complaints?](#)

# Children's social care complaints

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## Early referral to the Ombudsman

'Getting the Best from Complaints' says that "...once a complaint has entered Stage 1, the local authority is **obliged to ensure that the complaint proceeds to Stages 2 and 3 of this procedure, if that is the complainant's wish**". However, the guidance also makes it clear that someone can complain to the LGSCO at any time.

[Annex 3 of 'Getting the Best from Complaints'](#) describes the circumstances in which a council can agree to a complainant making an early referral to us. This can usually only happen if:

- > There has been a robust Stage 2 report upholding all of the complaint.
- > The majority of the complainant's desired outcomes have been met.
- > Both parties agree to the referral.

We cannot accept complaints, including early referrals, from councils. If the criteria in Annex 3 is met, and you agree to the early referral, you should write to the complainant advising them to complain to us. You should also explain what early referral criteria has been met.

We then have to decide whether to accept the early referral or insist the procedure is completed. We might agree to consider a complaint before stage three where, for example:

- > We consider the relationship between the council and complainant has broken down to the extent that the complainant has no faith in the process.
- > The complaints process cannot possibly deliver the only outcome the complainant wants (for example, the return of a child who has been taken into care or a ruling that abuse has not taken place). In this instance we may prevent further delay by making a decision on the appropriate route to seek redress.
- > The complaints process has gone so far off track (for example because of unacceptable delay) that to continue with it risks compounding the complainant's potential injustice.

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## Best practice

To ensure you are getting the best from the Children Act complaints procedure:

> **Follow the process**

The process is statutory so councils should follow the guidance and not depart from it without good reason. Once the process has started, the complainant has a right to have their complaint considered at each stage. It is not for the council to decide stage three is not in the person's best interests.

> **Choose the appropriate procedure**

Ensure from the outset that the complaint procedure is appropriate in the circumstances of the complaint. Explain in writing how the complaint is being dealt with and the right to approach the LGSCO if the complainant is unhappy with the outcome.

> **Don't delay**

The statutory timescales are designed to ensure complaints are handled effectively, fairly and swiftly throughout the process. Delays can happen at each of the three stages, but also moving from one stage to another. Building in additional stages, such as meetings, can also add an unnecessary delay. You should ensure any additional stages do not result in such delays.

> **Make it a seamless service**

A complaint should be progressed in as seamless a way as possible. Those complaints which involve different parts of the council should not require the complainant to make multiple complaints to different areas.

> **Look for a swift resolution**

Try to resolve a complaint at every stage, but don't allow such attempts to delay or disrupt the statutory procedure. If faults on the part of the council are realised at any stage, seek to remedy any injustice caused when they arise. Some complaints do not need to be investigated at great length, even though they have to go through the whole process – make sure that stage two investigators understand that investigations should be proportionate.

> **Early referral to the LGSCO?**

We will continue to consider complaints brought early to us on a case by case basis. We are unlikely to accept early referrals from councils except in the circumstances set out in Annex 3 of the statutory guidance.

# Children's social care complaints

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## Learning from Children's complaints

Section 5 of Getting the Best from Complaints details the reporting requirements for children's social care complaints. Every council must formally monitor its handling of children's social care complaints. This is to ensure councils can demonstrate their compliance with the regulations and how the learning from complaints has led to service improvement and contributed to the council's future planning.

Councils must keep an ongoing record of:

- > All complaints made under the statutory procedure.
- > The outcome of each complaint.
- > Whether the statutory timescales were kept to.

The council should also compile an annual report. The report should include the above, and also:

- > The number of complaints at each stage and any that were considered by the LGSCO.
- > Which customer groups made the complaints.
- > The types of complaints made.
- > Details about advocacy services provided under these arrangements.
- > Learning and service improvement, including changes to services that have been implemented and details of any that have not been implemented. A summary of statistical data about the age, gender, disability, sexual orientation and ethnicity of complainants.

- > A review of the effectiveness of the complaints procedure.

The annual report should be presented to staff, the relevant committee and be made available to anyone who wishes to see it.

The council's reporting and monitoring procedures should allow line managers to have sight of the learning from complaints and for complaints to be a key pillar in the council's performance monitoring.

### **Example:**

The council said there was nothing to be achieved by a stage two investigation and it did not have the child's consent to do so. It is not for the council to decide what can or cannot be achieved at stage two. If a person asks for their complaint to be considered at stage two the council must do so. The council did not need the child's consent to do this.

### **Example:**

Ms A complained about the content of an assessment of her children carried out by a social worker. This was for a court to decide issues of residency and contact.

This complaint is not covered by the Children Act procedure and, because it relates to evidence for court, the Ombudsman cannot investigate either the report or the way the council has considered Ms A's complaint about it.

# Adult Social Care complaints

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Complaints about Adult Social Care services are governed by [The Local Authority Social Services and National Health Service Complaints \(England\) Regulations 2009](#). There is also accompanying guidance: [Listening, responding, improving: a guide to better customer care](#).

These regulations say each council must:

- > Deal with complaints efficiently.
- > Properly investigate each complaint.
- > Offer assistance to complainants to enable them to understand the procedure and obtain advice if needed.
- > Respond to each complaint in a timely and appropriate way.

It is for the council and complainant to agree how the complaint will be handled, the likely duration of the investigation and when the complainant can expect to receive a response.

The regulations say the council should investigate a complaint in a manner it considers will resolve the matter speedily and efficiently, reaching a decision as soon as reasonably practicable.

It is not for the Ombudsman to determine how many stages are involved in the process. The council's framework should be clearly published, and compliant with the regulations. It should be tailored to the complaint and the needs of the individual.

The regulations also lay out how the council should report on adult social care complaints. They say the council should prepare an annual report which must show the number of complaints:

- > Received
- > Upheld
- > Referred to the Parliamentary and Health Service Ombudsman and/ or Local Government and Social Care Ombudsman.

The report should summarise the subject matter of complaints received, the way they were handled and what action has been or will be taken in response to the findings.

The council should ensure the report is available to any person on request.

## Working with others

Many adult care services will be delivered in partnership with health authorities. It is vital that different organisations work together to deliver seamless services, this includes complaint handling. The complexity in which joint services are often delivered means complaining about these services can be confusing and time consuming. We have set up a joint working team, with the Parliamentary and Health Service Ombudsman, to investigate complaints spanning both sectors.

# Adult Social Care complaints

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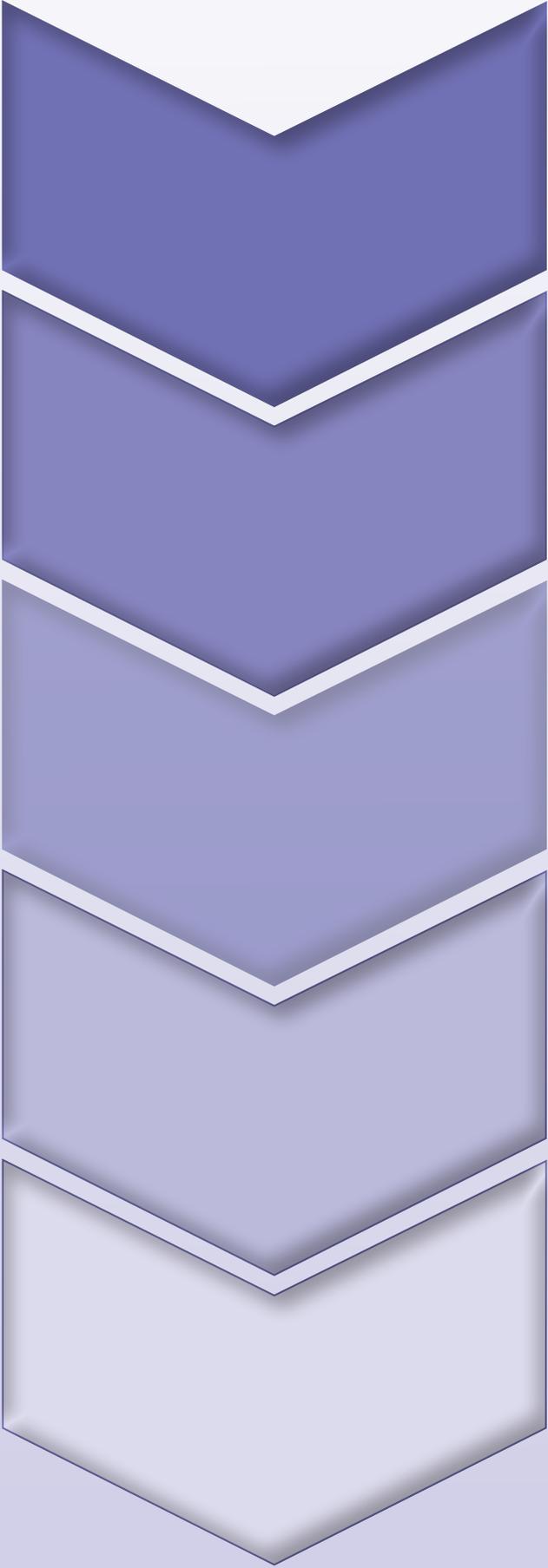
Many organisations have found it useful to agree a protocol for handling joint complaints. This will identify which organisation will take the lead on the complaint and ensure:

- > Each organisation knows their responsibilities.
- > A single agreed point of contact for complainants.
- > Effective communication between complaints managers from different organisations.
- > Capture learning points for each organisation.

No matter what local arrangements you have in place with health partners, the council remains responsible for the social care elements of services and complaints. Care services are often delivered by third parties on behalf of the council. You should ensure you follow the guidance in the next chapter when commissioning and monitoring these services.

## Useful further reading

- > [Creating a learning culture in social care- how we can learn from local authority complaint reports.](#) – Healthwatch, August 2019
- > [Quality Matters](#)
- > [Joint Working Team Focus report](#)
- > [Joint complaint handling protocol](#)



***Monitoring  
and learning  
from  
complaints***

# Third party complaint handling

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## Legal and policy background

Councils frequently provide local public services by arrangement with a third party partner or external commercial provider. The law says the Ombudsman can treat the actions of third parties as if they were actions of the council, where any such third party arrangements exist (Local Government Act 1974, section 25(6) to 25(8)). This means **councils keep responsibility for third party actions**, including complaint handling, no matter what the arrangements are with that party.

## Contract or other agreements

- > The processes for dealing with complaints from members of the public and disputes between the council and the provider, should be clearly differentiated.
- > Councils should include clear arrangements for complaint handling in any contract or agreement under which its partners provide public services.
- > The arrangements should:
  - Clearly agree how the council or its partner will handle complaints regardless of who receives them; who is responsible for telling citizens about the arrangements and when; who will be responsible for responding to them, and what procedure to use.
  - Be consistent with any statutory requirement (e.g. timescales for children's social care complaints).
  - Reflect the nature of the contract. For example, a large care provider may have resources to manage its own complaints procedures, but a smaller, single care home business may not.

- Be clear about when the council expects a partner to channel complaints from members of the public to a complaints procedure and when other channels are more suitable. For example:
  - Most complaints about parking or moving traffic Penalty Charge Notices would be more suitable for the statutory representations and appeal procedure.
  - Complaints about legal action are best dealt with by the court.

## Handling complaints

- > Councils and their partners should agree what the complaints procedures will be.
- > Where councils agree third parties will respond to complaints on their behalf, they should agree appropriate arrangements to oversee, agree and quality check those responses. We will regard a response from the council's partner as that of the council, so you should be confident the partner is speaking with your voice.
- > Complaints about service or funding levels and policy need to be addressed by the council, not a partner.
- > If someone has completed a partner's complaints process, we would not expect them to go back through the council's complaint process. A council is responsible for a partner's actions, including complaint handling. The council will wish to know about complaints, both for monitoring the contract or agreement (see below) and so it can suggest ways to resolve them where appropriate.

# Third party complaint handling

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- > The agreed procedures should be easy for members of the public to understand, simple to use and in no way deter them from complaining.
- > Most complaints procedures have two or three stages. The number of stages should be minimised.
- > The procedure should make clear:
  - Who is responsible for managing each stage.
  - Who is responsible for remedying complaints, and,
  - How to signpost complainants to the next stage (including, ultimately, the Local Government and Social Care Ombudsman) if they remain unhappy.
- > Councils and their partners should ensure all their staff know the arrangements and what their role is in carrying them out.
- > Councils and their partners should ensure they learn from complaints, both about what works well and what needs improving. The arrangements between them should include a way to do this.
- > Partners may be inexperienced in complaint handling. Councils may want to train partners to ensure good quality complaint responses. The Ombudsman can support councils' arrangements with their partners through its [training in complaints handling](#).

## ***Example of third party complaint monitoring from one council***

All contracted providers must:

- > Submit a monthly return with summary information about each complaint, its outcome and the lessons learnt
- > Risk assess all complaints and notify the Council immediately of any medium or high risk complaints
- > Comply with a Quality Standards Assessment in which Adult Social Care Contracts Officers monitor complaints and compliments as a measure of performance

## **Monitoring and Training**

- > How complaints are dealt with can be a useful measure of contractual performance.
- > Councils should decide how they oversee the effectiveness of complaints arrangements and what data collection and reporting they need. The type and frequency of information required will depend on the nature and scale of the contract or agreement. The identity of complainants should not normally be disclosed.
- > Complaint monitoring arrangements should be decided with partners at the outset.

# Reporting on local complaints

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You should report on your own complaint handling performance at least annually and make this information available to the public. In our view this means you should make these reports easily accessible online in the interests of openness and transparency.

Too often, the discussions around complaints centre on the simplistic notion of numbers received. We believe reporting should focus on the learning from complaints, and on implementing the recommendations for improvements that help prevent the same thing going wrong again.

Annual complaint reports should cover:

- > The learning from complaints.
    - Specific actions the council has taken in response to complaint findings (e.g service improvements).
    - Recommendations for further actions to address underlying issues.
  - > Complaints received by service area and how they were received (e.g phone, email, online, face to face).
  - > The number of upheld complaints for each service area, at each stage, and how they compare to previous years.
  - > Your council's performance against your own complaints timescales and statutory timescales for each service area.
  - > The complaints performance of third parties providing services on behalf of the council.
- > Your LGSCO annual letter and your progress against the agreed service improvements.
    - To support complaint reporting we send councils an annual letter, looking at their complaint performance for the year. We also publish council performance on our [Interactive Map](#) so you can see how you and other authorities are performing.

# Reporting on Ombudsman findings

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Section 5/ 5A of the Local Government and Housing Act 1989 places a requirement on every council's Monitoring Officer to prepare a formal report on all Ombudsman complaint decisions. We support a flexible approach to how councils discharge this duty as long as the intent is fulfilled in some meaningful way, and a council's performance in relation to Ombudsman investigations is properly communicated to elected members. As a guide, we suggest:

- > Where we have made findings of fault in regard to routine mistakes and service failures, and you agree to remedy the complaint by implementing our recommendations, the duty is satisfactorily discharged if the Monitoring Officer makes a periodic report to the council summarising the findings on all upheld complaints over a specific period. In a small authority this may be adequately addressed through an annual report on complaints to members, in a large County or Metropolitan authority this might need to be more frequent.
- > The Monitoring Officer should consider whether the implications of an investigation should be individually reported to members where that investigation has wider implications for council policy or exposes a more significant finding of maladministration. Examples could include:
  - The maladministration is, or has been, ongoing and therefore putting the council or authority at risk of further maladministration.
  - The large scale of the fault or injustice.
  - The reputational or financial risk arising.
  - The large number of people affected.
- > In the unlikely event that an authority is minded not to comply with the Ombudsman's recommendations following a finding of maladministration, the Monitoring Officer should report this to members under section 5 of the Local Government and Housing Act 1989. This is an exceptional and unusual course of action for any council or authority to take and should be considered at the highest tier of authority.
- > If our finding of maladministration is issued as a public interest report (under section 30(1)) of the Local Government Act 1974), there is a specific requirement for that finding to be reported to a council's or authority's members, and for a formal response to that finding to be sent to the Ombudsman. The council or authority's response must be sent to the Ombudsman within three months setting out the action that they have taken, or propose to take, in response to the report.

# The role of councillors

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Councillors have an important dual role signposting and pursuing complaints on the behalf of members of the public, and scrutinising the delivery of local services. Many local authorities already use our annual letters, complaints statistics and interactive map to report to scrutiny committees and other oversight functions.

Councillors may wish to consider these key lines of enquiry in their scrutiny role:

## Complaint handling

- > How quickly does your authority respond to complaints?
- > How quickly does your authority look to put things right when there is evidence of fault?
- > How does your authority make sure all partners it commissions services from also have effective complaint handling processes?
- > Does your authority's complaints process clearly signpost to the Ombudsman?

## Complaints upheld:

- > Does your authority uphold particularly high or low numbers of complaints in particular service areas?
- > How does your uphold rate compare to the number of complaints made to your authority?

## Our decisions:

- > Do we refer a high number of complaints back to your authority to consider first? This may show that people are not being properly signposted to the local complaints process.
- > Uphold rates show the proportion of investigations in which we find some fault and can indicate problems with services. Using our [interactive map](#) you can compare your uphold rate with that of similar authorities.

## Putting things right:

- > How often does your authority offer a suitable remedy for a complaint before it comes to us? This is a good sign that your authority is able to accept fault and offer appropriate ways to put things right for people.
- > Use the interactive map to look at the service improvement recommendations your authority agrees to make following our investigations. How are they being implemented, and their impact monitored?
- > What is your authority's compliance rate? This indicates our satisfaction with the evidence your authority has provided to implement a recommendation it has agreed to.

We have published a range of subject specific questions on our [website](#) that councillors could ask their local authorities on different topics when presented with a report.

# The role of councillors

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We have partnered with the Local Government Association on a workbook and online training for councillors on the complaints process. This training and workbook:

- > Take councillors through the complaints process and their role in it.
- > Provide an overview of the ombudsman and what type of complaints they deal with.
- > Direct councillors to sources of information for monitoring complaints.
- > Explain councillors can to use complaints to drive service improvement.
- > Signpost sources of information for complaints that are outside your council's remit.

## **Example:**

A county council's Governance and Ethics Committee decided to scrutinise all Ombudsman complaints where we found fault to ensure the lessons were learned properly.

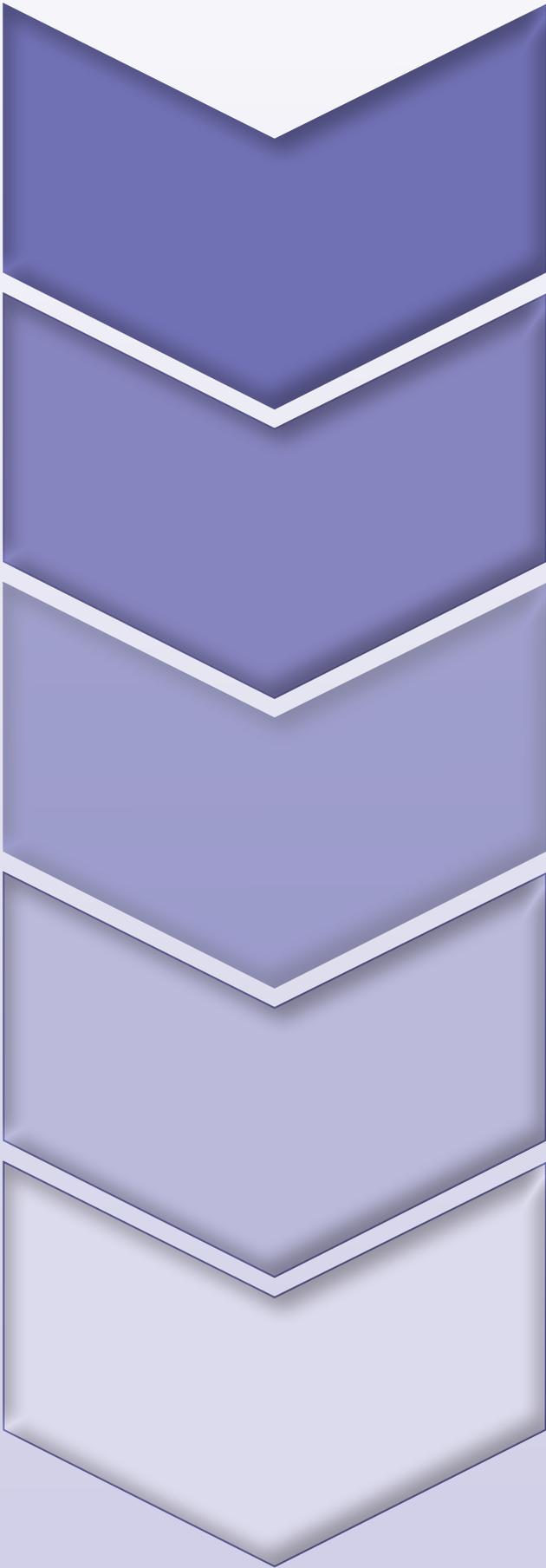
## **Example:**

In response to an Ombudsman public report, councillors subjected the report to intensive scrutiny, recommending officers go beyond the remedies we had recommended.

## **Useful further reading**

- > [Councillor workbook](#)
- > [Online training](#)

# *Appendices*



# Unreasonable and persistent complainants

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In a minority of cases people pursue their complaints in a way that is unreasonable. They may behave unacceptably, or be unreasonably persistent in their contacts and submission of information. This can impede investigating their complaint (or complaints by others) and can consume significant amounts of resource. This can occur either while their complaint is being investigated, or once an organisation has finished the complaint investigation.

Our website contains [guidance on managing unreasonable complainant behaviour](#):

- > Have a policy – a considered, policy-led approach helps staff to understand clearly what is expected of them, what options are available, and who can authorise these actions.
- > You should be satisfied the complaint is being or has been investigated properly and any decision reached is the right one.
- > Ensure the complainant has been communicated with adequately and they are not now providing significant new information.
- > If taking action to apply restricted access, write to the complainant with a copy of your policy, explaining why the decision has been taken, how long any limits will last, and how the decision can be reviewed.
- > Keep adequate records to show when a decision has been taken, and the reasons for the decision.
- > Set a specified review date for any restrictions. You may also agree actions you expect of the complainant which you will use as a basis for the review.

Relations between organisations and complainants sometimes break down badly while complaints are under investigation and there is little prospect of achieving a satisfactory outcome. In these circumstances there may be nothing to gain from following through all stages of the organisation's complaints procedure. In these circumstances, we may, exceptionally, be prepared to consider complaints before complaints procedures have been exhausted.

A complainant who has been treated as behaving unreasonably may make a complaint to us about it. We are unlikely to be critical of the organisation's action if it can show that it acted proportionately and in accordance with its adopted policy.

## Useful further reading

- > [LGSCO policy on unreasonable complainant behaviour](#)
- > [New South Wales Ombudsman manual for handling unreasonably persistent complainants](#)

# How to refer people to the Ombudsman

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Below are the correct contact details for referring people to the Ombudsman, and the wording we expect a council to use when referring to us:

## Text for signposting someone to the Local Government and Social Care Ombudsman

### **Completion of local complaints process**

If you have been through all stages of our complaints procedure and are still unhappy, you can ask the Local Government and Social Care Ombudsman to review your complaint.

The Ombudsman investigates complaints in a fair and independent way - it does not take sides. It is a free service.

The Ombudsman expects you to have given us chance to deal with your complaint, before you contact them. If you have not heard from us within a reasonable time, it may decide to look into your complaint anyway. This is usually up to 12 weeks but can be longer for social care complaints that follow a statutory process.

### **About the Ombudsman**

The Local Government and Social Care Ombudsman looks at individual complaints about councils and some other organisations providing local public services. It also investigates complaints about all adult social care providers (including care homes and home care agencies) for people who self-fund their care.

### **Contact**

Website: [www.lgo.org.uk](http://www.lgo.org.uk)

Telephone: 0300 061 0614

### **Opening hours**

Monday to Friday: 10am to 4pm (except public holidays)

## **Local Government and Social Care Ombudsman**

PO Box 4771  
Coventry  
CV4 0EH

Phone: 0300 061 0614

Web: [www.lgo.org.uk](http://www.lgo.org.uk)

Twitter: [@LGOmbudsman](https://twitter.com/LGOmbudsman)

# The Audit Findings for Tamworth Borough Council

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Year ended 31 March 2020  
29 October 2020



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## Section

1. Headlines
2. Financial statements
3. Value for money
4. Independence and ethics

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## Appendices

- A. Fees
- B. Audit Opinion

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Headlines

This table summarises the key findings and other matters arising from the statutory audit of Tamworth Borough Council ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2020 for those charged with governance.

<p><b>Financial Statements</b></p>	<p>Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the Council's financial statements:</p> <ul style="list-style-type: none"><li>• give a true and fair view of the financial position of the Council and its income and expenditure for the year; and</li><li>• have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.</li></ul> <p>We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p>	<p>Our audit work was completed during September and October. Our findings are summarised on pages 4 to 13. We have not yet identified any adjustments to the financial statements.</p> <p>Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion (included as Appendix B), subject to the outstanding matters detailed on the next page.</p> <p>We have concluded that the other information to be published with the financial statements is consistent with our knowledge of your organisation and the financial statements we have audited.</p> <p>Our anticipated audit report opinion will be unmodified. We propose that our audit report will include an Emphasis of Matter paragraph, highlighting the material uncertainties in asset valuations stated in your accounts due to the Covid-19 pandemic. This will draw attention to this issue and is not a qualification of our audit opinion.</p> <p>The Council made some disclosure changes at audit which included correcting prior year comparatives, clarifying actual external audit fees for 2019/20 and enhancing disclosures in relation to the Covid-19 Pandemic including going concern and estimation uncertainty. This was in addition to some minor amendments for typing, rounding and formatting errors.</p>
<p><b>Covid-19</b></p>	<p>The outbreak of the Covid-19 coronavirus pandemic has had a significant impact on the normal operations of the Council. Authorities are still required to prepare financial statements in accordance with the relevant accounting standards and the Code of Audit Practice, albeit to an extended deadline for the preparation of the financial statements up to 31 August 2020 and the date for audited financial statements to 30 November 2020. The Council has faced many front-line challenges such as administration of grants to businesses, closure of schools and leisure centres alongside the additional challenges of reopening services under new government guidelines. Finance staff have had to work at home.</p>	<p>We have considered emerging guidance issued by the Financial Reporting Council and actively contributed to audit firm and NAO technical meetings where the impact of the virus on the financial reporting disclosures and audit approach has been discussed.</p> <p>Restrictions resulted in both the Council and audit team introducing new remote access working arrangements including remote accessing financial systems, video calling as well as making greater use of 'Inflo', our document management sharing system.</p> <p>We updated our audit risk assessment to consider the impact of the pandemic on our audit and issued an audit plan addendum on 9 April 2020. In that addendum we reported an additional financial statement risk in respect of Covid -19 .</p>

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# Headlines

This table summarises the key findings and other matters arising from the statutory audit of Tamworth Borough Council ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2020 for those charged with governance.

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## Value for Money arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report if, in our opinion, the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion').

We have completed our risk based review of the Council's value for money arrangements. We have concluded that Tamworth Borough Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We therefore anticipate issuing an unqualified value for money conclusion, as detailed in Appendix B. Our findings are summarised on pages 14 to 16.

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## Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- To certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We have completed the majority of work required under the Code, and expect to be able to certify the completion of the audit when we give our audit opinion.

## Acknowledgements

We would like to take this opportunity to record our appreciation for the excellent assistance provided by the finance team and other staff during our audit.

# Summary

## Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

## Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality calculations were revised from that reported in our audit plan to reflect higher outturn expenditure in 2019/20.

	Amount (£)
Materiality for the financial statements	1,200,000
Performance materiality	900,000
Trivial matters	60,000
Materiality for disclosures relating to:	100,000
<ul style="list-style-type: none"> <li>• Senior Officer Remuneration; and</li> <li>• Exit Packages.</li> </ul>	

## Audit approach

Our audit approach was based on a thorough understanding of the Council's business and is risk based, and in particular included:

- An evaluation of the Council's internal controls environment, including its IT systems and controls; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

We have not had to alter or change our audit plan, as communicated to you in February 2020.

## Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the Audit and Governance Committee meeting on 29 October 2020, as detailed in Appendix B. These outstanding items include:

- completion of final aspects of our work to challenge the work of the Council's actuary and receipt and consideration of the IAS19 report from Staffordshire Pension Fund's external auditor
- completion of our work to challenge the revaluations performed on the Council's land and buildings, and finalisation of sample testing of the Council's assumptions used for the valuation of assets;
- receipt of final two direct confirmations for investments held. Confirmations received by the Council have already been reviewed.
- quality reviews by the audit manager and engagement lead;
- receipt of the signed management representation letter; and
- review of the final, approved, set of financial statements.

# Significant findings – audit risks

## Risks identified in our Audit Plan

## Commentary

1

### The revenue cycle includes fraudulent transactions

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.

This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.

Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- there is little incentive to manipulate revenue recognition;
- opportunities to manipulate revenue recognition are very limited; and
- the culture and ethical frameworks of local authorities, including the Authority, mean that all forms of fraud are seen as unacceptable.

Therefore we do not consider this to be a significant risk for Tamworth Borough Council.

Our audit work has not identified any issues in respect of revenue recognition.

2

### Management override of controls

Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.

We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.

We have:

- evaluated the design effectiveness of management controls over journals;
- analysed the journals listing and determine the criteria for selecting high risk unusual journals;
- tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration;
- gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and
- evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Our audit work has not identified any issues in respect of management override of controls. However our testing did identify some control issues on journals that could lead to an increased risk of fraud although no fraud was identified from our testing. This related to the fact that the most senior finance staff can post journals.

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# Significant findings – audit risks

## Risks identified in our Audit Plan

## Commentary

3

### Valuation of land and buildings

The Authority revalue PPE land and buildings on a rolling five-yearly basis, and investment properties every year.

This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.

Additionally, management will need to ensure the carrying value in the Authority financial statements is not materially different from the current value or the fair value (for surplus and investment assets) at the financial statements date, where not all assets are valued in the financial year.

We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk.

We have:

- evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;
- evaluated the competence, capabilities and objectivity of the valuation expert;
- communicated with the valuer to confirm the basis on which the valuation was carried out;
- challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding;
- tested revaluations made during the year to see if they had been input correctly into the Authority's asset register; and
- evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end.

Our audit work in this area is ongoing. We are waiting an explanation for challenge on some increases in investment property. We are also awaiting evidence to back up the assumptions made for a sample of valuations.

We propose that our audit report will include an Emphasis of Matter paragraph, highlighting the material uncertainties in asset valuations stated in your accounts due to the Covid-19 pandemic. This will draw attention to this issue and is not a qualification of our audit opinion

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# Significant findings – audit risks

## Risks identified in our Audit Plan

## Commentary

4

### Valuation of pension fund net liability

The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.

The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£41.2 million in the Authority's balance sheet) and the sensitivity of the estimate to changes in key assumptions.

We therefore identified valuation of the Authority's pension fund net liability as a significant risk.

We have:

- updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls;
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;
- assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation;
- assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability;
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; and
- undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.
- obtained assurances from the auditor of Staffordshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

The Council instructed its actuary to reconsider the net pensions liability based on actual asset valuation as at 31 March 2020 and also taking into account the recent McCloud restitution proposals. This demonstrated that collectively they did not have a material impact.

Our audit work in this area is ongoing, but has not identified any other issues in respect of valuation of the Council's net pension liability at the time of writing our report.

# Significant audit risks

## Risks identified in our Audit Plan

4

### Covid-19 pandemic

The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to: Remote working arrangements and redeployment of staff to critical front line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation

Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates

Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties.

We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement

## Auditor commentary

We carried out the following work

- Worked with management to understand the implications the response to the Covid-19 pandemic has on the organisation's ability to prepare the financial statements and update financial forecasts and assess the implications on our audit approach
- Liaised with other audit suppliers, regulators and government departments to co-ordinate practical cross sector responses to issues as and when they arise
- Evaluated the adequacy of the disclosures in the financial statements in light of the Covid-19 pandemic.
- Evaluated whether sufficient audit evidence using alternative approaches can be obtained for the purposes of our audit whilst working remotely
- Evaluated whether sufficient audit evidence can be obtained to corroborate significant management estimates such as asset valuations and recovery of receivable balances
- Evaluated management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment
- Discussed with management any potential implications for our audit report if we have been unable to obtain sufficient audit evidence

### Conclusion

The audit has been more challenging for both us and the finance team due to this remote working. There are material uncertainties in the valuation of land and buildings as a result of the pandemic which are referred to on page 9 and an increased risk of material estimation uncertainty in the net pension liability. There is also a negative impact as elsewhere on the Council's financial sustainability as discussed further in the value for money section of this report

# Significant findings – key judgements and estimates

	Summary of management’s policy	Audit Comments	Assessment																								
<b>Net pension liability</b>  Final: £41.2m	The Council’s net pension liability at 31 March 2020 is £41.2m (PY £50.9m) comprising obligations under the Staffordshire Pension Fund Local Government pension scheme.	<ul style="list-style-type: none"> <li>We have no concerns over the competence, capabilities and objectivity of the actuary used by the Council.</li> <li>We have used the work of PwC, as auditors expert, to assess the actuary and assumptions made by the actuary. See below for consideration of key assumptions in the Pension Fund valuation:</li> </ul>																									
	The Council uses Hymans Robertson to provide actuarial valuations of the Council’s assets and liabilities derived from the schemes.  A full actuarial valuation is required every three years. The latest full actuarial valuation was completed in 2019. A roll forward approach is used in intervening periods, which utilises key assumptions such as life expectancy, discount rates, salary growth and investment returns.  Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.																										
		<table border="1"> <thead> <tr> <th>Assumption</th> <th>Actuary’s Value</th> <th>PwC’s expected range</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>2.3%</td> <td>2.3%</td> <td></td> </tr> <tr> <td>Pension increase rate</td> <td>1.9%</td> <td>1.8% - 2%</td> <td></td> </tr> <tr> <td>Salary growth</td> <td>2.3%</td> <td>1.9% to 2.8%</td> <td></td> </tr> <tr> <td>Life expectancy – Males currently aged 45 / 65</td> <td>21.2 22.1</td> <td>20.5-22.2 21.6-23.3</td> <td></td> </tr> <tr> <td>Life expectancy – Females currently aged 45 / 65</td> <td>23.6 25</td> <td>22.9-24.3 24.6-26.3</td> <td></td> </tr> </tbody> </table>	Assumption	Actuary’s Value	PwC’s expected range	Assessment	Discount rate	2.3%	2.3%		Pension increase rate	1.9%	1.8% - 2%		Salary growth	2.3%	1.9% to 2.8%		Life expectancy – Males currently aged 45 / 65	21.2 22.1	20.5-22.2 21.6-23.3		Life expectancy – Females currently aged 45 / 65	23.6 25	22.9-24.3 24.6-26.3		
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		<ul style="list-style-type: none"> <li>No issues were noted with the completeness and accuracy of the underlying information used to determine the estimate.</li> <li>There have been no changes to the valuation method since the previous year, other than the updating of key assumptions above.</li> <li>We have confirmed that the Council’s share of the pension scheme assets is in line with expectations.</li> <li>Disclosure of the estimate in the financial statements is considered adequate.</li> </ul>																									

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**Assessment**

-  We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
-  We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic
-  We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider cautious
-  We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

# Significant findings – key judgements and estimates

Accounting area	Summary of management's policy	Audit Comments	Assessment
<b>Provision for NNDR appeals</b> £2.032m	<p>The Council are responsible for repaying a proportion of successful rateable value appeals. Management use historic data relating to appeal success rates and the latest information about outstanding rates appeals provided by the Valuation Office Agency (VOA) to calculate the level of provision required.</p>	<ul style="list-style-type: none"> <li>We have not yet noted any issues with the completeness and accuracy of the underlying information used to determine the estimate.</li> <li>We have considered the approach taken by the Council to determine the provision, and it is in line with that used by other bodies in the sector.</li> <li>Disclosure of the estimate in the financial statements is considered adequate.</li> <li>There have been no changes to the calculation method this year.</li> </ul>	
<b>Valuation of Land and Buildings</b> £222.9m	<p>The Council has engaged the Valuers to complete the valuation of its properties. The Council owns a number of dwellings and is required to revalue these properties in accordance with DCLG's Stock Valuation for Resource Accounting guidance. The guidance requires the use of beacon methodology, in which a detailed valuation of representative property types is then applied to similar properties.</p> <p>The total year end valuation of land and buildings (including dwellings) was £222.9m, a net increase of £22.7m from 2018/19 (£200.2m).</p>	<ul style="list-style-type: none"> <li>We have not noted any issues with the completeness and accuracy of the underlying information used to determine the estimate but this work is still ongoing.</li> <li>We have no concerns over the competence, capabilities and objectivity of the valuation expert used by the Council.</li> <li>There have been no changes to the valuation method this year.</li> <li>We have considered the movements in the valuations of individual assets and their consistency with indices provided by Gerald Eve as our auditor's expert. This work has not raised any issues with the 2019/20 valuations.</li> <li>Your accounts highlight the material uncertainties in asset valuations stated in your accounts due to the Covid-19 pandemic.</li> <li>Disclosure of the estimate in the financial statements is considered adequate.</li> </ul>	<b>TBC</b>

## Assessment

-  We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
-  We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
-  We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
-  We consider management's process is appropriate and key assumptions are neither optimistic or cautious

# Significant findings – key judgements and estimates

Accounting area	Summary of management's policy	Audit Comments	Assessment
<b>Valuation of Investment Properties</b> £23.5m	<p>The Council has a number of assets that it has determined to be investment properties. Investment properties must be included in the balance sheet at fair value (the price that would be received in an orderly transaction between market participants at the measurement date) so these assets are valued every year at 31 March.</p> <p>The year end valuation of the Council's investment property was £23.5m, a net increase of £1m from 2018/19 (£22.5m).</p>	<ul style="list-style-type: none"> <li>We have not yet noted any issues with the completeness and accuracy of the underlying information used to determine the estimate but this work is ongoing.</li> <li>We have no concerns over the competence, capabilities and objectivity of the valuation expert used by the Council.</li> <li>There have been no changes to the valuation method this year.</li> <li>We have considered the movements in the valuations of individual assets and their consistency with indices provided by Gerald Eve as our auditor's expert. We are waiting an explanation from your valuer for variations..</li> <li>Disclosure of the estimate in the financial statements is considered adequate.</li> </ul>	TBC
<b>Other accruals and estimates</b>	<p>The Council continues to apply estimates and judgements in a number of areas, such as accruals of income and expenditure.</p>	<ul style="list-style-type: none"> <li>The policies for these items are in line with accounting standards and the requirements of the Code of Practice on Local Authority Accounting.</li> <li>Disclosure of the estimates in the financial statements is considered adequate.</li> <li>As part of our testing, we have reviewed the judgements applied by the Council relating to these items, and significant balances within these have been discussed with management in detail.</li> <li>We have found no material misstatements in the financial statements relating to these balances.</li> <li>As part of our review of the provision for bad debt for council tax and NNDR, we reviewed collection rates for the period up to 30 September 2020. Council tax collection rates for the first six months of the 2020/21 year were 56.57% against a target of 58.6% and business rates collection rates were 54.28% against a target of 57.5%.</li> </ul>	

## Assessment

- We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- We consider management's process is appropriate and key assumptions are neither optimistic or cautious

# Going concern

## Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

It has been a challenging year due to the Covid-19 pandemic which has seen the administration of grants to businesses, closure of car parks with additional challenges of reopening services under new government guidelines and the need to free up capacity of teams in addition to normal responsibilities. The Council is facing new and increased challenges to its financial sustainability. Given the sensitive nature of these disclosures, we have identified this as an area of focus in our audit.

## Going concern commentary

### Management's assessment process

The Council approved a budget for the financial year 2020/21, and updated the Medium Term Financial Strategy (MTFS), which sets out spending and resources for three years ahead. The s151 Officer has reported (under Section 25 of the Local Government Act 2003) that the budget proposals are based on robust estimates, and that the level of reserves is adequate for 2020/21. He has recently re-assessed the medium term financial position in light of the Pandemic and other factors which demonstrated additional pressures in 2020/21 and beyond. The Council do not consider that there will be any liquidity issues in this assessment period.

### Auditor commentary

ISA (UK) 570 requires the auditor to evaluate management's assessment of the entity's ability to continue as a going concern for at least 12 months from the date of the accounts. We have gained assurance that management's use of the going concern basis of accounting is reasonable and appropriate. Management's forward planning process is thorough and transparent. This determination is made by personnel who are sufficiently senior and experienced.

The Council's arrangements to set a budget, taking into account its key funding sources and expenditure requirements are appropriate. Management's assessment is comprehensive and does not include assumptions on additional government funding where funding is expected not yet known. It takes into account the impact of Covid-19 which has significantly affected the financial outlook. The Council consider themselves a going concern as they will continue to provide services according to the public sector presumption and they do not consider there to be any material uncertainties.

### Work performed

We reviewed the 2020/21 budget and updated MTFS as part of our Value for Money Conclusion risk assessment. We also considered management's recent updated view on the financial position due to the Covid-19 pandemic. We also considered the most recent management assessment and reviewed the underlying cash flow forecasts.

The Council's financial forecasts show that it has sufficient assets available to meet its liabilities for the foreseeable future. We have considered these forecasts, and the Council's past performance against its budgets, and have no concerns over the Council's financial plans.

We did not identify any material uncertainties relating to going concern up to the end of November 2021.

Our review of the assertions made and did not identify any further risk issues. We are not aware of any events or conditions that we are aware of that cast significant doubt on the Council's ability to continue as a going concern for 12 months from our proposed opinion date.

### Concluding comments

There is no impact on our audit opinion from our management's going concern assessment.

We are satisfied that there are no events or conditions identified in the course of the audit that cast significant doubt on the Council's ability to continue as a going concern and intend to issue an unqualified opinion in this regard.

We have noted as part of our review of the MTFS that the forecast position to the end of 2021/22 includes additional pressures and risks. The outlook is challenging and requires the Council to deliver further savings and increase its income.

# Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
① <b>Matters in relation to fraud</b>	We have previously discussed the risk of fraud with the Audit and Governance Committee. We have not been made aware of any incidents in the period and no issues have been identified during the course of our audit procedures.
② <b>Matters in relation to related parties</b>	We are not aware of any related parties or related party transactions which have not been disclosed.
③ <b>Matters in relation to laws and regulations</b>	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
④ <b>Written representations</b>	A standard letter of representation has been requested from the Council, which is included in the Committee papers.
⑤ <b>Confirmation requests from third parties</b>	We requested from management permission to send confirmation requests to the Council's counterparties. This permission was granted and the requests were sent. Where responses were not received, we undertook alternative procedures to confirm balances with no issues noted.
⑥ <b>Disclosures</b>	Our review found no material omissions in the financial statements.
⑦ <b>Audit evidence and explanations/significant difficulties</b>	All information and explanations requested from management was provided.

# Other responsibilities under the Code

Issue	Commentary
① <b>Other information</b>	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement, and the Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect (per Appendix C).</p>
② <b>Matters on which we report by exception</b>	<p>We are required to report on a number of matters by exception in a numbers of areas:</p> <ul style="list-style-type: none"> <li>• If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the other information of which we are aware from our audit</li> <li>• If we have applied any of our statutory powers or duties</li> </ul> <p>We have nothing to report on these matters.</p>
③ <b>Specified procedures for Whole of Government Accounts</b>	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>This work is not required as the Council does not exceed the threshold.</p>
④ <b>Certification of the closure of the audit</b>	<p>We intend to certify the closure of the 2019/20 audit of Tamworth Borough Council in the audit opinion, as detailed in Appendix C.</p>

# Value for Money

## Background to our VFM approach

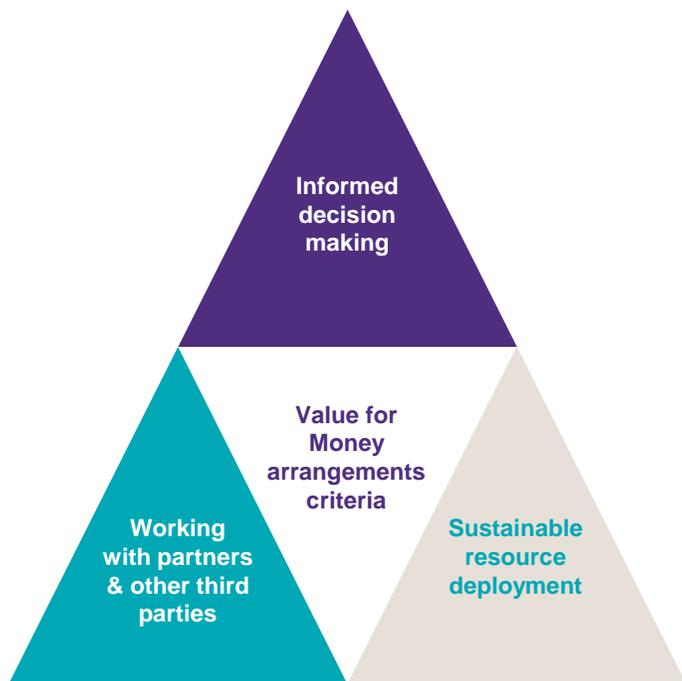
We are required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Council. In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2017. AGN 03 identifies one single criterion for auditors to evaluate:

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

This is supported by three sub-criteria, as set out below:

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## Risk assessment

We carried out an initial risk assessment in February 2020 and did not identify any significant risks in respect of specific areas of proper arrangements using the guidance contained in AGN03. We communicated this to you in our Audit Plan in February 2019.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

We only carry out further work in respect of the significant risks we identified from our initial and ongoing risk assessment. Where our consideration of the significant risks determined that arrangements were not operating effectively, we have used the examples of proper arrangements from AGN 03 to explain the gaps in proper arrangements that we have reported in our VFM conclusion.

# Value for Money

## Our work

AGN 03 requires us to disclose our views on significant qualitative aspects of the Council's arrangements for delivering economy, efficiency and effectiveness.

We completed our planning in this area in February and did not identify any significant risks in the audit plan we issued. We have updated our risk based planning and did not identify any new risks.

## Findings

As part of our continuous planning we considered the Council's, outturn financial position for 2019/20, progress in setting its budget for the 2020/21 year, and also the updated medium term financial strategy (MTFS) in light of the Covid-19 Pandemic. We considered the appropriateness of the process followed, including any actions taken to mitigate the Council's risk. The Council's reporting on its forward planning and budget setting was considered to be transparent, clearly setting out key assumptions and risks such as the uncertainties around future government funding.

The Council finished the 2019/20 financial year with an underspend (£418k) against budget. This continues the Council's performance of strong budget management.

The medium to long term financial position remains challenging. The original MTFS included the planned use of General Fund reserves, which would reduce the available balance to £0.5m by the end of 2022/23. Due to reductions in income and additional cost pressures, without further action or additional income, the Council has forecast that it will have exhausted its general Fund balance by the end of 2022/23. This is not an acceptable position as the Council needs to retain sufficient balances to respond to any future emergencies.

The Council is aware of this and has already taken action in the short term to mitigate the impact. These actions include a suspension of non-essential spending and a vacancy freeze. It is also taking proposals for further savings to Cabinet in October. Further savings of £1.6m are likely to be needed over 5 years.

The Council acknowledge that this is not sustainable in the long-term. Work is ongoing in a number of areas to address the financial position in future years, including future options for the Council's commercial investment strategy. It is important that progress on this work is carefully monitored by members.

## Overall conclusion

Based on the work, we are satisfied that the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The text of our report, which confirms this can be found at Appendix B.

## Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

## Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

# Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix B

## Audit and Non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The following non-audit services were identified, as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

	Fees £	Threats identified	Safeguards
<b>Audit related</b>			
Certification of Housing Benefits claim	12,000	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £12,000 in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level
<b>Non-audit related</b>			
No non-audit related services identified.			

These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. All services have been approved by the Audit and Governance Committee. None of the services provided are subject to contingent fees.

# Fees

We set out below our fees for the audit and provision of non-audit services.

## Audit Fees

	Proposed fee £	Final fee £
<b>Council Audit</b>	45,875	TBC

Over the past six months the pandemic has had a significant impact on all of our lives, both at work and at home and the recent announcements show that this is now likely to continue for some time to come. Our focus as a firm has been to protect our people while continuing to progress our audits so that we are able to deliver as many as possible to the 30 November timetable.

The impact of COVID 19 on the audit of your financial statements includes:

- Revisiting planning - we have needed to revisit our planning and refresh risk assessments, materiality and testing levels. This has driven additional areas of audit work (see below).
- Management's assumptions and estimates - there is increased uncertainty over many estimates including property, pension and other investment valuations. Many of these valuations are impacted by the reduction in economic activity and we are required to understand and challenge the assumptions applied by management. There are similar challenges for management and ourselves on areas such as credit loss allowances, financial guarantees, and other provisions.
- Financial resilience assessment – we are required to consider the financial resilience of audited bodies. COVID 19 has impacted on the financial resilience of all local government bodies, including Tamworth. This has increased the amount of work that we have undertake on going concern and value for money (financial sustainability). In your report we make reference to the long term financial resilience of the Council. We have not had to include an emphasis of matter or use our statutory powers
- Remote working – the most significant impact in terms of delivery is the move to remote working (both our teams and yours). The Council has worked effectively with us. Despite our efforts and the Council's we have needed to put additional resources into the audit. Where possible we have mitigated this with reduced travel and expense costs

We have been discussing this issue with PSAA over the last few months and note these issues are similar to those experienced in the commercial sector and NHS. In both sectors there has been a recognition that audits will take longer with commercial audit deadlines being extended by 4 months and NHS deadline by a month. The FRC has also issued guidance to companies and auditors setting out its expectation that audit standards remain high and of additional work needed across all audits. The link attached <https://www.frc.org.uk/covid-19-guidance-and-advice> (see guidance for auditors) sets out the expectations of the FRC.

The impact of the matters outlined above have increased the cost of the audit .We will discuss the revised final fee with you shortly.

	Fees £
<b>Fees for other services</b>	
Certification of Housing Benefits claim	12,000

# Audit opinion

**We anticipate we will provide the Council with an unmodified audit report**

## Independent auditor's report to the members of Tamworth Borough Council

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Tamworth Borough Council (the 'Authority') for the year ended 31 March 2020 which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Collection Fund Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2020 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Director of Finance and Legal and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Authority's future operational arrangements.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Authority's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an authority associated with these particular events.

# Audit opinion

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Executive Director Finance's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Executive Director Finance has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the Executive Director Finance's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20 that the Authority's financial statements shall be prepared on a going concern basis, we considered the risks associated with the Authority's operating activities, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the Authority's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Authority will continue in operation.

## Emphasis of Matter – effects of Covid-19 on the valuation of land and buildings and pensions liability

We draw attention to Note 4 of the financial statements, which describes the effects of the Covid-19 pandemic on the valuation of the Authority's land and buildings and investment properties and the Authority's share of the pension fund's property investments as at 31 March 2020. As disclosed in note 4 to the financial statements, the outbreak of Covid-19 has impacted global financial markets and as at the valuation date, less weight can be attached to previous market evidence to inform opinions of value. A material valuation uncertainty was therefore disclosed in both the Authority's property valuer's report and the pension fund's property valuation reports. Our opinion is not modified in respect of this matter.

## Other information

The Executive Director Finance is responsible for the other information. The other information comprises the information included in the Statement of Accounts, the Narrative Report, the Annual Governance Statement other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the Authority obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# Audit opinion

## Opinion on other matter required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Statement of Accounts, the Narrative Report, the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

## Responsibilities of the Authority, the Executive Director Finance and Legal and Those Charged with Governance for the financial statements

As explained more fully in the Statement of Responsibilities set out on page 24, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Executive Director Finance. The Executive Director Finance's responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20, for being satisfied that they give a true and fair view, and for such internal control as the Executive Director Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director Finance is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Audit and Governance is Those Charged with Governance. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# Audit opinion

## Report on other legal and regulatory requirements - Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

### Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, we are satisfied that the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

### Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

## Report on other legal and regulatory requirements - Certificate

We certify that we have completed the audit of the financial statements of the Tamworth Borough Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice

### Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Stocks, Key Audit Partner  
for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

November 2020



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**Stefan Garner**  
**Executive Director Finance**



My Refer : FAWP148  
Your Ref : TT

Grant Thornton UK LLP  
The Colmore Building  
Colmore Plaza  
Birmingham  
B4 6AT

**29<sup>th</sup> October 2020**

Dear Sirs

**Tamworth Borough Council**

**Financial Statements for the year ended 31<sup>st</sup> March 2020**

This representation letter is provided in connection with the audit of the financial statements of Tamworth Borough Council for the year ended 31<sup>st</sup> March 2020 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**Financial Statements**

- i. We have fulfilled our responsibilities for the preparation of the Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements.
- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the financial statements:
  - a. there are no unrecorded liabilities, actual or contingent
  - b. none of the assets of the Council has been assigned, pledged or mortgaged
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiii. The prior period adjustments disclosed in the financial statements are accurate and complete. There are no other prior period errors to bring to your attention.
- xiv. We have updated our going concern assessment and cashflow forecasts in light of the Covid-19 pandemic. We continue to believe that the Council's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that current and future sources of funding or support will be more than adequate for the Council's needs. We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements

## Information Provided

- xv. We have provided you with:
  - a. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. access to persons within the Council via remote arrangements, in compliance with the nationally specified social distancing requirements established by the government in response to the Covid-19 pandemic. from whom you determined it necessary to obtain audit evidence.
- xvi. We have communicated to you all deficiencies in internal control of which management is aware.
- xvii. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xviii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xix. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council, and involves:
  - a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the financial statements.
- xx. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxi. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxii. We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.
- xxiii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

## Annual Governance Statement

- xxiv. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

## Narrative Report

- xxv. The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the financial statements.

**Approval**

The approval of this letter of representation was minuted by the Council's Audit and Governance Committee at its meeting on 29<sup>th</sup> October 2020.

Yours faithfully

**Stefan Garner**

Executive Director Finance & Section 151 Officer

29<sup>th</sup> October 2020

**Councillor Martin Summers**

Chair of the Audit & Governance Committee

29<sup>th</sup> October 2020

**Signed on behalf of the Council**

## AUDIT & GOVERNANCE COMMITTEE

29<sup>th</sup> October 2020

### REPORT OF THE EXECUTIVE DIRECTOR FINANCE

#### ANNUAL STATEMENT OF ACCOUNTS & REPORT 2019/20

#### EXEMPT INFORMATION

None

#### PURPOSE

To approve the Statement of Accounts (the Statement) for the financial year ended 31<sup>st</sup> March 2020 following completion of the external audit.

#### RECOMMENDATION

**That Members:**

- 1. approve the Annual Statement of Accounts 2019/20;**
- 2. delegate authority to the Chair of the Audit and Governance Committee to approve any changes and re-sign the accounts, if necessary, once we have received assurance from Staffordshire County Council's external auditors in relation to the Staffordshire Pension Fund.**

#### EXECUTIVE SUMMARY

Legislation detailed in Accounts and Audit (England) Regulations 2015, requires the Council to prepare a Draft Statement of Accounts by 31<sup>st</sup> May (approved by the Council's Chief Finance Officer - the Executive Director Finance), a Committee of the Council to approve the Statement by 31<sup>st</sup> July and for the Council to publish the Statement together with the Auditors' opinion by 31<sup>st</sup> July.

However, because of the potential impact of the covid-19 virus on local authorities' ability to have prepared their draft statement of accounts by the end of May, the requirement has been amended, for 2020 only, with the deadline to publish its unaudited accounts moved from 31<sup>st</sup> May 2020 to 31<sup>st</sup> August 2020 and the deadline for publishing audited statements being pushed back from 31<sup>st</sup> July 2020 to 30<sup>th</sup> November 2020.

To meet the original deadlines, the Finance team planned to bring forward the completion date for the Statutory Accounts – with a target completion date of 22<sup>nd</sup> May 2020. However, this was subsequently revised to the end of June 2020 due to:

- The additional workload in responding to the pandemic including delivering additional business rate relief and grants to over 1,000 business in the Borough;

- The potential impact of the uncertainty, caused by the pandemic, on the pension fund accounts – resulting in a delay in receiving the results for the year until June 2020;
- the impact on the External Audit team resources; together with
- the revised deadline for completion of the draft accounts of 31<sup>st</sup> August (from 31<sup>st</sup> May).

The final draft accounts as signed by the Executive Director Finance, were issued to the External Auditor, the Members of this Committee and published on the Council's website on 14<sup>th</sup> July 2020 following a period of quality assurance and due diligence checks.

As part of the annual audit process for 2019/20, the Council's external auditors, Grant Thornton, have prepared their Audit Findings Report (to be considered separately on this agenda) for consideration prior to issue of their opinion, conclusion & certificate.

It has previously been reported to Members that as a result of the need to close the accounts earlier (and sometimes rely on estimates in doing so) it is more likely that there will be changes required to the draft accounts before they are finalised.

Following identification as part of the audit, a number of amendments to the Draft (as published on the website and circulated to the Audit & Governance Committee on 14<sup>th</sup> July 2020) have been discussed & agreed with Grant Thornton.

The agreed changes have been actioned within the Final Statement of Accounts for 2019/20 as attached at **Appendix 1**. It is important to note that these adjustments relate to presentational or disclosure issues and have not changed the figures within the main financial statements and the associated notes and do not have any impact on the reported outturn position and net balances of the General Fund, Housing Revenue Account or Collection Fund.

Regulations require the Chair of the Audit & Governance Committee meeting to sign and date the Statement of Accounts with the intention that the Chair's signature formally represents the completion of the Council's approval process of the accounts.

However, whilst the External Auditors have concluded the vast majority of their work on the accounts, we have been advised that assurance from Staffordshire County Council's external auditors in relation to the Staffordshire Pension Fund is not yet available. For this reason it is proposed to delegate authority to the Chair to approve any changes and re-sign the accounts, if necessary, once this assurance is provided and the audit can be concluded. Members of Audit and Governance Committee will be advised of any significant changes at the earliest available opportunity.

## **RESOURCE IMPLICATIONS**

For 2019/20, a revenue budget underspend for the General Fund of £0.418m is reported with an increase in General Fund closing balances of £0.769m compared to the budgeted/planned transfer of £0.35m (the planned transfer from balances at the start of the year in the original budget was £1.408m).

It should be noted that the Medium Term Financial Strategy, approved in February 2020, identified estimated budgeted General Fund balances of £6.644m (at 1<sup>st</sup> April 2020) compared to the actual closing balances of £6.882m - additional balances of £0.238m. There has been no material change from the Provisional Outturn forecast closing balances of £6.890m.

The main variances for the year include:

- Additional development control income of £74k;
- Timing of quarterly rent receipts from Ankerside treated as income in advance £260k;
- Reduced Benefits grant income of £482k offset by lower payments of £318k; and
- Joint Waste arrangement underspends of £137k.

The Housing Revenue Account reports an underspend of £1.882m with an increase in Housing Revenue Account closing balances of £1.767m. For the HRA balances of £4.764m were forecast at 1<sup>st</sup> April 2020 compared to the actual closing balances of £6.252m - additional balances of £1.488m. There has been no material change from the Provisional Outturn forecast closing balances of £6.215m.

The main variances for the year include higher rent income levels (£295k) due to a robust collection performance by the income team (which also means the provision for bad debts arising from welfare benefit reform is forecast to be underspent by £93k - while awaiting the full impact of Universal Credit to be rolled out), Service Charges income for Capital Works High Rise Flats of £295k, together with an underspend on repairs of £813k.

The outturn for the 2019/20 capital programme identifies an underspend of £20.797m against the approved budget of £50.193m. The actual spend was £29.395m (no material change since the Provisional Outturn of £29.4m), including £4.2m funded by Homes England grant - £25.195m net.

It has been approved that £21.08m of scheme spend be re-profiled into 2020/21. This will result in an overall overspend of £0.283m for the 2019/20 capital programme.

## **LEGAL / RISK IMPLICATIONS**

Legislation detailed in Accounts and Audit (England) Regulations 2015, requires the draft statement of accounts to be prepared by 31<sup>st</sup> May 2020 and for a Committee of the Council to approve the audited Statement and for the Council to publish the Statement together with the Auditors' opinion by 31<sup>st</sup> July 2020.

However, because of the potential impact of the covid-19 virus on local authorities' ability to have prepared their draft statement of accounts by the end of May, the requirement has been amended, for 2020 only, with the deadline to publish its unaudited accounts moved from 31<sup>st</sup> May 2020 to 31<sup>st</sup> August 2020 and the deadline for publishing audited statements being pushed back from 31<sup>st</sup> July 2020 to 30<sup>th</sup> November 2020.

## **REPORT AUTHOR**

Stefan Garner, Executive Director Finance

## **LIST OF BACKGROUND PAPERS**

Capital Outturn Report 2019/20 - Cabinet, 9<sup>th</sup> July 2020, Corporate Scrutiny Committee, 15<sup>th</sup> July 2020

Quarter Four 2019/20 Performance Report (including Provisional Outturn Report 2019/20) – Corporate Scrutiny Committee, 17<sup>th</sup> June 2020 and Cabinet, 9<sup>th</sup> July 2020

Tamworth Borough Council

# Statement of Accounts 2019/20



**Tamworth**  
Borough Council

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# **STATEMENT OF ACCOUNTS**

## **2019/20**

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## THE NARRATIVE REPORT

The aim of this Narrative Report is to provide a context to the accounts by presenting a clear and simple summary of the Authority's financial position and performance for the year and its prospects for future years.

The statement of accounts presents the financial position and performance of the Authority for the year ended 31<sup>st</sup> March 2020. This narrative report describes the nature and purpose of each of the statements which follow and highlights the most significant matters which are contained within the accounts and the major influences affecting the Authority's income, expenditure and cash flows.

## THE FINANCIAL STATEMENTS

The Annual Statement of Accounts for the year ended 31<sup>st</sup> March 2020 has been prepared in accordance with the guidelines contained within the latest Code of Practice on Local Authority Accounting in the United Kingdom for 2019/20.

The Code is based on International Financial Reporting Standards (IFRS), and has been developed by the CIPFA/Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code Board overseen by the Financial Reporting Advisory Board.

The Authority's accounts for 2019/20 are set out on pages 24 to 134 and consist of the following:

### Core Financial Statements:

- **Comprehensive Income and Expenditure Account (CIES):** shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The net effect to the Council taxpayer is shown in the Movement in Reserves Statement.

A surplus of £13.1m is reported for 2019/20 (£6.6m surplus 2018/19). This is mainly explained by a re-measurement of the Net Defined Benefit Liability relating to the pension fund which resulted in a surplus of £12.9m (a deficit of £5.7m was reported in 2018/19) resulting mainly from financial assumption changes.

It also included a £7.2m gain on Revaluation of Property, Plant and Equipment Assets, as well as a deficit on the provision of services of £7.0m.

- **Movement in Reserves Statement:** shows the movement in the year on the different reserves held by the Authority, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The Movement in Reserves Statement shows a net General Fund surplus of £0.8m for the year. This equates to a favourable variance of 0.4m compared to the transfer to balances in the revised budget of £0.4m (the planned transfer from balances at the start of the year in the original budget was £1.4m) and has resulted in General Fund Balances of £6.9m (£6.1m – 2018/19). Earmarked General Fund Reserves have increased by £1.4m to £9.4m resulting in total General Fund Reserves of £16.3m (£14.1m – 2018/19) and reflect the risks and uncertainties facing the Authority over the medium term.

- **Balance Sheet:** shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are £204.2m (£191.1m 2018/19) which are matched by the reserves held by the Authority.

Key items are:

### Long Term Assets

The Authority holds property, plant and equipment assets of £223.0m (£210.2m 2018/19) – mainly due to Council dwellings of £187.1m (£178.0m 2018/19).

### Working Capital

Net working capital has reduced to £42.2m (£53.7m 2018/19) mainly due to the use of £7.2m HRA Earmarked Reserves funding the capital programme.

### Provisions, Usable Reserves and Balances

The working balances as at 31<sup>st</sup> March 2020 are £52.8m (£60.2m 2018/19) and comprise provisions, earmarked reserves, revenue balances and the unused element of capital receipts.

31st March 2019 £000	Provisions, Usable Reserves and Balances	31st March 2020 £000
1,815	Provisions	2,032
24,411	Earmarked Reserves	17,176
10,598	Revenue Balances	13,134
23,409	Unused Capital Receipts & Grants	20,431
60,233	Total Working Balances	52,773

Working balances of £29.7m (£41.1m 2018/19) relate to capital (including the Capital Reserve of £7.8m). Deferred capital expenditure of £21.1m from 2019/20 and previous years carried forward to 2020/21 will be financed in part from these balances (£40.3m 2018/19).

## **Borrowing Facilities**

The Authority borrows funds where necessary to meet both long term capital expenditure commitments and short-term cash flow demands. Funds are borrowed from the Government (Public Works Loan Board - PWLB) and from the commercial money market (banks, building societies and other lenders). The Authority's debt at 31<sup>st</sup> March 2020 was £63.1m (£63.1m 2018/19) and was all borrowed from the PWLB.

## **Pensions**

The pension fund deficit has reduced in the year to £41.3m (£50.9m 2018/19) and is required to be shown on the Balance Sheet of the Authority.

It should be borne in mind that the effect of asset returns and/or financial assumption changes on the 2020 balance sheet will reflect the effect of the 2019 formal actuarial valuation calculations and the resulting 'step-change' in the roll forward approach.

In addition, investment returns have been significantly lower than expected (particularly in the last 2 months of the accounting period) which has served to worsen the balance sheet position - with an associated reduction in asset levels since 2018/19 of £5m. The effect of this has been offset by a higher net discount rate which serves to reduce the value placed on the obligations (corporate bond yields are at a similar level to 2019 but inflation expectations are significantly lower) which have reduced by £14m since 2018/19.

It should be noted that there has been no impact on the net cost to the taxpayer arising from this - contribution levels remain unchanged (an ongoing annual contribution of 16.5% p.a. plus a fixed lump sum element) arising from the formal valuation on 31<sup>st</sup> March 2019 (following the triennial review).

- **Cash Flow Statement:** shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

▪ **Supplementary Statements:**

- **Housing Revenue Account:** reflects the statutory requirement to maintain a separate account for Council Housing.

The overall revenue financial position relating to Council Housing as given on page 124 shows an increase in HRA balances for the year of £1.8m (£2.3m decrease in 2018/19).

This equates to an underspend of £1.9m when compared to the approved budget for the year. This has resulted in an increase in balances from £4.5m to £6.3m to be carried forward to 2020/21. Earmarked HRA Reserves have reduced by £7.2m (£1.4m increase – 2018/19) to £6.3m resulting in total HRA Reserves of £12.6m (£18.0m – 2018/19).

- **The Collection Fund:** shows the Council Tax income collected on behalf of Staffordshire County Council, the Office of the Police and Crime Commissioner (OPCC), the Stoke on Trent and Staffordshire Fire and Rescue Authority and this Authority's General Fund.

The fund also includes Non Domestic Rates income under the Business Rates Retention Scheme.

The Collection Fund, subject to collection of outstanding arrears, achieved the following:

- Council Tax – surplus of £1.6m (£1.4m – 2018/19, the Authority's share is 10%), of which £0.75m (£0.6m – 2018/19) will be distributed to preceptors during 2020/21;
- NNDR – surplus of £0.8m (£2.3m surplus in 2018/19) of which the Authority's share is 40%.

The surplus relating to the NNDR collection fund includes an increased provision of £5.1m, (£4.5m – 2018/19) with £2.0m being the Authority's share (£1.8m – 2018/19), for appeals outstanding on the 31<sup>st</sup> March 2020 of £93.6m (£101.4m – 2018/19).

This will mean that the surplus will be £0.3m (share for this Authority) for 2019/20 comparable to a surplus of £0.3m included within the 2020/21 budget.

These accounting statements are supported by appropriate notes to the accounts and the General Accounting Policies. For 2019/20, the notes to support the primary statements include the relevant accounting policies as well as further detail regarding individual transactions.

## **CHANGES TO THE ACCOUNTS 2019/20**

An updated Code of Practice, applicable for 2019/20 was issued by CIPFA in March 2019.

Changes reflected in the 2019/20 updated Code do, on the whole, have to be incorporated into the Authority's accounts but do not necessarily impact on the Authority's accounting policies. This is because the changes are principally around additional or changed disclosure notes, points of clarification and additional guidance etc.

The key accounting changes applicable to the Authority in the 2019/20 edition of the Code include:

- a) amendments to Chapter 1 of the Code to augment the descriptions of adaptations and interpretations in the Code, explain the Code process for identifying statutory adjustments to explain the function of the two most significant reserves relating primarily to statutory adjustments and confirm that where application guidance is integral to standards that where relevant it should be considered by local authorities;
- b) updates to Section 2.1 (Concepts and Principles) to reflect the issue of the International Accounting Standards Board March 2018 IFRS Conceptual Framework, including:
  - improvement to the objectives of the financial statements;
  - updates to qualitative characteristics of useful financial information;
  - new definitions of assets, liabilities, income and expenses;
  - updates for the inclusion of the recognition process and criteria and new provisions on derecognition;
  - more guidance on measurement bases.
- c) a new Section (2.11) including application guidance on the accounting treatment for the apprenticeship levy has been added to the Code.

## FINANCIAL OUTLOOK

When the budget and MTFS were approved in February 2020, future levels of funding for the Council were uncertain pending the most significant changes in Local Government funding for a generation. The reforms were planned to be in place by 2020/21 but were deferred until 2021/22.

The budget setting process has faced significant constraints in Government funding in recent years - over 50% in real terms since 2010. The accomplishment of a balanced 3 Year Medium Term Financial Strategy for the General Fund is a major achievement as the Council, like others, has planned to deliver its budget process in light of unprecedented adverse economic conditions with a great deal of uncertainty over future investment and income levels such as car parking, land charges and corporate property rents.

The Council is responding to these challenges by considering the opportunities to grow our income. We are ambitious with our commercial view and will continue to work hard to identify income streams that enable us to continue to meet the needs of our residents. The Council remains committed to promoting and stimulating economic growth and regeneration; meeting our housing needs; creating a vibrant town centre economy and protecting those most vulnerable in our communities.

However, following the period of lockdown to counter the Covid-19 pandemic, there are now questions over the timing (and likely period) of the planned Spending Review and the Government has confirmed that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. In addition, the next planned national Business Rates Revaluation, planned for 2021 will take effect from 2022.

The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth of £2m p.a. (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement. It is also the Government's intention to look again at the New Homes Bonus for 2021/22 and explore the most effective way to incentivise housing growth. They planned to consult widely on proposals prior to implementation.

In the longer-term, the Government remains committed to reform and want to take time to work with local authorities to make sure that the approach is right.

Service provision, in the main, has continued through workable day-to-day agile working policies. It's also the case that a large proportion of income comes in automatically by way of direct debits. The pandemic's timing at the very end of the financial year is, in part, helpful as most taxation income was already collected for 2019/20.

Government has provided additional funding of c.£0.8m (from the national allocation of the £3.2bn to Local Government). However, the funding is still very unlikely to be sufficient and the LGA and SDCT will continue to lobby and provide evidence to MHCLG of the income and expenditure pressures that Council's face.

Financial resilience is and has been the key requirement for local authorities at any time, but in the current crisis it has assumed unprecedented importance. Perhaps the biggest difficulty with the pandemic is that there is no certainty about time scales; it is impossible to draw any conclusions about how long it will continue to impact on and the lasting effect for the Councils finances.

During the crisis the Council will have lost income and other resources which will significantly impact on the potential sustainability of the organisation and the impact is likely to be long term, as will be the case across many Local Government organisations. Whilst the full extent of this cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy.

When the last update was prepared after quarter 1, still early into the new financial year, it modelled the impact of the pandemic on the Councils finances. Over 5 years, a projected unfavourable impact of £1.1million is forecast under the central case scenario for the General Fund. Depending on the ongoing effect of the Covid-19 crisis, this could be much worse.

As a result the updated forecast projections identify a shortfall in General Fund balances of £0.5m over 3 years (compared with forecast balances in the February 2020 MTFS of £0.5m) – with a shortfall of £4.1m to 2023/24 increasing to £8m over 5 years (the shortfall was previously forecast at £1.4m over 3 years, £5.2m in 2023/24, £9.5m by 2024/25), including the minimum approved level of £0.5m. This would mean having to find savings of around £2m per annum – or ongoing year on year savings of £650k p.a.

Work is also continuing on a number of actions to address the financial position in future years:

- Recruitment freeze – there is a robust challenge / re-justification process in place for all vacant posts with a requirement to investigate alternative options including restructuring to fill vacancies / looking at what we can stop doing;
- Spend freeze – A review of the underspend position is undertaken annually with a view to drive out as many savings as possible. In addition, it has been recommended that there is an immediate suspension of all non-essential spending and that the budget be revised to remove these budgets following the preparation the first quarterly monitoring report. Managers will be required to review their

budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020.

- Alternative investment options to generate improved returns of c. 4% to 5% p.a. (plus asset growth);
- Review of reserves (including ensuring adequate provision for the funding uncertainties) / creation of fund for transformation costs (if needed);
- Targeted Savings – to identify potential areas for review in future years; and
- Review and rationalisation of IT systems.

Council, on 25<sup>th</sup> February 2020, approved a 3 year MTFS for the General Fund with a Council Tax increase of £5 for the year – in order to continue to deliver those services essential to the Local Community.

With regard to the Housing Revenue Account, a 5 year MTFS was approved by Council, including significant investment in Regeneration projects to meet future housing needs and sustain the HRA in the longer term.

There have been increasing demands for councils to assess their going concern status in recent years. This assessment has become more relevant with doubts being expressed about whether some local authorities will be able to deliver their full range of service commitments given the financial pressures they face and with some councils issuing warnings about their future financial viability. These concerns have gained greater weight following the COVID-19 outbreak and the significant impact that it has had on council finances. It is important to be clear that the Code of Practice under which local authorities operate confirms that councils have no ability to cease being a going concern.

It would not therefore be appropriate for local authority financial statements to be prepared on anything other than a going concern basis. However, as part of putting these accounts together, alongside its overall response to COVID-19, the Council's financial monitoring and planning has continued focus on providing assurance that its financial position remains secure. This includes looking at the Covid related expenditure pressures, the direct impact on council income, assessment of any bad debt provisions and impairments required against existing debts and continued analysis of the Council's cashflow requirements. The calculation of the financial impact of COVID-19 is necessarily subjective and subject to change in the months after the balance sheet date, although early indications have highlighted an indicative gap between the financial costs to the Council and the Government grant provided to fund these (as outlined above). The length and intensity of Covid related measures and society's response to the post-Covid environment will determine both the size of the gap in 2020/21 and the extent of any long-term financial impact.

In the immediate future, the level of the Council's reserve balances is a good indicator of the its financial health and ability to withstand any short-term shocks.

In addition, the statutory environment in which local authorities operate means that, were an authority to encounter financial difficulties, the prospect would be that central government would implement alternative arrangements for the continuation of services or provide assistance to allow the recovery of any deficit over more than one year. In the light of this and in the opinion of the Executive Director Finance, the Council remains in a sound financial position considering the statutory position held by local authorities and the relative strength of its sources of revenue. In the longer-term, the extent of recovery towards a more familiar post-Covid operational environment and the continued work to redefine a new local government funding mechanism provide significant uncertainty for the whole sector.

## FINANCIAL PERFORMANCE

### General Fund

The main components of the General Fund approved budget and how these compare with actual income and expenditure are set out below.

General Fund	Actual £000	Approved Budget £000	Variance £000
(Surplus) or Deficit for the Year	7,227	7,645	(418)

The net expenditure of the Authority was £7.2m, representing an underspend of £0.4m. Major differences between the budget and the outturn are as follows:-

Variance between Budget & Actual Outturn	£000	£000
<b>Increased / Non-Budgeted Income</b>		
Development Control - Planning Fee income		(74)
<b>Shortfalls in Income</b>		
Ankerside Rent Income Receipt	260	
Benefit Grant Income	482	742
<b>Non-Budgeted Expenditure / Overspends</b>		
Assembly Rooms – Delayed Opening		44
<b>Savings / Underspends</b>		
Benefit Payments	(318)	
Joint Waste Service	(137)	(455)
<b>Other Variances - Net (Underspends) / Overspends</b>		(675)
<b>Total (Favourable) / Unfavourable Variance</b>		<b>(418)</b>

## Council Housing

A summary of the Housing Revenue Account for 2019/20, compared with the approved budget (including decisions made by Members during the financial year) is shown below:-

Housing Revenue Account	Actual £000	Approved Budget £000	Variance £000
(Surplus) or Deficit for the Year	(1,767)	115	(1,882)

The net surplus was £1.8m, representing an underspend of £1.9m. Major differences between the budget and the outturn are as follows:-

Variance between Budget & Actual Outturn	£000	£000
<b>Increased / Non-Budgeted Income</b>		
Service Charges - Capital Works High Rise Flats	(295)	
Council House Rent income	(295)	(590)
<b>Savings / Underspends</b>		
Housing Repairs	(813)	
Unspent Contingency Budget	(130)	
Provision for Bad Debts	(93)	(1,036)
<b>Other Variances - Net (Underspends) / Overspends</b>		(256)
<b>Total (Favourable) / Unfavourable Variance</b>		<b>(1,882)</b>

## Capital Expenditure

During 2019/20 the Authority spent £25.2m on capital expenditure (£24m in 2018/19). A breakdown by category and sources of finance is shown as Note 34 to the Core Financial Statements on page 100.

The majority of expenditure is related to improvement, enhancement or ongoing construction works:

Capital Expenditure	£m	£m
<b>Housing Capital Programme</b>		
Enhancements to Council Dwellings	5.1	
Improvements to High Rise flats	2.0	
Regeneration of Tinkers Green and Kerria	10.8	
Acquisition of Council Dwellings	2.6	20.5
<b>General Fund Services</b>		
Assembly Rooms extension and refurbishment	3.3	
Other Capital Schemes	1.4	4.7
<b>Total</b>		<b>25.2</b>

A total of £21.1m spending originally planned for 2019/20, or earlier, has been deferred to 2020/21 (£40.3m in the previous year). Included within this deferred expenditure:

Deferred Capital Expenditure	£000	£000
<b>Housing Capital Programme</b>		
Enhancements to Council Dwellings	1,651	
Regeneration of Tinkers Green and Kerria	2,864	
Acquisition of Council Dwellings	1,489	6,004
<b>General Fund Services</b>		
Property Funds	8,131	
Solway Tamworth LTD LATC	4,000	
Gungate Development	718	
Castle Mercian Trail	281	
Gateways	244	
Community Woodland Cycleway	199	
Amington Community Woodland	337	
3G Sports Facility	192	
Indoor and Outdoor Sports Feasibility	100	
Disabled Facilities Grant	190	
Agile Working Phase 2	114	
Other Capital Schemes	570	15,076
<b>Total</b>		<b>21,080</b>

- During the year, the Authority disposed of land and property with capital receipts totalling £2.1m, primarily relating to the disposal of 29 Council Dwellings through Right to Buy sales.

## NON-FINANCIAL PERFORMANCE

The Vision for Tamworth is underpinned by high level, evidence based priorities that focus upon both Tamworth (the place), the communities served (the people) as well as the Council (the organisation).

More than ever, we recognise that our financial capacity will be less than in previous years which means that we will need to maintain our approach to innovation, collaboration and transformation. So, not only will the Council seek investment from businesses and developers, but the Council itself will explore viable and sustainable investment opportunities using all returns to support public services. A revised Vision, Strategic Priorities and Corporate Plan for the 3 years from 2019-2022 was approved by Council in February 2019.

### TAMWORTH BOROUGH COUNCIL: VISION

**To put Tamworth, its people and the local economy at the heart of everything we do**

### OUR STRATEGIC PRIORITIES FOR 2019-2022

#### People and Place

1. To meet housing needs through a variety of approaches and interventions
2. To facilitate sustainable growth and economic prosperity
3. To work collaboratively and flexibly to meet the needs of our communities
4. To create a new and developing vision for the continued evolution of Tamworth, including a Town Centre fit for the 21st century

#### Organisation

1. To be financially stable
2. To ensure our employees have the right skills and culture to help our residents, visitors and businesses
3. To ensure our service delivery is consistent, clear, and focused
4. To ensure our decisions are driven by evidence and knowledge

Further details on the Authority's Key Performance Indicators for 2019/20 (and previous years) together with our vision and priorities for Tamworth, our values along with our performance are set out in **our Corporate Plan** which sets out our plans and priorities for the coming year, and is available from the Authority's website:

<http://www.tamworth.gov.uk/performance>

Shown below, against our objectives, are some of our achievements in 2019/20. All that has been achieved is not included but we have identified those achievements which we feel will be of most community interest due to their impact and benefits.

## HIGH LEVEL CORPORATE PLAN PROJECTS/PROGRAMMES

An update on the 2019 to 2022 Corporate Plan actions is shown below.

Corporate Project	Due Date	RAG Status	Commentary
Review of Corporate Capital Strategy	31 <sup>st</sup> March 2021	✓	
Priority Review - Cleaners	TBA (was 30 <sup>th</sup> April 2020)	✓	
Priority Review - Leisure Services	31 <sup>st</sup> March 2021	✓	
Priority Review - CCTV	31 <sup>st</sup> March 2020	✓	Project completed.
Risk Management Strategy	31 <sup>st</sup> July 2020	✓	
Implement Customer Portal	August 2020	⚠	Amber due to the number of work packages that are currently on pause due to the Covid -19 situation.
ICT Strategy	TBA	✓	
Organisational Development Strategy	TBA	✓	
Repairs & Investment Contract	31 <sup>st</sup> March 2020	✓	Project completed

Corporate Project	Due Date	RAG Status	Commentary
Completion of new council housing at Tinkers Green and Kerria	TBA (was 31 <sup>st</sup> August 2020)		Site works currently suspended due to COVID-19, a new completion date will be agreed once works can recommence.
Welfare Reform	31 <sup>st</sup> December 2020		
Housing Strategy	31 <sup>st</sup> October 2020		
Allocations Policy	10 <sup>th</sup> June 2020		
Leisure Strategy	30 <sup>th</sup> June 2022		
Opening of the refurbished Assembly Rooms	TBA		The impact of Covid-19 both now and ongoing will be felt for some considerable time. Any potential easing of lockdown will be fully considered by the team in terms of impact and possibilities
Town Centre Programme	31 <sup>st</sup> March 2022		

Page 03

### Key to Symbols

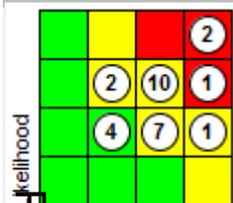
RAG Status	Overall Project Status
	Project on track and in control
	Project not on track but in control
	Project not on track

## CORPORATE RISK REGISTER

The Authority's Corporate risks for 2019/20 are outlined below.

### Corporate Risk Register

#### Corporate Risk Register – Heat Map



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Severity

Title	Description				
Finance	To ensure that the Council is financially sustainable as an organisation				
Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Funding gaps	17-Jan-2020	3	3	9	
Business Rates Retention	17-Jan-2020	3	3	9	
New Homes Bonus	17-Jan-2020	3	2	6	
Welfare and Benefit Reform	17-Jan-2020	3	3	9	
Failure to manage budgets	17-Jan-2020	3	2	6	

Title	Description
Modernisation & Commercialisation Agenda	Develop and implement continuous improvement and develop employees to perform the right work

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Contract Management & Procurement	17-Jan-2020	2	2	4	
Management of Assets	30-Jan-2020	2	2	4	
New Revenue Streams	17-Jan-2020	3	3	9	
Workforce Planning Challenges	11-Jan-2020	3	2	6	
Continuous Improvement	11-Jan-2020	2	2	4	
Partnerships fail	30-Jan-2020	3	2	6	

Title	Description
Governance	Ensure that processes, policies and procedures are in place and the authority is held to account

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Democratic Process	11-Jan-2020	3	3	9	
Assurance Process	30-Jan-2020	2	3	6	
Legislation	11-Jan-2020	3	2	6	
Policies & Procedures	30-Jan-2020	3	2	6	
Ethics	30-Jan-2020	2	2	4	

Title	Description
Community Focus	To ensure the safety, health and wellbeing of the citizens of the borough

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Community Cohesion & Engagement	29-Jan-2020	3	3	9	
Safeguarding Children & Adults (including Modern Slavery)	30-Jan-2020	2	3	6	
Emergency Planning	30-Jan-2020	3	2	6	

Title	Description
Economic Growth & Sustainability	To ensure that the economic growth and sustainability of the borough is maintained

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Regeneration	30-Jan-2020	3	3	9	
Housing Needs	29-Jan-2020	3	3	9	
Economic Changes	30-Jan-2020	3	3	9	

Title	Description
Information Safeguarding	To ensure that our data is protected

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Data Protection and information Safeguarding	11-Jan-2020	4	3	12	
Cyber Security	11-Jan-2020	4	2	8	
Business Continuity	29-Jan-2020	3	3	9	

Title	Description
Brexit	The Impact of Brexit upon the Council

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Financial	30-Jan-2020	4	4	16	
The Impact of Brexit upon the Council	30-Jan-2020	4	4	16	

Risk Status	
	High Risk
	Medium Risk
	Low Risk

Further information about the Statement of Accounts is available from the Executive Director Finance, Tamworth Borough Council, Marmion House, Lichfield Street, Tamworth, Staffs. B79 7BZ.

Telephone : 01827 709242.

Email: [stefan-garner@tamworth.gov.uk](mailto:stefan-garner@tamworth.gov.uk)

This is part of the Authority's policy of providing full information about the Authority's affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Authority's website at [www.tamworth.gov.uk](http://www.tamworth.gov.uk)

**The information in this document may be made available in other selected languages. Copies may be made available on tape, in Braille or large print.**

## **Statement of Responsibilities**

### **The Authority's Responsibilities**

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Executive Director Finance;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

### **The Executive Director Finances' Responsibilities**

The Executive Director Finance is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts, the Executive Director Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Local Authority Code.

The Executive Director Finance has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

This Statement of Accounts gives a true and fair view of the financial position of Tamworth Borough Council and its expenditure and income for the year ended 31<sup>st</sup> March 2020.

Stefan Garner CPFA  
Executive Director Finance

Dated: 29<sup>th</sup> October 2020

*This is an electronic copy without an electronic signature. The original was signed as dated above and a copy can be obtained from the Executive Director Finance.*

## **DRAFT UNAUDITED**

### **Comprehensive Income and Expenditure Statement (CIES)**

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

A breakdown of the individual services contained within the CIES headings are detailed within the Appendix to the CIES on page 159.

A detailed breakdown of the movement on the HRA is shown within the HRA Statements on page 123.

**DRAFT UNAUDITED**

Gross Expenditure £000	2018/19		Comprehensive Income & Expenditure Statement	Notes	2019/20		
	Gross Income £000	Net Expenditure £000			Gross Expenditure £000	Gross Income £000	Net Expenditure £000
2,127	(849)	1,278	Chief Executive		2,284	(844)	1,440
1,995	(975)	1,020	Assistant Director Growth and Regeneration		2,258	(1,316)	942
824	(251)	573	Executive Director Organisation (GF)		672	(268)	404
2,809	(1,039)	1,770	Assistant Director People		2,924	(1,087)	1,837
6,685	(3,592)	3,093	Assistant Director Operations and Leisure (GF)		5,343	(2,206)	3,137
308	(60)	248	Executive Director Finance		132	(41)	91
19,350	(17,737)	1,613	Assistant Director Finance		16,703	(15,965)	738
743	(459)	284	Assistant Director Assets (GF)		728	(401)	327
1,584	(392)	1,192	Assistant Director Neighbourhoods (GF)		2,210	(454)	1,756
2,346	(449)	1,897	Assistant Director Partnerships		1,918	(427)	1,491
-	-	-	Executive Director Communities (HRA)		140	(117)	23
974	(18,267)	(10,293)	HRA Summary		16,462	(18,450)	(1,988)
538	-	538	Assistant Director Operations and Leisure (HRA)		142	-	142
702	(314)	388	Assistant Director Assets (HRA)		1,046	(592)	454
5,087	(1,378)	3,709	Assistant Director Neighbourhoods (HRA)		4,585	(1,252)	3,333
3,810	(36)	3,774	Housing Repairs		2,893	(41)	2,852
<b>56,882</b>	<b>(45,798)</b>	<b>11,084</b>	<b>Cost of Services</b>	7	<b>60,440</b>	<b>(43,461)</b>	<b>16,979</b>
		(165)	Other Operating Expenditure	11			(49)
		833	Financing and Investment Income and Expenditure	12			73
		(14,975)	Taxation and Non Specific Grant Income	13			(9,977)
		<b>(3,223)</b>	<b>(Surplus) or Deficit on Provision of Services</b>	7			<b>7,026</b>
		(9,102)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	23a			(7,225)
		5,676	Re-measurement of the Net Defined Benefit Liability	23c			(12,897)
		<b>(3,426)</b>	<b>Other Comprehensive Income and Expenditure</b>				<b>(20,122)</b>
		<b>(6,649)</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>(13,096)</b>

## **Movement in Reserves Statement**

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for Council Tax setting and dwellings rent setting purposes. The Net (Increase) / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from Earmarked Reserves undertaken by the Authority.

The reserve movements for 2018/19 and 2019/20 are shown on the following pages.

**Movement in Reserves Statement  
2019/20**

**Balance as at 1st April 2019**

**Movement in Reserves during 2019/20**

Surplus or (Deficit) on the Provision of Services

Other Comprehensive Income and Expenditure

**Total Comprehensive Income and  
Expenditure**

Adjustments between Accounting Basis and  
Funding Basis Under Regulations (Note 9)

**Net (Increase) / Decrease before transfers to  
Earmarked Reserves**

Transfers to / (from) Earmarked Reserves (Note  
10)

**Increase / (Decrease) in 2019/20**

**Balance as at 31st March 2020**

	General Fund Balance	Earmarked Reserves	Total General Fund Balances	Housing Revenue Account	Earmarked HRA Reserves	Total HRA Balances	Capital Receipts Reserve	Major Repairs Reserve (Note HRA 3)	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance as at 1st April 2019</b>	6,113	7,951	14,064	4,485	13,499	17,984	23,361	2,961	48	58,418	132,645	191,063
<b>Movement in Reserves during 2019/20</b>												
Surplus or (Deficit) on the Provision of Services	149	-	149	(7,175)	-	(7,175)	-	-	-	(7,026)	-	(7,026)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	20,122	20,122
<b>Total Comprehensive Income and Expenditure</b>	<b>149</b>	<b>-</b>	<b>149</b>	<b>(7,175)</b>	<b>-</b>	<b>(7,175)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,026)</b>	<b>20,122</b>	<b>13,096</b>
Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 9)	2,056	-	2,056	1,750	-	1,750	(3,186)	(1,479)	208	(651)	651	-
<b>Net (Increase) / Decrease before transfers to Earmarked Reserves</b>	<b>2,205</b>	<b>-</b>	<b>2,205</b>	<b>(5,425)</b>	<b>-</b>	<b>(5,425)</b>	<b>(3,186)</b>	<b>(1,479)</b>	<b>208</b>	<b>(7,677)</b>	<b>20,773</b>	<b>13,096</b>
Transfers to / (from) Earmarked Reserves (Note 10)	(1,436)	1,436	-	7,192	(7,192)	-	-	-	-	-	-	-
<b>Increase / (Decrease) in 2019/20</b>	<b>769</b>	<b>1,436</b>	<b>2,205</b>	<b>1,767</b>	<b>(7,192)</b>	<b>(5,425)</b>	<b>(3,186)</b>	<b>(1,479)</b>	<b>208</b>	<b>(7,677)</b>	<b>20,773</b>	<b>13,096</b>
<b>Balance as at 31st March 2020</b>	<b>6,882</b>	<b>9,387</b>	<b>16,269</b>	<b>6,252</b>	<b>6,307</b>	<b>12,559</b>	<b>20,175</b>	<b>1,482</b>	<b>256</b>	<b>50,741</b>	<b>153,418</b>	<b>204,159</b>

**Movement in Reserves Statement  
2018/19**

**Balance as at 1st April 2018**

**Movement in Reserves during 2018/19**

Surplus or (Deficit) on the Provision of Services

Other Comprehensive Income and Expenditure

**Total Comprehensive Income and Expenditure**

Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 9)

**Net (Increase) / Decrease before transfers to Earmarked Reserves**

Transfers to / (from) Earmarked Reserves (Note 10)

**Increase / (Decrease) in 2018/19**

**Balance as at 31st March 2019**

	General Fund Balance	Earmarked Reserves	Total General Fund Balances	Housing Revenue Account	Earmarked HRA Reserves	Total HRA Balances	Capital Receipts Reserve	Major Repairs Reserve (Note HRA 3)	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance as at 1st April 2018</b>	6,918	5,888	<b>12,806</b>	6,824	12,095	<b>18,919</b>	22,253	3,477	48	<b>57,503</b>	126,911	<b>184,414</b>
<b>Movement in Reserves during 2018/19</b>												
Surplus or (Deficit) on the Provision of Services	(547)	-	<b>(547)</b>	3,770	-	<b>3,770</b>	-	-	-	<b>3,223</b>	-	<b>3,223</b>
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	3,426	<b>3,426</b>
<b>Total Comprehensive Income and Expenditure</b>	<b>(547)</b>	-	<b>(547)</b>	<b>3,770</b>	-	<b>3,770</b>	-	-	-	<b>3,223</b>	<b>3,426</b>	<b>6,649</b>
Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 9)	1,805	-	<b>1,805</b>	(4,705)	-	<b>(4,705)</b>	1,108	(516)	-	<b>(2,308)</b>	2,308	-
<b>Net (Increase) / Decrease before transfers to Earmarked Reserves</b>	<b>1,258</b>	-	<b>1,258</b>	<b>(935)</b>	-	<b>(935)</b>	<b>1,108</b>	<b>(516)</b>	-	<b>915</b>	<b>5,734</b>	<b>6,649</b>
Transfers to / (from) Earmarked Reserves (Note 10)	(2,063)	2,063	-	(1,404)	1,404	-	-	-	-	-	-	-
<b>Increase / (Decrease) in 2018/19</b>	<b>(805)</b>	<b>2,063</b>	<b>1,258</b>	<b>(2,339)</b>	<b>1,404</b>	<b>(935)</b>	<b>1,108</b>	<b>(516)</b>	-	<b>915</b>	<b>5,734</b>	<b>6,649</b>
<b>Balance as at 31st March 2019</b>	<b>6,113</b>	<b>7,951</b>	<b>14,064</b>	<b>4,485</b>	<b>13,499</b>	<b>17,984</b>	<b>23,361</b>	<b>2,961</b>	<b>48</b>	<b>58,418</b>	<b>132,645</b>	<b>191,063</b>

## **Balance Sheet**

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The Net Assets of the Authority (assets less liabilities) are matched by the Reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are Usable Reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments Between Accounting Basis and Funding Basis Under Regulations'.

31st March 2019 £000	Balance Sheet	Notes	31st March 2020 £000
210,194	Property, Plant & Equipment	14	222,987
3,060	Heritage Assets	15	3,356
22,488	Investment Property	16	23,545
244	Intangible Assets		207
3,820	Long Term Investments	17	3,720
12,830	Long Term Debtors	17	12,797
<b>252,636</b>	<b>Long Term Assets</b>		<b>266,612</b>
60,216	Short Term Investments	17	50,206
34	Inventories		32
3,281	Short Term Debtors	18	1,902
4,921	Cash & Cash Equivalents	19	5,263
<b>68,452</b>	<b>Current Assets</b>		<b>57,403</b>
(878)	Cash & Cash Equivalents	19	-
(311)	Short Term Borrowing	17	(311)
(13,044)	Short Term Creditors	21	(12,866)
(532)	Provisions	22	(579)
<b>(14,765)</b>	<b>Current Liabilities</b>		<b>(13,756)</b>
(1,283)	Provisions	22	(1,453)
(63,060)	Long Term Borrowing	17	(63,060)
(50,861)	Other Long Term Liabilities	23c/38	(41,266)
(26)	Capital Grants Receipts in Advance	32	(291)
(30)	Revenue Grants Receipts in Advance		(30)
<b>(115,260)</b>	<b>Long Term Liabilities</b>		<b>(106,100)</b>
<b>191,063</b>	<b>Net Assets</b>		<b>204,159</b>
58,418	Usable Reserves		50,741
132,645	Unusable Reserves	23	153,418
<b>191,063</b>	<b>Total Reserves</b>		<b>204,159</b>

Stefan Garner CPFA  
Executive Director Finance

Dated: 29<sup>th</sup> October 2020

*This is an electronic copy without an electronic signature. The original was signed as dated above and a copy can be obtained from the Executive Director Finance.*

## Cash Flow Statement

The Cash Flow Statement shows the changes in Cash and Cash Equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses Cash and Cash Equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing Activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from Financing Activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2018/19 £000	Cashflow Statement	Notes	2019/20 £000
(3,223)	Net (Surplus) or Deficit on the Provision of Services		7,026
(15,945)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for non-cash movements		(21,938)
9,050	Adjustments for items included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities		3,124
(10,118)	Net cash flows from Operating Activities (Surplus)/Deficit	24	(11,788)
15,859	Investing Activities	25	9,811
(1,366)	Financing Activities	26	757
4,375	Net (increase) or decrease in Cash and Cash Equivalents		(1,220)
8,418	Cash and Cash Equivalents at the beginning of the reporting period		4,043
<b>4,043</b>	<b>Cash and &amp; Cash Equivalents at 31st March 2020</b>	19	<b>5,263</b>

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## **NOTES TO THE ACCOUNTS**

### **1. Accounting Policies**

#### **BASIS FOR PREPARATION**

The notes relating to specific financial statement lines include the corresponding accounting policy. As a result, there is not an overall principal accounting policies note. However, the general accounting policies where there are not any accompanying notes are detailed within this note.

#### **i. GENERAL PRINCIPLES**

The Statement of Accounts summarises the Authority's transactions for the 2019/20 financial year and its position at the year end of 31<sup>st</sup> March 2020. The Accounts and Audit Regulations (England) 2015 require the Authority to prepare an Annual Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of Non Current Assets and Financial Instruments.

#### **ii. ACCRUALS OF INCOME AND EXPENDITURE**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received, other than prepayments which are accounted for on a cash basis. In particular:

- a) Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract;
- b) Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as Inventories on the Balance Sheet;
- c) Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- d) Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- e) Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

The Authority's policy is to review all accruals over £1k together with payments and receipts over £5k made in February, March and April to ensure that they are recorded in the appropriate period. Any accruals below this amount are not considered to be material.

### **iii. PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS**

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

### **iv. CHARGES TO REVENUE FOR NON CURRENT ASSETS**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

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

The Authority is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement, equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **v. COUNCIL TAX AND NON-DOMESTIC RATES (ENGLAND)**

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (ie the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR.

Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

### **Accounting for Council Tax and NDR**

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

### **vi. INTANGIBLE ASSETS**

Expenditure on non monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the Intangible Asset to the Authority.

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the authority can be determined by reference to an active market. In practice, no intangible asset held by the authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

#### **vii. VAT**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

#### **viii. FAIR VALUE MEASUREMENT**

The Authority measures some of its non-financial assets such as Surplus Assets and Investment Properties and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Authority uses internal and external valuers to provide a valuation of its assets and liabilities in line with the highest and best use definition within the accounting standard. The highest and best use of the asset or liability being valued is considered from the perspective of a market participant.

Inputs to the valuation techniques in respect of the Authority's fair value measurement of its assets and liabilities are categorised within the fair value hierarchy as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability.

**ix. INTERESTS IN COMPANIES AND OTHER ENTITIES**

The authority has no material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures and require it to prepare group accounts. In the authority's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

**x. INVENTORIES AND LONG-TERM CONTRACTS**

Inventories are included in the balance sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the FIFO/weighted average costing formula.

Long-term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

## **2. Accounting Standards That Have Been Issued but Have Not Yet Been Adopted**

The Code of Practice on Local Authority Accounting in the UK (the Code) requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year.

At the balance sheet date the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom:

Amendments to IAS 28 Investment in Associates and Joint Ventures: Long term Interests in Associates and Joint Ventures. These changes are not expected to have a material impact on the Council's financial statements.

Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement. This will require the remeasurement of net pension asset/liability following plan amendments, curtailments or settlements to be used to determine current service cost and net interest for the remainder of the year after the change to the plan. The updating of these assumptions only applies to changes from 1<sup>st</sup> April 2020 and, since this could result in positive, negative or no movement in the net pension liability, no prediction can be made of the possible accounting impact.

In addition, IFRS 16 Leases – will require local authorities that are lessees to recognise most leases on their balance sheets as right-of-use assets with corresponding lease liabilities (there is recognition for low-value and short-term leases). CIPFA/LASAAC have now deferred implementation of IFRS 16 for local government to 1<sup>st</sup> April 2021. While it will have no effect for the 2020/21 financial statements, work has commenced on identifying the potential impact for the limited number of leases the Council holds. The Council currently has 55 items of equipment supplied under lease agreements and it is expected that 39 of these, mainly vehicles and plant, will fall under the new IFRS16 requirements. There will be further investigations to ensure that other items supplied under lease agreement are identified and recorded prior to the adoption of the new requirements.

### 3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in the notes to the accounts, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government and the impact of the decision to leave the European Union remains unclear. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision;
- The Authority has a Joint Waste Management arrangement with Lichfield District Council (LDC) as the host Authority responsible for management of the arrangement including the refuse fleet.

In February 2016 the LDC procured a new waste fleet using a contract hire arrangement that has been evaluated under IAS 17 as a finance lease. The value of assets procured and the finance lease obligation was **£2,240,000**.

We have applied the tests contained within the Code and IFRS 11 and it is our conclusion that the arrangement does not meet the definition of a joint venture or joint operation as:

- a) IFRS 11 requires a legally binding contract to be in place and the joint waste service does not contain a formal, legally binding arrangement;
- b) the decision-making arrangements do not, in our view, meet the requirement for joint control;
- c) LDC, as the host Authority, hold a number of key responsibilities and elements of decision-making, including legal liability in respect of the lease of the waste fleet and other assets.

The Authority therefore only includes within its accounts the payments it makes to LDC in respect of the service and its own assets which are used for the provision of the service. Payments to LDC are based on an agreed percentage of the total net cost of providing the service, based on the number of properties in each area, currently 41.71% for the Authority.

#### 4. Assumptions Made About the Future & Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31<sup>st</sup> March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.</p> <p>A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.</p>	<p>Adjustment to the level of liability on the Balance Sheet. During the year the overall liability decreased from £50.9m to £41.3m (following an increase from £41.9m to £50.9m in 2018/19) – see Note 38 on page 106.</p> <p>Variations in the key assumptions will have the following impact on the net liability:</p> <p>A 0.5% decrease in the real discount rate will increase the net pension liability by £11.3m (9%);</p> <p>A 0.5% increase in the assumed level of salary increases will increase the net pension liability by £1m (1%); and</p> <p>A 0.5% increase in the assumed level of pension increases will increase the net pension liability by £10.2m (8%).</p>
Business Rates Retention	<p>The Local Government Finance Act 2012 introduced a Business Rates Retention Scheme that enabled local authorities to retain a proportion of the Business Rates generated in their area. The arrangements for the Business Rates came into effect on 1<sup>st</sup> April 2013. Billing authorities acting as agents on behalf of the major preceptors, Central Government and themselves and are required to make provisions for refunding ratepayers who have successfully appealed against the rateable value of their properties on the rating List.</p>	<p>The Authority has included a provision of £2.0m (the overall provision in the Business Rates Collection Fund is £5.0m and the Authority's share of the Local Business Rates Retention scheme is 40%) for appeals outstanding on the 31<sup>st</sup> March 2020 of £93.56m. Local businesses can appeal against the Rateable Value on the 2010 Rating list under limited circumstances and can also appeal against the Rateable Value on the 2017 Rating List.</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	<p>Staffordshire was successful in the application to become a 75% Business Rate Retention Pilot for 2019/20.</p> <p>The Staffordshire and Stoke on Trent Business Rates Pilot consisted of Staffordshire County Council (SCC); Stoke on Trent City Council (SoTCC), all 8 District /Borough Councils and the Staffordshire Commissioner for Police, Fire and Rescue and Crime (SPFCC) – for both the Police and Fire and Rescue Services (FARS).</p> <p>The pilot allowed 75% of Business Rates to be retained locally with 40% retained by the Districts, 34% by the County (74% for SoTCC as a Unitary Authority) and 1% for the FARS.</p> <p>Previously, the Council was a Member of the GBSLEP business rates pool. Half of the rates revenue was retained locally with Billing authorities acting as agents on behalf of the major preceptors (SCC 9% / SFARS 1%), Central Government (50%) and themselves (40%).</p> <p>Although the percentage shares have changed the new pilot has been set up with the condition of no detriment to any of its members. The government announced that business rate pilot pools established for 2019/20 would not be allowed to continue and pilot business rate pool ceased on 31<sup>st</sup> March 2020.</p> <p>The bid for a new business rate retention pool reverting back to the 50% retention scheme consisting of SoTCC, SCC, SFARS and the 8 District Councils was successful for 2020/21.</p>	<p>The 2017 Rating List is subject to a fresh approach to appeals known as "Check, Challenge &amp; Appeal" (CCA) which means that before an appeal is made the Rateable Value may be amended upon negotiation between the Valuation Office and the ratepayer (or their agents). This process will inevitably lead to a delay in appeals being made.</p> <p>It is difficult to estimate the likelihood of businesses both submitting and being successful with an appeal in the future and the Authority has therefore made provision in the accounts based on professional advice from independent valuers.</p> <p>The pool currently has large growth, however, there is uncertainty for the level of future income, which cannot be quantified at present, due to the planned reform of Local Government funding and the potential for a large rise in appeals and the potential economic impact of Covid-19.</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment and Investment Properties	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.</p> <p>Asset valuations are based on market prices and are periodically reviewed to ensure that the Council does not materially misstate its non-current assets. The Council's external valuers provided valuations as at 31<sup>st</sup> March 2020 for approximately 20% of its operational portfolio. The remaining balance of operational properties were also reviewed to ensure values reflect current values.</p> <p>The outbreak of Covid-19 has impacted global financial markets and as at the valuation date, less weight can be attached to previous market evidence to inform opinions of value. There is an unprecedented set of circumstances on which to base a judgement.</p> <p>Valuations are therefore reported on the basis of 'material valuation uncertainty' as per the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to the valuation. At the current time, it is not possible to accurately predict the longevity and severity of the impact of Covid-19 on the economy. Therefore, values have been based on the situation prior to Covid-19, on the assumption that values will be restored when the real estate market becomes more fluid.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for Council dwellings would increase by c.£55k for every year that useful lives had to be reduced.</p> <p>A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>An increase in estimated valuations would result in increases to the Revaluation Reserve and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>Depreciation charges for operational buildings will change in direct relation to changes in estimated current value. The net book value of non-current assets subject to potential revaluation is £212.1 million (£187.1m Council Dwellings and £25m Other Land and Buildings). A 1% movement in their valuation would equate to £21.2m. With regard to investment properties, a 1% movement in their valuation would equate to £2.4m.</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	The estimated remaining useful life of all operational assets is reviewed annually based on the advice from the Council external valuers.	

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

## 5. Material Items of Income and Expense

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance. This note identifies material items of income and expense. For the purposes of this note the Authority considers material items to be those greater than £1.1m.

During the year the General fund invested £3.3m in the development and refurbishment of the Assembly rooms. The Housing Capital programme also saw significant development schemes in the year including the ongoing regeneration of Tinkers Green and Kerria at a cost of £10.8m (£6.6m 2018-19). Along with the developments significant improvement works were undertaken including £1.5m fire improvements for the High rise flats. The HRA also increased its housing stock with the acquisition of properties to a value of £2.6m.

## 6. Events after the Reporting Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period (31<sup>st</sup> March 2020) and the date when the Statement of Accounts is authorised for issue (9<sup>th</sup> July 2020). Two types of events can be identified:

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

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

The Statement of Accounts was authorised for issue by the Executive Director Finance on 9<sup>th</sup> July 2020. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31<sup>st</sup> March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

## **7. Expenditure and Funding Analysis and Adjustment Detail**

This statement shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Net Expenditure Chargeable to the General Fund and HRA Balances	2018/19		Expenditure Funding Analysis	2019/20		
	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
			<b>Cost of Services</b>			
1,264	14	1,278	Chief Executive	1,420	20	1,440
875	145	1,020	Assistant Director Growth and Regeneration	727	215	942
561	12	573	Executive Director Organisation (GF)	381	23	404
1,568	202	1,770	Assistant Director People	1,590	247	1,837
566	2,527	3,093	Assistant Director Operations and Leisure (GF)	2,007	1,130	3,137
250	(2)	248	Executive Director Finance	92	(1)	91
1,031	582	1,613	Assistant Director Finance	625	113	738
200	84	284	Assistant Director Assets (GF)	279	48	327
1,134	58	1,192	Assistant Director Neighbourhoods (GF)	1,660	96	1,756
1,138	759	1,897	Assistant Director Partnerships	895	596	1,491
-	-	-	Executive Director Communities (HRA)	23	-	23
(14,992)	4,699	(10,293)	HRA Summary	(15,296)	13,308	(1,988)
514	24	538	Assistant Director Operations and Leisure (HRA)	125	17	142
369	19	388	Assistant Director Assets (HRA)	400	54	454
5,187	(1,478)	3,709	Assistant Director Neighbourhoods (HRA)	3,073	260	3,333
3,774	-	3,774	Housing Repairs	2,852	-	2,852
<b>3,439</b>	<b>7,645</b>	<b>11,084</b>	<b>Net Cost of Services</b>	<b>853</b>	<b>16,126</b>	<b>16,979</b>
(3,762)	(10,545)	(14,307)	Other Comprehensive Income and Expenditure	2,367	(12,320)	(9,953)
<b>(323)</b>	<b>(2,900)</b>	<b>(3,223)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>3,220</b>	<b>3,806</b>	<b>7,026</b>
(31,725)			<b>General Fund and HRA balances B/fwd</b>	(32,048)		
(323)			<b>(Surplus) / Deficit on Provision of Services</b>	3,220		
(32,048)			<b>Closing General Fund and HRA Balances</b>	(28,828)		

2018/19				Expenditure Funding Analysis Adjustment Detail	2019/20			
Adjustments for Capital Purposes (Note a)	Net Change for Pensions Adjustments (Note b)	Other Differences (Note c)	Total Adjustments		Adjustments for Capital Purposes (Note a)	Net Change for Pensions Adjustments (Note b)	Other Differences (Note c)	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£000
				<b>Cost of Services</b>				
-	10	4	<b>14</b>	Chief Executive	-	17	3	<b>20</b>
52	96	(3)	<b>145</b>	Assistant Director Growth and Regeneration	53	149	13	<b>215</b>
-	13	(1)	<b>12</b>	Executive Director Organisation (GF)	-	20	3	<b>23</b>
183	11	8	<b>202</b>	Assistant Director People	196	41	10	<b>247</b>
2,388	141	(2)	<b>2,527</b>	Assistant Director Operations and Leisure (GF)	886	240	4	<b>1,130</b>
-	-	(2)	<b>(2)</b>	Executive Director Finance	-	-	(1)	<b>(1)</b>
-	586	(4)	<b>582</b>	Assistant Director Finance	-	110	3	<b>113</b>
85	1	(2)	<b>84</b>	Assistant Director Assets (GF)	32	13	3	<b>48</b>
18	38	2	<b>58</b>	Assistant Director Neighbourhoods (GF)	16	87	(7)	<b>96</b>
723	46	(10)	<b>759</b>	Assistant Director Partnerships	538	55	3	<b>596</b>
4,522	177	-	<b>4,699</b>	HRA Summary	13,283	25	-	<b>13,308</b>
-	23	1	<b>24</b>	Assistant Director Operations and Leisure (HRA)	-	20	(3)	<b>17</b>
-	19	-	<b>19</b>	Assistant Director Assets (HRA)	-	46	8	<b>54</b>
(1,611)	143	(10)	<b>(1,478)</b>	Assistant Director Neighbourhoods (HRA)	10	241	9	<b>260</b>
<b>6,360</b>	<b>1,304</b>	<b>(19)</b>	<b>7,645</b>	<b>Net Cost of Services</b>	<b>15,014</b>	<b>1,064</b>	<b>48</b>	<b>16,126</b>
(11,074)	1,167	(638)	<b>(10,545)</b>	Other Comprehensive Income and Expenditure	(14,144)	1,259	565	<b>(12,320)</b>
<b>(4,714)</b>	<b>2,471</b>	<b>(657)</b>	<b>(2,900)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>870</b>	<b>2,323</b>	<b>613</b>	<b>3,806</b>

### 7a) Adjustments for Capital Purposes

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Financing and investment income and expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

### 7b) Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income:

- **For services** this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.
- **Financing and investment income and expenditure** -- the net interest on the defined benefit liability is charged to the CIES.

### 7c) Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- **Financing and investment income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

## 8. Expenditure and Income Analysed by Nature

2018/19 £000	Expenditure and Income Analysed by Nature	2019/20 £000
	<b>Expenditure</b>	
13,202	Employee Benefits Expenses	12,711
34,722	Other Services Expense	31,873
10,095	Depreciation, Amortisation and Impairment	16,204
2,472	Retirement Benefits	2,323
717	REFCUS	654
418	Payments to Housing Capital Receipts Pool	419
<b>61,626</b>	<b>Total Expenditure</b>	<b>64,184</b>
	<b>Income</b>	
(583)	Gain on Disposal of Assets	(468)
(30,709)	Fees, Charges and Other Service Income	(30,004)
(1,746)	Interest and Investment Income	(1,840)
(7,263)	Income from Council Tax, NNDR and District Rates Income	(7,428)
(24,548)	Government Grants and Contributions	(17,418)
<b>(64,849)</b>	<b>Total Income</b>	<b>(57,158)</b>
<b>(3,223)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>7,026</b>

## 9. Adjustments between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

Adjustments between Accounting Basis and Funding Basis Under Regulations	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	
<b>2019/20</b>						
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Charges for depreciation and impairment of Non-Current Assets;	(410)	(9,880)	-	-	-	10,290
Revaluation losses on Property, Plant and Equipment; Movements in the market value of Investment Properties;	(542)	(6,213)	-	-	-	6,755
Movement in Fair Value of Capital Property Fund Investments	1,054	-	-	-	-	(1,054)
Amortisation of Intangible Assets;	(99)	-	-	-	-	99
Capital Grants and Contributions Applied;	(114)	-	-	-	-	114
Revenue Expenditure Funded from Capital Under Statute (REFCUS);	873	-	-	-	-	(873)
Amounts on Non Current Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(654)	-	-	-	-	654
	-	(1,574)	-	-	-	1,574
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Statutory provision for the financing of capital investment - Minimum Revenue Provision;	56	-	-	-	-	(56)
Capital expenditure charged against the General Fund and HRA balances.	311	11,703	-	-	-	(12,014)
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	208	-	-	-	(208)	-
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
Transfer of cash sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement;	52	2,027	(2,079)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure;			4,810	-	-	(4,810)
Contribution from the Capital Receipts Reserve towards administrative costs of Non-Current Asset disposals;	-	(37)	37	-	-	-

Adjustments between Accounting Basis and Funding Basis Under Regulations	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	
Contribution from the Capital Receipts Reserve to finance the payments to the Government Capital Receipts Pool;	(419)	-	419	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash.	(11)	-	(1)	-	-	12
<b>Adjustments primarily involving the Major Repairs Reserve:</b>						
Reversal of Major Repairs Allowance credited to the HRA;	-	2,798	-	(2,798)	-	-
Use of the Major Repairs Reserve to finance new capital expenditure.	-	-	-	4,277	-	(4,277)
<b>Adjustments primarily involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement (see Note 38);	(3,578)	(1,117)	-	-	-	4,695
Employer's pensions contribution and direct payments to pensioners payable in the year.	1,816	556	-	-	-	(2,372)
<b>Adjustment primarily involving the Collection Fund Adjustment Account:</b>						
Amount by which Council Tax and Non Domestic Rating Income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax and Non Domestic Rating Income calculated for the year in accordance with statutory requirements.	(568)	-	-	-	-	568
<b>Adjustment primarily involving the Accumulated Absences Account:</b>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(31)	(13)	-	-	-	44
<b>Total Adjustments 2019/20</b>	<b>(2,056)</b>	<b>(1,750)</b>	<b>3,186</b>	<b>1,479</b>	<b>(208)</b>	<b>(651)</b>

Adjustments between Accounting Basis and Funding Basis Under Regulations	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	
<b>2018/19</b>						
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Charges for depreciation and impairment of Non Current Assets;	(472)	(8,091)	-	-	-	8,563
Revaluation losses on Property, Plant and Equipment;	(2,160)	697	-	-	-	1,463
Movements in the market value of Investment Properties;	73	-	-	-	-	(73)
Movement in Fair Value of Capital Property Fund Investments	(49)	-	-	-	-	49
Amortisation of Intangible Assets;	(93)	-	-	-	-	93
Capital Grants and Contributions Applied;	2,916	4,200	-	-	-	(7,116)
Revenue Expenditure Funded from Capital Under Statute (REFCUS);	(717)	-	-	-	-	717
Amounts on Non Current Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(149)	(1,300)	-	-	-	1,449
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Statutory provision for the financing of capital investment - Minimum Revenue Provision;	57	-	-	-	-	(57)
Capital expenditure charged against the General Fund and HRA balances.	176	3,540	-	-	-	(3,716)
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
Transfer of cash sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement;	265	1,803	(2,068)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure;			8,198	-	-	(8,198)
Contribution from the Capital Receipts Reserve towards administrative costs of Non Current Asset disposals;	-	(36)	36	-	-	-
Contribution from the Capital Receipts Reserve to finance the payments to the Government Capital Receipts Pool;	(418)	-	418	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash.	(10)	-	(7,692)	-	-	7,702

Adjustments between Accounting Basis and Funding Basis Under Regulations	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	£000
<b>Adjustments primarily involving the Major Repairs Reserve:</b>						
Reversal of Major Repairs Allowance credited to the HRA;	-	4,482	-	(4,482)	-	-
Use of the Major Repairs Reserve to finance new capital expenditure.	-	-	-	4,998	-	(4,998)
<b>Adjustments primarily involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 38);	(3,766)	(1,180)	-	-	-	4,946
Employer's pensions contribution and direct payments to pensioners payable in the year.	1,892	582	-	-	-	(2,474)
<b>Adjustment primarily involving the Collection Fund Adjustment Account:</b>						
Amount by which Council Tax and Non Domestic Rating Income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax and Non Domestic Rating Income calculated for the year in accordance with statutory requirements.	639	-	-	-	-	(639)
<b>Adjustment primarily involving the Accumulated Absences Account:</b>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	11	8	-	-	-	(19)
<b>Total Adjustments 2018/19</b>	<b>(1,805)</b>	<b>4,705</b>	<b>(1,108)</b>	<b>516</b>	<b>-</b>	<b>(2,308)</b>

## 10. Transfers to / (from) Earmarked Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund or Housing Revenue Account balance.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the (Surplus) or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund or Housing Revenue Account balance so that there is no net charge against Council Tax or housing rent for the expenditure.

Certain reserves are kept to manage the accounting processes for Non Current Assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority - these reserves are explained in the relevant policies.

This note sets out the amounts set aside from the General Fund and HRA Balances in Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from Earmarked Reserves to meet General Fund and HRA Expenditure in 2019/20.

<b>Transfers to / (from) Earmarked Reserves</b>	<b>Balance at 1st April 2018 £000</b>	<b>Transfers Out 2018/19 £000</b>	<b>Transfers In 2018/19 £000</b>	<b>Balance at 31st March 2019 £000</b>	<b>Transfers Out 2019/20 £000</b>	<b>Transfers In 2019/20 £000</b>	<b>Balance at 31st March 2020 £000</b>
<b>General Fund:</b>							
Future Capital Expenditure	1,132	(138)	729	1,723	(291)	560	1,992
Temporary Reserves	150	(104)	414	460	(203)	564	821
Retained Funds	2,293	(785)	1,492	3,000	(530)	905	3,375
Commuted Sums	1,218	(710)	1,556	2,064	(476)	540	2,128
Other Reserves	1,095	(1,016)	625	704	(1,292)	1,659	1,071
<b>Total</b>	<b>5,888</b>	<b>(2,753)</b>	<b>4,816</b>	<b>7,951</b>	<b>(2,792)</b>	<b>4,228</b>	<b>9,387</b>
<b>HRA:</b>							
Future Capital Expenditure	10,860	(3,528)	5,647	12,979	(11,703)	4,542	5,818
Temporary Reserves	586	(461)	-	125	(125)	115	115
Retained Funds	427	(94)	-	333	(66)	45	312
Other Reserves	222	(222)	62	62	-	-	62
<b>Total</b>	<b>12,095</b>	<b>(4,305)</b>	<b>5,709</b>	<b>13,499</b>	<b>(11,894)</b>	<b>4,702</b>	<b>6,307</b>

**Future Capital Expenditure:** The Authority maintains a Capital Reserve under the provisions of the Local Government (Miscellaneous Provisions) Act 1976. It is Authority policy to make advances from this fund to various services.

**Temporary Reserves:** These have been established by the transfer of funds from revenue in order to finance specific identified schemes or potential needs.

**Retained Funds:** These have been established in order to finance recurring irregular expenditure for a specific purpose.

**Commuted Sums:** These are monies deposited by contractors to finance future maintenance expenditure incurred as a result of the various developments.

**Other Reserves:** The largest of these is the Building Repairs Fund that is held for the maintenance of Municipal buildings, including commercial properties.

## 11. Other Operating Expenditure

2018/19 £000	Other Operating Expenditure	2019/20 £000
418	Payments to the Government Housing Capital Receipts Pool	419
(583)	(Gains) / losses on the disposal of Non Current Assets	(468)
<b>(165)</b>	<b>Total</b>	<b>(49)</b>

## 12. Financing & Investment Income & Expenditure

2018/19 £000	Financing and Investment Income and Expenditure	2019/20 £000
2,755	Interest payable and similar charges	2,720
1,159	Pension interest costs and expected return on pensions assets	1,248
(904)	Interest receivable and similar income	(999)
(841)	Finance Lease Income	(841)
(1,385)	(Income) and expenditure in relation to investment properties and changes in their fair value	(2,154)
49	Investment impairment	99
<b>833</b>	<b>Total</b>	<b>73</b>

## 13. Taxation & Non Specific Grant Income

2018/19 £000	Taxation and Non Specific Grant Incomes	2019/20 £000
(3,756)	Council Tax income	(3,933)
(13,517)	Non Domestic Rates	(13,549)
10,010	Non Domestic Rates - Tariff	10,054
992	Non Domestic Rates - Levy to GBSLEP	17
(1,588)	Non ringfenced government grants	(1,485)
(7,116)	Capital grants and contributions	(1,081)
<b>(14,975)</b>	<b>Total</b>	<b>(9,977)</b>

A detailed breakdown of the grants and contributions credited to the Comprehensive Income and Expenditure Statement in 2019/20 is shown in Note 32 on page 94.

## 14. Property, Plant & Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

### a) Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, subject to a de minimus level of £10k, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

### b) Measurement

Assets are initially measured at cost, comprising:

- i. the purchase price;
- ii. any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- iii. the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

- i. Infrastructure, Community Assets and Assets Under Construction – depreciated historical cost;
- ii. Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH); and
- iii. all other assets – current value, determined as the amount that would be paid for the asset in its existing use (Existing Use Value – EUV).

Where there is no market-based evidence of current value because of the specialised nature of an asset, Depreciated Replacement Cost (DRC) is used as an estimate of current value. Where non property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value. In the case of the Assembly Rooms and Cemeteries valuations, there is no active market and so DRC is used.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years – including an annual desktop review of all Council Dwellings. A review of the valuation of all significant assets is undertaken annually.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

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

The Revaluation Reserve contains revaluation gains recognised since 1<sup>st</sup> April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### **c) Impairment**

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where the Authority has incurred capital expenditure on Council dwellings this is included within the Gross Book Value (GBV) and where it is not considered to add value it is included as impairment. These impairments are subject to write out annually.

The Authority has an ongoing programme of regeneration including disposal and redevelopment of garage sites and the redevelopment of housing at Tinkers Green and Kerria Centre.

Where the decision had been made to dispose of a garage site, the value of the buildings element has been impaired to zero leaving only a residual land value.

Similarly, the value of the dwellings in the housing redevelopment areas that are no longer available to let have been impaired to zero leaving only a residual land value.

Where impairment losses are identified, they are accounted for by:

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

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

#### **d) Depreciation**

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. Assets Under Construction).

Depreciation is calculated on the following bases:

- i. **Council Housing Stock:** on a straight line basis to an appropriate residual value over the expected useful life of the asset of 50 years.
- ii. **Other Buildings:** on a straight line basis to a nil residual value over the expected useful life of the asset being a range of 5 years to 70 years.

Historical properties: on a straight line basis to a nil residual value over the expected useful life of the asset being over 100 years

- iii. **Vehicles, Plant and Equipment:** on a straight line basis to a nil residual value over the expected useful life of the asset, being between 1 and 20 years.
- iv. **Infrastructure:** on a straight line basis to a nil residual value over the expected useful life of the asset of 30 years.
- v. **Community Assets:** on a straight line basis to a nil residual value over the expected useful life of the asset of 100 years.
- vi. **Heritage Assets:** the Authority considers that the Heritage Assets held will have indeterminate lives and a high residual value; hence the Authority does not consider it appropriate to charge depreciation for the assets.

- vii. **Computer Hardware:** is depreciated over a period of 3 years on a straight line basis to a nil residual value.
- viii. **Investment Properties and Surplus Assets:** no depreciation has been applied to either the land or building value of Investment Properties or Surplus Assets.
- ix. **Intangible Fixed Assets:** computer software licences are amortised to revenue over a period of 3 years.
- x. **Furniture and equipment** – minor purchases by the Authority are charged to revenue in the year of acquisition and are not capitalised in the accounts.
- xi. **De minimus items** of expenditure on computer equipment and software are capitalised under the concept of 'Grouped Assets' where the value of such items is material. A charge is made for these assets (depreciation for equipment and amortisation for software), calculated using the straight line method over a period of three years.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately – as detailed within the Component Accounting Policy for Property, Plant and Equipment.

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

#### **e) Disposals and Non Current Assets Held for Sale**

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and current value less costs to sell. Where there is a subsequent decrease to current value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in current value are recognised only up to the amount of any previous losses recognised in the (Surplus) or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to Non Current Assets and valued at the lower of their carrying amount before they were classified as Held for Sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of capital receipts relating to housing disposals is payable to the government. The balance of receipts remains within the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the authority's underlying need to borrow (the capital financing requirement) (England and Wales). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

## **f) Component Accounting Policy for Property, Plant and Equipment**

### **i. De Minimus Level**

The de minimus threshold for the Authority is a current net book value of £250k. Individual assets with a value less than £250k will be disregarded for componentisation. This level will be reviewed annually.

### **ii. Policy for Componentisation**

The code requires that each part of an asset should be separately identified and depreciated where the cost is significant in relation to the overall cost of the asset.

To be separately identified as a component, an element of an asset must meet the following criteria:

- have a cost of at least 20% of the cost of the overall asset and
- have a materially different useful life (at least 20% different) and/or
- have a different depreciation method that materially affects the amount charged

The componentisation policy will be applied to new capital spend and new assets with a total cost of over £250k will be considered under the componentisation policy as follows:

- when an asset is enhanced, the cost of the replacement component is compared with the cost of the total asset and the result is measured against the agreed de minimus threshold;
- When an asset is acquired: the cost of any component parts are compared with the overall cost of the new asset and the results assessed against the agreed de minimus threshold;

### **iii. Valuation**

The 5 year valuation cycle remains and therefore componentisation needs to be considered for each asset in the portfolio.

In addition in each financial year, a list of assets that have had capital expenditure incurred will be passed to the valuers who can consider componentisation for any properties not already reviewed.

### **iv. Impairment**

We will continue to complete a desktop Impairment review on an annual basis.

<b>Movement in 2019/20</b>	<b>Council Dwellings</b>	<b>Other Land and Buildings</b>	<b>Vehicles, Plant, Furniture and Equipment</b>	<b>Infrastructure Assets</b>	<b>Community Assets</b>	<b>Assets Under Construction</b>	<b>Total Property, Plant and Equipment</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or Valuation</b>							
<b>At 1st April 2019</b>	<b>177,979</b>	<b>22,387</b>	<b>4,172</b>	<b>378</b>	<b>1,139</b>	<b>7,648</b>	<b>213,703</b>
Additions	9,670	3,490	220	-	16	10,791	<b>24,187</b>
Accumulated Depreciation and Impairment written off to Gross Carrying Amount;	(9,768)	(186)	-	-	-	-	<b>(9,954)</b>
Revaluation increases / (decreases) recognised in the Revaluation Reserve;	7,052	173	-	-	-	-	<b>7,225</b>
Revaluation increases / (decreases) recognised in the (Surplus) or Deficit on the Provision of Services;	(6,213)	(542)	-	-	-	-	<b>(6,755)</b>
Derecognition - Disposals;	(1,466)	(126)	-	-	-	-	<b>(1,592)</b>
Other movements in cost or valuation.	9,874	-	-	-	-	(9,874)	-
<b>At 31st March 2020</b>	<b>187,128</b>	<b>25,196</b>	<b>4,392</b>	<b>378</b>	<b>1,155</b>	<b>8,565</b>	<b>226,814</b>
<b>Accumulated Depreciation &amp; Impairment</b>							
<b>At 1st April 2019</b>	-	<b>(92)</b>	<b>(3,174)</b>	<b>(239)</b>	<b>(4)</b>	-	<b>(3,509)</b>
Depreciation Charge;	(2,696)	(335)	(165)	(13)	-	-	<b>(3,209)</b>
Accumulated Depreciation and Impairment written off to Gross Carrying Amount;	9,768	186	-	-	-	-	<b>9,954</b>
Impairment losses / (reversals) recognised in the (Surplus) or Deficit on the Provision of Services;	(7,081)	-	-	-	-	-	<b>(7,081)</b>
Derecognition - disposals.	9	9	-	-	-	-	<b>18</b>
<b>At 31st March 2020</b>	-	<b>(232)</b>	<b>(3,339)</b>	<b>(252)</b>	<b>(4)</b>	-	<b>(3,827)</b>
<b>Net Book Value</b>							
at 31st March 2019	177,979	22,295	998	139	1,135	7,648	210,194
<b>at 31st March 2020</b>	<b>187,128</b>	<b>24,964</b>	<b>1,053</b>	<b>126</b>	<b>1,151</b>	<b>8,565</b>	<b>222,987</b>
<b>Nature of Holdings at year end</b>							
Owned	187,128	24,964	1,053	126	1,151	8,565	<b>222,987</b>

<b>Movement in 2018/19</b>	<b>Council Dwellings</b>	<b>Other Land and Buildings</b>	<b>Vehicles, Plant, Furniture and Equipment</b>	<b>Infrastructure Assets</b>	<b>Community Assets</b>	<b>Assets Under Construction</b>	<b>Total Property, Plant and Equipment</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or Valuation</b>							
<b>At 1st April 2018</b>	<b>172,392</b>	<b>18,289</b>	<b>4,136</b>	<b>378</b>	<b>1,078</b>	<b>1,111</b>	<b>197,384</b>
Additions	6,659	5,511	65	-	61	6,806	<b>19,102</b>
Accumulated Depreciation and Impairment written off to Gross Carrying Amount;	(7,979)	(263)	-	-	-	-	<b>(8,242)</b>
Revaluation increases / (decreases) recognised in the Revaluation Reserve;	7,834	1,247	-	-	-	-	<b>9,081</b>
Revaluation increases / (decreases) recognised in the (Surplus) or Deficit on the Provision of Services;	697	(2,160)	-	-	-	-	<b>(1,463)</b>
Derecognition - Disposals;	(1,932)	(170)	(29)	-	-	-	<b>(2,131)</b>
Assets reclassified (to) / from Investment Properties;	-	(28)	-	-	-	-	<b>(28)</b>
Other movements in cost or valuation.	308	(39)	-	-	-	(269)	-
<b>At 31st March 2019</b>	<b>177,979</b>	<b>22,387</b>	<b>4,172</b>	<b>378</b>	<b>1,139</b>	<b>7,648</b>	<b>213,703</b>
<b>Accumulated Depreciation &amp; Impairment</b>							
<b>At 1st April 2018</b>	<b>(621)</b>	<b>(45)</b>	<b>(2,997)</b>	<b>(227)</b>	<b>(3)</b>	-	<b>(3,893)</b>
Depreciation Charge;	(2,758)	(355)	(206)	(12)	(1)	-	<b>(3,332)</b>
Accumulated Depreciation and Impairment written off to Gross Carrying Amount;	7,979	263	-	-	-	-	<b>8,242</b>
Impairment losses / (reversals) recognised in the (Surplus) or Deficit on the Provision of Services;	(5,231)	-	-	-	-	-	<b>(5,231)</b>
Derecognition - disposals.	631	45	29	-	-	-	<b>705</b>
<b>At 31st March 2019</b>	-	<b>(92)</b>	<b>(3,174)</b>	<b>(239)</b>	<b>(4)</b>	-	<b>(3,509)</b>
<b>Net Book Value</b>							
at 31st March 2018	171,771	18,244	1,139	151	1,075	1,111	193,491
<b>at 31st March 2019</b>	<b>177,979</b>	<b>22,295</b>	<b>998</b>	<b>139</b>	<b>1,135</b>	<b>7,648</b>	<b>210,194</b>
<b>Nature of Holdings at year end</b>							
Owned	177,979	22,295	998	139	1,135	7,648	<b>210,194</b>

## a) Capital Commitments

At 31<sup>st</sup> March 2020, the Authority has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2020/21 and future years. The major commitments for schemes valued in excess of £1m are:

2018/19 £000	Capital Contract	2019/20 £000
2,940	Housing Repairs & Investment	5,911
1,140	Assembly Rooms Development	-
2,340	Improvements to High Rise Blocks	-
7,333	Regeneration of Tinkers Green & Kerria	2,523
<b>13,753</b>	<b>Total</b>	<b>8,434</b>

## b) Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. The effective date of revaluation is 31<sup>st</sup> March 2020. The valuations are carried out by Authority's Property Surveyor, Mr P Evans MRICS, IRRV with the valuation of Council Dwellings being undertaken by Specialist Valuation Services an external valuer. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are carried at historical cost as a proxy for current value.

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years – including a desktop review of all Council Dwellings. A review of the valuation of all significant assets is undertaken annually.

The outbreak of Covid-19 has impacted global financial markets and as at the valuation date, less weight can be attached to previous market evidence to inform opinions of value. There is an unprecedented set of circumstances on which to base a judgement.

Valuations are therefore reported on the basis of 'material valuation uncertainty' as per the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to the valuation. At the current time, it is not possible to accurately predict the longevity and severity of the impact of Covid-19 on the economy. Therefore, values have been based on the situation prior to Covid-19, on the assumption that values will be restored when the real estate market becomes more fluid.

The following statement shows the progress of the Authority's rolling programme for revaluation of Non Current Assets:

Valuations (Cost or Valuation)	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Intangible Assets	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Valued at Historical Cost	-	-	4,392	378	1,155	8,526	1,541	15,992
Valued at Current Value in:								
2019/20	187,128	14,566	-	-	-	-	-	201,694
2018/19	-	7,193	-	-	-	-	-	7,193
2017/18	-	3,437	-	-	-	39	-	3,476
<b>Total</b>	<b>187,128</b>	<b>25,196</b>	<b>4,392</b>	<b>378</b>	<b>1,155</b>	<b>8,565</b>	<b>1,541</b>	<b>228,355</b>

## 15. Heritage Assets

Heritage Assets are assets that are held by the Authority because of their cultural, environmental or historical value. Tangible Heritage Assets include historical buildings, paintings, sculptures / statues, archives and other works of art.

The Authority's Museum, Art and Civic Heritage Assets are held in various sites. The Museum Collection has four main collections, General Collection, Art, Furniture and Archaeological Collection and Ephemera.

The collections are used for education, learning, research, enjoyment and are preserved for the use of future generations.

### Valuation of Heritage Assets

The Code requires that Heritage Assets are measured at valuation in the 2019/20 financial statements (including the 2018/19 comparative information). The Authority will recognise in the Balance Sheet each asset shown in the table which has an identified value.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on Property, Plant and Equipment. However, some of the measurement rules are relaxed in relation to Heritage Assets as detailed below.

The accounting policies in relation to Heritage Assets that are deemed to include elements of intangible Heritage Assets are also presented below.

- **General Collection:** Tamworth Castle has held collections and maintained a museum since it was purchased for the Borough in 1897. The collections are crucial for maximising access to and understanding of Tamworth's heritage. These items are reported in the Balance Sheet at insurance valuation which is based on Market values. Acquisitions, although rare, are initially recognised at cost.
- **Art Collection:** The collection consists principally of views of Tamworth by local artists although some are nationally recognised. The mediums covered include oil, watercolour, lithographs, mezzotints and prints. These too are reported in the Balance Sheet at insurance valuation based on Market values.
- **Archaeological Collection and Ephemera:** The archaeological collection consists mainly of finds from various excavations local to Tamworth, usually as a result of building development around Tamworth Castle site but also in the town and further afield. These are not recognised on the Balance Sheet as cost or valuation information is not reliable for items of this type due to the diverse nature, and lack of comparable market values for the assets held.
- **Civic Collection and Statues:** The Authority's Civic Collection and Statues were valued in April 2012 by external valuers. These assets are deemed to

have an indeterminate life with high residual values; hence the Authority does not consider it appropriate to charge depreciation.

- **Tamworth Castle:** The castle dates from c1070 but has been updated and modernised during the interim period. The current value is based on historic cost but there are regular works to maintain the property.

Movement in 2019/20	Art Collection	Civic Regalia	Museum Exhibits	Statues	Castle	Total Heritage Assets
	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>						
At 1st April 2019	97	174	624	256	1,909	3,060
Additions	-	-	-	-	296	296
<b>At 31st March 2020</b>	<b>97</b>	<b>174</b>	<b>624</b>	<b>256</b>	<b>2,205</b>	<b>3,356</b>

Movement in 2018/19	Art Collection	Civic Regalia	Museum Exhibits	Statues	Castle	Total Heritage Assets
	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>						
At 1st April 2018	97	174	624	233	1,737	2,865
Additions	-	-	-	23	172	195
<b>At 31st March 2019</b>	<b>97</b>	<b>174</b>	<b>624</b>	<b>256</b>	<b>1,909</b>	<b>3,060</b>

Heritage Assets Five Year Summary of Transactions	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000
<b>Cost of Acquisitions of Heritage Assets</b>					
Castle Museum	-	39	18	195	296
<b>Total Cost of Purchases</b>	<b>-</b>	<b>39</b>	<b>18</b>	<b>195</b>	<b>296</b>

## 16. Investment Properties

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

Investment Properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2018/19 £000	Investment Properties	2019/20 £000
(1,580)	Rental income from Investment Property	(1,338)
270	Direct operating expenses arising from Investment Property	238
<b>(1,310)</b>	<b>Net (Gain) / Loss</b>	<b>(1,100)</b>

There are no restrictions on the Authority's ability to realise the value inherent in its Investment Properties or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of Investment Properties over the year:

2018/19 £000	Fair Value of Investment Properties	2019/20 £000
22,385	<b>Balance at 1st April 2019</b>	22,488
6	Additions: Subsequent expenditure	3
28	Transfers: to / from Property, Plant and Equipment	-
73	Valuations: Changes in market valuation	1,054
(23)	Disposals	-
19	Other changes	-
<b>22,488</b>	<b>Balance at 31st March 2020</b>	<b>23,545</b>

**Fair Value Hierarchy** - All the Authority's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes (see Note 1 for an explanation of the fair value levels).

**Valuation Techniques Used to Determine Level 2 Fair Values for Investment Property** - The fair value of investment property has been measured using an income approach, by means of discounted cashflow method, where the expected cash flows from the properties are discounted (using a market – derived discount rate) to establish the present value of the net income stream. The approach has been developed using the Authority's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

There has been no change in the valuation techniques used during the year for investment properties.

**Highest and Best Use** - In estimating the fair value of the Authority's investment properties, the highest and best use is their current use.

**Valuation Process for Investment Properties** - The Authority's investment property has been valued as at 31<sup>st</sup> March 2020 by Paul Evans, Internal Valuer, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The outbreak of Covid-19 has impacted global financial markets and as at the valuation date, less weight can be attached to previous market evidence to inform opinions of value. There is an unprecedented set of circumstances on which to base a judgement. Valuations are therefore reported on the basis of 'material valuation uncertainty' as per the RICS Red Book Global.

## **17. Financial Instruments**

### **Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

### **Financial Assets**

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

There are three main classes of financial assets measured at:

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

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

### **Financial Assets Measured at Amortised Cost**

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

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

## **Expected Credit Loss Model**

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

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

## **Financial Assets Measured at Fair Value through Profit of Loss (FVPL)**

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

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price;
- other instruments with fixed and determinable payments – discounted cash flow analysis.

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

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

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

## a) Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets	Non-Current		Current			
	Investments		Investments		Debtors	
	31st March 2019 £000	31st March 2020 £000	31st March 2019 £000	31st March 2020 £000	31st March 2019 £000	31st March 2020 £000
<b>Amortised Cost</b>						
Principal	-	-	60,027	50,002	-	-
Investment Interest Accrual	-	-	189	204	-	-
Cash & Cash Equivalents (CCE)	-	-	-	-	4,914	5,258
CCE Accrued Interest	-	-	-	-	5	2
<b>Total Investments</b>	-	-	<b>60,216</b>	<b>50,206</b>	<b>4,919</b>	<b>5,260</b>
Trade Debtors	12,830	12,797	-	-	1,662	2,289
<b>Total Amortised Cost</b>	<b>12,830</b>	<b>12,797</b>	<b>60,216</b>	<b>50,206</b>	<b>6,581</b>	<b>7,549</b>
<b>Fair Value Through Profit and Loss</b>	<b>3,820</b>	<b>3,720</b>	-	-	-	-
<b>Total Financial Assets</b>	<b>16,650</b>	<b>16,517</b>	<b>60,216</b>	<b>50,206</b>	<b>6,581</b>	<b>7,549</b>

Financial Liabilities	Non-Current		Current	
	Borrowings		Creditors	
	31st March 2019 £000	31st March 2020 £000	31st March 2019 £000	31st March 2020 £000
<b>Amortised Cost</b>				
Principal	63,060	63,060	-	-
Interest Payable Accrual	-	-	311	311
<b>Total Borrowings</b>	<b>63,060</b>	<b>63,060</b>	<b>311</b>	<b>311</b>
Bank Overdraft	-	-	878	-
Trade Creditors	-	-	5,157	6,335
<b>Total Financial Liabilities at Amortised Cost</b>	<b>63,060</b>	<b>63,060</b>	<b>6,346</b>	<b>6,335</b>

## b) Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statements in relation to financial instruments are made up as follows.

Financial Instruments	Surplus or Deficit on the Provision of Services	Surplus or Deficit on the Provision of Services
	2018/19 £000	2019/20 £000
Net gains/losses on:		
Financial Assets Measured at Fair Value Through Profit or Loss	49	99
<b>Total net gains/losses</b>	<b>49</b>	<b>99</b>
Interest revenue:		
Financial Assets Measured at Amortised Cost	(904)	(999)
<b>Total interest revenue</b>	<b>(904)</b>	<b>(999)</b>
<b>Interest expense</b>		
Financial Assets or Financial Liabilities that are not at Fair Value Through Profit or Loss	2,755	2,720
<b>Total fee expense</b>	<b>2,755</b>	<b>2,720</b>

### c) Fair Value of Financial Assets

Some of the authority's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

<b>Financial Assets Measured at Fair Value</b>				
<b>Recurring Fair Value Measurements</b>	<b>Input level in fair value hierarchy</b>	<b>Valuation technique used to measure fair value</b>	<b>31st March 2019</b>	<b>31st March 2020</b>
			<b>£000</b>	<b>£000</b>
<b>Fair Value Through Profit and Loss</b>				
Other Financial Instruments Classified as Fair Value Through Profit and Loss	Level 1	Unadjusted quoted prices in active markets for identical shares (Investments in Property Funds)	3,820	3,720
<b>Total</b>			<b>3,820</b>	<b>3,720</b>

Investments made in property funds are as follows:-

Schroders UK Real Estate Fund - £1.85m, with an estimated return/yield of 3.1%

Threadneedle Property Unit Trust - £2.00m, with an estimated return/yield of 4.79%

Total investments - £3.85m, with an estimated return of c.4.0% plus any capital growth. The total value of these investments at 31<sup>st</sup> March 2020 is £3.72m (£3.82m at 31<sup>st</sup> March 2019).

### d) The Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value Disclosures are required)

Except for the financial assets carried at fair value (described above), all other financial liabilities and financial assets represented by amortised cost and long-term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB payable, PWLB new market rates have been applied to provide the fair value under PWLB debt redemption procedures. An additional note to the tables sets out the alternative fair value measurement applying the premature repayment/borrowing rates, highlighting the impact of the alternative valuation;

- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;

The fair value of trade and other receivables is taken to be the invoiced or billed amount. The fair values calculated are as follows:

Financial Liabilities	31st March 2019		31st March 2020	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
PWLB Debt	63,371	90,672	63,371	86,070
Creditors	5,157	5,157	6,335	6,335
<b>Total Financial Liabilities</b>	<b>68,528</b>	<b>95,829</b>	<b>69,706</b>	<b>92,405</b>

\* includes short term interest accrual of £311k.

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date. This shows a notional future loss (based on economic conditions at 31<sup>st</sup> March 2020) arising from a commitment to pay interest to lenders above current market rates.

The fair value of Public Works Loan Board (PWLB) loans of £86.1m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

The authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. If a value is calculated on this basis, the carrying amount of £63.1m would be valued at £86.1m. But, if the authority were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that will not now be paid/giving a discount for the reduced interest income that will be avoided. The exit price for the PWLB loans including the penalty charge would be £134.1m.

Loans and Receivables	31st March 2019		31st March 2020	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Money Market Loans <1 year	60,216	60,069	50,206	50,225
Cash & Cash Equivalents	4,919	4,919	5,260	5,260
Long Term Investments	3,820	3,820	3,720	3,720
Debtors	1,662	1,662	2,289	2,289
Long Term Debtors	12,830	12,830	12,797	12,797
<b>Total Financial Assets</b>	<b>83,447</b>	<b>83,300</b>	<b>74,272</b>	<b>74,291</b>

Where the fair value of the assets is lower than the carrying amount this is because the Authority's portfolio of investments includes a number of fixed rate loans where the interest rate receivable is lower than the rates available for similar loans at the Balance Sheet date and vice versa. For 2019/20, a notional future gain (based on economic conditions at 31<sup>st</sup> March 2020) was attributable to the commitment to receive interest above current market rates.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

**e) Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value**

Recurring Fair Value Measurements Using:	Other Significant Observable Inputs	Other Significant Observable Inputs
	(Level 2)	(Level 2)
	31st March 2019	31st March 2020
	£000	£000
<b>Financial Liabilities</b>		
Financial Liabilities Held at Amortised Cost:		
PWLB	63,371	63,371
<b>Total</b>	<b>63,371</b>	<b>63,371</b>
<b>Financial assets</b>		
Financial Assets Held at Amortised Cost:		
	65,135	55,466
<b>Total</b>	<b>65,135</b>	<b>55,466</b>

## 18. Debtors

2018/19 £000	Debtors	2019/20 £000
	<b>Trade Receivables:</b>	
256	Other Local Authority	405
2,382	Housing Rent	2,489
2,672	Other Entities and Individuals	2,855
<b>5,310</b>		<b>5,749</b>
	<b>Other Receivable Amounts:</b>	
1,494	Government Departments	1,188
40	Business Rates	42
85	Council Tax Payers	93
<b>1,619</b>		<b>1,323</b>
(374)	<b>Payments in Advance</b>	(1,986)
<b>(374)</b>		<b>(1,986)</b>
(3,274)	<b>Less Provision for Bad Debt</b>	(3,184)
<b>(3,274)</b>		<b>(3,184)</b>
<b>3,281</b>	<b>Total Debtors</b>	<b>1,902</b>

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

Debtors 2018/19 £000	Bad debt Provisions 2018/19 £000	Debtors for Local Taxation - Council Tax & Non-domestic Rates	Debtors 2019/20 £000	Bad Debt Provisions 2019/20 £000
1,170	377	Less than one year	1,293	479
443	215	One to two years	615	332
377	252	Two to three years	339	202
1,065	927	More than three years	1,077	940
<b>3,055</b>	<b>1,771</b>	<b>Total</b>	<b>3,324</b>	<b>1,953</b>

## 19. Cash & Cash Equivalents

Cash is represented by Cash in Hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, Cash and Cash Equivalents are shown net of Bank Overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

The balance of Cash and Cash Equivalents is made up of the following elements:

<b>2018/19 £000</b>	<b>Cash and Cash Equivalents</b>	<b>2019/20 £000</b>
2	Cash held by the Authority	3
(878)	Bank current accounts	199
4,919	Short term deposits with Banks and Building Societies	5,061
<b>4,043</b>	<b>Total Cash and Cash Equivalents</b>	<b>5,263</b>

## 20. Assets Held for Sale

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

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to Non Current Assets and valued at the lower of their carrying amount before they were classified as Held for Sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

There were no assets held for sale at 31<sup>st</sup> March 2020.

## 21. Creditors

2018/19 £000	Creditors	2019/20 £000
	<b>Trade Payables:</b>	
1,754	Other Local Authorities	1,637
533	Housing Rent	540
2,870	Other Entities and Individuals	4,158
<b>5,157</b>		<b>6,335</b>
	<b>Other Payables:</b>	
1,111	Government Departments	431
107	Council Tax Payers	117
4,732	Precepting Authorities (Business Rates)	3,971
1,470	Precepting Authorities (Council Tax)	1,679
467	Business Rates Payments	333
<b>7,887</b>		<b>6,531</b>
<b>13,044</b>		<b>12,866</b>

## 22. Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Authority has an obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

### a) Municipal Mutual Insurance (MMI)

This provision has been established as a result of the decision to trigger the 'Scheme of Arrangement' (SOA) with regard to Municipal Mutual Insurance (MMI), at a meeting of the Board of Directors on 13<sup>th</sup> November 2012. Under this SOA, the Authority is liable to pay a levy up to the value of claims paid since 1993 (£252k) and a provision of £33k was established to cover the potential additional levy of up to 28%. There is currently a remaining provision of £8k.

### b) Business Rates Appeals

Under Business Rates Retention arrangements, Billing authorities acting as agents on behalf of the major preceptors (10%), Central Government (50%) and themselves (40%) are required to make provisions for refunding ratepayers who have successfully appealed against the rateable value of their properties on the Rating List. The Authority has included a provision of £2.0m (£1.8m – 2018/19) (the overall provision in the Business Rates Collection Fund is £5.1m (£4.5m – 2018/19) and the Authority's share of the Local Business Rates Retention scheme is 40%) for appeals outstanding on the 31<sup>st</sup> March 2020 of £93.6m (£101.4m 2018/19).

Further details regarding the approach to determining the NDR provision can be found in Note 39 - Contingent Liabilities as local businesses could still appeal against the Rateable Value on the 2010 Rating List under limited circumstances and can also appeal against the Rateable Value on the 2017 Rating List.

Provisions	Municipal Mutual Insurance £000	Non Domestic Rates Appeals £000	Short Term Provisions Total £000	Long Term - Non Domestic Rates Appeals £000
<b>Balance at 1st April 2018</b>	<b>8</b>	<b>684</b>	<b>692</b>	<b>853</b>
Additional provisions made in year	-	-	-	751
Amount used in year	-	(98)	(98)	(89)
Unused amounts reversed in year	-	(62)	(62)	(232)
<b>Balance at 31st March 2019</b>	<b>8</b>	<b>524</b>	<b>532</b>	<b>1,283</b>
Additional provisions made in year	-	159	159	477
Amount used in year	-	(13)	(13)	(307)
Unused amounts reversed in year	-	(99)	(99)	-
<b>Balance at 31st March 2020</b>	<b>8</b>	<b>571</b>	<b>579</b>	<b>1,453</b>

## 23. Unusable Reserves

31st March 2019 £000	Unusable Reserves	31st March 2020 £000
55,561	Revaluation Reserve	61,901
115,376	Capital Adjustment Account	119,859
(51,840)	Pensions Reserve	(41,266)
12,701	Deferred Capital Receipts Reserve	12,689
(221)	Accumulated Absences Account	(265)
1,068	Collection Fund Adjustment Account	500
<b>132,645</b>	<b>Total Unusable Reserves</b>	<b>153,418</b>

### a) Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1<sup>st</sup> April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2018/19 £000	Revaluation Reserve	2019/20 £000
<b>47,059</b>	<b>Balance at 1st April 2019</b>	<b>55,561</b>
	Revaluation of assets and impairment losses not charged to the (Surplus) or Deficit on the Provision of Services	
9,102		7,225
<b>9,102</b>	Surplus or deficit on the revaluation of non-current assets not posted to the (Surplus) or Deficit on the Provision of Services	7,225
(600)	Difference between fair value depreciation and historical cost depreciation	(885)
<b>(600)</b>	Amount written off to the Capital Adjustment Account	(885)
<b>55,561</b>	<b>Balance at 31st March 2020</b>	<b>61,901</b>

## **b) Capital Adjustment Account**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of Non Current Assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1<sup>st</sup> April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2018/19 £000	Capital Adjustment Account	2019/20 £000
<b>102,952</b>	<b>Balance at 1st April 2019</b>	<b>115,376</b>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(8,563)	Charges for depreciation and impairment of Non Current Assets;	(10,290)
(1,463)	Revaluation losses on Property, Plant and Equipment;	(6,755)
(49)	Movement in Fair Value of Capital Property Fund Investments	(99)
(93)	Amortisation of Intangible Assets;	(114)
(717)	Revenue Expenditure Funded from Capital Under Statute;	(654)
(1,449)	Amounts of Non Current Assets written off on disposal or sale as part of the gains / loss on disposal to the Comprehensive Income and Expenditure Statement;	(1,574)
(12,334)		(19,486)
600	Adjusting amounts written out of the Revaluation Reserve	885
<b>(11,734)</b>	Net written out amount of the cost of Non Current Assets consumed in the year	<b>(18,601)</b>
	Capital financing applied in the year:	
8,198	Use of Capital Receipts Reserve to finance new capital expenditure;	4,810
4,998	Use of Major Repairs Reserve to finance new capital expenditure;	4,277
7,116	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing;	873
57	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances - Minimum Revenue Provision;	56
3,716	Capital expenditure charged against the General Fund and HRA Balances.	12,014
<b>24,085</b>		<b>22,030</b>
<b>73</b>	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement.	<b>1,054</b>
<b>115,376</b>	<b>Balance at 31st March 2020</b>	<b>119,859</b>

### c) Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2018/19 £000	Pensions Reserve	2019/20 £000
(43,692)	<b>Balance at 1st April 2019</b>	(51,840)
(5,676)	Remeasurement of the Net Defined Benefit Liability / (asset)	12,897
(4,946)	Reversal of items relating to retirement benefits debited or credited to the (Surplus) or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(4,695)
2,474	Employer's contributions and direct payments to pensioners payable in the year	2,372
<b>(51,840)</b>	<b>Balance at 31st March 2020</b>	<b>(41,266)</b>

Previously, the accounts included an advance payment of the pension lump sum for the 3 years to 2019/20 – following the triennial review in March 2016. This has been accounted for, following technical advice, by reducing the charge to the Comprehensive Income and Expenditure Account offset in the Pensions Reserve.

#### d) Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of Non Current Assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve. The majority of the current balance relates to the accounting arrangements for finance leases under IFRS.

2018/19 £000	Deferred Capital Receipts Reserve	2019/20 £000
20,403	<b>Balance at 1st April 2019</b>	12,701
(7,702)	Transfer to Capital Receipts Reserve upon receipt of cash	(12)
<b>12,701</b>	<b>Balance at 31st March 2020</b>	<b>12,689</b>

#### e) Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31<sup>st</sup> March 2019. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2018/19 £000	Accumulated Absences Account	2019/20 £000
(240)	<b>Balance at 1st April 2019</b>	(221)
240	Settlement or cancellation of accrual made at the end of the preceding year	221
(221)	Amounts accrued at the end of the current year	(265)
19	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(44)
<b>(221)</b>	<b>Balance at 31st March 2020</b>	<b>(265)</b>

## f) Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and business rates income in the Comprehensive Income and Expenditure Statement as it falls due from tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

<b>2018/19 £000</b>	<b>Collection Fund Adjustment Account</b>	<b>2019/20 £000</b>
<b>429</b>	<b>Balance at 1st April 2019</b>	<b>1,068</b>
639	Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(568)
<b>1,068</b>	<b>Balance at 31st March 2020</b>	<b>500</b>

## 24. Cash Flow Statement – Operating Activities

The cash flows for the operating activities include the following items:

2018/19 £000	Cash Flow Statement - Operating Activities	2019/20 £000
	The cash flows for operating activities include the following items	
(1,649)	Interest received	(2,049)
2,755	Interest paid	2,720
<b>1,106</b>		<b>671</b>
<b>3,223</b>	Net Surplus or (Deficit) on the Provision of Services	<b>(7,026)</b>
	Adjusted for non cash movements	
8,563	Depreciation	10,290
1,463	Impairment and Downward Valuations	6,755
93	Amortisation	114
1,083	Increase / Decrease in Creditors	(809)
(202)	Increase / Decrease in Debtors	1,451
(13)	Increase / Decrease in Inventories	2
3,312	Movement in Pension Liability	3,302
1,449	Carrying amount of Non Current Assets and Non Current Assets Held for Sale, sold or de-recognised	1,574
197	Other non cash items charged to the Net (Surplus) or Deficit on the Provision of Services	(741)
<b>15,945</b>		<b>21,938</b>
	Adjusted for items that are Investing or Financing Activities	
134	Proceeds from Short-Term (Not Considered to be Cash Equivalents) and Long-Term investments (Includes Investments in Associates, Joint Ventures and Subsidiaries)	(1,081)
(2,068)	Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(2,043)
(7,116)	Any other items for which the cash effects are Investing or Financing Activities cash flows	-
<b>(9,050)</b>		<b>(3,124)</b>
<b>10,118</b>	<b>Net Cash Flows from Operating Activities Surplus/(Deficit)</b>	<b>11,788</b>

## 25. Cash Flow Statement – Investing Activities

2018/19 £000	Cash Flow Statement - Investing Activities	2019/20 £000
19,740	Purchase of Property, Plant and Equipment; Investment Property and Intangible Assets	23,257
-	REFCUS	-
12,861	Purchase of Short Term and Long Term Investments	-
-	Other payments for Investing Activities	-
(9,760)	Proceeds from the sale of Property, Plant and Equipment; Investment Property and Intangible Assets	(2,043)
134	Proceeds from Short Term and Long Term Investments	(10,025)
(7,116)	Other receipts from Investing Activities	(1,378)
<b>15,859</b>	<b>Net Cash Flows from Investing Activities</b>	<b>9,811</b>

## 26. Cash Flow Statement – Financing Activities

2018/19 £000	Cash Flow Statement - Financing Activities	2019/20 £000
(1,289)	Other payments for Financing Activities	-
(77)	Other receipts from Financing Activities	757
<b>(1,366)</b>	<b>Net Cash Flows from Financing Activities</b>	<b>757</b>

## 27. Acquisitions & Discontinued Operations

### Acquired operations

There were no acquired operations during 2019/20.

### Discontinued Operations

The results of discontinued operations are shown as a single amount on the face of the Comprehensive Income and Expenditure Statement comprising the profit or loss of discontinued operations and the gain or loss recognised either on measurement to fair value less costs to sell or on the disposal of the discontinued operation. A discontinued operation is a unit that has been disposed of, or is classified as an Asset Held for Sale.

There were no discontinued operations during 2019/20.

## 28. Trading Operations

The Authority has a number of trading operations required to operate in a commercial environment as follows:

2018/19 Expenditure £000	2018/19 Income £000	2018/19 (Surplus)/ Deficit £000	Trading Operations	2019/20 Expenditure £000	2019/20 Income £000	2019/20 (Surplus)/ Deficit £000
8	(10)	(2)	Markets	4	(10)	(6)
(7)	(845)	(852)	Industrial Estates	(338)	(885)	(1,223)
202	(735)	(533)	Other Land and Property	(479)	(452)	(931)
<b>203</b>	<b>(1,590)</b>	<b>(1,387)</b>	<b>Total</b>	<b>(813)</b>	<b>(1,347)</b>	<b>(2,160)</b>

Trading Operations are incorporated into the Comprehensive Income and Expenditure Statement.

## 29. Members' Allowances

The Authority paid the following amounts to members of the Authority during the year.

2018/19 £000	Members Allowances	2019/20 £000
160	Basic Allowance	160
93	Special Responsibility	95
4	Other Allowances/Expenses	4
1	Travel/Mileage	-
<b>258</b>	<b>Total</b>	<b>259</b>

## **30. Officers' Remuneration**

### **Benefits Payable During Employment**

Short term employee benefits are those due to be settled wholly within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave and non-monetary benefits (e.g. Healthshield cover) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to (Surplus) or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

The remuneration paid to the Authority's Senior Employees is as follows:

<b>Officers Remuneration</b>	<b>Year</b>	<b>Salary, Fees and Allowances</b>	<b>Expenses Allowances</b>	<b>Pension Contribution</b>	<b>Compensation for loss of office</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>
Chief Executive	2019/20	115,884	1,094	19,830	-	136,808
	2018/19	93,719	894	15,464	-	110,077
Chief Operating Officer	2019/20	-	-	-	-	-
	2018/19	19,254	201	3,177	-	22,632
Executive Director Corporate Services	2019/20	-	-	-	-	-
	2018/19	54,000	488	15,408	129,929	199,825
Head of Paid Service	2019/20	-	-	-	-	-
	2018/19	16,236	201	2,679	-	19,116
Executive Director Organisation	2019/20	94,935	1,094	15,484	-	111,513
	2018/19	75,133	894	12,397	-	88,424
Director of Housing & Health	2019/20	-	-	-	-	-
	2018/19	83,556	1,356	13,787	-	98,699
Executive Director Communities	2019/20	90,110	1,370	14,642	-	106,122
	2018/19	87,224	1,370	14,392	-	102,986
Director of Finance	2019/20	-	-	-	-	-
	2018/19	14,036	251	2,316	-	16,603
Executive Director Finance	2019/20	89,949	1,209	14,642	-	105,800
	2018/19	71,050	1,119	11,723	-	83,892
Solicitor & Monitoring Officer	2019/20	-	-	-	-	-
	2018/19	41,974	488	58,511	67,307	100,973
Director of Technology & Corporate Programmes	2019/20	-	-	-	-	-
	2018/19	29,192	456	4,817	50,000	34,465
Head of Landlord Services	2019/20	-	-	-	-	-
	2018/19	11,067	251	1,826	-	13,144
Assistant Director Neighbourhoods	2019/20	67,439	1,140	10,940	-	79,519
	2018/19	51,450	1,119	8,489	-	61,058
Head of Planning and Regeneration	2019/20	-	-	-	-	-
	2018/19	10,641	201	1,756	-	12,598
Assistant Director Growth and Regeneration *1	2019/20	52,266	841	8,485	-	61,592
	2018/19	50,225	894	8,287	-	59,406

<b>Officers Remuneration</b>	<b>Year</b>	<b>Salary, Fees and Allowances £</b>	<b>Expenses Allowances £</b>	<b>Pension Contribution £</b>	<b>Compensation for loss of office</b>	<b>Total £</b>
Housing Strategy Manager	2019/20	-	-	-	-	-
	2018/19	31,191	365	80,334	72,885	184,775
Assistant Director People	2019/20	64,107	1,370	10,351	-	75,828
	2018/19	61,848	1,370	10,205	-	73,423
Assistant Director Partnerships	2019/20	63,825	1,094	10,351	-	75,270
	2018/19	57,194	1,094	9,437	-	67,725
Assistant Director Operations and Leisure	2019/20	64,212	1,370	10,369	-	75,951
	2018/19	57,721	1,370	9,524	-	68,615
Assistant Director Finance	2019/20	63,825	1,094	10,351	-	75,270
	2018/19	57,194	1,140	9,437	-	66,771
Assistant Director Asset Management	2019/20	64,101	1,370	10,317	-	75,788
	2018/19	59,116	1,370	8,119	-	68,605
Head of Audit and Governance *2	2019/20	44,333	883	7,106	-	52,322
	2018/19	52,186	1,370	8,350	-	61,906

During the year there were two personnel changes within the Senior Management Team specifically:

\*1 Assistant Director Growth and Regeneration, post vacated 1<sup>st</sup> June 2019 with the replacement in post 3<sup>rd</sup> September 2019.

\*2 Head of Audit and Governance, post vacated 11<sup>th</sup> June 2019 with the replacement in post 19<sup>th</sup> August 2019

A number of comparative figures are included and reflect where posts have changed as a result of the Senior Management Restructure in 2018/19.

With regard to pension contribution levels - following the triennial review carried out by the Actuary employed by the Pension Fund in March 2019 - contribution levels remain unchanged for the 3 years commencing 1<sup>st</sup> April 2020. This includes an ongoing lump sum relating to past liabilities and a set rate for future employer contributions of 16.5% p.a. (This rate has not changed since 2014/15).

The Authority's employees receiving more than £50k remuneration for the year (excluding employer's pension contributions) not including those reported in the Senior Employees table above were paid the following amounts:

2018/19 Total Number of Employees	Remuneration Band	2019/20 Number of Employees Left During Year	2019/20 Number Employed at 31st March 2020	2019/20 Total Number of Employees
1	£50,000 - £54,999	-	1	1
1	Total	-	1	1

The number of exit packages with total cost per band and total cost of redundancies are set out below:

Exit Package Cost Band	Number of Departures Agreed	
	2018/19	2019/20
<b>Compulsory</b>		
£0 - £20,000	1	1
£20,001 - £40,000	-	-
£40,001 - £60,000	1	-
<b>Total</b>	<b>2</b>	<b>1</b>
<b>Other departures agreed</b>		
£0 - £20,000	3	5
£20,001 - £40,000	-	10
£40,001 - £60,000	3	1
£60,001 - £80,000	1	-
£80,001 - £100,000	-	-
£100,001 - £150,000	4	-
£150,001 - £200,000	1	-
<b>Total</b>	<b>12</b>	<b>16</b>

Total number of exit packages by cost band	Number of Departures Agreed		Total Cost of Exit Packages	
	2018/19	2019/20	2018/19 £'000	2019/20 £'000
£0 - £20,000	4	6	27	36
£20,001 - £40,000	-	10	-	289
£40,001 - £60,000	4	1	206	49
£60,001 - £80,000	1	-	64	-
£80,001 - £100,000	-	-	-	-
£100,001 - £150,000	4	-	503	-
£150,001 - £200,000	1	-	150	-
<b>Total</b>	<b>14</b>	<b>17</b>	<b>950</b>	<b>374</b>

### 31. External Audit Costs

The agreed audit fees paid for 2019/20 were £53k (£52k 2018/19) net of a refund of £5k.

2018/19 £000	External Audit Costs	2019/20 £000
38	Fees payable to Grant Thornton with regard to the external audit services carried out by the appointed auditor for the year;	38
14	Fees payable to Grant Thornton for the certification of grants and returns for the year;	15
2	Fees payable in respect of other services provided by Cabinet Office during the year - National Fraud Initiative.	-
<b>54</b>	<b>Total</b>	<b>53</b>

The indicative fee for certification of grants and returns for 2019/20 is £15k. The agreed fee for the 2019/20 audit (payable in 2020/21) is £45,875.

### 32. Government Grants and Contributions

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

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

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

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

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

## Community Infrastructure Levy

The Authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the authority) with appropriate planning consent. The council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges for this Authority may be used to fund revenue expenditure. CIL income of £219k was received in 2019/20 including income for monitoring costs of £11k.

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 20109/20:

2018/19 £000	Grant Income	2019/20 £000
	<b>Credited to Taxation and Non Specific Grant Income</b>	
494	Revenue Support Grant	-
13,517	NNDR	13,549
(10,010)	Non Domestic Rates - Tariff	(10,054)
(992)	Non Domestic Rates - Levy to GBSLEP	(17)
148	New Homes Bonus	336
894	S31 Grant - Small Business Rate Relief	1,114
52	Other Grants	35
7,116	Capital Grants and Contributions	1,081
<b>11,219</b>	<b>Total</b>	<b>6,044</b>

The Authority credited the following grants, contributions and donations to Cost of Services within the Comprehensive Income and Expenditure Statement in 2019/20:

£000	Government Grant	£000
299	DWP Admin Grant	269
90	NNDR Cost of Collection	90
15,717	Benefits	13,656
140	Discretionary Housing Payment	136
7	Nature Reserve	7
113	Safer Stronger Communities/Domestic Abuse	103
26	Electoral Process	24
18	Homelessness Reduction Act	26
59	Domestic Abuse Services	40
21	Arts Council	-
-	Heritage Lottery Funding	15
138	Welfare Benefit Reform Changes	66
91	Flexible Homelessness Support	146
21	Homelessness Prevention	10
17	EU Exit	35
18	New Burdens - Brownfields/Custom Build	-
6	ERDF	1
30	Earned Autonomy	15
25	National Community Clean Up	-
-	Future High Street Funds	150
-	GBSLEP Town Centre Ecosystems	75
-	Improve and Development Agency - Cyber Security	5
<b>16,836</b>	<b>Total</b>	<b>14,869</b>

The Authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year end are as follows:

31st March 2019 £000	Capital Grants Receipts in Advance	31st March 2020 £000
1	DCMS Free Swimming Grant	1
3	Lottery BMX Track	3
10	HLF Mercian Trail	-
12	Other	17
-	S106 Leisure Grants	270
<b>26</b>	<b>Total</b>	<b>291</b>

### **33. Related Parties**

The Authority is required to disclose material transactions with related parties – bodies or individuals that have control or joint control, or significant influence over the Authority, or are a member of the key management personnel of the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

#### **a) Central Government**

Central Government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. Council Tax bills, housing benefits). Grants received from government departments are set out in the subjective analysis in Note 8. Grant receipts outstanding at 31<sup>st</sup> March 2020 are shown in Note 32.

#### **b) Members**

Members of the Authority have direct control over the Authority's financial and operating policies. The total of Members' Allowances paid in 2019/20 is shown in Note 29. During the financial year ended 31<sup>st</sup> March 2020, there were no material transactions between the Authority and its Members, other than the payment of Member Allowances. Details of all transactions are recorded in the Register of Members' Interest, open to public inspection at the Town Hall during office hours.

Members are required to disclose information regarding any material transactions between them and any other organisation in which they could exert control. During the financial year ended 31<sup>st</sup> March 2020, the only such transactions were with regard to the Leader of the Council and Solway (Tamworth) Ltd, as detailed in paragraph (d) below.

#### **c) Officers**

During the financial year ended 31<sup>st</sup> March 2020, there were no material transactions between the Authority and its Chief Officers, other than the payment of officer salaries. The total of Senior Officers' Remuneration is shown in Note 30.

Senior Officers are required to disclose information regarding any material transactions between them and any other organisation in which they could exert control. During the financial year ended 31<sup>st</sup> March 2020, the only such transactions were with regard to the Chief Executive and the Executive Director Finance and Solway (Tamworth) Ltd, detailed below.

#### d) Solway (Tamworth) Ltd

In line with plans set out in the Council's Commercial Investment Strategy, the above trading company was established in 2018. The company is wholly owned by the Council, with the Leader of the Council, Chief Executive, and Executive Director Finance established as Directors of the company. It had been intended that during 2019/20, land owned by the Council at Solway Close would be disposed of and purchased by the company for the development of private housing for rent, however, this has not yet progressed.

#### e) Staffordshire County Council, OPCC and Fire Authority Precepts.

Staffordshire County Council and OPCC Staffordshire, and Staffordshire Commissioner Fire and Rescue Authority, issue precepts on the Authority, as follows:

31st March 2019 £000	Precepts	31st March 2020 £000
25,951	Staffordshire County Council	27,119
4,128	OPCC Staffordshire	4,713
1,576	Staffordshire Commissioner Fire and Rescue Authority	1,648
<b>31,655</b>	<b>Total</b>	<b>33,480</b>

During the year, there were 3 Councillors who were both a Member of the Council and Staffordshire County Council.

#### f) Staffordshire County Council

Under the Recycling Credit Scheme, the Authority also receives recycling credits from Staffordshire County Council. These are then paid over to the Joint Waste Service under arrangements with Lichfield District Council.

31st March 2019 £000	Recycling Credit Scheme	31st March 2020 £000
(611)	Recycling Credits	(599)
<b>(611)</b>	<b>Total</b>	<b>(599)</b>

### g) Joint Waste Service

The Authority's Joint Waste Service with Lichfield District Council was launched in July 2010, and a joint committee - 'Lichfield and Tamworth Waste Collection Services' - was established. The organisation provides waste and recycling services to approximately 73,000 properties across the two Authorities. Lichfield District Council is responsible for hosting the service including employment of staff.

The parties have an agreement in place for funding this operation with contributions to the agreed budget of **58.29%** from Lichfield District Council and **41.71%** from Tamworth Borough Council. The same proportions are used to meet any deficit or share any surplus arising on the operation's budget at the end of each financial year.

The revenue outturn of the Joint Waste Service for the year ended 31<sup>st</sup> March 2020 is as follows:

2018/19 £000	Joint Waste Arrangement Income / Expenditure	2019/20 £000
	<b>Funding Provided to the Operation</b>	
(863)	Contribution from Tamworth Borough Council	(920)
(1,187)	Contribution from Lichfield District Council	(1,287)
<b>(2,050)</b>	<b>Total Funding Provided to the Operation</b>	<b>(2,207)</b>
	<b>Expenditure</b>	
2,618	Employee Costs	2,685
2	Premises Related Expenses	-
1,243	Transport Costs	1,261
1,410	Supplies and Services	1,380
369	Central Support Costs	369
<b>5,642</b>	<b>Total Expenditure</b>	<b>5,695</b>
	<b>Income</b>	
(1,620)	Recycling Credits	(1,581)
(1,495)	Green Waste Service	(1,478)
(479)	Other Income	(429)
<b>(3,594)</b>	<b>Total Income Received</b>	<b>(3,488)</b>
<b>2,048</b>	<b>Total Net Expenditure</b>	<b>2,207</b>
	<b>Net (Surplus)/Deficit arising on the pooled budget during the year</b>	
(2)		-
<b>42.16%</b>	<b>Tamworth Borough Council's share of Service</b>	<b>41.71%</b>
	<b>Tamworth Borough Council's share of Net (Surplus)/Deficit</b>	
(1)		-

Lichfield District Council are the lead Authority for this arrangement, with the Tamworth Borough Council reimbursing Lichfield for services on the basis of a proportion of actual spend. For 2019/20, the cost of the arrangement to the Authority was £0.9m.

### 34. Capital Expenditure & Financing

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a Non Current Asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund or Housing Revenue Account to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax or housing rent.

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

2018/19 £000	Capital Expenditure and Financing	2019/20 £000
68,925	<b>Opening Capital Financing Requirement</b>	68,868
	Capital Investment	
22,971	Property, Plant and Equipment	24,187
195	Heritage Assets	296
6	Investment Properties	3
139	Intangible Assets	77
717	Revenue Expenditure Funded from Capital under Statute	654
	Sources of Finance	
(8,198)	Capital receipts	(4,810)
(6,563)	Government grants and other contributions	(391)
(8,714)	Sums set aside from revenue - Direct Revenue Contributions	(16,291)
(57)	Sums set aside from revenue - Minimum Revenue Provision	(56)
(553)	Grants - Revenue Expenditure Funded from Capital Under Statute	(482)
<b>68,868</b>	<b>Closing Capital Financing Requirement</b>	<b>72,055</b>
	<b>Explanation of movements in year:</b>	
	Increase in underlying need to borrow:	
-	Unsupported by government financial assistance	3,243
(57)	Sums set aside from revenue - Minimum Revenue Provision	(56)
<b>(57)</b>	<b>Increase/(Decrease) in Capital Financing Requirement</b>	<b>3,187</b>

## 35. Leases

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

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

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

### a) Authority as Lessee

#### Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased Property, Plant and Equipment. Charges are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent free period at the commencement of the lease).

The Authority currently uses vehicles, plant and equipment financed under terms of an operating lease. The amount paid under these arrangements in 2019/20 was £288k (£273k – 2018/19). These leases have options for annual extensions beyond the original lease term, a number of these options are currently being taken up.

2018/19 £000	Minimum Lease Payments	2019/20 £000
273	Minimum lease payments	288
<b>273</b>	<b>Total Minimum Lease Payments</b>	<b>288</b>

The Authority was committed at 31<sup>st</sup> March 2020 to making payments of £576k under operating leases, comprising the following elements:

31st March 2019 £000	Operating Leases	31st March 2020 £000
291	Not later than one year	281
484	Later than one year not later than five years	295
<b>775</b>	<b>Total Operating Leases</b>	<b>576</b>

## **b) Authority as Lessor**

### **i. Finance Leases**

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal.

At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (Long Term Debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement.

Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

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

The Authority has leased out property at the Ankerside Shopping Centre including car park, on a finance lease with a remaining term of 69 years.

The Authority has a gross investment in the lease, made up of the minimum lease payments expected to be received over the remaining term and the residual value anticipated for the property when the lease comes to an end. The minimum lease payments comprise settlement of the Long Term Debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Authority in future years whilst the debtor remains outstanding.

The gross investment is made up of the following amounts:

<b>31st March 2019 £000</b>	<b>Assets Held for Leases (Lessor)</b>	<b>31st March 2020 £000</b>
	Finance lease debtor (NPV of minimum lease payments)	
12,594	Non current	12,583
46,117	Unearned finance income	45,277
12	Unguaranteed residual value of property	12
<b>58,723</b>	<b>Gross Investment in the Lease</b>	<b>57,872</b>

The gross investment in the lease and the minimum lease payments will be received over the following periods:

<b>Minimum Lease Payments 31st March 2019 £000</b>	<b>Gross Investment in the Lease 31st March 2019 £000</b>	<b>Minimum Lease Payments</b>	<b>Minimum Lease Payments 31st March 2020 £000</b>	<b>Gross Investment in the Lease 31st March 2020 £000</b>
851	851	Not later than one year	851	851
3,404	3,404	Later than one year not later than five years	3,404	3,404
54,456	54,468	Later than five years	53,605	53,617
<b>58,711</b>	<b>58,723</b>	<b>Total</b>	<b>57,860</b>	<b>57,872</b>

The Authority does not set aside any amount for future uncollectable amounts.

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

## ii. Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

The Authority leases out property and equipment under operating leases for the following purposes:

- for the provision of community services, such as community centres; and
- for investment purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non cancellable leases in future years are:

<b>31st March 2019 £000</b>	<b>Future Minimum Lease Payments</b>	<b>31st March 2020 £000</b>
	Operating Leases	
1,111	Not later than one year	1,113
4,235	Later than one year not later than five years	4,220
52,476	Later than five years	52,441
<b>57,822</b>	<b>Total</b>	<b>57,774</b>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

The minimum lease payments do not include cancellable rents received during the period, these amounted to £579k in 2019/20 (£526k – 2018/19). There were 15 void units at the 31<sup>st</sup> March 2020 (12 voids at the 31<sup>st</sup> March 2019).

### **36. Impairment Losses**

Charges for impairment of £7.1m have been made during 2019/20. This amount reflects the expenditure on capital assets which has not produced a similar increase in the value of the assets.

Total HRA Capital Expenditure was £20.5m of which £7.1m related to improvements to bathrooms, kitchens, central heating, electrical upgrades and disabled adaptations; £2.6m related to the acquisition of 20 new properties to be used within the general need stock; with £10.8m spent on the regeneration of the Tinkers Green and Kerria sites. The impairment has been recognised as the advice of the Authority's internal valuer is that such improvements have not increased the overall value of the asset.

### **37. Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund or Housing Revenue Account to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

There were 17 terminations of employee contracts during 2019/20.

## 38. Defined Benefit Pension Schemes

The pension costs included in these accounts have been determined in accordance with government regulations and IAS 19. The standard requires the full recognition of the pensions liability (and the movement of its constituent parts) in the Comprehensive Income and Expenditure Statement. These requirements are included within the accounts in accordance with CIPFA recommended practice.

The Local Government Pension Scheme (LGPS) is accounted for as a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations 2013:

- i. The liabilities of the Staffordshire Local Government Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.
- ii. Liabilities are discounted to their value at current prices, using a discount rate of 2.3%.

This is based on an approach whereby a Corporate Bond yield curve is constructed based on the constituents of the iBoxx AA Corporate Bond Index.

Separate discount rates are then set (and corresponding RPI/CPI inflation assumptions) for individual employers, dependent on their own weighted average duration.

- iii. The assets of Staffordshire Local Government Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value:
  - quoted securities – current bid price;
  - unquoted securities – professional estimate;
  - unitised securities – current bid price;
  - property – market value.
- iv. The change in the net pensions liability is analysed into the following components:

### Service Cost Comprising:

- **Current Service Cost:** The increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- **Past Service Cost:** The increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the (Surplus) or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;

- **Net Interest Cost:** net interest on the net defined benefit liability (asset), ie net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

#### **Remeasurements comprising:**

**Expected Return on Plan Assets:** excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure:

- **Actuarial Gains and Losses:** changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- **Contributions paid to the Staffordshire Local Government Pension Fund:** Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund and the Housing Revenue Account to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund and Housing Revenue Account of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

#### **Discretionary Benefits**

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

#### **a) Participation in Pension Schemes**

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The authority participates in two post employment schemes:

- The Local Government Pension Scheme, administered locally by Staffordshire County Council – this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- Arrangements for the award of discretionary post retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

#### **b) Transactions Relating to Post-employment Benefits**

We recognise the cost of retirement benefits in the reported Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against Council Tax is based on the cash payable in the year, so the real cost of post employment / retirement benefits is reversed out of the General Fund (and HRA) via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

## Comprehensive Income and Expenditure Statement

Local Government Pension Scheme 2018/19 £000	Discretionary Benefit Arrangements 2018/19 £000	Defined Benefit Pension Schemes	Local Government Pension Scheme 2019/20 £000	Discretionary Benefit Arrangements 2019/20 £000
		<b>Comprehensive Income and Expenditure Statement:</b>		
3,069	69	Service Cost Comprising:	3,447	68
718	-	Current service costs	-	-
		Past service costs		
		<b>Financing and Investment Income and Expenditure</b>		
3,388	-	Interest costs	3,361	-
(2,229)	-	Expected return on scheme assets	(2,113)	-
<b>4,946</b>	<b>69</b>	<b>Total Post Employment Benefit Charged to the (Surplus) or Deficit on the Provision of Services</b>	<b>4,695</b>	<b>68</b>
		<b>Remeasurement of the Net Defined Benefit Liability Comprising:</b>		
(4,527)	91	Return on plan assets (excluding amounts included in net interest expense)	5,130	(82)
-	-	Actuarial gains and losses on changes in demographic assumptions	(5,483)	-
10,066	-	Actuarial gains and losses on changes in financial assumptions	(11,305)	-
46	-	Other	(1,157)	-
<b>10,531</b>	<b>160</b>	<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>(8,120)</b>	<b>(14)</b>

## Movement in Reserves Statement

Local Government Pension Scheme 2018/19 £000	Discretionary Benefit Arrangements 2018/19 £000	Defined Benefit Pension Schemes	Local Government Pension Scheme 2019/20 £000	Discretionary Benefit Arrangements 2019/20 £000
(10,531)	(160)	<b>Movement in Reserves Statement:</b> Reversal of net charges made to the (Surplus) or Deficit on the Provision of Services for post employment benefits in accordance with the code	8,120	14
2,474	-	Employers' contributions payable to the scheme	2,372	-
-	69	Retirement benefits payable to pensioners	-	68
<b>(8,057)</b>	<b>(91)</b>	<b>Total Movement in Reserves Statement</b>	<b>10,492</b>	<b>82</b>

Under the Housing Repairs contract, a separate pension scheme is operated for staff transferred as part of a TUPE arrangement.

### c) Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans is as follows:

Local Government Pension Scheme 2018/19 £000	Pensions Assets and Liabilities Recognised in the Balance Sheet	Local Government Pension Scheme 2019/20 £000
139,623	Present Value of the Defined Benefit Obligation	125,265
(88,762)	Fair Value of Plan Assets	(83,999)
<b>50,861</b>	<b>Net Liability Arising From Defined Benefit Obligation</b>	<b>41,266</b>

**d) Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets**

Local Government Pension Scheme 2018/19 £000	Reconciliation of Fair Value of Scheme Assets	Local Government Pension Scheme 2019/20 £000
83,155	<b>Balance at 1st April 2019</b>	88,762
2,229	Interest Income on Plan Assets	2,113
4,436	Return on Assets excluding amounts included in net interest	(5,048)
1,634	Employer contributions	1,393
538	Contributions by scheme participants	529
(3,230)	Benefits paid	(3,750)
69	Contributions in respect of unfunded benefits	68
(69)	Unfunded benefits paid	(68)
<b>88,762</b>	<b>Balance at 31st March 2020</b>	<b>83,999</b>

**e) Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)**

Local Government Pension Scheme 2018/19 £000	Discretionary Benefit Arrangements 2018/19 £000	Reconciliation of Present Value of Scheme Liabilities (Defined Benefit Obligation)	Local Government Pension Scheme 2019/20 £000	Discretionary Benefit Arrangements 2019/20 £000
123,920	1,108	<b>Balance at 1st April 2019</b>	138,493	1,130
3,138	-	Current service costs	3,515	-
3,388	-	Interest Cost on Defined Benefit Obligation	3,361	-
538	-	Plan Participants Contributions	529	-
-	-	Remeasurements (gains)/losses	-	-
-	-	Changes in Demographic Assumptions	(5,483)	-
9,975	91	Changes in Financial Assumptions	(11,223)	(82)
46	-	Other Experience	(1,157)	-
(3,230)	(69)	Benefits paid	(3,750)	(68)
718	-	Past service costs	-	-
<b>138,493</b>	<b>1,130</b>	<b>Balance at 31st March 2020</b>	<b>124,285</b>	<b>980</b>

**f) Local Government Pension Scheme Assets Comprised:**

The asset values shown below are at bid value as required under IAS19.

As at 31st March 2019				Fair Value of Employers Assets	As at 31st March 2020			
Quoted Prices in Active Markets £000	Quoted Prices Not in Active Markets £000	Total £000	Percentage of Total Assets %		Quoted Prices in Active Markets £000	Quoted Prices Not in Active Markets £000	Total £000	Percentage of Total Assets %
				<b>Equity Securities</b>				
4,042	-	4,042	4.5	Consumer	3,115	-	3,115	3.7
3,181	-	3,181	3.5	Manufacturing	3,364	-	3,364	4.0
1,317	-	1,317	1.5	Energy & Utilities	1,123	-	1,123	1.3
				Financial Institutions	2,970	-	2,970	3.5
3,212	-	3,212	3.6	Health Care	2,627	-	2,627	3.1
2,918	-	2,918	3.3	Information Technology	2,047	-	2,047	2.4
2,483	-	2,483	2.8	Other	72	-	72	0.1
83	-	83	0.1					
				<b>Debt Securities</b>				
				Corporate Bonds (Investment Grade)	6,759	-	6,759	8.0
6,900	-	6,900	7.7					
				<b>Private Equities</b>				
-	3,172	3,172	3.5	All	-	3,500	3,500	4.2
				<b>Real Estate</b>				
-	8,173	8,173	9.1	UK Property	-	8,279	8,279	9.9
				<b>Investment Funds &amp; Unit Trusts</b>				
39,404	-	39,403	44.0	Equities	35,825	-	35,825	42.7
6,819	-	6,819	7.6	Bonds	7,060	-	7,060	8.4
-	1,634	1,634	1.8	Hedge Funds	-	1,495	1,495	1.8
-	3,516	3,516	3.9	Other	-	4,343	4,343	5.2
				<b>Cash &amp; Cash Equivalents</b>				
2,810	-	2,810	3.1	All	1,420	-	1,420	1.7
<b>73,169</b>	<b>16,495</b>	<b>89,664</b>	<b>100.0</b>	<b>Total Assets</b>	<b>66,382</b>	<b>17,617</b>	<b>83,999</b>	<b>100.0</b>

### g) Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31<sup>st</sup> March 2020. The significant assumptions used by the actuary have been:

Local Government Pension Scheme 2018/19	Discretionary Benefit Arrangements 2018/19	Assumptions	Local Government Pension Scheme 2019/20	Discretionary Benefit Arrangements 2019/20
		Long-term expected rate of return on assets in the scheme:		
2.40%	-	Equity Investments	2.30%	-
2.40%	-	Bonds	2.30%	-
2.40%	-	Property Managed Funds	2.30%	-
2.40%	-	Cash	2.30%	-
2.40%	-	Other	2.30%	-
		Mortality assumptions (in years):		
		Longevity at 65 for current pensioners:		
22.1	22.1	Men	21.2	21.2
24.4	24.4	Women	23.6	23.6
		Longevity at 65 for future pensioners:		
24.1	24.1	Men	22.1	22.1
26.4	26.4	Women	25.0	25.0
2.50%	2.50%	CPI Rate	1.90%	1.90%
2.90%	2.90%	Rate of increase in salaries	2.30%	2.30%
2.50%	2.50%	Rate of increase in pensions	1.90%	1.90%
2.40%	2.40%	Rate for discounting scheme liabilities	2.30%	2.30%
50%/75%	-	Take-up of option to convert annual pension into retirement lump sum	50%/75%	-

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be inter related. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from that used in the previous period.

Impact on the Defined Benefit Obligation in the Scheme		Change in Assumptions at 31st March 2020	Impact on the Defined Benefit Obligation in the Scheme	
Approx. % Increase to Liability 2018/19 %	Approx. Monetary Value 2018/19 £000		Approx. % Increase to Liability 2019/20 %	Approx. Monetary Value 2019/20 £000
10.00%	13,855	0.5% Decrease in Real Discount Rate	9.00%	11,266
3.00% to 5.00%	5,466 to 9,110	1 Year in Member Life Expectancy	3.00% to 5.00%	2,892 to 4,820
1.00%	1,822	0.5% Increase in the Salary Increase Rate	1.00%	964
8.00%	11,813	0.5% Increase in the Pension Increase Rate	8.00%	10,218

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31<sup>st</sup> March 2021 is £2.4m (£1.3m – 2019/20).

### 39. Contingent Liabilities

A Contingent Liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent Liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent Liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

The Authority has included a provision – detailed in Note 22 – relating to Business Rate appeals outstanding as at 31<sup>st</sup> March 2020.

Local businesses can appeal against the Rateable Value on the 2010 Rating list under limited circumstances and can also appeal against the Rateable Value on the 2017 Rating List. The 2017 Rating List is subject to a fresh approach to appeals known as "Check, Challenge & Appeal" (CCA) which means that before an appeal is made the Rateable Value may be amended upon negotiation between the Valuation Office and the ratepayer (or their agents). This process will inevitably lead to a delay in appeals being made.

It is difficult to estimate the likelihood of businesses both submitting and being successful with an appeal and the Authority has therefore made provision in the accounts based on professional advice from independent valuers. However, the level of historic appeals together with the average level of success and savings in Rateable Value is shown for the 2005, 2010 and 2017 lists below:

Indicator	2005 List	2010 List	2017 List	Total
<b>A</b> Total of original Rateable Values resolved	£115.98m	£144.73m	£16.36m	£277.07m
<b>B</b> Total original Rateable Value of successful check/ challenge/ appeal	£51.93m	£42.69m	£4.69m	£99.30m
Average success rate (% of RV) <b>(B/A)</b>	44.77%	29.49%	28.65%	35.84%
<b>C</b> Total revised Rateable Value of successful check/ challenge/ appeal	£47.63m	£38.40m	£3.97m	£90.00m
<b>D Total reduction in Rateable Value (C-B)</b>	<b>£4.29m</b>	<b>£4.29m</b>	<b>£0.72m</b>	<b>£9.30m</b>
Average % reduction in Rateable Value <b>(D/B)</b>	8.27%	10.04%	15.32%	9.36%
<b>E</b> Years the List has been active	5	7	3	-
<b>F</b> Average annual reduction in Rateable Value <b>(D/E)</b>	£0.86m	£0.61m	£0.24m	-
<b>G</b> Standard Business Rate Multiplier in 2020/21	51.2p	51.2p	51.2p	51.2p
<b>H Average annual cost of reduction based on 2018/19 Multiplier (FxG)</b>	<b>£0.44m</b>	<b>£0.31m</b>	<b>£0.12m</b>	<b>£0.88m</b>
<b>District Council Share at 40% (Hx0.4)</b>	<b>£0.18m</b>	<b>£0.13m</b>	<b>£0.05m</b>	<b>£0.35m</b>
<b>I</b> Checks/ challenges/ appeals outstanding 31/03/20	£0.09m	£92.84m	£0.63m	£93.56m
<b>J</b> Provision included	£0.00m	£1.02m	£4.03m	£5.06m
Provision as a % of checks/ challenges/ appeals outstanding <b>(J/I)</b>	4.71%	1.10%	635.70%	5.41%

## 40. Nature & Extent of Risks Arising from Financial Instruments

### Key Risks

The Authority's activities expose it to a variety of financial risks. The key risks are:

- **Credit risk** - the possibility that other parties might fail to pay amounts due to the Council;
- **Liquidity risk** - the possibility that the Council might not have funds available to meet its commitments to make payments;
- **Re-financing risk** - the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- **Market risk** - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the resources available to fund services and is based on the framework set out in the Local Government Act 2003 and associated regulations.

As directed by the Act, the Authority has formally adopted the CIPFA Treasury Management Code of Practice and complies with the CIPFA Prudential Code. As part of the adoption of the Treasury Management Code, the Authority approves a Treasury Management Strategy before the commencement of the year to which it relates, this strategy sets out the parameters for the management of risks associated with financial instruments.

The Treasury Management Strategy for 2019/20 (including the Annual Investment Strategy) was approved by Full Council on 26<sup>th</sup> February 2019 and is available on the Authority's website.

The strategy also includes an Annual Investment Strategy for the forthcoming year, setting out its criteria for both investing and selecting investment counterparties in compliance with Government guidance.

Risk management is carried out by a central treasury team, under policies approved by the Authority in the annual Treasury Management Strategy. The Authority provides written principles for overall risk management, as well as written policies (covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash).

## **a) Credit Risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which is available on the Authority's website.

### **Credit Risk management Practices**

The authority's credit risk management practices are set out in the Annual Investment Strategy. With particular regard to determining whether the credit risk of financial instruments has increased significantly since initial recognition.

The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

The credit criteria in respect of financial assets held by the Council are detailed below:

This Authority uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Authority's maximum exposure to credit risk in relation to its investments in financial institutions of £55m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Authority's deposits, but there was no evidence at the 31<sup>st</sup> March 2020 that this was likely to crystallise.

## Amounts Arising from Expected Credit Losses

### Credit Risk Exposure

The Authority has assessed its short and long term investments and concluded that the expected credit loss is not material therefore no allowances have been made.

A summary of the credit quality of the Council's investments at 31<sup>st</sup> March 2020 is shown below, along with the potential maximum exposure to credit risk, based on experience of default and uncollectability.

Credit Risk	Amount at	Historical	Historical	Estimated	Estimated
	31st March 2020 £000 A	Experience of Default % B	Adjusted for Market Conditions at 31st March 2020 % C	Maximum Exposure to Default and Uncollectability at 31st March 2020 £000 (A x C)	Maximum Exposure at 31st March 2019 £000
AA rated counterparties	-	-	-	-	12
A rated counterparties	50,206	0.050%	0.050%	25	48
Caa rated counterparties	-	-	-	-	24
Escrow	-	-	-	-	-
Trade Debtors	2,289	73.39%	73.39%	1,680	1,878
<b>Total</b>	<b>52,495</b>	<b>-</b>	<b>-</b>	<b>1,705</b>	<b>1,962</b>

The Authority does not generally allow credit for customers, such that £2.3m is past its due date for payment. The past due amount as at 31<sup>st</sup> March 2020 but not impaired amount can be analysed by age as follows:

31st March 2019 £000	Arrears	31st March 2020 £000
245	Less than six months	782
143	Six months to one year	101
235	More than one year	190
1,254	More than two years	1,216
<b>1,877</b>	<b>Total</b>	<b>2,289</b>

The Authority initiates a legal charge on property where, for instance, works have to be carried out in default but those responsible cannot afford to pay immediately. The total collateral at 31<sup>st</sup> March 2020 was £42.5k (£46.3k – 2018/19).

## b) Liquidity Risk

The Authority manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Authority has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The maturity analysis of financial assets, excluding sums due from customers, is as follows:

31st March 2019		Financial Assets	31st March 2020	
Average Rate %	Amount £000		Average Rate %	Amount £000
0.99%	60,216	Less than one year	0.96%	50,206
<b>0.99%</b>	<b>60,216</b>	<b>Total</b>	<b>0.96%</b>	<b>50,206</b>

All trade and other payables are due to be paid in less than one year – debtors of £2.3m are not included in the table above.

## c) Refinancing and Maturity Risk

The Authority maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Authority relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Authority approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (approved Council in the Treasury Management Strategy):

31st March 2019 Average Rate %		Financial Liabilities	Approved Minimum Limits	Approved Minimum Limits	31st March 2020 Average Rate %	
Amount £000					Amount £000	
4.05%	63,371	PWLB			4.05%	63,371
<b>4.05%</b>	<b>63,371</b>	<b>Total</b>			<b>4.05%</b>	<b>63,371</b>
-	311	Less than one year (Interest Due)	0%	20%	-	311
-	-	Less than one year	0%	20%	-	-
-	-	Maturing in 1 - 2 years	0%	20%	-	-
-	-	Maturing in 2 - 5 years	0%	25%	-	-
-	-	Maturing in 5 - 10 years	0%	75%	-	-
4.25%	1,000	Maturing in 10 - 15 years	0%	100%	4.62%	5,000
4.05%	62,060	Maturing in over 15 years	0%	100%	4.00%	58,060
<b>4.05%</b>	<b>63,371</b>	<b>Total</b>	-		<b>4.05%</b>	<b>63,371</b>

#### d) Market Risk

##### i) Interest Rate Risk

The Authority is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods.

For instance, a rise in variable and fixed interest rates would have the following effects:

- **Borrowings at variable rates:** The interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- **Borrowings at fixed rates:** The fair value of the borrowing will fall (no impact on revenue balances);
- **Investments at variable rates:** The interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- **Investments at fixed rates:** The fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the (Surplus) or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in Interest Payable and Receivable on variable rate borrowings and investments will be posted to the (Surplus) or Deficit on the Provision of Services and affect the General Fund Balance, subject to influences from Government grants (i.e. HRA). Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Authority has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Authority's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

The risk of interest rate loss is partially mitigated by Government grant payable on financing costs. As at 31<sup>st</sup> March 2020, the Authority had no variable rate debt or investments. There would therefore be no material impact if all interest rates had been higher or lower during the year.

#### ii) Price Risk

The Council holds £3.7m in property funds, and their price varies. However, any movements in price will not impact on the General Fund Balance as regulations are in force to ameliorate the impact of fair value movements.

The market prices of the Council's fixed rate bond investments and its units in pooled bond funds are governed by prevailing interest rates and the market risk associated with these instruments is managed alongside interest rate risk.

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to property investments of £3.7m. A 5% fall in commercial property prices would result in a £0.19m charge to Other Comprehensive Income & Expenditure – this would have no impact on the Surplus or Deficit on the Provision of Services until the investment was sold.

## **Approval of Accounts**

I confirm that these accounts were approved by the Audit and Governance Committee at the meeting held on 29<sup>th</sup> October 2020

Signed on behalf of Tamworth Borough Council

Councillor M. Summers, Chair of the Audit and Governance Committee

Dated 29<sup>th</sup> October 2020

*This is an electronic copy without an electronic signature. The original was signed as dated above and a copy can be obtained from the Executive Director Finance.*

## Housing Revenue Account

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. The Authority charges rents to cover expenditure in accordance with legislative framework; this may be different from accounting cost. The increase or decrease in the year, on the basis which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2018/19 £000	HRA Comprehensive Income and Expenditure Statement	2019/20	
		£000	£000
	<b>Expenditure:</b>		
4,119	Repairs and Maintenance	3,223	
6,870	Supervision and Management	6,279	
46	Rents, rates, taxes and other charges	31	
7,393	Depreciation and impairment of Non Current Assets	16,092	
18	Debt management costs	10	
154	Movement in the allowance for bad debts	107	
<b>18,600</b>	<b>Total Expenditure</b>		<b>25,742</b>
	<b>Income:</b>		
(17,581)	Dwelling rents	(17,737)	
(381)	Non dwelling rents	(396)	
(797)	Charges for services and facilities	(1,143)	
(1,739)	Contributions towards expenditure	(1,666)	
<b>(20,498)</b>	<b>Total Income</b>		<b>(20,942)</b>
<b>(1,898)</b>	<b>Net Expenditure of HRA Services as included in the Comprehensive Income and Expenditure Statement</b>		<b>4,800</b>
14	HRA services' share of Corporate and Democratic Core		16
<b>(1,884)</b>	<b>Net Expenditure / (Income) for HRA Services</b>		<b>4,816</b>
	<b>HRA Share of the Operating Income and Expenditure Included in the Comprehensive Income and Expenditure Statement:</b>		
(466)	(Gain) or loss on sale of HRA Non Current Assets		(416)
2,708	Interest payable and similar charges		2,647
(201)	Interest and investment income		(165)
273	Pensions interest cost and expected return on pensions assets		293
(4,200)	Capital grants and contributions receivable		-
<b>(3,770)</b>	<b>(Surplus) or Deficit for the Year on HRA Services</b>		<b>7,175</b>

## Statement of Movement on the HRA Balance

2018/19 £000	Statement of Movement on the HRA Balance	2019/20	
		£000	£000
6,824	Balance on the HRA at the end of the previous year		4,485
3,770	Surplus or (Deficit) for the year on the HRA Income and Expenditure Statement	(7,175)	
(4,705)	Adjustments between accounting basis and funding basis under statute	1,750	
<b>(935)</b>	<b>Net Increase or (Decrease) before transfers to or from reserves</b>	<b>(5,425)</b>	
(1,404)	Transfers (to) / from Reserves	7,192	
(2,339)	Increase or (Decrease) on the HRA		1,767
<b>4,485</b>	<b>Balance on the HRA at 31st March 2020</b>		<b>6,252</b>

## Analysis of Adjustments

2018/19 £000	Analysis of Adjustments	2019/20 £000
(8)	Difference between any other item of income and expenditure determined in accordance with the code and determined in accordance with HRA requirements	13
(467)	Gain or loss on sale of HRA Non Current Assets	(416)
598	HRA share of contributions to or from the Pensions Reserve	561
(3,540)	Capital expenditure funded by the HRA	(11,703)
(4,200)	Capital Grants and Contributions Applied;	-
(4,482)	Transfer to / from the Major Repairs Reserve	(2,798)
7,394	Transfer to / from the Capital Adjustment Account	16,093
<b>(4,705)</b>	<b>Total Adjustments Between Accounting Basis and Funding Basis Under Statute</b>	<b>1,750</b>

## NOTES TO THE HRA

### HRA1. Number & Type of Dwelling

The Authority is responsible for managing a housing stock, made up as follows:

	<b>Houses and Bungalows</b>	<b>High and Medium Rise Flats</b>	<b>Low Rise Flats</b>	<b>Total</b>
<b>Housing Stock as at 1st April 2019</b>	<b>2,717</b>	<b>665</b>	<b>842</b>	<b>4,224</b>
Sales	(24)	(2)	(3)	<b>(29)</b>
Additions	70	2	13	<b>85</b>
<b>Housing Stock as at 31st March 2020</b>	<b>2,763</b>	<b>665</b>	<b>852</b>	<b>4,280</b>

In order to comply with the requirements of Resource Accounting, garages are now identified within other property. Non operational assets are those held by an authority but not directly occupied or used in the delivery of its services.

### HRA2. Vacant possession value of dwellings

The Vacant Possession Valuation as at 31<sup>st</sup> March 2020 is £467.8m (31<sup>st</sup> March 2019 Vacant Possession Value was £444.9m).

However, assets are valued on the Balance Sheet at their existing use reflecting the valuation of a property if it were to be disposed with sitting tenants benefiting from sub-market rents. This reflects the economic cost to the Government of providing council housing at less than open market value.

Council dwellings are held on the Balance Sheet at Existing Use Value Social Housing (EUV-SH) which for 2019/20, a nationally set adjustment factor for the West Midlands of 40% of vacant possession value has been used (40% - 2018/19).

<b>Movement in 2019/20</b>	<b>EUV-SH Council Dwellings £000</b>	<b>Other Land and Buildings £000</b>	<b>Asset Under Construction £000</b>	<b>Total £000</b>
<b>Cost or Valuation</b>				
<b>As at 1st April 2019</b>	<b>177,979</b>	<b>3,798</b>	<b>7,609</b>	<b>189,386</b>
Additions;	9,670	-	10,791	<b>20,461</b>
Accumulated Depreciation and Impairment written off to Gross Carrying Amount;	(9,768)	-	-	<b>(9,768)</b>
Revaluation increases/ (decreases) recognised in the Revaluation Reserve;	7,052	-	-	<b>7,052</b>
Revaluation increases/ (decreases) recognised in the (Surplus) or Deficit on the Provision of Services;	(6,213)	-	-	<b>(6,213)</b>
Derecognition - Disposals.	(1,466)	(126)	-	<b>(1,592)</b>
Other movements in cost or valuation	9,874	-	(9,874)	-
<b>As at 31st March 2020</b>	<b>187,128</b>	<b>3,672</b>	<b>8,526</b>	<b>199,326</b>
<b>Accumulated Depreciation &amp; Impairment</b>				
<b>As at 1st April 2019</b>	-	<b>(93)</b>	-	<b>(93)</b>
Depreciation Charge;	(2,696)	(102)	-	<b>(2,798)</b>
Accumulated Depreciation and Impairment written off to Gross Carrying Amount;	9,768	-	-	<b>9,768</b>
Impairment losses/ (reversals) recognised in the (Surplus) or Deficit on the Provision of Services;	(7,081)	-	-	<b>(7,081)</b>
Derecognition - disposals.	9	9	-	<b>18</b>
<b>As at 31st March 2020</b>	-	<b>(186)</b>	-	<b>(186)</b>
<b>Net Book Value</b>				
As at 1st April 2019	177,979	3,705	7,609	<b>189,293</b>
As at 31st March 2020	<b>187,128</b>	<b>3,486</b>	<b>8,526</b>	<b>199,140</b>
<b>Nature of holdings at year end Owned</b>	<b>187,128</b>	<b>3,486</b>	<b>8,526</b>	<b>199,140</b>

### HRA3. Movement on the Major Repairs Reserve (MRR)

The Major Repairs Reserve represents the long term average amount of capital spending required to maintain the stock in its current condition.

The Capital Expenditure shown was spent on maintaining council dwellings.

2018/19 £000	Major Repairs Reserve	2019/20 £000
3,477	<b>Balance at 1st April 2019</b>	2,961
4,482	Contributions to the Major Repairs Reserve	2,798
(4,998)	Capital Spending on Dwellings	(4,277)
<b>2,961</b>	<b>Balance at 31st March 2020</b>	<b>1,482</b>

The contribution in 2019/20 represents a depreciation charge of £2.8m (2018/19 contribution included £2.7m depreciation and further revenue contribution to capital outlay of £1.6m).

### HRA4. Capital Expenditure Summary

The following table details how £20.5m Capital Expenditure was financed during the year.

2018/19 £000	Capital Expenditure	2019/20 £000
	<b>Capital Expenditure Type:</b>	
6,659	Dwellings	9,670
11	Plant, Vehicles and Equipment (PVE)	-
6,806	Assets Under Construction	10,791
<b>13,476</b>	<b>Total Capital Expenditure</b>	<b>20,461</b>
	<b>Funded by:</b>	
738	Usable capital receipts	3,990
3,540	Revenue contributions	11,703
-	Borrowing	491
4,200	External grants and contributions	-
4,998	Major Repairs Reserve	4,277
<b>13,476</b>	<b>Total Funding</b>	<b>20,461</b>

## HRA5. Capital Receipts

During the year capital receipts totalling £2.0m were received in respect of dwellings sold, of which £0.4m was repaid to DCLG under the pooling regime. The un-pooled element of capital receipts are retained for financing housing capital investment and regeneration works.

2018/19 £000	Capital Receipts	2019/20 £000
1,803 (418)	Sale of dwellings under Right to Buy Amounts pooled to Central Government	2,027 (419)
<b>1,385</b>	<b>Net Capital Receipts</b>	<b>1,608</b>

## HRA6. Depreciation & Impairment Charges

Council Dwellings are depreciated on a straight line basis over the period of their useful economic life. The charge for the year was £2.8m.

The charge for depreciation of £0.1m on non council dwellings has been calculated on a straight line basis over the period of their useful economic life.

Charges for impairment of £7.1m have been made during 2019/20. This amount reflects the expenditure on capital assets which has not produced a similar increase in the value of the assets.

## HRA7. HRA Pensions Reserve

2018/19 £000	Pensions	2019/20 £000
723	Difference between current service cost of pensions and past service cost in accordance with IAS 19 and actual employers' contributions	820
797	Interest on share of pensions liability	788
(524)	Expected return on share of assets	(496)
<b>996</b>	<b>Total</b>	<b>1,112</b>

## HRA8. HRA Rent Arrears

2018/19 £000	Rent Arrears	2019/20 £000
1,838	Gross arrears	1,844
10.5%	Gross arrears as percentage of gross rent income	8.8%

Of the rent arrears, 51.4% (50.6% - 2018/19) refer to former tenants.

2018/19 £000	Provision for Bad Debts	2019/20 £000
<b>1,370</b>	<b>Rent Arrears</b>	
	<b>Balance at 1st April 2019</b>	<b>1,486</b>
156	Contribution from / (to) HRA in year	115
(40)	Written off in year	(115)
<b>1,486</b>	<b>As at 31st March 2020</b>	<b>1,486</b>
	<b>Sundry Debtors</b>	
<b>28</b>	<b>Balance at 1st April 2019</b>	<b>26</b>
(2)	Contribution from / (to) HRA in year	(8)
<b>26</b>	<b>Balance at 31st March 2020</b>	<b>18</b>
<b>1,512</b>	<b>Total Provision for Bad Debts</b>	<b>1,504</b>

## Collection Fund

The Collection Fund statement shows the transactions of the Authority, as billing authority, in relation to the collection of Council Tax income on behalf of Staffordshire County Council, the OPCC, the Staffordshire Commissioner Fire and Rescue Authority and this Authority's General Fund together with non-domestic rates collected on behalf of the Government, Staffordshire County Council, the Staffordshire Commissioner Fire and Rescue Authority and this Authority's General Fund.

2018/19 Council Tax £000	2018/19 NNDR £000	2018/19 Total £000	<b>Collection Fund Income and Expenditure Statement</b>	2019/20 Council Tax £000	2019/20 NNDR £000	2019/20 Total £000
			<b>INCOME</b>			
(36,280)	-	(36,280)	Income from Council Tax	(38,368)	-	(38,368)
(1)	-	(1)	Transfers from General Fund - Council Tax benefits	(7)	-	(7)
-	(35,211)	(35,211)	Income collectable from business ratepayers	-	(35,666)	(35,666)
<b>(36,281)</b>	<b>(35,211)</b>	<b>(71,492)</b>	<b>Total Income</b>	<b>(38,375)</b>	<b>(35,666)</b>	<b>(74,041)</b>
			<b>EXPENDITURE</b>			
			<b>Precepts</b>			
3,682	-	3,682	- Tamworth Borough Council	3,849	-	3,849
4,128	-	4,128	- OPCC Staffordshire	4,713	-	4,713
1,576	-	1,576	- Staffordshire Commissioner Fire and Rescue Authority	1,648	-	1,648
25,951	-	25,951	- Staffordshire County Council	27,119	-	27,119
			<b>Business rates</b>			
-	13,095	13,095	- Tamworth Borough Council	-	13,385	13,385
-	16,368	16,368	- Central Government	-	8,366	8,366
-	327	327	- Staffordshire Commissioner Fire and Rescue Authority	-	335	335
-	2,946	2,946	- Staffordshire County Council	-	11,377	11,377
-	90	90	<b>Costs of Collection</b>	-	90	90

2018/19 Council Tax £000	2018/19 NNDR £000	2018/19 Total £000	Collection Fund Income and Expenditure Statement	2019/20 Council Tax £000	2019/20 NNDR £000	2019/20 Total £000
228	189	417	<b>Bad and Doubtful Debts</b>			
-	1,140	1,140	- Provisions	229	358	587
			- Provision for appeals	-	1,345	1,345
			<b>Distribution of previous year's surpluses/deficits</b>			
80	(222)	(142)	- Tamworth Borough Council	62	752	814
87	-	87	- OPCC Staffordshire	70	-	70
35	(6)	29	- Staffordshire Commissioner Fire and Rescue Authority	27	19	46
549	(50)	499	- Staffordshire County Council	441	169	610
-	(278)	(278)	- Central Government	-	941	941
<b>36,316</b>	<b>33,599</b>	<b>69,915</b>	<b>Total Expenditure</b>	<b>38,158</b>	<b>37,137</b>	<b>75,295</b>
35	(1,612)	(1,577)	<b>(Surplus)/ Deficit for the year</b>	(217)	1,471	1,254
(1,454)	(690)	(2,144)	Fund Balance Brought Forward	(1,419)	(2,302)	(3,721)
<b>(1,419)</b>	<b>(2,302)</b>	<b>(3,721)</b>	<b>Fund Balance at 31st March 2020</b>	<b>(1,636)</b>	<b>(831)</b>	<b>(2,467)</b>
			<b>Analysis of Fund Balance (Surplus)/ Deficit</b>			
(147)	(921)	(1,068)	- Tamworth Borough Council	(168)	(332)	(500)
(172)	-	(172)	- OPCC Staffordshire	(207)	-	(207)
(63)	(23)	(86)	- Staffordshire Commissioner Fire and Rescue Authority	(71)	(8)	(79)
(1,037)	(207)	(1,244)	- Staffordshire County Council	(1,190)	(178)	(1,368)
-	(1,151)	(1,151)	- Central Government	-	(313)	(313)
<b>(1,419)</b>	<b>(2,302)</b>	<b>(3,721)</b>	<b>Total</b>	<b>(1,636)</b>	<b>(831)</b>	<b>(2,467)</b>

# NOTES TO THE COLLECTION FUND

## CF 1. NDR Rateable Value

The rateable value of Non Domestic properties in the Borough as at 31<sup>st</sup> March 2020 was £81,111,287 (£81,360,062 at 31<sup>st</sup> March 2019).

The NDR multiplier for 2019/20 was 50.4p in the pound (49.3p – 2018/19). The qualifying small business multiplier for 2019/20 was 49.1p in the pound (48.0p – 2018/19).

## CF 2. Council Tax Base Calculation

The Council base was as follows:

Number of Chargeable Properties 2018/19	Adjusted Property Base (Band D Equivalent) 2018/19	Calculation of Ctax Base	Number of Chargeable Properties 2019/20	Adjusted Property Base (Band D Equivalent) 2019/20
		<b>Valuation Band (Multiplier)</b>		
20	11	A - Disabled Relief Reduction (5/9)	20	11
8,137	5,425	A - (6/9)	8,229	5,486
10,729	8,345	B - (7/9)	10,704	8,325
5,100	4,533	C - (8/9)	5,155	4,582
3,455	3,455	D - (9/9)	3,488	3,488
1,637	2,001	E - (11/9)	1,765	2,157
411	594	F - (13/9)	422	610
63	105	G - (15/9)	69	115
2	4	H - (18/9)	2	4
	(2,575)	<b>LCTS ADJUSTMENT</b>		(2,550)
	-	Technical changes adjustment		-
29,554	21,898	<b>Totals</b>	<b>29,854</b>	<b>22,228</b>
	97.90%	<b>Assumed Collection Rate</b>		<b>97.90%</b>
	<b>21,438</b>	<b>Total Taxbase</b>		<b>21,761</b>

## CF 3. Authorities making precepts or demands on the fund

### Council Tax

Precept 2018/19 £	Distribution of Previous Years Estimated Surplus/ (Deficit) 2018/19 £	Total Movement on the Collection Fund 2018/19 £	Precepts Analysis	Precept 2019/20 £	Distribution of Previous Years Estimated Surplus/ (Deficit) 2019/20 £	Total Movement on the Collection Fund 2019/20 £
3,681,977	147,220	3,829,197	Tamworth Borough Council	3,849,303	167,902	4,017,205
4,128,101	172,180	4,300,281	OPCC Staffordshire	4,712,562	206,756	4,919,318
1,576,336	63,027	1,639,363	Staffordshire Commissioner Fire and Rescue Authority	1,647,961	71,568	1,719,529
25,951,128	1,037,429	26,988,557	Staffordshire County Council	27,119,211	1,190,125	28,309,336
<b>35,337,542</b>	<b>1,419,856</b>	<b>36,757,398</b>	<b>Total</b>	<b>37,329,037</b>	<b>1,636,351</b>	<b>38,965,388</b>

### NDR

Business Rates 2018/19 £	Distribution of Previous Years Estimated Surplus/ (Deficit) 2018/19 £	Total Movement on the Collection Fund 2018/19 £	Precepts Analysis	Business Rates 2019/20 £	Distribution of Previous Years Estimated Surplus/ (Deficit) 2019/20 £	Total Movement on the Collection Fund 2019/20 £
13,094,597	920,824	14,015,421	Tamworth Borough Council	13,385,014	332,410	13,717,424
327,365	23,020	350,385	Staffordshire Commissioner Fire and Rescue Authority	334,625	8,310	342,935
2,946,284	207,187	3,153,471	Staffordshire County Council	11,377,262	177,589	11,554,851
16,368,246	1,151,027	17,519,273	Central Government	8,365,634	312,715	8,678,349
<b>32,736,492</b>	<b>2,302,058</b>	<b>35,038,550</b>	<b>Total</b>	<b>33,462,535</b>	<b>831,024</b>	<b>34,293,559</b>

## CF 4. NDR credits

NDR credit accounts relate to credit balances in the Collection Fund which could not be repaid to the businesses concerned as they cannot be traced, have not responded to efforts made to repay funds or no longer exist.

No credits have been transferred to the General Fund during 2019/20.

## CF 5. Bad and Doubtful Debts

The following provisions and write offs were made in the year:

2018/19 £000	Provision for Bad Debts	2019/20 £000
1,234	<b>Council Tax</b>	
228	<b>Balance at 1st April 2019</b>	<b>1,229</b>
(233)	Increase /(decrease) in provision	229
	Written off in year	(209)
<b>1,229</b>	<b>As at 31st March 2020</b>	<b>1,249</b>
733	<b>Business Rates</b>	
189	<b>Balance at 1st April 2019</b>	<b>542</b>
(380)	Increase /(decrease) in provision	358
	Written off in year	(195)
<b>542</b>	<b>As at 31st March 2020</b>	<b>705</b>

## CF 6. Appeals – Business Rates

The following provisions and settlements were made in the year:

2018/19 £000	Provision for Appeals	2019/20 £000
3,843	<b>Business Rates</b>	
1,140	<b>Balance at 1st April 2019</b>	<b>4,519</b>
(464)	Increase /(decrease) in provision	1,345
	Resolved in year	(802)
<b>4,519</b>	<b>As at 31st March 2020</b>	<b>5,062</b>

## Annual Governance Statement 2019/20

### What is Governance?

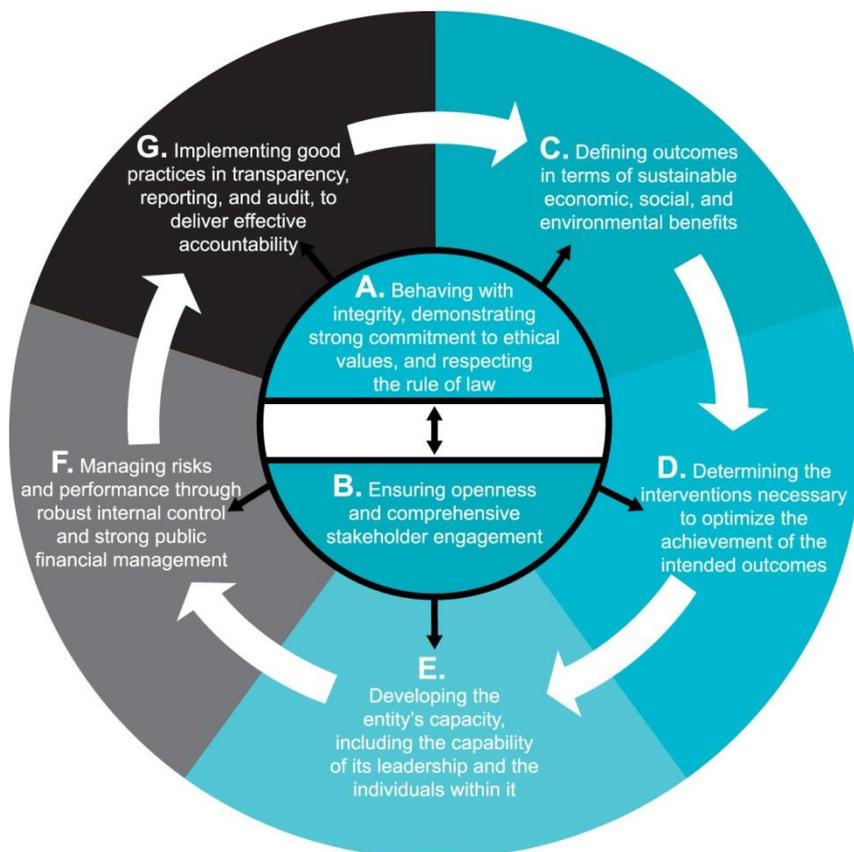
Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

To deliver good governance in the Authority, both governing bodies (Members) and individuals working for the Authority must try to achieve the Authority's objectives whilst acting in the public interest at all times.

Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

### The Core Principles of Good Governance

The diagram below, taken from the International Framework: Good Governance in the Public Sector, illustrates the various principles of good governance in the public sector and how they relate to each other.



## **Responsibility**

The Authority is responsible for ensuring that its business is completed in line with the law and statutory legislation, and that public money is spent wisely and properly accounted for. We will ensure that we continually improve the way we provide our services whilst taking into account value for money.

We will ensure that we put in place proper arrangements to ensure our risks are managed, and that controls and the governance process are in place.

We have approved and adopted a Code of Corporate Governance which is consistent with principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The Code demonstrates the supporting principles which underpin the core principles and identifies the assurance as outlined in the Framework. It also demonstrates what level of assurance we get and thus, identifies any areas for improvement. This forms the assurance framework for good governance and demonstrates that we know our governance arrangements are working. Links to all supporting evidence identified in the assurance framework are contained within the Code of Corporate Governance and are not repeated in this statement. The Code of Corporate Governance document is available on the Council's website.

## **Our Outcomes**

Our desired outcomes for 2019-22 are detailed in the Corporate Plan. The Corporate Plan details our Vision and sets out our Thematic Priorities. Under each thematic priority, we detail our ambitions and how we are going to realise these. All outcomes we aim to achieve, along with changes we want to see and supporting information are detailed in the Corporate Plan.

For each activity or process we complete, we ensure that the appropriate governance arrangements are in place.

Towards the end of 2019/20, we together with the rest of the UK, have faced an unprecedented global crisis in the Coronavirus pandemic. While the impact was felt latterly in 2019/20, this has been and will remain, a significant factor affecting our operations in 2020/21 and beyond. As part of the Staffordshire wide Civil Contingencies Unit, the Council has evoked business continuity arrangements to enable the continuation of business critical operations. While the Corporate Plan remains relevant to our future outcomes, these will no doubt be affected by the Covid-19 situation and will be dealt with as part of the councils emerging recovery plan.

# TAMWORTH BOROUGH COUNCIL CORPORATE PLAN 2019-2022

## TAMWORTH BOROUGH COUNCIL: VISION

To put Tamworth, its people and the local economy at the heart of everything we do

### OUR PURPOSE IS TO:

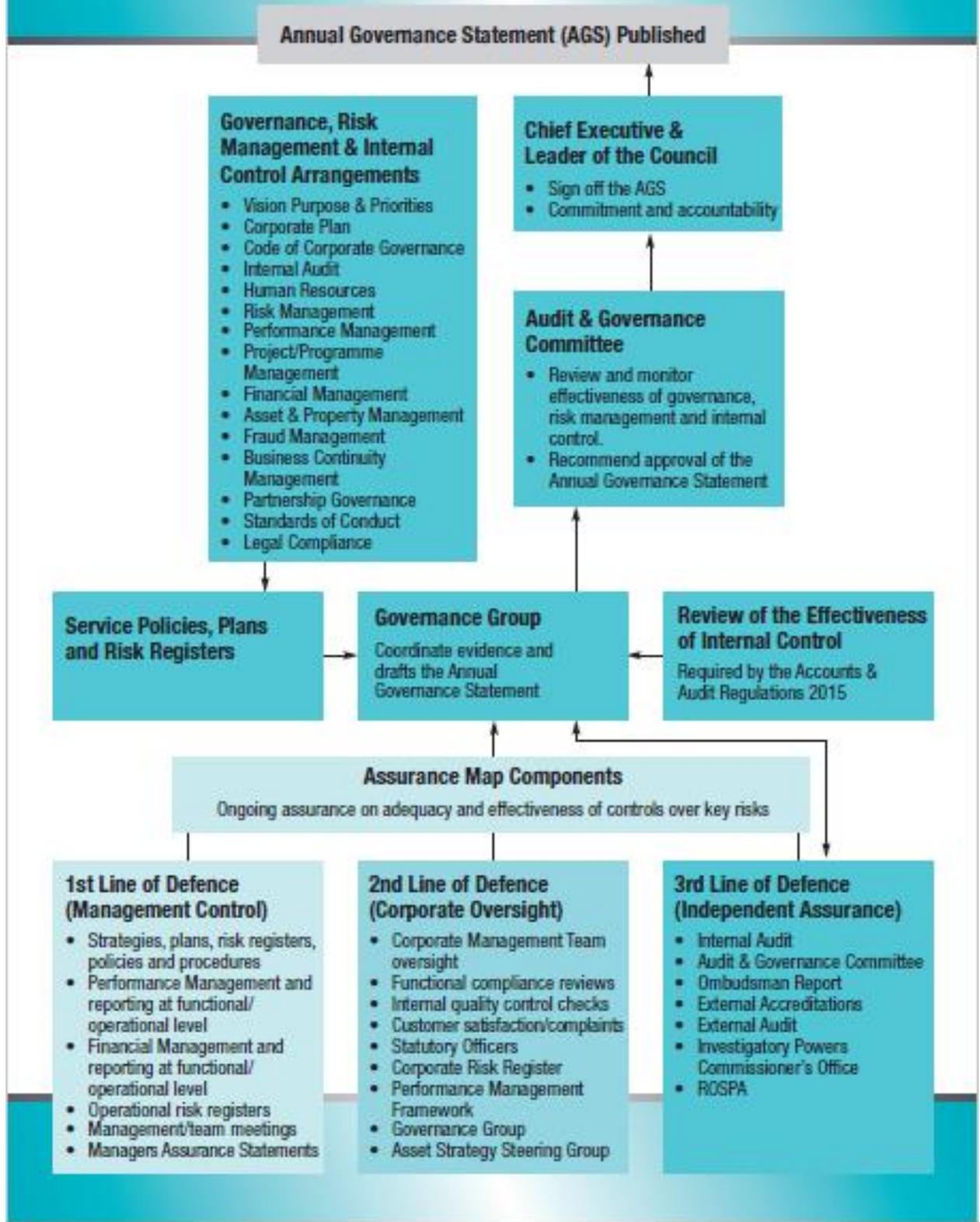
- ▶ help tackle causes and effects of poverty and financial hardship
- ▶ increase all residents' resilience and access to information
- ▶ engage with our residents to promote community involvement and civic pride
- ▶ support the development of Tamworth now, and in the future
- ▶ help the local economy to grow in a way which benefits our residents and businesses
- ▶ utilise Council resources effectively
- ▶ help tackle the causes of inequality and increase opportunities for all residents and businesses
- ▶ help protect, nurture and celebrate our local heritage
- ▶ help prevent homelessness and help people access suitable housing
- ▶ help build resilient communities
- ▶ help develop and safeguard our environment and open spaces

## OUR STRATEGIC PRIORITIES FOR 2019-2022

People and Place	Organisation
 To meet housing needs through a variety of approaches and interventions	 To be financially stable
 To facilitate sustainable growth and economic prosperity	 To ensure our employees have the right skills and culture to help our residents, visitors and businesses
 To work collaboratively and flexibly to meet the needs of our communities	 To ensure our service delivery is consistent, clear, and focused
 To create a new and developing vision for the continued evolution of Tamworth, including a town centre fit for the 21st century	 To ensure our decisions are driven by evidence and knowledge

# The Assurance Framework

The diagram below shows how the Assurance Framework is made up



## **What have we done to monitor and evaluate the effectiveness of our governance arrangements during 2019/20.**

The Authority has the responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the system of internal control is informed by:

- The work of Internal Audit which is detailed in the Head of Audit & Governance's Annual Report.
- Responsibility of Corporate Management Team for the development and maintenance of the internal control environment.
- Reports received from our External Auditors and any other review agencies or inspectorates.

During 2019/20, the following actions have contributed to the evaluation of the effectiveness of the governance arrangements:

- The Code of Corporate Governance, set out in line with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, has been reviewed and updated.
- The Head of Audit & Governance reports to the Audit & Governance Committee on a quarterly basis and provides an opinion on the overall effectiveness of the system of internal control based upon the work completed. The statement for the 2019/20 financial year is as follows.  
"I am satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of the organisation's risk management, control and governance processes. Overall in my opinion, based upon the reviews performed during the year, the Authority has:
  - ✓ adequate and effective risk management arrangements;
  - ✓ adequate and effective governance; and
  - ✓ adequate and effective control processes.
- Our External Auditors report to each Audit & Governance Committee. In their Annual Audit Letter (2018/19), they gave an unqualified opinion on the Statement of Accounts and an unqualified conclusion in respect of the Authority securing economy, efficiency and effectiveness.
- The Corporate Risk Register is owned and reviewed on a quarterly basis by the Corporate Management Team and reported in the Quarterly Health Check to Cabinet. It is also reported in the risk management update to the Audit & Governance Committee. There were no significant risks on the Corporate Risk Register during 2018/19, however the changing risk landscape post Covid-19, will be an area of risk focus moving into 2020/21.

- Managers Assurance Statements have been completed by Executive Directors and Assistant Directors and have not identified any significant control issues.
- Financial Guidance and Financial and Contract Procedure Rules are reviewed on a regular basis, the latest review being approved by the Audit & Governance Committee in June 2019, subject to the full review of the constitution which has been completed and is expected to go to Full Council in September 2020 (due to interruptions in the usual Council and Committee schedule arising from Covid-19).
- The Chief Finance Officer and Head of Internal Audit & Governance are suitably experienced and qualified and comply with the CIPFA Statements on their respective roles.
- No issues were raised through the Counter Fraud and Corruption and Whistleblowing Policies.
- There were no data security breaches/lapses during the financial year.
- Internal Audit are required to comply with the Public Sector Internal Audit Standards. As part of this requirement, Internal Audit are required to complete an annual self-assessment against the Standards and produce a Quality Assurance & Improvement Programme(QAIP) which identifies areas for improvement both to ensure compliance with the Standards and other quality areas. The self-assessment against the standards and the QAIP are reported to the Audit & Governance Committee.
- The Ombudsman report on the enquiries and complaints received in 2018/19 was reported to the Audit & Governance Committee in October 2019.
- The Performance Management Framework ensures that the Financial Health Check is reported to Cabinet on a quarterly basis and made readily available on the Authority's website.
- The Authority is currently compliant with the PSN Code of Connection. The compliance process includes assessments against governance, service management and information assurance conditions and assures access to the Public Services Network. Our current compliance certificate expires in October 2020, the renewal process will be started prior to that to ensure continuity of PSN services.
- A quarterly update report is presented to the Audit & Governance Committee on the use of RIPA powers. During 2018/19, no RIPA authorisations were made.
- To assist in a more co-ordinated approach to managing projects, a Corporate Project Management template and process is now in place.
- A self-assessment of the Audit & Governance Committee's effectiveness was completed in February 2020.
- The Chairs of the Audit & Governance and Scrutiny Committees submitted their Annual Reports to Full Council.
- The Authority complies with the Transparency Code.

- Counter fraud work continues to be completed with the retained expertise of in-house staff to investigate corporate fraud.
- Internal Audit completes an annual assessment of the risk of fraud which is reported to the Audit & Governance Committee. Assessments against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption, the Fighting Fraud & Corruption Strategy & Checklist have been completed. Having considered all of the principles, we are satisfied that the Authority has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.
- In compliance with the Localism Act 2011, a report was presented to Full Council in May 2019 advising them of the number of complaints received regarding Members Conduct.
- The review of the Constitution and Scheme of Delegation was approved by Council in May 2019. It has been refreshed again and is due to go to Council in September 2020.
- The Anti-Money Laundering Policy was reviewed and approved by the Audit & Governance Committee in November 2019.
- The Diversity & Equalities Scheme 2015-19 was approved by Cabinet in July 2017, the formal review is underway, but has been delayed due to COVID-19, this review will be complete by August 2020. The Pay Policy 2018 was approved by Council in July 2019.
- The authority has continued to progress implementation of the organisation's response to the General Data Protection Regulations (GDPR). The Data Protection Officer continues to raise its awareness of GDPR across the authority. As part of wider IT Governance work, policies and procedures have been reviewed or are being developed to meet our obligations under the GDPR and to ensure a robust governance framework is in place for our ICT systems and information assets. The Information Security Policy has been rolled out across the authority with this becoming a mandatory requirement for new starters. The authority's Corporate Privacy Notice along with Departmental Fair Processing Notices have been developed with reviews being undertaken when necessary. Information on our website has been reviewed and is due to be updated with guidance to support our customer's rights of access to their data. Work is progressing with suppliers to ensure the security and compliance of personal data held within our software systems.  
A programme of cyber security training has been completed across the authority with further bite size communications to be issued over the coming months.
- Partnership working arrangements continue to strengthen and further develop with both our statutory and community and voluntary sector partners. We value our community and voluntary sector and the work they do within our community. In 2019/20 we continued award grants through our Community and Voluntary Sector Grant Programme, Sports, Festive, business and Arts Grant Programme.

Full details can be found on our website:

[https://www.tamworth.gov.uk/sites/default/files/misc\\_docs/Grants\\_2019-20.pdf](https://www.tamworth.gov.uk/sites/default/files/misc_docs/Grants_2019-20.pdf)

- Through the Staffordshire Commissioner's Office Locality Deal Funding the Community Safety Partnership, various organisations were funded. A total of £63,954 was allocated to address domestic abuse, hate crime and social isolation. Diversionary holiday schemes also took place and the Summer Space Scheme funded 4 organisations a total of £14,407.80.
- The Place Based Approach continues to grow and further develop; this is a collaborative partnership approach that uses multi skilled teams, universal services, voluntary sector organisations, and communities at the right time to improve outcomes for children, young people, vulnerable people and our community. As part of this Place Based Approach we have been working in partnership to identify community and voluntary sector organisations that can offer children, families and vulnerable people help and support at the earliest opportunity. Grant funding has been awarded to the value of £30,000 for community projects during 2019/20 and 2020/21.
- Financial resilience is and has been the key requirement for local authorities at any time, but in the current crisis it has assumed unprecedented importance. Perhaps the biggest difficulty with the pandemic is that there is no certainty about time scales; it is impossible to draw any conclusions about how long it will continue to impact on and the lasting effect for the Councils finances. During the Covid-19 crisis the Council will have lost income and other resources which will significantly impact on the potential sustainability of the organisation and the impact is likely to be long term, as will be the case across many Local Government organisations. Whilst the full extent of this cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy.
- The Authority has both a moral and legal obligation to ensure a duty of care for children and adults with care and support needs across its services. We are committed to ensuring that all children and adults with care and support needs are protected and kept safe from harm whilst engaged in services organised and/or provided by the Council. We do this by:
  - Having a Safeguarding Children & Adults at Risk of Abuse & Neglect Policy and procedures in place;
  - Having Safeguarding Children & Adults Processes which give clear, step-by-step guidance if abuse is identified;
  - Safeguarding training programme in place for staff and members;
  - Carrying out of the appropriate level of Disclosure and Barring Service (DBS) checks on staff and volunteers;
  - Working closely with Staffordshire Safeguarding Children's Board & Staffordshire & Stoke-on-Trent Adult Safeguarding Partnership; and Staffordshire Police.

- The Authority recognises that it has a responsibility to take a robust approach to slavery and human trafficking. In addition to the Authority's responsibility as an employer, it also acknowledges its duty as a Borough Council to notify the Secretary of State of suspected victims of slavery or human trafficking as introduced by section 52 of the Modern Slavery Act 2015. The Authority is committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking. The Authority has included modern slavery and human trafficking information within the corporate safeguarding policy and training. The Council will continue to develop and strengthen its approach to modern slavery and trafficking in 2019/20. The Tamworth Vulnerability Partnership continues to meet each morning to ensure that partner organisations are working together to coordinate efforts to support children, young people, families and vulnerable people across Tamworth.
- Finally, full Council in March 2019 approved urgency provisions regarding governance for urgent decision making in light of the Covid-19 crisis and the Council has gone on to fully adopted the provisions included within the Regulations for The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, by holding virtual meetings from June 2020.

## Declaration

We have been advised on the implications of the result of the review of the effectiveness of the Governance Framework by the Audit & Governance Committee and that the arrangements continue to be regarded as fit for purpose. The issues which remain outstanding from previous years' Annual Governance Statements are detailed at **Annex 1** with actions to address them. No additional governance issues were highlighted during 2019/20. Other minor issues highlighted through the assurance gathering process have been noted with planned actions to address these issues. Monitoring of the completion of all these issues will be completed through reporting to the Audit & Governance Committee.

We propose over the coming year to take steps to address those matters raised to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operations as part of our next review.

Signed

D Cook

A Barratt

Leader

Chief Executive

Date

On behalf of the Authority

This information can be produced on request in other formats and languages. Please contact Internal Audit Services on 01827 709234 or email [enquiries@tamworth.gov.uk](mailto:enquiries@tamworth.gov.uk)

*This is an electronic copy without an electronic signature. The original was signed as dated above and a copy can be obtained from the Executive Director Finance*

## Annex 1

### Significant Governance Issues

The significant governance issues identified in relation to previous iterations of our Annual Governance Statement, which remained significant issues for us during 2019/20 and are detailed below:

No	Issue	Previous Action	Update 2019/20
1	<p><b>Medium Term Financial Strategy (MTFS)</b></p> <p>Whilst actions have been taken to ensure that the MTFS remains balanced, this is still a significant risk to the Authority. Revenue Support grant will be removed around 2020. Opportunities and risks associated with the 100% Business Rates Retention will need to be identified. The increasing demands of our customers also need to be considered.</p>	<p>Work is continuing on a number of actions to address the financial position in future years:</p> <ul style="list-style-type: none"> <li>• Delivering Quality Services Project – the demand management approach to shift demand to more efficient methods of service delivery – online and automation (Interactive Voice Response). A savings target of £100k p.a. has already been included within the MTFS together with reduced CRM costs of £62k p.a. from 2019/20;</li> </ul>	<p>When the budget and MTFS were approved in February 2020, future levels of funding for the Council were uncertain pending the most significant changes in Local Government funding for a generation. The reforms were planned to be in place by 2020/21 but were deferred until 2021/22.</p> <p>Following the period of lockdown to counter the Covid-19 pandemic, there are now questions over the timing (and likely period) of the planned Spending Review and the Government has confirmed that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. In addition, the next planned national Business Rates Revaluation, planned for 2021 will take effect from 2022.</p> <p>The Government has said it will keep an open dialogue with the local authorities about the best</p>

No	Issue	Previous Action	Update 2019/20
		<ul style="list-style-type: none"> <li>Recruitment freeze – where possible, temporary 12 month appointments are now only being made; there is a robust challenge / re-justification process in place for all vacant posts with a requirement to investigate alternative options including restructuring to fill vacancies / looking at what we can stop doing. This means we have the opportunity to increase the vacancy allowance from 5% to 7.5% c. £45k p.a. year on year for the General Fund (£14k p.a. – HRA); It should be noted that staffing in some services e.g. planning, are key to the delivery of the Council's economic growth agenda and have significant demand from the public and local businesses but can also experience severe recruitment difficulties – which may lead to the use of market supplements to attract staff.</li> </ul>	<p>approach to the next financial year, including how to treat accumulated business rates growth of £2m p.a. (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement. It is also the Government's intention to look again at the New Homes Bonus for 2021/22 and explore the most effective way to incentivise housing growth. They planned to consult widely on proposals prior to implementation.</p> <p>In the longer-term, the Government remains committed to reform and want to take time to work with local authorities to make sure that the approach is right.</p> <p>Service provision, in the main, has continued through workable day-to-day agile working policies. It's also the case that a large proportion of income comes in automatically by way of direct debits. The pandemic's timing at the very end of the financial year is, in part, helpful as most taxation income was already collected for 2019/20.</p> <p>Government has provided additional funding of c.£0.9m (from the national allocation of the £4.3bn to Local Government). However, the funding is still very unlikely to be sufficient and the LGA and SDCT will continue to lobby and provide evidence to MHCLG of the income and expenditure pressures that Council's face.</p>

No	Issue	Previous Action	Update 2019/20
		<ul style="list-style-type: none"> <li>• Spend freeze – Managers have previously been required to restrict / limit spending to essential spend only (there was a £1.6m underspend in 2016/17 – although the majority was windfall income, c. £0.57m was lower level underspend). Savings of over £150k p.a. have been included within the MTFS;</li> <li>• Alternative investment options arising from the Commercial Investment Strategy (as well as the Treasury Management Investment Strategy, including any prudential borrowing opportunities) to generate improved returns of c. 5% p.a. (plus asset growth) including: <ul style="list-style-type: none"> <li>○ Set up of trading company to develop new income streams;</li> <li>○ Local investment options – Lower Gungate / Solway Close development including the potential to drawdown funding from</li> </ul> </li> </ul>	<p>Financial resilience is and has been the key requirement for local authorities at any time, but in the current crisis it has assumed unprecedented importance. Perhaps the biggest difficulty with the pandemic is that there is no certainty about time scales; it is impossible to draw any conclusions about how long it will continue to impact on and the lasting effect for the Councils finances.</p> <p>During the crisis the Council will have lost income and other resources which will significantly impact on the potential sustainability of the organisation and the impact is likely to be long term, as will be the case across many Local Government organisations. Whilst the full extent of this cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy.</p> <p>Work is also continuing on a number of actions to address the financial position in future years:</p> <ul style="list-style-type: none"> <li>• Recruitment freeze – there is a robust challenge / re-justification process in place for all vacant posts with a requirement to investigate alternative options including restructuring to fill vacancies / looking at what we can stop doing;</li> <li>• Spend freeze – A review of the underspend</li> </ul>

No	Issue	Previous Action	Update 2019/20
		<p>the Local Growth Fund / Local Enterprise Partnerships (GBS and Staffordshire);</p> <ul style="list-style-type: none"> <li>○ Investments in a Diversified Property Fund;</li> </ul> <p>Note: these would represent long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs).</p> <ul style="list-style-type: none"> <li>• Review of reserves / creation of fund for transformation costs (if needed), and</li> <li>• Targeted Savings – to identify potential areas for review in future years.</li> </ul> <p>Uncertainty remains over the work progressing with regard to business rates retention (and the associated impact on the Council's business rates income and associated baseline and tariff levels) – it has recently been announced that Councils will be able to retain 75% of business rates</p>	<p>position is undertaken annually with a view to drive out as many savings as possible. In addition, it has been recommended that there is an immediate suspension of all non-essential spending and that the budget be revised to remove these budgets following the preparation the first quarterly monitoring report. Managers were required to review their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020.</p> <ul style="list-style-type: none"> <li>• Alternative investment options to generate improved returns of c. 4% to 5% p.a. (plus asset growth);</li> <li>• Review of reserves (including ensuring adequate provision for the funding uncertainties) / creation of fund for transformation costs (if needed);</li> <li>• Targeted Savings – to identify potential areas for review in future years; and</li> <li>• Review and rationalisation of IT systems.</li> </ul>

No	Issue	Previous Action	Update 2019/20
		<p>collected from 2020/21 rather than 100% as previously planned. In addition, the Government are also consulting on a review of the distribution methodology, the 'Fair Funding Review' as well as the planned Business Rates Reset (when a proportion of the growth in business rates achieved since 2013/14 will be redistributed) - both of which will also take effect from 2020/21. <b>There is a high risk that this will have a significant effect on the Council's funding level from 2020/21;</b></p>	
2	<p><b>Regeneration/Capital Projects</b></p> <p>The Authority needs to ensure that capital projects are managed effectively to ensure that they are delivered and grant monies are spent appropriately and timely.</p> <p>There is a risk that developers will not develop timely in accordance with the Local Plan need.</p>	<p>Significant re-profiling of capital scheme spend is forecast for 2017/18 into 2018/19 – c.£20m relating mainly to Housing Regeneration Schemes, works to High Rise flats and the works at the Assembly Rooms.</p> <p>The majority of this is beyond the control of the Council and has been forecast with the reasons understood.</p>	<p>Re-profiling of capital scheme spend from 2019/20 into 2020/21 is forecast at c. £21m (c.£39m 2018/19) relating mainly to Housing Regeneration Schemes, Acquisitions and Commercial Investments.</p> <p>It is anticipated that this spend will now occur during 2020/21 but the situation will be closely monitored and any potential issues will be highlighted at the earliest opportunity.</p>

No	Issue	Previous Action	Update 2019/20								
		<p>It is anticipated that this spend will now occur during 2018/19 with firm plans in place for such but the situation will be closely monitored and any potential issues will be highlighted at the earliest opportunity.</p> <p><b>Review of Asset Holdings and Asset Management Plan</b></p> <p>The Council's Asset Management Plan will be reviewed on an ongoing basis. This will identify any assets held by the Council that are no longer either required or fit for purpose and appropriate recommendations made regarding retention for alternative use or disposal.</p> <p>The Corporate Asset Management Strategy was last updated in 2015 relating to the following assets:</p> <table border="1" data-bbox="730 1062 1274 1294"> <thead> <tr> <th data-bbox="730 1062 1050 1137">Asset Description</th> <th data-bbox="1050 1062 1274 1137">Value (31/03/15)</th> </tr> </thead> <tbody> <tr> <td data-bbox="730 1137 1050 1212">Investment Properties</td> <td data-bbox="1050 1137 1274 1212">£14,588,052</td> </tr> <tr> <td data-bbox="730 1212 1050 1251">Land and Buildings</td> <td data-bbox="1050 1212 1274 1251">£6,537,500</td> </tr> <tr> <td data-bbox="730 1251 1050 1294"><b>Total</b></td> <td data-bbox="1050 1251 1274 1294"><b>£21,125,552</b></td> </tr> </tbody> </table>	Asset Description	Value (31/03/15)	Investment Properties	£14,588,052	Land and Buildings	£6,537,500	<b>Total</b>	<b>£21,125,552</b>	<p>As part of the MTFs, Council in February 2020 approved the updated Capital Strategy which sets out the Council's approach to capital investment and the approach that will be followed in making decisions in respect of the Council's Capital assets.</p> <p>Capital investment is an important ingredient in ensuring the Council's vision is achieved and given that capital resources are limited it is critical that the Council makes best use of these resources – including the development of a long term strategic plan to address the identified maintenance and repairs backlog for corporate assets.</p> <p>It is recognised that significant further work is required in this area in order to deliver a robust capital strategy, in 2020/21, the Asset Management Plan is to be reviewed and updated, with an up to date stock condition survey (with appropriate budget provision approved within the MTFs). This should set out the detailed capital resources/expenditure required to maintain assets, together with the associated timeframe, to inform options appraisal and feed into the capital strategy for ASSG/CMT review of potential schemes.</p> <p>The Tinkers Green and Kerria regeneration project is progressing with anticipated completion during 2020.</p>
Asset Description	Value (31/03/15)										
Investment Properties	£14,588,052										
Land and Buildings	£6,537,500										
<b>Total</b>	<b>£21,125,552</b>										

No	Issue	Previous Action	Update 2019/20
		<p>It details an estimated 10 year maintenance cost for each asset (<b>totalling c.£8m</b>) based on the inspections that had been undertaken.</p> <p><b>Long Term Strategic Plan</b></p> <p>It has been identified that the Council, through the Corporate Capital strategy and through the development of a long term strategic plan, needs to take a longer-term view of the assets required to deliver its Corporate Plan priorities and to support its Medium Term Financial Strategy (MTFS), including spend required (and associated potential funding streams) to address the identified maintenance and repairs backlog for corporate assets.</p>	
3	<p><b>Welfare &amp; Benefit Reform</b></p> <p>There is a risk of reduced income corporately due to welfare reform changes (including council tax support scheme and Universal Credit with further austerity measures from the Welfare reform Act 2015).</p>	<p>The Authority will continue to proactively manage and monitor corporate income levels on a monthly basis and report this to CMT. Staff will be trained to deal with the impact and we will be commissioning 3<sup>rd</sup> sector support as well as providing additional resources in key service areas. In</p>	<p>The Council has experienced an impact from Welfare Benefit Reform and is able to evidence an increase in rent arrears to the implementation of Universal Credit. A Corporate Working Group has been established to ensure an organisation wide approach and the Council has been pro-active in seeking positive working relationships with DWP. The issue has been the subject of examination by</p>

No	Issue	Previous Action	Update 2019/20
	<p>As well as the potential for reduced income and an increase in bad debts, there are additional impacts arising from increased needs in services – eg homelessness, requirement for additional support to vulnerable people, increased issues of ASB etc meaning an increase in demand on 3<sup>rd</sup> sector and statutory agency services.</p>	<p>addition, we will provide financial advice and support for vulnerable clients.</p>	<p>the Council's scrutiny committees. Any impact in relation to homelessness has been less apparent and the Council has been successful in its proactive approach to implementation of the Homelessness Reduction Act and has achieved a significant reduction in the use of bed and breakfast accommodation thereby reducing costs and social harm.</p> <p>Income levels have been largely maintained without reduction in 2019/20 (due to the mitigations put in place) however, the Covid-19 crisis likely to now have a significant effect on future income and welfare spending (which we cannot quantify at the moment).</p> <p>Work is being commissioned around corporate debt to secure a one council approach focusing on not only the management of multiple debt households but seeking to understand how resources are better aligned to secure VFM.</p> <p>A corporate task and finish group is being established around vulnerability which will map base line data to support forecasting around likely impacts which will then inform actions.</p>

# GLOSSARY

## **Accrual**

A sum included in the accounts for income or expenditure in relation to the financial year, but not received or paid as at 31<sup>st</sup> March.

## **Amortisation**

A measure of the cost of economic benefits derived from intangible fixed assets that are consumed during the period.

## **Balances**

The total sum available to the Council, including the accumulated surplus of income over expenditure. Balances form part of the Council's reserves.

## **Balance Sheet**

This shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council.

## **Business Rates Retention Scheme**

This was introduced with effect from 1<sup>st</sup> April 2013, and requires the Council to operate a Collection Fund to account for Business Rates in a similar way to Council Tax. Rather than collecting Business Rates on behalf of the Government, the Council can now retain a share of the Business Rates it collects, and pays out a share to Government, Staffs County Council and the Staffordshire Commissioner (Fire and Rescue).

## **Capital Adjustment Account**

This reserve reflects the difference between the cost of fixed assets consumed and the capital financing set aside to pay for them.

## **Capital Expenditure**

Expenditure on the acquisition and enhancement of significant fixed assets that will be of use or benefit to the Council in providing its services beyond the year of account e.g. land and buildings.

## **Capital Financing Requirement**

This represents the Council's underlying need to borrow for capital purposes.

## **Capital Grants Unapplied**

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

## **Capital Receipts**

Proceeds from the sale of assets e.g. land or buildings, which may be used to finance new capital expenditure or are payable to the Central Government Housing Capital Receipts Pool.

### **Capital Receipts Reserve**

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

### **Cash and Cash Equivalents**

Cash includes bank balances and on demand deposits. Cash Equivalents are short term, highly liquid investments where the date of maturity is three months or less from the date of acquisition that are readily convertible to cash with an insignificant risk of change in value.

### **Cash Flow Statement**

This shows the changes in cash and cash equivalents of the Council during the reporting period.

### **CIPFA**

The Chartered Institute of Public Finance and Accountancy (CIPFA) is the professional body for accountants working in the public sector.

### **Code of Practice**

The Code of Practice on Local Authority Accounting in the United Kingdom is produced by CIPFA and complied with by local authorities in the production of the financial statements.

### **Collection Fund**

A fund administered by the Borough Council into which Business Rates and Council Tax monies are received and paid out to Government and precepting authorities.

### **Collection Fund Adjustment Account**

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and Business Rates income in the Comprehensive Income and Expenditure Statement as it falls due compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

### **Community Assets**

The class of fixed assets held by the Council in perpetuity that have no determinable useful life and may have restrictions on their disposal, such as parks, historical buildings, works of art, etc.

### **Component Accounting**

Where a Property, Plant or Equipment asset has major components, with a cost significant in relation to the overall cost of the asset; materially different useful lives; and/or different methods of depreciation, the components are separately identified and depreciated.

### **Comprehensive Income and Expenditure Statement**

This statement shows the total income received and expenditure incurred by the Council during the year in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

### **Contingency**

The sum of money set aside to meet unforeseen expenditure.

### **Contingent Assets**

A contingent asset arises where an event has taken place that gives the Council a possible asset which will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the Council's control. Contingent Assets are not recognised in the Balance Sheet but

disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

### **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Council a possible obligation, subject to uncertain future events not wholly within the Council's control. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

### **Creditors**

Amounts owed by the Council for work done, goods received or services rendered which have not been paid for by the end of the financial year.

### **Current Service Cost**

An estimate of the true economic cost of employing people in a financial year.

### **Debtors**

Amounts due to the Council for work done or services supplied, for which income has not been received by the end of the financial year.

### **Deferred Capital Receipts Reserve**

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of Non Current Assets but for which cash settlement has yet to take place.

### **Depreciation**

The measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset, whether arising from use, passage of time or obsolescence through technical or other changes.

### **Exceptional Items**

A material item of income or expenditure, significant to an understanding of the Council's financial performance, disclosed separately within the CIES or in a note to the accounts.

### **Expected Credit Loss Model**

The Expected Credit Loss Model was introduced under IFRS 9 Financial Instruments, and applies to financial assets, lease receivables and contract assets.

### **Fixed Assets**

Tangible assets that yield benefits to the Council for a period of more than one year.

### **General Fund Balance**

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year (however, the balance is not available to be applied to funding HRA services).

### **Housing Revenue Account Balance**

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

**IFRS**

International Financial Reporting Standards (IFRS) are a set of accounting standards used for the production of accounts from 2010/11 onwards. The introduction of IFRS is intended to make the Statement of Accounts more robust and comparable with other local authorities and the wider public sector.

**Intangible Assets**

Non-financial assets that do not have physical substance but are controlled by the Council as a result of past events or through custody or legal rights (e.g. software licences).

**Investment Property**

Under IFRS, investment property is defined as a property which is held exclusively for revenue generation or for the capital gains that the asset is expected to generate - not used directly to deliver the Council's services.

**Joint Operations**

These are activities undertaken by the Council in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity.

**Leasing**

A method of financing capital expenditure where rental charges are paid over a specified period of time. There are two main types of leasing arrangements:

- (a) finance leases which transfer all the risks and rewards of ownership of a fixed asset to the lessee and such assets are included within the fixed assets in the Balance Sheet;
- (b) operating leases where the ownership of the asset remains with the lessor and annual rental is charged direct to the revenue account.

**Liabilities**

Amounts due to individuals or organisations which will have to be paid some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

**Major Repairs Reserve**

The Major Repairs Reserve represents the long term average amount of capital spending required to maintain the HRA Council housing stock in its current condition.

**Materiality**

An item is material if its omission, non disclosure or misstatement could be expected to lead to a distortion of the view given by the financial statements.

**Minimum Revenue Provision**

The minimum amount which must be charged to a revenue account each year and set aside to repay debt, presently 4% of the General Fund Capital Financing Requirement. No MRP is required for the Housing Revenue Account.

**Movement in Reserves Statement**

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

**National Non Domestic Rates (NNDR)**

The tax paid on non domestic properties, set annually by Government. In previous years, this tax was collected by billing authorities and paid over to the Government, with the Council receiving a share of the national pool as part of its resources used to meet total net expenditure. Under the

new scheme introduced with effect from 1<sup>st</sup> April 2013, local authorities now retain a proportion of the Business Rates generated in their area.

### **Non Current Assets Held For Sale**

Non Current Assets held for sale are those where the value of the asset will be recovered mainly by selling the asset rather than through its continuing use.

### **Pension Reserve**

This absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions.

### **Post Balance Sheet Events**

Those events, both favourable and unfavourable, that occur between the Balance Sheet date and the date on which the Statement of Accounts is signed by the responsible financial officer.

### **Precept**

This is a demand for payment made by Staffordshire County Council, Staffordshire Commissioner (Police and Crime) and Staffordshire Commissioner (Fire and Rescue). The payment is met from the Council's collection fund and is based on the Council Tax base.

### **Prior Period Adjustments**

Those material adjustments applicable to prior years, arising from changes in accounting policies or from the correction of material errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

### **Provision**

An amount set aside to meet a liability that is likely to be incurred, and a reasonable estimate can be made, charged as an expense to the appropriate service line in the CIES.

### **Public Works Loans Board (PWLB)**

A government agency that provides longer-term loans to local authorities, at interest rates below market rate. It also acts as a lender of last resort (at a higher rate of interest).

### **Related Party**

Two or more parties are related parties when at any time during the financial period:

One party has direct or indirect control of the other party; or

The parties are subject to common control from the same source; or

One party has influence over the financial and operational policies of the other party, to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or

The parties, in entering a transaction, are subject to influence from the same source, to such an extent that one of the parties to the transaction has subordinated its own separate interests.

### **Remuneration**

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash.

### **Revenue Expenditure Funded from Capital Under Statute (REFCUS)**

This is expenditure that is defined as Capital but where there is no matching asset in the accounts - legislation allows the treatment of some expenditure as capital where it does not result in the creation of a fixed asset. An example of this is where grants are awarded to third parties for capital expenditure.

**Revaluation Reserve**

This reserve records the net gain from revaluations of the Council's plant, property and equipment, and Intangible Assets, made after 1<sup>st</sup> April 2007.

**Revenue Expenditure**

The day-to-day expenditure incurred by the Council in providing services. It is financed by government grants, non-domestic rates, Council Tax and fees and charges.

**Revenue Support Grant (RSG)**

A general government grant in support of local authority expenditure.

**Specific Grants**

Government Grants to local authorities in aid of particular projects or services.

**Usable Reserves**

The purpose of each usable reserve is detailed below:

*General Fund Balance*

These funds are available to meet the future running costs for the Council for non-housing services.

*Housing Revenue Account*

This reserve holds funds that are available to meet future running costs relating to the Council's housing stock.

*Capital Receipts Reserve*

This reserve holds all of the Council's receipts generated from the disposal of Non Current Assets and although this is in the usable reserves section, this reserve can only be used to finance new capital investment or to repay debt.

*Major Repairs Reserve*

This reserve is to meet the capital investment requirements of the Council's housing programme.

*Capital Grants Unapplied*

This reserve is used to hold capital grants without conditions or where conditions have been satisfied, but the grant has yet to be used to finance capital expenditure.

*Earmarked Reserves – General Fund / Housing Revenue Account*

Earmarked Reserves are amounts set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years. Further details of the significant reserves within this heading are shown in Note 10.

## **Appendix to Comprehensive Income and Expenditure Statement**

### **Chief Executive**

Chief Executive  
Electoral Process  
Audit & Governance  
Joint Waste Arrangement

### **Assistant Director Growth & Regeneration**

Strategic Planning & Development  
Environmental Health  
Tourism  
Tamworth Castle

### **Executive Director Organisation**

Executive Director Organisation  
Legal Services  
Democratic Services  
Land Charges  
Mayoralty

### **Assistant Director People**

Human Resources  
Payroll  
Customer Services  
Communications and Public Relations  
Information Technology

### **Assistant Director Operations & Leisure**

Streetscene  
Arts & Events  
Community Leisure  
Environmental Management

### **Executive Director Finance**

Executive Director Finance

### **Assistant Director Finance**

Corporate Finance  
Procurement  
Corporate Risk  
Revenue Services  
Benefits

**Executive Director Communities**

Executive Director Communities

**Assistant Director Partnerships**

Partnerships

Community Safety

Safeguarding

Private Sector Housing

Strategic Housing

**Assistant Director Neighbourhoods – General Fund**

Civil Contingencies

Street Wardens

CCTV

**Assistant Director Neighbourhoods – HRA**

Landlord Services

**Assistant Director Assets – General Fund**

Commercial Property

Facilities Management

**Assistant Director Assets - HRA**

Asset Management and Investment

**HRA Summary**

**Housing Repairs**

## **Independent auditor's report to the members of Tamworth Borough Council**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Tamworth Borough Council (the 'Authority') for the year ended 31 March 2020 which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Collection Fund Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2020 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Director of Finance and Legal and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Authority's future operational arrangements.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Authority's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an authority associated with these particular events.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Executive Director Finance's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Executive Director Finance has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the Executive Director Finance's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20 that the Authority's financial statements shall be prepared on a going concern basis, we considered the risks associated with the Authority's operating activities, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the Authority's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Authority will continue in operation.

#### **Emphasis of Matter – effects of Covid-19 on the valuation of land and buildings and pensions liability**

We draw attention to Note 4 of the financial statements, which describes the effects of the Covid-19 pandemic on the valuation of the Authority's land and buildings and investment properties and the Authority's share of the pension fund's property investments as at 31 March 2020. As disclosed in note 4 to the financial statements, the outbreak of Covid-19 has impacted global financial markets and as at the valuation date, less weight can be attached to previous market evidence to inform opinions of value. A material valuation uncertainty was therefore disclosed in both the Authority's property valuer's report and the pension fund's property valuation reports. Our opinion is not modified in respect of this matter.

#### **Other information**

The Executive Director Finance is responsible for the other information. The other information comprises the information included in the Statement of Accounts, the Narrative Report, the Annual Governance Statement other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the Authority obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matter required by the Code of Audit Practice**

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other

information published together with the financial statements in the Statement of Accounts, the Narrative Report, the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

### **Responsibilities of the Authority, the Executive Director Finance and Those Charged with Governance for the financial statements**

As explained more fully in the Statement of Responsibilities set out on page 23, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Executive Director Finance. The Executive Director Finance is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20, for being satisfied that they give a true and fair view, and for such internal control as the Executive Director Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director Finance is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Audit and Governance is Those Charged with Governance. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Report on other legal and regulatory requirements - Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

### **Conclusion**

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, we are satisfied that the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

### **Responsibilities of the Authority**

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### **Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

### **Report on other legal and regulatory requirements - Certificate**

We certify that we have completed the audit of the financial statements of the Tamworth Borough Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

### **Use of our report**

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Stocks, Key Audit Partner  
for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

November 2020

## AUDIT & GOVERNANCE COMMITTEE

29<sup>th</sup> October 2020

### Report of the Executive Director Finance

#### REVIEW OF THE ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2019/20

##### Purpose

To review the Annual Report on the Treasury Management Service and Actual Prudential Indicators 2019/20 approved by Council on 15<sup>th</sup> September 2020.

##### Recommendation

**That Members consider the Annual Report on the Treasury Management Service and Actual Prudential Indicators 2019/20, as detailed at Annex 1, and highlight any proposed changes for recommendation to Cabinet.**

##### Executive Summary

At its meeting on 23<sup>rd</sup> February 2010, the Council approved the Treasury Management Strategy and Prudential Indicators including, as required by the Code, that the Audit & Governance Committee be given the opportunity to scrutinise the strategy and policies, as well as receiving regular monitoring reports.

With regard to the appointment of a Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies, the code suggests:

- This involves reviewing the Treasury Management policy and procedures and making recommendations to the responsible body;
- Public Service Organisations have a responsibility to ensure that those charged with governance have access to the skills and knowledge they require to carry out this role effectively;
- Those charged with Governance also have a personal responsibility to ensure they have the appropriate skills and training in their role;
- The procedures for monitoring Treasury Management activities through audit, scrutiny and inspection should be sound and rigorously applied, with an openness of access to information and well-defined arrangements for the review and implementation of recommendations for change; and
- This includes the provision of monitoring information and regular review by Councillors in both executive and Scrutiny functions.

In compliance with the above, a copy of the Annual Report on the Treasury Management Service and Actual Prudential Indicators for 2019/20 is attached at **Annex 1**.

##### Equalities implications

There are no equalities implications arising from the report.

## Legal implications

Approval of Prudential Indicators and an Annual Investment Strategy is a legal requirement of the Local Government Act 2003. Members are required under the CIPFA Code of Practice to have ownership and understanding when making decisions on Treasury Management matters.

## Resource and Value for Money implications

All financial resource implications are detailed in the body of this report which links to the Council's Medium Term Financial Strategy.

## Risk implications

Risk is inherent in Treasury Management and as such a risk based approach has been adopted throughout the report with regard to Treasury Management processes.

## Report Author

Please contact Jo Goodfellow, Head of Finance on ext 241 or Stefan Garner, Executive Director Finance on ext 242.

<i>Background Papers:-</i>	Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2019/20 Including Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2019/20, Council 26 <sup>th</sup> February 2019
	Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2019/20 Council 10 <sup>th</sup> December 2019
	Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2010/11, Council 23 <sup>rd</sup> February 2010.

**CABINET**

**THURSDAY 20TH AUGUST 2020**

**COUNCIL**

**TUESDAY 15TH SEPTEMBER 2020**

**REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE**

**ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2019/20**

**EXEMPT INFORMATION**

None

**PURPOSE**

The Annual Treasury report is a requirement of the Council's reporting procedures. It covers the Treasury activity for 2019/20, and the actual Prudential Indicators for 2019/20.

The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes in accordance with Regulations issued under the Local Government Act 2003. It also provides an opportunity to review the approved Treasury Management Strategy for the current year and enables Members to consider and approve any issues identified that require amendment.

**RECOMMENDATIONS**

**That Cabinet ask Council to;**

- 1. Approve the actual 2019/20 Prudential and Treasury Indicators within the report and shown at Appendix 1;**
- 2. Accept the Annual Treasury Management Report for 2019/20; and**
- 3. Further to the Assembly Rooms update report to Cabinet on 30<sup>th</sup> July, Council approve the financing of the projected £1.2m overspend and the increase required in the capital programme.**

**EXECUTIVE SUMMARY**

This report covers Treasury operations for the year ended 31<sup>st</sup> March 2020 and summarises:

- the Council's Treasury position as at 31<sup>st</sup> March 2020; and
- Performance Measurement

The key points raised for 2019/20 are

1. The Council's Capital Expenditure and Financing 2019/20
2. The Council's Overall Borrowing Need
3. Treasury Position as at 31<sup>st</sup> March 2020
4. The Strategy for 2019/20
5. Borrowing Outturn for 2019/20
6. Investment Outturn for 2019/20
7. Performance Measurement
8. The Economy and Interest Rates
9. Other Issues

The Treasury Function has achieved the following favourable results:

- The Council has complied with the professional codes, statutes and guidance;
- There are no issues to report regarding non-compliance with the approved prudential indicators;
- The Council maintained an average investment balance externally invested of £67.6m and achieved an average return of 1.01% (budgeted at £41.7m and an average return of 1.0%).
- This result compares favourably with the Council's own Benchmarks of the average 7 day and the 3 month LIBID rates for 2019/20 of 0.53% and 0.63%;
- The closing weighted average internal rate on borrowing is 4.05% (4.05% for 2018/19);
- The Treasury Management Function has achieved an outturn investment income of £686k compared to an original budget of £418k. Investment balances were higher than budgeted throughout the year, however average interest rates started to fall.
- We also received £147k in dividends from our property fund investments (£108k in 2018/19), compared to a budget of £240k. However the net value of the investments had fallen by £130k as at 31<sup>st</sup> March 2020. Following recommendation by the Corporate Scrutiny Committee to Cabinet on 30<sup>th</sup> July it was agreed that a review of property funds is undertaken for scrutiny by the Audit and Governance Committee, before any further investments under existing delegations are made - to inform the Treasury Management Mid-Year Review report for consideration by Council in December 2020.

During 2019/20 the Council complied with its legislative and regulatory requirements.

The Executive Director Finance confirms that there was no overall increase in borrowing within the year and the Authorised Limit was not breached.

At 31<sup>st</sup> March 2020, the Council's external debt was £63.06m (£63.06m at 31<sup>st</sup> March 2019) and its external investments totalled £55.26m (£64.92m at 31<sup>st</sup> March 2019).

## **RESOURCE IMPLICATIONS**

There are no financial implications or staffing implications arising directly from the report.

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

The Council is aware of the risks of passive management of the Treasury Portfolio and with the support of Link Asset Services, the Council's current Treasury advisers, has proactively managed its debt and investments during the year.

## **EQUALITIES IMPLICATIONS**

None

## **SUSTAINABILITY IMPLICATIONS**

None

## **REPORT AUTHOR**

If Members would like further information or clarification prior to the meeting please contact Stefan Garner, telephone 01827 709242 or email [stefan-garner@tamworth.gov.uk](mailto:stefan-garner@tamworth.gov.uk)

## **LIST OF BACKGROUND PAPERS**

- Local Government Act 2003;
- Statutory Instruments: 2003 No 3146 & 2007 No 573;
- CIPFA Code of Practice on Treasury Management in Public Services;
- Treasury Management Strategy 2019/20 (Council 26th February 2019);
- Treasury Management Mid-Year Review 2019/20 (Council 10th December 2019);
- Treasury Outturn Report 2018/19 (Council 10th September 2019);
- CIPFA Treasury Benchmarking Club Report 2019.

## **APPENDICES**

**Appendix 1 – Prudential and Treasury Indicators**

**Appendix 2 – Borrowing and Investment Rates**

## Annual Treasury Management Review 2019/20

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This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2019/20. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2019/20 the minimum reporting requirements were complied with:

- an annual treasury strategy in advance of the year (Council 26<sup>th</sup> February 2019)
- a mid-year (minimum) treasury update report (Council 10<sup>th</sup> December 2019)
- an annual review following the end of the year describing the activity compared to the strategy (this report).

In addition, Cabinet has received quarterly Treasury management updates as part of the Financial Healthcheck Reports.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to provide scrutiny of all of the above Treasury Management Reports to the Audit and Governance Committee. Member training on Treasury Management issues was provided in November 2019, and will be provided as and when required in order to support members' scrutiny role.

During 2019/20, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows.

Prudential & Treasury Indicators	2018/19	2019/20	2019/20
	Actual £m	Estimate £m	Actual £m
Capital Expenditure			
Non HRA	10.515	17.803	<b>4.734</b>
HRA	9.266	30.221	<b>20.462</b>
<b>Total</b>	19.781	48.024	<b>25.196</b>
Capital Financing Requirement			
Non HRA	0.828	2.235	<b>3.523</b>
HRA	68.041	75.255	<b>68.532</b>
<b>Total</b>	68.869	77.490	<b>72.055</b>
Gross Borrowing			
External Debt	63.060	63.060	<b>63.060</b>
Investments			
Longer than 1 year	3.820	-	<b>3.720</b>
Less than 1 year	64.941	26.369	<b>55.261</b>
<b>Total</b>	68.761	26.369	<b>58.981</b>
<b>Net Borrowing</b>	(5.701)	36.691	<b>4.079</b>

It should be noted that **£21.08m** of Capital scheme spend has been re-profiled into 2020/21 (also including re-profiling from previous years) which has increased investment balances.

The Executive Director Finance confirms that there was no overall increase in borrowing in year and the statutory borrowing limit (the authorised limit) was not breached.

The financial year 2019/20 continued the challenging investment environment of previous years, namely low investment returns.

### 1. The Council's Capital Expenditure and Financing 2019/20

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply internal funds, the capital expenditure would give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund	2018/19 Actual £m	2019/20 Estimate £m	2019/20 Actual £m
Capital Expenditure	10.515	17.803	<b>4.734</b>
Financed in year	10.515	16.488	<b>1.982</b>
<b>Unfinanced capital expenditure</b>	-	1.315	<b>2.752</b>
HRA	2018/19 Actual £m	2019/20 Estimate £m	2019/20 Actual £m
Capital Expenditure	9.266	30.221	<b>20.462</b>
Financed in year	9.266	23.007	<b>19.970</b>
<b>Unfinanced capital expenditure</b>	-	7.214	<b>0.492</b>

It should be noted that the outturn for the 2019/20 Capital Programme and associated unfinanced capital expenditure includes a projected overspend of £1.2m relating to the Assembly Rooms project (as detailed in the update report to Cabinet on 30th July). As such, Council are now formally requested to approve the financing of the projected £1.2m overspend and the increase required in the capital programme.

## 2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2019/20 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWL] or the money markets), or utilising temporary cash resources within the Council.

**Reducing the CFR** – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

the application of additional capital financing resources (such as unapplied capital receipts); or

charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2019/20 MRP Policy (as required by MHCLG Guidance) was approved as part of the Treasury Management Strategy Report for 2019/20 on 26th February 2019.

The Council's CFR for General Fund and the HRA for the year are shown below, and represent a key prudential indicator.

CFR: General Fund	31st March 2019 Actual £m	31st March 2020 Budget £m	31st March 2020 Actual £m
Opening balance	0.885	1.037	<b>0.828</b>
Add unfinanced capital expenditure (as above)	-	1.315	<b>2.752</b>
Less MRP/VRP	(0.057)	(0.117)	<b>(0.056)</b>
Less PFI & finance lease repayments	-	-	-
<b>Closing balance</b>	0.828	2.235	<b>3.524</b>

CFR: HRA	31st March 2019 Actual £m	31st March 2020 Budget £m	31st March 2020 Actual £m
Opening balance	68.041	68.041	<b>68.041</b>
Add unfinanced capital expenditure (as above)	-	7.214	<b>0.492</b>
Less MRP/VRP	-	-	-
Less PFI & finance lease repayments	-	-	-
<b>Closing balance</b>	68.041	75.255	<b>68.533</b>

Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

**Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2019/20) plus the estimates of any additional capital financing requirement for the current (2020/21) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2019/20. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

Gross borrowing and the CFR	31st March 2019 Actual £m	31st March 2020 Budget £m	31st March 2020 Actual £m
Gross borrowing position	63.060	63.060	63.060
CFR	68.869	77.490	72.055

The lower than estimated CFR reflects re-profiling of spend within the capital programme to 2020/21 and lower than forecast borrowing relating to the Tinkers Green and Kerria Regeneration scheme due to receipt of grant funding (which is expected to total £5.2m).

**The Authorised Limit** - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2019/20 the Council has maintained gross borrowing within its authorised limit.

**The Operational Boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

**Actual Financing Costs as a Proportion of Net Revenue Stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Borrowing Limits	GF £m	HRA £m	Total £m
Authorised limit	5.235	79.407	84.642
Maximum gross borrowing position	-	63.060	63.060
Operational boundary	-	63.060	63.060
Average gross borrowing position	-	63.060	63.060
Budgeted financing costs as a proportion of net revenue stream %	(3.01)	29.39	26.39
Actual financing costs as a proportion of net revenue stream %	(9.39)	27.44	18.05

### 3. Treasury Position as at 31<sup>st</sup> March 2020

The Council’s debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council’s Treasury Management Practices. At the beginning and the end of 2019/20 the Council’s treasury (excluding borrowing by finance leases) position was as follows:

General Fund	31st March 2019 Principal £m	Rate/ Return %	Average Life yrs	31st March 2020 Principal £m	Rate/ Return %	Average Life yrs
<b>Total debt</b>	-	-	-	-	-	-
<b>CFR</b>	<b>0.828</b>	-	-	<b>3.523</b>	-	-
<b>Over / (under) borrowing</b>	<b>(0.828)</b>	-	-	<b>(3.523)</b>	-	-
Investments:						
- in house	36.209	0.82	-	37.525	1.01	-
<b>Total investments</b>	<b>36.209</b>	<b>0.82</b>	-	<b>37.525</b>	<b>1.01</b>	-

HRA	31st March 2019 Principal £m	Rate/ Return %	Average Life yrs	31st March 2020 Principal £m	Rate/ Return %	Average Life yrs
Fixed rate funding:						
-PWLB	63.060	4.05	35.735	63.060	4.05	34.73
<b>Total debt</b>	<b>63.060</b>	<b>4.05</b>	<b>35.74</b>	<b>63.060</b>	<b>4.05</b>	<b>34.73</b>
<b>CFR</b>	<b>68.041</b>	-	-	<b>68.532</b>	-	-
<b>Over / (under) borrowing</b>	<b>(4.981)</b>	-	-	<b>(5.472)</b>	-	-
Investments:						
- in house	28.732	0.82	-	17.736	1.01	-
<b>Total investments</b>	<b>28.732</b>	<b>0.82</b>	-	<b>17.736</b>	<b>1.01</b>	-

## Maturity Structures

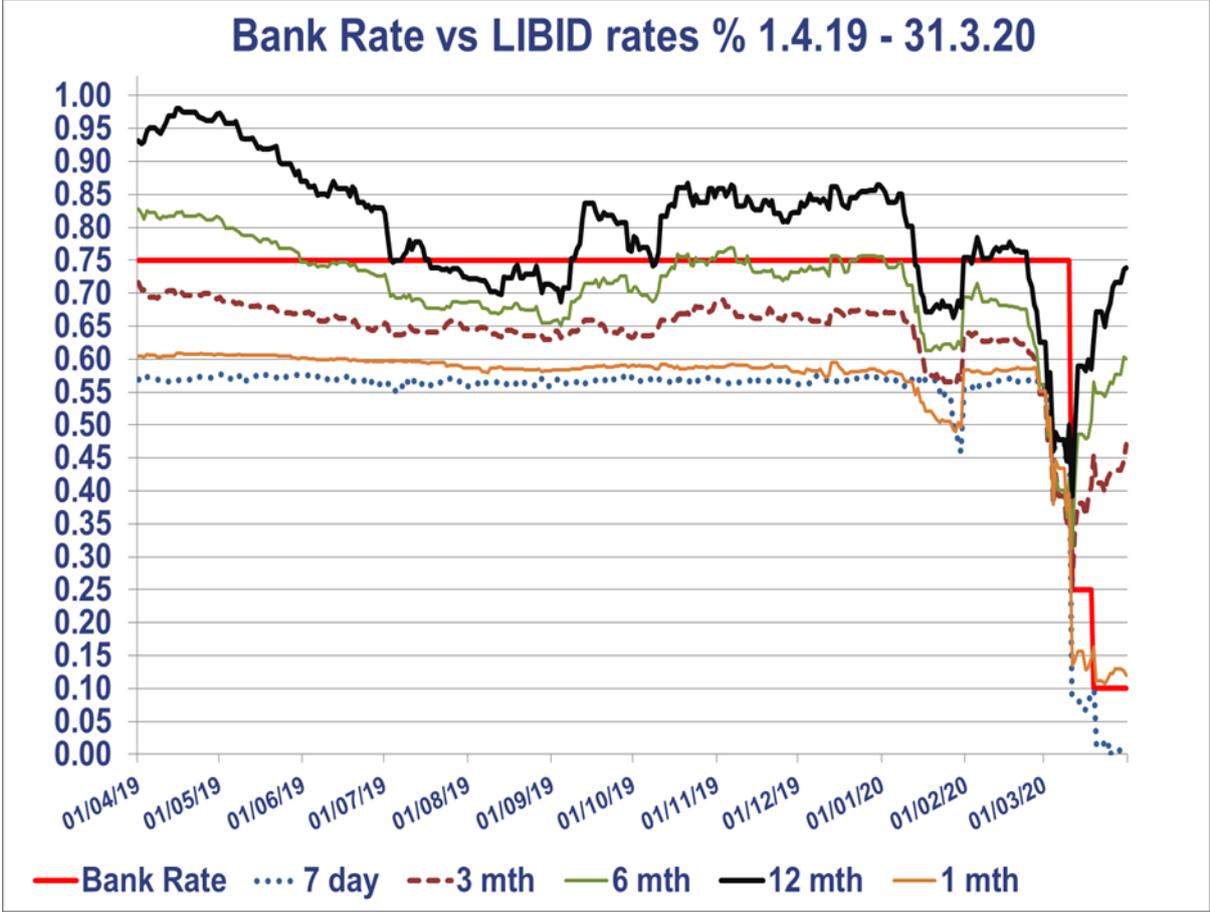
The maturity structure of the debt portfolio was as follows:

Duration	31st March 2019 Actual £m	2019/20 original limits %	31st March 2020 Actual £m
Under 12 months	-	20	-
12 months and within 24 months	-	20	-
24 months and within 5 years	-	25	-
5 years and within 10 years	-	75	-
10 years and within 15 years	5	100	<b>5</b>
15 years and within 50 years	58	100	<b>58</b>

All investments held by the Council were invested for up to one year, with the exception of £3.8m invested in property funds, which are held for the longer-term, 5 – 10 years.

**4. The Strategy for 2018/19**

**4.1 Investment strategy and control of interest rate risk**



	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.75	0.58	0.61	0.72	0.83	0.98
High Date	01/04/2019	09/05/2019	15/04/2019	01/04/2019	01/04/2019	15/04/2019
Low	0.10	0.00	0.11	0.26	0.31	0.39
Low Date	19/03/2020	25/03/2020	23/03/2020	11/03/2020	11/03/2020	11/03/2020
Average	0.72	0.53	0.56	0.63	0.70	0.80
Spread	0.65	0.58	0.50	0.46	0.52	0.59

Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the MPC would be able to deliver on an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled, but would only rise to 1.0% during 2020.

Rising concerns over the possibility that the UK could leave the EU at the end of October 2019 caused longer term investment rates to be on a falling trend for most of April to September. They then rose after the end of October deadline was rejected by the Commons but fell back again in January before recovering again after the 31 January departure of the UK from the EU. When the coronavirus outbreak hit the UK in February/March, rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets. As longer term rates were significantly

higher than shorter term rates during the year, value was therefore sought by placing longer term investments where cash balances were sufficient to allow this.

While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

#### **4.2 Borrowing strategy and control of interest rate risk**

During 2019/20, the Council maintained an under-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances and incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.

The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Executive Director Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2019/20 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

### **PWLB Borrowing Rates**

PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020, and a general background of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued; these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have therefore seen, over the last year, many bond yields up to 10 years in the Eurozone turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields were on a generally falling trend during the last year up until the coronavirus crisis hit western economies. Since then, gilt yields have fallen sharply to unprecedented lows as investors have panicked in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks also started quantitative easing purchases of government bonds which will act to maintain downward pressure on government bond yields at a time when there is going to be a huge and quick expansion of government expenditure financed by issuing government bonds; (this would normally cause bond yields to rise). At the close of the day on 31 March, all gilt yields from 1 to 5 years were between 0.12 – 0.20% while even 25-year yields were at only 0.83%.

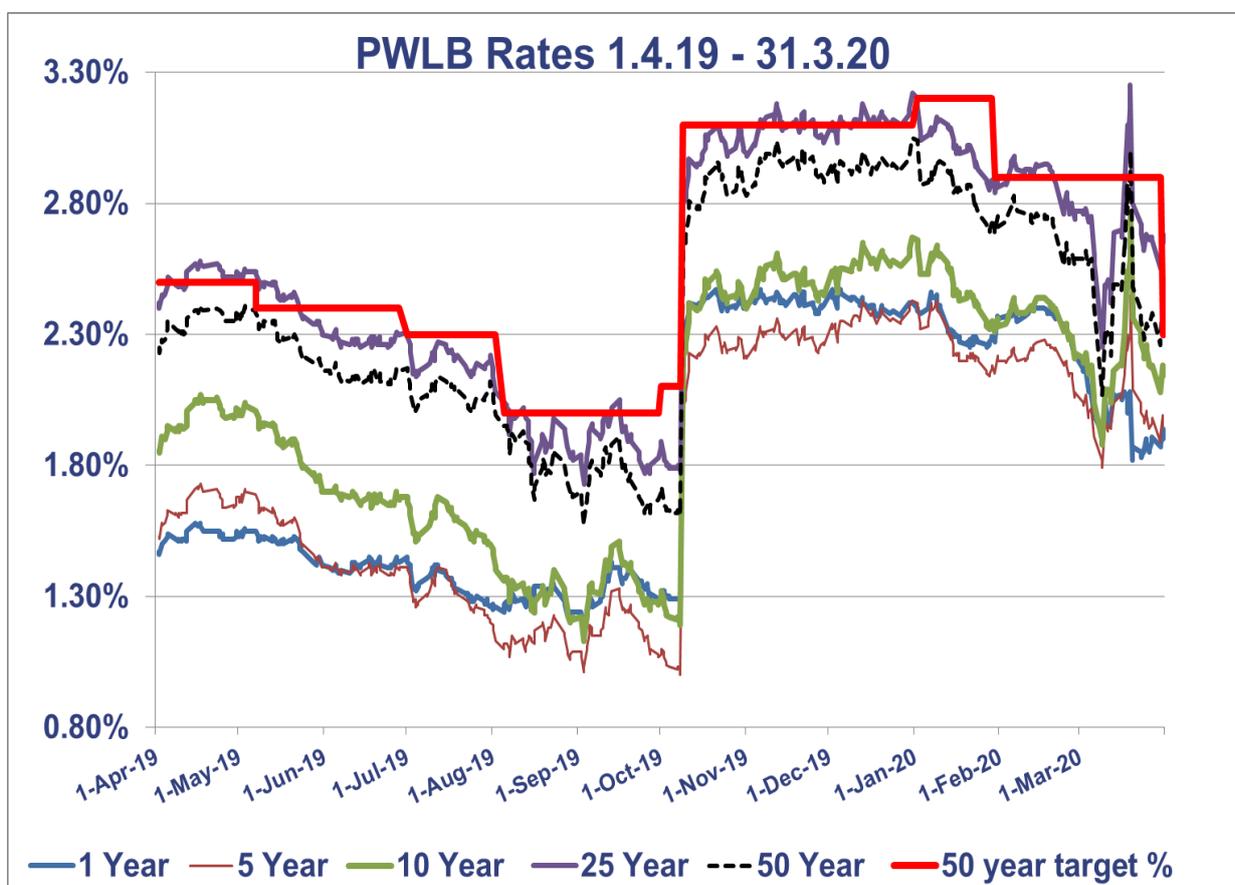
However, HM Treasury has imposed **two changes in the margins over gilt yields for PWLB rates** in 2019-20 without any prior warning; the first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then partially reversed for some forms of borrowing on 11 March 2020, at the same time as the Government announced in the Budget a programme of increased spending on infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this ends on 31<sup>st</sup> July. It is clear that the Treasury intends to put a stop to local authorities borrowing money from the PWLB to purchase commercial property if the aim is solely to generate an income stream.

Following the changes on 11 March 2020 in margins over gilt yields, the current situation is as follows: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

There is likely to be little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum they will lose in the sharp recession that will be caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020-21.

The graph and tables for PWLB rates below and in Appendix 2 show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



## 5. Borrowing Outturn for 2019/20

### Treasury Borrowing

Due to investment concerns, both counterparty risk and low investment returns, no borrowing was undertaken during the year.

### Borrowing in Advance of Need

The Council has not borrowed more than, or in advance of, its needs, purely in order to profit from the investment of the extra sums borrowed.

## Rescheduling

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

## 6. Investment Outturn for 2019/20

**Investment Policy** – the Council’s investment policy is governed by MHCLG guidance, which has been implemented in the annual investment strategy approved by the Council on 26th February 2019. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

**Resources** – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised the following:

Balance Sheet Resources General Fund	31 <sup>st</sup> March 2019 £m	31 <sup>st</sup> March 2020 £m
Balances	6.113	<b>6.882</b>
Earmarked Reserves	7.951	<b>9.387</b>
Provisions	1.815	<b>2.032</b>
Usable Capital Receipts	17.656	<b>17.279</b>
Capital Grants Unapplied	0.048	<b>0.256</b>
<b>Total GF</b>	<b>33.583</b>	<b>35.836</b>

Balance Sheet Resources HRA	31 <sup>st</sup> March 2019 £m	31 <sup>st</sup> March 2020 £m
Balances	4.485	<b>6.252</b>
Earmarked Reserves	16.460	<b>7.789</b>
Provisions	-	-
Usable Capital Receipts	5.704	<b>2.896</b>
<b>Total HRA</b>	<b>26.649</b>	<b>16.937</b>

<b>Total Authority Resources</b>	<b>60.232</b>	<b>52.773</b>
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**Investments held by the Council** – the Council maintained an average balance of £67.6m of internally managed funds. The internally managed funds earned an average rate of return of 1.01%. The comparable performance indicator is the average 7-day

LIBID rate which was 0.53%. This compared with a budget assumption of £41.7m investment balances earning an average rate of 1.0%.

## 7. Performance Measurement

One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide (as incorporated in the table in section 3). The Council's performance indicators were set out in the Annual Treasury Management Strategy Statement.

This service has set the following local performance indicator:

➤ *Average external interest receivable in excess of 3 month LIBID rate;*

Whilst the assumed benchmark for local authorities is the 7 day LIBID rate, a higher target is set for internal performance.

The actual return of 1.01% compared to the average 3 month LIBID of 0.63% (0.38% above target).

## 8. The Economy and Interest Rates

**UK. Brexit.** The main issue in 2019 was the repeated battles in the House of Commons to agree on one way forward for the UK over the issue of Brexit. This resulted in the resignation of Theresa May as the leader of the Conservative minority Government and the election of Boris Johnson as the new leader, on a platform of taking the UK out of the EU on 31 October 2019. The House of Commons duly frustrated that renewed effort and so a general election in December settled the matter once and for all by a decisive victory for the Conservative Party: that then enabled the UK to leave the EU on 31 January 2020. However, this still leaves much uncertainty as to whether there will be a reasonable trade deal achieved by the target deadline of the end of 2020. It is also unclear as to whether the coronavirus outbreak may yet impact on this deadline; however, the second and third rounds of negotiations have already had to be cancelled due to the virus.

**Economic growth** in 2019 has been very volatile with quarter 1 unexpectedly strong at 0.5%, quarter 2 dire at -0.2%, quarter 3 bouncing back up to +0.5% and quarter 4 flat at 0.0%, +1.1% y/y. 2020 started with optimistic business surveys pointing to an upswing in growth after the ending of political uncertainty as a result of the decisive result of the general election in December settled the Brexit issue. However, the three monthly GDP statistics in January were disappointing, being stuck at 0.0% growth. Since then, the whole world has changed as a result of the **coronavirus outbreak**. It now looks likely that the closedown of whole sections of the economy will result in a fall in GDP of at least 15% in quarter two. What is uncertain, however, is the extent of the damage that will be done to businesses by the end of the lock down period, when the end of the lock down will occur, whether there could be a second wave of the outbreak, how soon a vaccine will be created and then how quickly it can be administered to the population. This leaves huge uncertainties as to how quickly the economy will recover.

After the Monetary Policy Committee raised **Bank Rate** from 0.5% to 0.75% in August 2018, Brexit uncertainty caused the MPC to sit on its hands and to do nothing

until March 2020; at this point it was abundantly clear that the coronavirus outbreak posed a huge threat to the economy of the UK. Two emergency cuts in Bank Rate from 0.75% occurred in March, first to 0.25% and then to 0.10%. These cuts were accompanied by an increase in **quantitative easing (QE)**, essentially the purchases of gilts (mainly) by the Bank of England of £200bn. The Government and the Bank were also very concerned to stop people losing their jobs during this lock down period. Accordingly, the Government introduced various schemes to subsidise both employed and self-employed jobs for three months while the country is locked down. It also put in place a raft of other measures to help businesses access loans from their banks, (with the Government providing guarantees to the banks against losses), to tide them over the lock down period when some firms may have little or no income. However, at the time of writing, this leaves open a question as to whether some firms will be solvent, even if they take out such loans, and some may also choose to close as there is, and will be, insufficient demand for their services. At the time of writing, this is a rapidly evolving situation so there may be further measures to come from the Bank and the Government in April and beyond. The measures to support jobs and businesses already taken by the Government will result in a huge increase in the annual budget deficit in 2020/21 from 2%, to nearly 11%. The ratio of debt to GDP is also likely to increase from 80% to around 105%. In the Budget in March, the Government also announced a large increase in spending on infrastructure; this will also help the economy to recover once the lock down is ended. Provided the coronavirus outbreak is brought under control relatively swiftly, and the lock down is eased, then it is hoped that there would be a sharp recovery, but one that would take a prolonged time to fully recover previous lost momentum.

**Inflation** has posed little concern for the MPC during the last year, being mainly between 1.5 – 2.0%. It is also not going to be an issue for the near future as the world economy will be heading into a recession which is already causing a glut in the supply of oil which has fallen sharply in price. Other prices will also be under downward pressure while wage inflation has also been on a downward path over the last half year and is likely to continue that trend in the current environment. While inflation could even turn negative in the Eurozone, this is currently not likely in the UK.

**Employment** had been growing healthily through the last year but it is obviously heading for a big hit in March – April 2020. The good news over the last year is that wage inflation has been significantly higher than CPI inflation which means that consumer real spending power had been increasing and so will have provided support to GDP growth. However, while people cannot leave their homes to do non-food shopping, retail sales will also take a big hit.

**USA.** Growth in quarter 1 of 2019 was strong at 3.1% but growth fell back to 2.0% in quarter 2 and 2.1% in quarters 3 and 4. The slowdown in economic growth resulted in the Fed cutting rates from 2.25-2.50% by 0.25% in each of July, September and October. Once coronavirus started to impact the US in a big way, the Fed took decisive action by cutting rates twice by 0.50%, and then 1.00%, in March, all the way down to 0.00 – 0.25%. Near the end of March, Congress agreed a \$2trn stimulus package (worth about 10% of GDP) and new lending facilities announced by the Fed which could channel up to \$6trn in temporary financing to consumers and firms over the coming months. Nearly half of the first figure is made up of permanent fiscal transfers to households and firms, including cash payments of \$1,200 to individuals.

The loans for small businesses, which convert into grants if firms use them to maintain their payroll, will cost \$367bn and 100% of the cost of lost wages for four months will also be covered. In addition there will be \$500bn of funding from the

Treasury's Exchange Stabilization Fund which will provide loans for hard-hit industries, including \$50bn for airlines.

However, all this will not stop the US falling into a sharp recession in quarter 2 of 2020; some estimates are that growth could fall by as much as 40%. The first two weeks in March of initial jobless claims have already hit a total of 10 million and look headed for a total of 15 million by the end of March.

**EUROZONE.** The annual rate of GDP growth has been steadily falling, from 1.8% in 2018 to only 0.9% y/y in quarter 4 in 2019. The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in EZ growth, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), prompted the ECB to take new measures to stimulate growth. At its March 2019 meeting it announced a third round of TLTROs; this provided banks with cheap two year maturity borrowing every three months from September 2019 until March 2021. However, since then, the downturn in EZ and world growth has gathered momentum so at its meeting in September 2019, it cut its deposit rate further into negative territory, from -0.4% to -0.5% and announced a resumption of quantitative easing purchases of debt to start in November at €20bn per month, a relatively small amount, plus more TLTRO measures. Once coronavirus started having a major impact in Europe, the ECB took action in March 2020 to expand its QE operations and other measures to help promote expansion of credit and economic growth. What is currently missing is a coordinated EU response of fiscal action by all national governments to protect jobs, support businesses directly and promote economic growth by expanding government expenditure on e.g. infrastructure; action is therefore likely to be patchy.

**CHINA.** Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium-term risks have also been increasing. The major feature of 2019 was the trade war with the US. However, this has been eclipsed by being the first country to be hit by the coronavirus outbreak; this resulted in a lock down of the country and a major contraction of economic activity in February-March 2020. While it appears that China has put a lid on the virus by the end of March, these are still early days to be confident and it is clear that the economy is going to take some time to recover its previous rate of growth. Ongoing economic issues remain, in needing to make major progress to eliminate excess industrial capacity and to switch investment from property construction and infrastructure to consumer goods production. It also needs to address the level of non-performing loans in the banking and credit systems.

**JAPAN** has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. It appears to have missed much of the domestic impact from coronavirus in 2019-20 but the virus is at an early stage there.

**WORLD GROWTH.** The trade war between the US and China on tariffs was a major concern to financial markets and was depressing worldwide growth during 2019, as any downturn in China would spill over into impacting countries supplying raw materials to China. Concerns were particularly focused on the synchronised general weakening of growth in the major economies of the world. These concerns resulted in government bond yields in the developed world falling significantly during 2019. In 2020, coronavirus is the big issue which is going to sweep around the world and have a major impact in causing a world recession in growth in 2020.

## 9. Other Issues

### International Financial Reporting Standard (IFRS) 9 – Financial Instruments.

The 2018/19 Accounting Code of Practice introduced changes in way investments are valued and disclosed in the Council's Statement of Accounts. Key considerations are:-

- Expected credit loss model. Whilst not material for vanilla treasury investments such as bank deposits, this does impact our investment in property funds
- The valuation of investments previously valued under the available for sale category e.g. equity related to the “commercialism” agenda, property funds, equity funds and similar, will be changed to **Fair Value through the Profit and Loss (FVPL)**.

Following the consultation undertaken by the Ministry of Housing, Communities and Local Government, [MHCLG], on IFRS9 the Government has introduced a mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds. This is effective from 1st April 2018, and applies for five years from this date. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.

### Investment in Property Funds

Investment in property funds was included within the Commercial Investment Strategy, with the aim of generating improved returns of c.4-5% p.a. (plus asset growth) being long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs).

Utilising the capital receipt proceeds of the sale of the Golf Course, a budget of £12m was allocated to long-term investment in a number of property funds. To date, the Council has invested £1.85m with Schroders UK Real Estate Fund and £2m with Threadneedle Property Unit Trust, total investment £3.85m. The funds have achieved an estimated return of 3.8% during 2019/20, however, capital value has fallen by £99k.

We received £147k in dividends from our property fund investments (£108k in 2018/19), compared to a budget of £240k. However the net value of the investments had fallen by £130k as at 31st March 2020. Investments in property are subject to fluctuations in value over the economic cycle and should also yield capital growth in the longer term as the economy grows.

The MTFS includes budgeted income of £300k for 2020/21 (£480k pa from 2021/22) arising from investment of the full £12m budgeted, however, due to uncertainty around arrangements for Brexit and the associated impact on the economy, and then the further uncertainty and impact on property fund values as a result of the coronavirus, it has been decided to delay any further investment in property funds until there is more clarity.

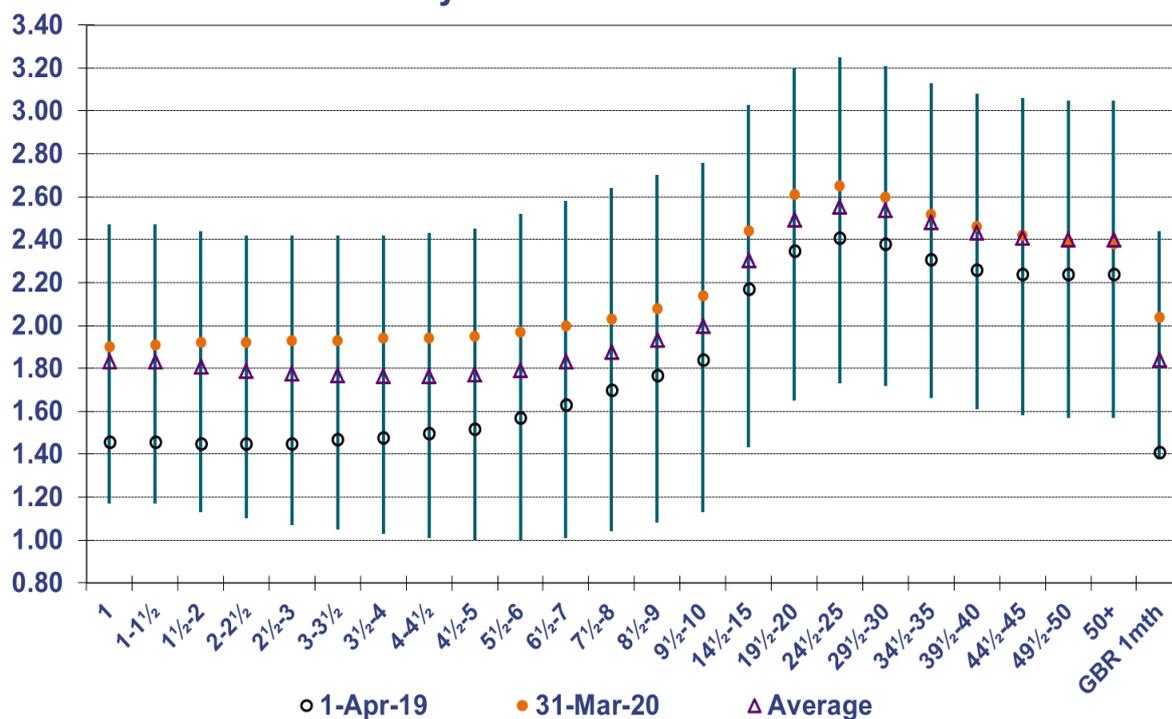
Following recommendation by the Corporate Scrutiny Committee to Cabinet on 30th July it was agreed that a review of property funds is undertaken for scrutiny by the Audit and Governance Committee, before any further investments under existing delegations are made to inform the Treasury Management Mid-Year Review report for consideration by Council in December 2020. This will allow opportunity for the

review to be informed by the trading experience of the property funds up to the half year, Quarter 2 of 2020/21 financial year - including the impact of the pandemic on rental income and therefore property fund returns.

1. PRUDENTIAL INDICATORS	2018/19	2019/20	2019/20
<b>Extract from budget and rent setting report</b>	<b>Actual</b>	<b>Original</b>	<b>Actual</b>
<b>Capital Expenditure</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Non - HRA	10.515	17.803	4.734
HRA	9.266	30.221	20.462
TOTAL	19.781	48.024	25.196
	-		
<b>Ratio of financing costs to net revenue stream</b>	<b>%</b>	<b>%</b>	<b>%</b>
Non - HRA	(6.16)	(3.01)	(9.39)
HRA	29.17	29.39	27.44
	-		
<b>Gross borrowing requirement General Fund</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
brought forward 1 April	0.885	1.037	0.828
carried forward 31 March	0.885	2.352	3.580
in year borrowing requirement	-	1.315	2.752
<b>Gross borrowing requirement HRA</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
brought forward 1 April	68.041	68.041	68.041
carried forward 31 March	68.041	75.255	68.533
in year borrowing requirement	-	7.214	0.492
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Gross debt</b>	63.060	63.060	63.060
	-		
<b>Capital Financing Requirement</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Non – HRA	0.828	2.235	3.524
HRA	68.041	75.255	68.533
TOTAL	68.869	77.490	72.057
	-		
<b>Annual change in Capital Financing Requirement</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Non – HRA	(0.057)	1.198	2.696
HRA	-	7.214	0.492
TOTAL	(0.057)	8.412	3.188

<b>2. TREASURY MANAGEMENT INDICATORS</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2019/20</b>
	<b>Actual</b>	<b>Original</b>	<b>Actual</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Authorised Limit for external debt - General Fund</b>			
borrowing	5.547	5.235	5.235
other long term liabilities	-	-	-
TOTAL	5.547	5.235	5.235
	-		
<b>Authorised Limit for external debt - HRA</b>			
borrowing	79.407	79.407	79.407
other long term liabilities	-	-	-
TOTAL	79.407	79.407	79.407
	-		
<b>Operational Boundary for external debt - General Fund</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
borrowing	-	-	-
other long term liabilities	-	-	-
TOTAL	-	-	-
	-		
<b>Operational Boundary for external debt - HRA</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
borrowing	63.060	63.060	63.060
other long term liabilities	-	-	-
TOTAL	63.060	63.060	63.060
	-		
<b>Actual external debt</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	63.060	63.060	63.060

PWLB Certainty Rate Variations 1.4.19 to 31.3.2020



	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2019	1.46%	1.52%	1.84%	2.41%	2.24%
31/03/2020	1.90%	1.95%	2.14%	2.65%	2.39%
Low	1.17%	1.00%	1.13%	1.73%	1.57%
Date	03/09/2019	08/10/2019	03/09/2019	03/09/2019	03/09/2019
High	2.47%	2.45%	2.76%	3.25%	3.05%
Date	21/10/2019	19/03/2020	19/03/2020	19/03/2020	31/12/2019
Average	1.83%	1.77%	2.00%	2.56%	2.40%

## AUDIT & GOVERNANCE COMMITTEE

29<sup>th</sup> October 2020

### Report of the Executive Director Finance

#### REVIEW OF THE PROPOSED INVESTMENT IN PROPERTY FUNDS

##### Purpose

To provide an opportunity for Members to review the Council's Property Fund investment plans.

##### Recommendation

**That Members recommend to Cabinet that the planned investments in property funds be deferred, with a review during Spring 2021 when the situation should be clearer, to inform future investment plans.**

##### Executive Summary

At the meeting on 15<sup>th</sup> July 2020, Members of the Corporate Scrutiny Committee considered the Capital Outturn report for 2019/20 concluding before any further investments in property funds under existing delegations are made, that a review be carried out.

As the Committee nominated by Council for the scrutiny of Treasury Management functions, it was recommended to and approved by Cabinet on 30<sup>th</sup> July that the review be scrutinised by the Audit & Governance Committee to inform the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report due to be presented to Council in December 2020.

Following a Property Fund Manager selection exercise during 2017/18, supported by Link Asset Services, Council on 27<sup>th</sup> February 2018 endorsed the approach taken and approved the investment in a short list of Property Funds.

To date, the Council has invested £1.85m with Schrodgers UK Real Estate Fund and £2m with Threadneedle Property Unit Trust, total investment £3.85m – however, capital values have fallen by £291k since, mainly since 31<sup>st</sup> March 2020 (£163k). It should also be noted that investments in property are subject to fluctuations in value over the economic cycle and should also yield capital growth in the longer term as the economy grows.

Table 1: Fund Valuations	Investment	Valuation 31/03/2019	Valuation 31/03/2020	Valuation 30/09/2020
Schrodgers UK Real Estate Fund	1,848,933	1,897,716	1,884,412	1,796,118
Valuation Increase / (reduction)		48,783	35,479	(52,815)
Threadneedle Property Unit Trust	2,000,249	1,921,884	1,836,032	1,761,749
Valuation Increase / (reduction)		(78,365)	(164,216)	(238,500)
Total	3,849,182	3,819,601	3,720,444	3,557,867
Gain / (loss)		(29,581)	(128,738)	(291,315)

However, this needs to be balanced against the dividends received (which support the revenue budget). The Council received £147k in dividends from its property fund investments in 2019/20 (£108k in 2018/19), £255k in total compared to the valuation reduction of £129k over the same period.

Table 2: Investment Returns	Dividend Returns 31/03/2019	Dividend Returns 31/03/2020	Dividend Returns 30/09/2020	Estimated Return p.a.	
				%	
Schroders UK Real Estate Fund	48,118	56,638	27,300	3.0%	Half year only to 30/9/20 for 2020/21
Gain / (loss)	48,118	104,756	132,056		
Threadneedle Property Unit Trust	60,056	90,274	38,684	4.9%	
Gain / (loss)	60,056	150,329	189,014		
Total	108,174	146,911	65,984		
Gain / (loss)	108,174	255,085	321,069		
Annual % Return	2.8%	3.8%	1.7%	3.9%	
Cumulative Gain / (loss)	78,593	126,348	29,754		

Internal Treasury Management Return Achieved %	0.9%	1.0%	0.8%	0.7%	
------------------------------------------------	------	------	------	------	--

The funds achieved a return of 2.8% in 2018/19 and 3.8% during 2019/20 compared to internal investments with banks and other Councils of less than 1% - and are forecast to achieve 3.9% in 2020/21.

The MTFS includes budgeted income of £300k for 2020/21 (£480k pa from 2021/22) arising from investment of the full £12m budgeted, however, due to uncertainty around arrangements for Brexit and the associated impact on the economy, and then the further uncertainty and questions over the potential outlook for future property fund returns as a result of the coronavirus, any further investment in property funds had been delayed until there is more clarity.

### Review of the Situation since 31<sup>st</sup> March 2020

During March 2020, the majority of property valuation firms in the UK concluded unanimously that they were faced with an unprecedented set of circumstances on which to base a valuation judgement and thus were required to include a 'Material Valuation Uncertainty' clause to their valuations. This in turn meant that the Net Asset Valuation (NAV) valuation process for UK property funds as of Q1 2020 was also materially uncertain and therefore prices for subscriptions to, and redemptions from these property funds units would not be reliable. The result was that the majority of UK property funds suspended dealing. This was done in consultation with the Association of Real Estate Funds (AREF) and was notified to the Funds regulators. It is worth noting that the suspension was not a reflection of the liquidity but rather a market-wide valuation issue.

As time has progressed and more transactional evidence post the lockdown has become available it has become possible for valuers to feel more certain about the valuation of UK real estate. The Material Valuation Uncertainty clause has been lifted incrementally as valuers became comfortable with each sector having sufficient comparable evidence to have the clause lifted.

During September 2020 the Material Valuation Uncertainty clause was lifted from virtually all assets. This means that the majority of portfolios are now not subject to the Material Valuation Uncertainty clause, because valuers believe that they have enough transactional evidence to be reasonably certain of the level that these assets would trade at in the market. This in turn means the Managers have approved the lifting of the suspension of the Funds. The Funds will issue a reliable NAV based value on the September valuations, as opposed to an indicative NAV as was the case during the suspension period. Following the lifting of the suspension, Managers have also approved that dealing in the Funds will resume during October 2020.

Subscriptions and redemptions, previously suspended from March through September will be possible from October 2020 onwards.

The latest Investment Property Forum (IPF) Consensus Forecasts were revised down over the forecast horizon, with notable downgrades to next year's outlook. Capital Economics' views are broadly in line with the IPF in terms of sector rankings, but they take a different view on the impact of structural shifts in the office and retail sectors.

August's IPF survey of property forecasters showed views for this year have become slightly less negative, with expectations for total returns improving from minus 8.1% to minus 7.4% (table 3 and Chart A below). Given that the MSCI data (providers of property performance figures) has so far turned out slightly better than expected since lockdown, at least outside of retail, this upgrade was perhaps not surprising.

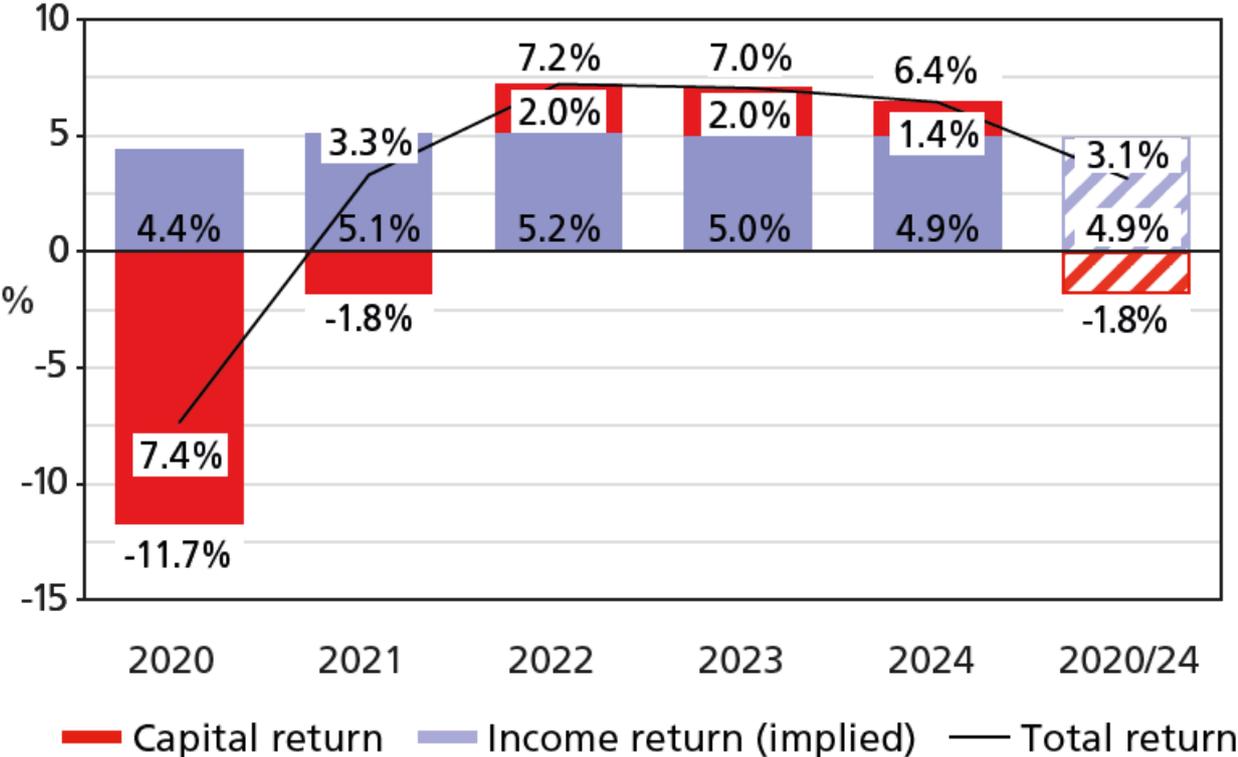
Table 3: Forecast Returns

	2020			2021			2022		
	Rental Values	Capital Values	Total Returns	Rental Values	Capital Values	Total Returns	Rental Values	Capital Values	Total Returns
<b>IPF Consensus</b>									
November 2019	-0.2	-2.2	2.5	0.7	0.1	4.9	1.2	0.8	5.7
February 2020	-0.1	-1.4	3.5	0.4	0.2	5.0	0.9	0.4	5.2
May 2020	-6.3	-12.4	-8.1	-1.3	0.2	5.3	0.8	2.9	7.9
August 2020	-5.0	-11.7	-7.4	-1.9	-1.8	3.3	0.7	2.0	7.2
<b>Capital Economics</b>									
May 2020	-4.5	-10.6	-5.5	2.2	4.7	9.6	1.6	2.5	7.5
August 2020	-4.1	-10.3	-5.2	0.4	0.8	5.9	1.3	2.0	7.2
Sources: IPF, Capital Economics									

However, improvements in 2020 were balanced by downgrades to next year's forecast. The consensus forecast from IPF shows overall property capital values falling by a further 2% next year, compared with the small rise predicted in the previous survey. This in part reflects weaker rental prospects in both office and retail sectors. While Capital Economics also revised down their all-property forecasts, they still expect that there will be a slight rise in values as the UK economy recovers in 2021.

From a low of -8.1% last quarter, the 2020 total return forecast has increased by almost 80 bps as the rate of capital value decline now anticipated in the current year has moderated, while the implied income return has risen slightly. Over the last quarter, a negative outlook for capital values in 2021 and lower projected growth rate in 2022 have forced the next two years' total return forecasts down – by 200 bps in 2021 and almost 70 bps in 2022 (from 0.2% and 7.9% respectively). Although predicted returns in the final two years have risen, these improvements are insufficient to sustain the five-year average, which has fallen by over 40 bps (from -1.3% pa).

Chart A: All Property total return forecasts



Source: IPF Survey of Independent Forecasts for UK Commercial Property Investment

It should be noted that while the capital values and total returns from the table are in line with the chart, the rental value forecast and income return expectations cannot be compared like for like. For instance, in 2021 the IPF forecast is that we may see a drop in rental value at 1.9% and this will certainly have an impact on income returns especially when the current leases and rent arrangements come to an end and new rents are negotiated. However, property funds are benefiting from long term arrangement and leases, when rent value is agreed and not open to frequent re-negotiations. Therefore, even if a rental value declines 1.9% during 2021, this does not mean that the income return that these funds provide will drop by a whole 1.9% as funds will be charging their tenants fixed rates over a fixed period of time. Consequently, a large portion of aggregate rental income that these funds will generate during 2021 will not be affected by a full drop in rental value until new rental arrangements are up for individual renegotiation between funds and their tenants and that, the forecast provided in the chart implies income returns are fairly stable.

Further detail on the performance experienced is shown in **Appendix 1**. We do not yet know the full impact on real estate markets from COVID-19 and we continue to learn more every day. While we will have to bear the brunt of the after effects of the lockdown in terms of reduced economic activity, we are seeing signs of recovery and resilience in certain parts of the economy, and consequently the Funds real estate portfolio. For most funds, the strategic position, resilient tenant base and the Fund Management Teams' efforts, has maximised rent collection during this challenging period.

Being able to report relatively high collection rates (approaching 80%) for both the March and June payment dates is positive. The Quarter 2 results are due at the time of writing and can be updated at the meeting.

## **Conclusions**

While risk is inherent in investment decisions, property fund investments provide investors with a strong level of return over the medium to longer term investment time horizon – which is why the Council was clear at the outset that the investments would be longer term (at least 10 years) in order to benefit from capital growth and generating significantly improved annual investment returns supporting the revenue budget. The overall return is made up of income, achieved via rental streams and capital via the changing value of underlying properties within a fund. While the second element is the most volatile from a year-to-year perspective, the income produced by the funds is relatively stable.

It is clear that it will be many months before the impact of the pandemic on the wider economy and the associated impact on real estate markets is known, however, we are seeing signs of recovery and resilience in certain parts of the economy, and consequently the Funds real estate portfolio. Most funds are able to report relatively high collection rates (approaching 80%) for both the March and June payment dates which is positive – however, the effects of the furlough scheme measures ending and a second wave over the coming months could seriously impact the wider economy and real estate markets.

It is therefore suggested that planned investments be deferred with a review during Spring 2021, when the situation should be clearer, to inform future investment plans.

## Background

Utilising the capital receipt proceeds of the sale of the Golf Course, a capital budget of £12m was approved in 2018/19 for long-term investment in a number of property funds, following a Property Fund Manager selection exercise, supported by Link Asset Services who provided support and advice in the identification and selection of suitable UK-focused property funds. The aim was to generate improved returns of c.4 to 5% p.a. (plus asset growth) from investments in a diversified Property Fund – these being long term investments of between 5 to 10 years (minimum) in order to make the necessary returns (after set up costs).

All Members were invited to be involved in the discussions, with a Treasury Management briefing session (including a Property Fund Selection Briefing) held on 21<sup>st</sup> February 2018 and Members of the Full Council, on 27<sup>th</sup> February 2018, endorsing the approach taken in the selection of Property Funds and approving investment in those property funds. It should be noted that from the outset, the Council was looking to engage with funds that had a broad remit of exposures to different property types (such as offices, industrial, retail warehousing etc. – as detailed in table 3), rather than being focussed on one particular area, such as shopping centres.

Table 4: Property Type Diversification

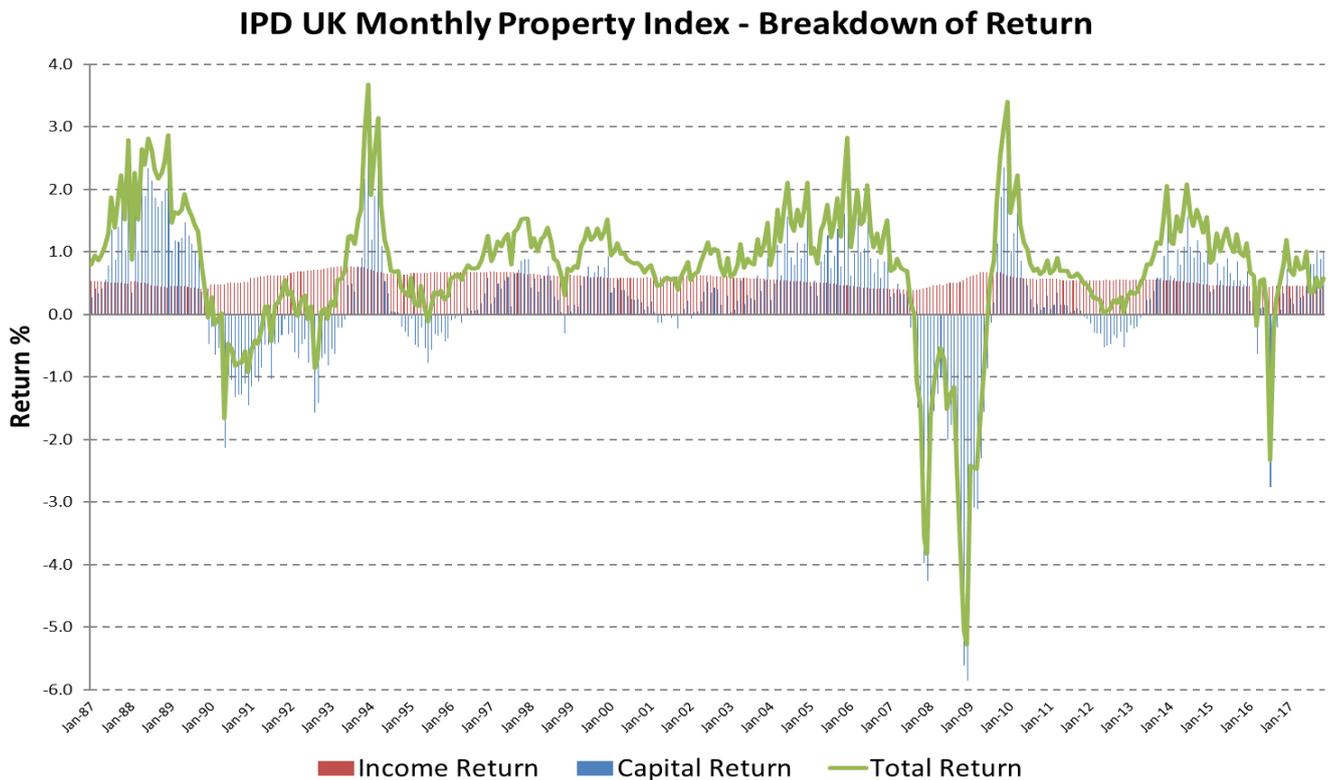
	The Local Authorities' Property Fund (CCLA)	Lothbury Property Trust	Hermes Property Unit Trust	BlackRock UK Property Fund	Schroders UK Real Estate Fund	Threadneedle Property Unit Trust
Revenue/Capital	Revenue	Revenue	Revenue	Capital	Capital	Capital
	%	%	%	%	%	%
<b>Sector Diversification:</b>						
<b>Industrial %</b>	<b>34.1</b>	<b>17.1</b>	<b>25.2</b>	<b>27.3</b>	<b>21.1</b>	<b>26.7</b>
<b>Offices %</b>	<b>40.5</b>	<b>26.4</b>	<b>40.2</b>	<b>26.4</b>	<b>41</b>	<b>33.8</b>
<b>Shopping Centres %</b>	<b>0</b>	<b>8.1</b>	<b>2.7</b>	<b>5.6</b>	<b>4.9</b>	<b>0.5</b>
<b>Retail Warehouse %</b>	<b>18.3</b>	<b>12.8</b>	<b>11.6</b>	<b>19.5</b>	<b>8.6</b>	<b>18.2</b>
<b>Retail %</b>	<b>6.1</b>	<b>27.8</b>	<b>8.8</b>	<b>3.8</b>	<b>11.9</b>	<b>13.7</b>
<b>Other %</b>	<b>0.9</b>	<b>8</b>	<b>11.7</b>	<b>17.5</b>	<b>12.6</b>	<b>7.2</b>
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Direct fund data, December 2017

To date, the Council has invested £1.85m with Schroders UK Real Estate Fund and £2m with Threadneedle Property Unit Trust, total investment £3.85m – however, capital values have fallen by £291k since, mainly since 31<sup>st</sup> March 2020 (£163k).

It should also be noted that investments in property are subject to fluctuations in value over the economic cycle and should also yield capital growth in the longer term as the economy grows. However, it should also be noted that dividend yields have been consistent which means the investment returns, over and above the usual money market levels, can be used to support the revenue budget – as demonstrated in the Property index chart 1.

Chart B: Property Funds – Return Split Percentages



Source: Bloomberg. Index data from Jan 1987 – Nov 2017 showing split of returns.

Link Asset Services looked to the “Balanced Fund” universe of UK property funds, as outlined in the AREF/IPD UK Quarterly Property Fund Index, for the starting point for selection. This universe is the industry accepted standard for balanced property funds and included 27 funds as at the close of September 2017.

From this initial list, a number of funds were removed in instances where the Council would not be able to invest, for example those that are solely for pension funds and others where investor types are limited, excluding Local Authorities. The Council also looked to exclude funds below a minimum size threshold of £750m. This left 10 funds from which to further shortlist, and each was sent a copy of a questionnaire to complete, which had been drawn up in conjunction with Link Asset Services and focussed on a number of key areas. Following consideration of the completed questionnaires, a shortlist of 6 funds was drawn up, and the Fund Managers were invited to attend the Council’s offices and give a presentation on their fund and answer questions from the selection panel, which consisted of Council officers and Link Asset Services. Further details of the selection process are included in Link Asset Services’ report presented to Members 21<sup>st</sup> February 2018 and included within background papers to this report.

The result of the process was to look to consider splitting investment across the following six funds:-

- BlackRock UK Property Fund
- Hermes Property Unit Trust
- Lothbury Property Trust
- Schroder UK Real Estate Fund
- The Local Authorities Property Fund (CCLA)
- Threadneedle Property Unit Trust

This provides the Council with a range of approaches to property fund investment, diversification across a number of funds, rather than a concentration in only one or two options, as well as the ability to take advantage of entering a number of funds via the secondary market, whereby the Council would be purchasing units from investors looking to exit the particular fund, and may potentially gain access to a fund at a lower level of cost than via the primary route.

### **Equalities implications**

There are no equalities implications arising from the report.

### **Legal implications**

The Council is able to invest in property funds under legislation contained within the Local Government Act 2003.

### **Resource and Value for Money implications**

The MTFS includes budgeted income of £300k for 2020/21 (£480k pa from 2021/22) arising from investment of the full £12m budgeted, however, due to uncertainty around arrangements for Brexit and the associated impact on the economy, and then the further uncertainty and questions over the potential outlook for future property fund returns as a result of the coronavirus, any further investment in property funds had been delayed until there is more clarity. This will mean that the planned returns will have to be deferred with a consequential impact on the MTFS forecast.

### **Risk implications**

Risk is inherent in Treasury Management and as such a risk based approach has been adopted throughout the report with regard to Treasury Management processes.

### **Report Author**

Please contact Stefan Garner, Executive Director Finance on ext 242.

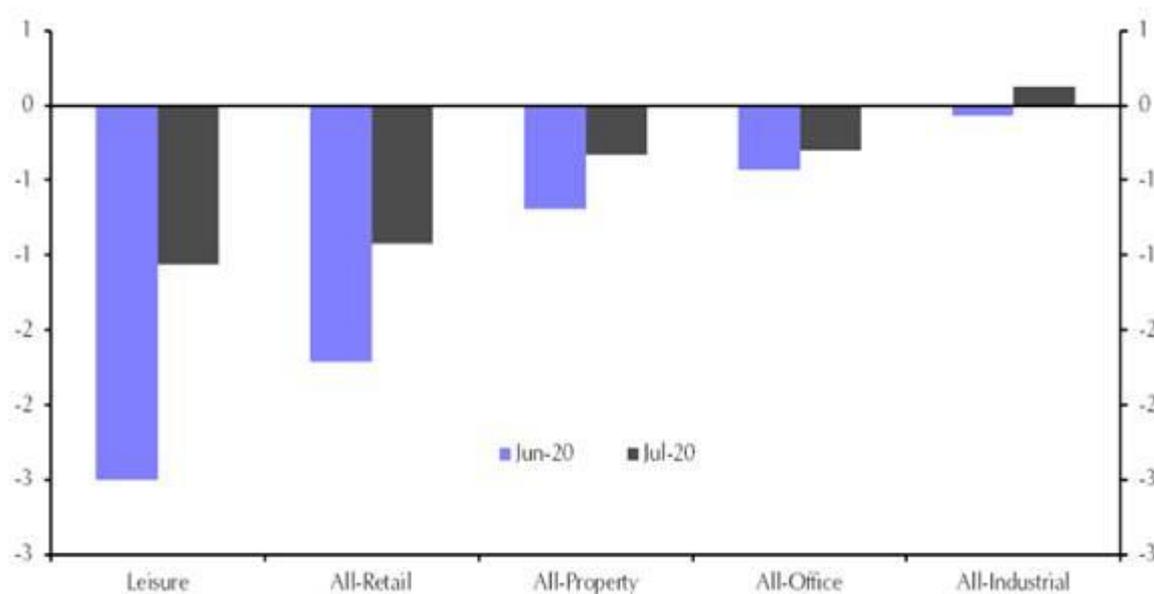
<i>Background Papers:-</i>	<b><i>IPF Summer 2020 Survey of Independent Forecasts for UK Commercial Property Investment</i></b> <a href="https://www.ipf.org.uk/resourceLibrary/ipf-uk-consensus-forecasts--summer-2020--full-report.html">https://www.ipf.org.uk/resourceLibrary/ipf-uk-consensus-forecasts--summer-2020--full-report.html</a>
	<b><i>Corporate Vision, Priorities Plan, Budget &amp; Medium Term Financial Strategy 2018/19 Including Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2018/19, Council 27<sup>th</sup> February 2018</i></b>
	Link Asset Services Treasury Management Training including Property Fund Selection Briefing for Members 21 <sup>st</sup> February 2018
	Link Asset Services Property Fund Selection Report December 2017

## Property Fund Performance 2020

At an all-property level, rental values fell at a slower pace in July than June, from minus 0.2% m/m, from minus 0.4% m/m. Although there was a notable slowing in retail rental declines, retail still drove the decline in all-property rents. Furthermore, forecasters expect more pain ahead. This is in-line with the Royal Institute of Chartered Surveyors (RICS) survey, which showed that expectations for retail rental values over the next 12 months worsened.

Equivalent yields showed signs of stabilising in July, increasing by just 1bp. In turn, capital values fell by just 0.3% m/m in July, which was slower than the 0.7% m/m decline in the previous month (chart 1 below). If yield rises resume later this year, as Capital Economics anticipate, this will indicate a further decline in capital values. Annual returns were broadly unchanged in July, at minus 2.8%, but further falls in capital values would evidently see them worsen.

Chart 1: Capital Values by Sector (% m/m)



Source: MSCI

All-property equivalent yields barely rose in July, improving by just 1bps. This followed a small 2bps increase in June. Although this implies that pricing may have fully adjusted, Capital Economics expect further yield rises in the second half of this year. At a sector level, industrial yields were unchanged in July, and office and retail yields rose by 2bps and 3bps m/m respectively. Despite government support, investors remain cautious about leisure assets, where yields rose 9bps m/m in July and have now increased by 105bps since January.

Chart 2: Equivalent Yields by Sector

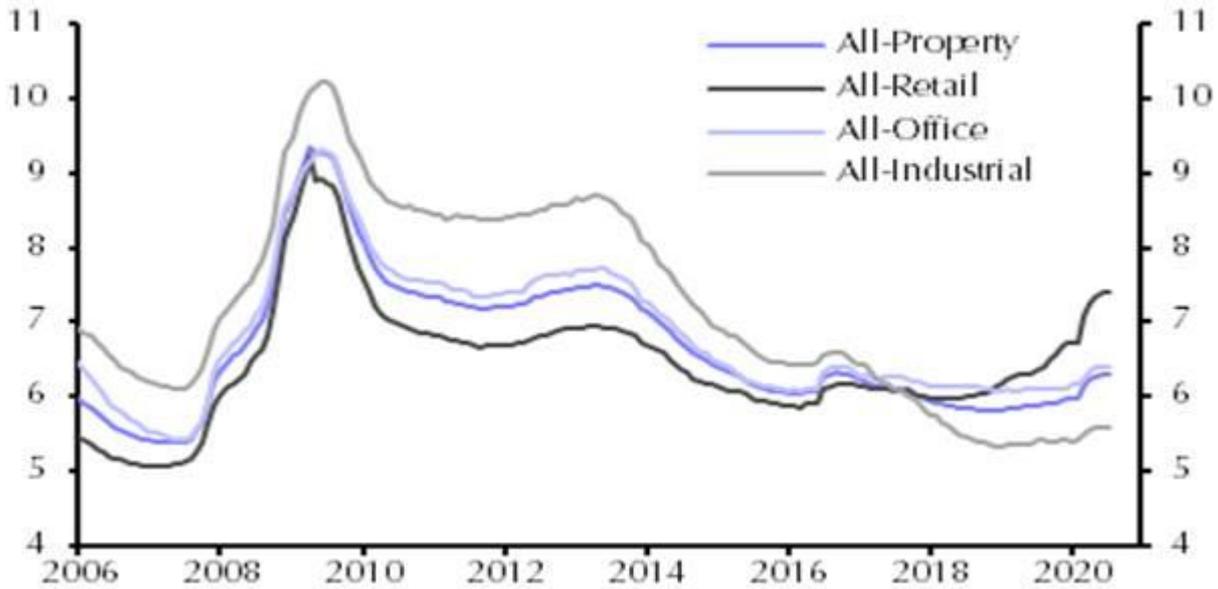
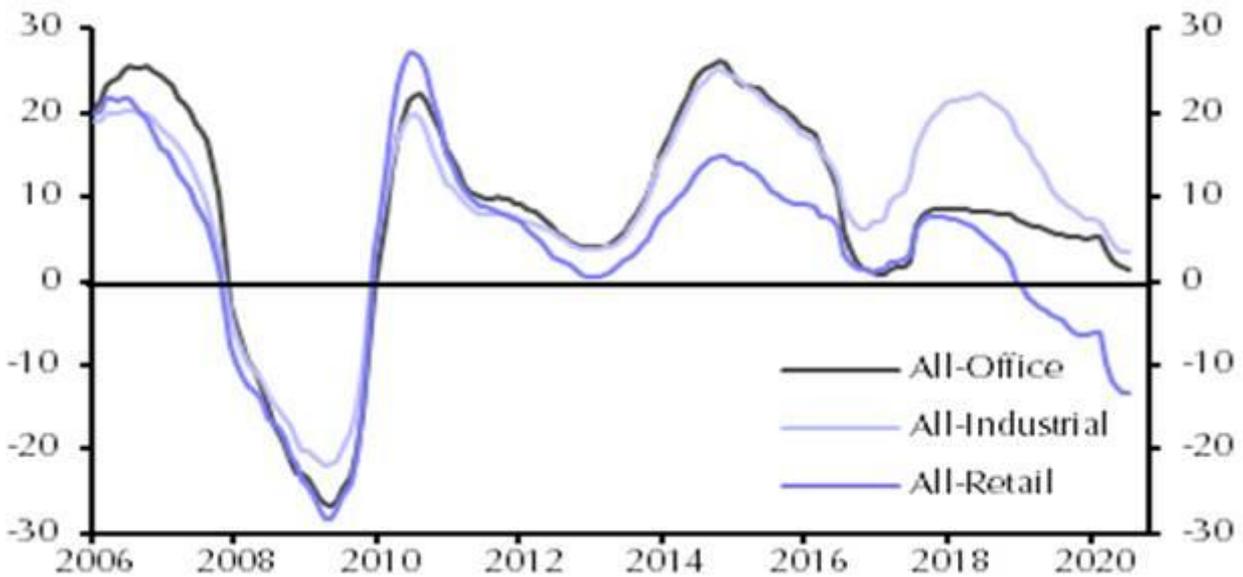


Chart 3: Total return by sector Year on Year



From a low of -8.1% last quarter, the 2020 total return forecast has increased by almost 80 bps as the rate of capital value decline now anticipated in the current year has moderated, while the implied income return has risen slightly. Over the last quarter, a negative outlook for capital values in 2021 and lower projected growth rate in 2022 have forced the next two years' total return forecasts down – by 200 bps in 2021 and almost 70 bps in 2022 (from 0.2% and 7.9% respectively). Although predicted returns in the final two years have risen, these improvements are insufficient to sustain the five-year average, which has fallen by over 40 bps (from -1.3% pa).

## AUDIT AND GOVERNANCE COMMITTEE

Thursday, 29<sup>th</sup> October 2020

### REPORT OF THE ASSISTANT DIRECTOR FINANCE

#### RISK MANAGEMENT QUARTERLY UPDATE

##### **Purpose**

To report on the Risk Management process and progress to date for the current financial year.

##### **Recommendations**

**That the Committee endorses the Corporate Risk Register.**

##### **Executive Summary**

One of the functions of the Audit & Governance Committee is to monitor the effectiveness of the authority's risk management arrangements, including the actions taken to manage risks and to receive regular reports on risk management. Corporate risks are identified and managed and monitored by the Corporate Management Team (CMT) on a quarterly basis.

As previously reported the structure for the Strategic risks is being reviewed to reflect the current organisation structure and ensure it carries the appropriate level of focus. Unfortunately due to a series of events that review is not yet complete but the review work is still continuing and nearing completion.

The summary of the current Corporate Risk Register is attached as **Appendix 1** and the detailed for information is attached as **Appendix 2**. The major items of note in the quarter period are:

- The effect of Covid-19 on the operations of the Authority
- The continued effectiveness of the Business Continuity arrangements within the Authority
- We have no major fraud, and we have a functioning Internal and External assurance processes.

The need to be prepared for future events both known and unknown are (where possible) accommodated in the structure of the strategic risk framework. Recent events have provided a validation of the Business Continuity planning element of these control measures. The Authority was able to successfully transfer to a significantly different organisational working structure at the outbreak of the COVID-19 pandemic. There are still lessons to be learned and these will be incorporated as required.

The issues arising from the European Union departure (BREXIT) are still largely an unknown in regards to its effect on the economy in general and our region in

particular, but this situation continues to be monitored and preparations, where possible, will be made.

### **Options Considered**

None.

### **Resource Implications**

There will be some staff time required to continue with the review of Risk Reporting but these should be contained within available resources.

### **Legal / Risk Implications**

There are no direct legal implications from this report but failure to manage strategic risks could lead to issues with delivering strategic priorities.

### **SUSTAINABILITY IMPLICATIONS**

None

### **BACKGROUND INFORMATION**

None

### **REPORT AUTHOR**

Roger Bennett ex 246

### **LIST OF BACKGROUND PAPERS**

None

### **APPENDICES**

**Appendix 1 Summary Corporate Risk Register**

**Appendix 2 Detailed Corporate Risk Register**

# Corporate Risk Register 2020/21

Generated on: 19 October 2020

Title	Description
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Finance To ensure that the Council is financially sustainable as an organisation

Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Funding gaps		12 major – likely		9 serious–likely	14–Oct–2020
Business Rates Retention		12 major – likely		9 serious–likely	14–Oct–2020
New Homes Bonus		9 serious–likely		6 serious–unlikely	14–Oct–2020
Welfare and Benefit Reform		12 serious – very likely		12 major – likely	19–Oct–2020
Failure to manage budgets		12 major – likely		6 serious–unlikely	14–Oct–2020

Title	Description
-------	-------------

Modernisation & Commercialisation Agenda Develop and implement continuous improvement and develop employees to perform the right work

Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Contract Management & Procurement		6 serious–unlikely		4 significant–unlikely	14–Oct–2020
Management of Assets		6 significant–likely		6 significant–likely	19–Oct–2020
New Revenue Streams		12 serious – very likely		9 serious–likely	14–Oct–2020

Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Workforce Planning Challenges		6 serious-unlikely		6 serious-unlikely	16-Oct-2020
Continuous Improvement		6 serious-unlikely		4 significant-unlikely	16-Oct-2020
Partnerships fail		9 serious-likely		6 serious-unlikely	19-Oct-2020

Title	Description
Governance	Ensure that processes, policies and procedures are in place and the authority is held to account

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Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Governance, Legal & Democratic Process		9 serious-likely		6 serious-unlikely	16-Oct-2020
Legislation		12 serious - very likely		6 serious-unlikely	16-Oct-2020
Policies & Procedures		12 serious - very likely		6 serious-unlikely	13-Oct-2020
Ethics		12 serious - very likely		4 significant-unlikely	16-Oct-2020

Title	Description
Community Focus	To ensure the safety, health and wellbeing of the citizens of the borough

Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Community Cohesion & Engagement		12 serious - very likely		9 serious-likely	19-Oct-2020
Safeguarding Children & Adults (including Modern Slavery)		12 major - likely		6 significant-likely	19-Oct-2020

Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Emergency Planning		12 major – likely		6 serious–unlikely	19–Oct–2020

Title	Description
-------	-------------

Economic Growth & Sustainability	To ensure that the economic growth and sustainability of the borough is maintained
----------------------------------	------------------------------------------------------------------------------------

Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Lack of economic investment in people and Places		12 serious – very likely		9 serious–likely	13–Oct–2020
Housing Needs		12 serious – very likely		9 serious–likely	19–Oct–2020
Economic Changes		12 major – likely		9 serious–likely	13–Oct–2020

Title	Description
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Information Safeguarding	To ensure that our data is protected
--------------------------	--------------------------------------

Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Data Protection and information Safeguarding		16 major – very likely		8 major – unlikely	15–Sep–2020
Cyber Security		12 major – likely		8 major – unlikely	15–Sep–2020
Business Continuity		12 major – likely		9 serious–likely	19–Oct–2020

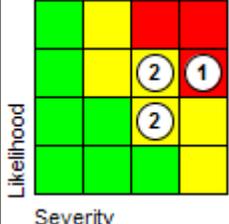
Title	Description
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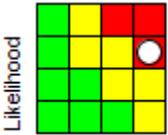
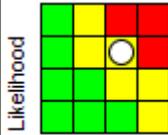
Brexit	The Impact of Brexit upon the Council
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Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Financial		16 major – very likely		16 major – very likely	14-Oct-2020
The Impact of Brexit upon the Council		16 major – very likely		16 major – very likely	19-Oct-2020

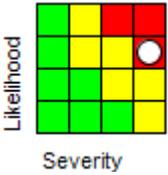
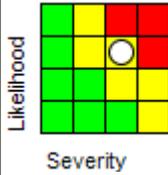
# Corporate Risk Register 2020/21

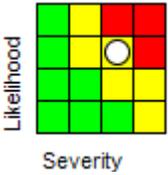
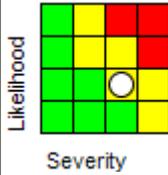
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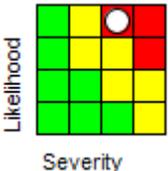
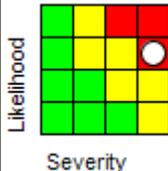
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<b>Description of Risk</b>	To ensure that the Council is financially sustainable as an organisation			<b>Assigned To</b>	
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>				<b>Current Risk Score</b>	
<b>Gross Severity</b>				<b>Current Severity</b>	
<b>Gross Likelihood</b>				<b>Current Likelihood</b>	
<b>Gross Risk Review Date</b>				<b>Last Risk Review Date</b>	
<b>Consequences</b>					
<b>Vulnerabilities/causes</b>					
<b>Risk Notes</b>					

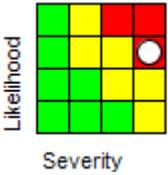
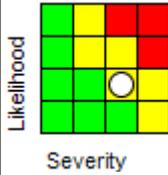
<b>Risk Code</b>	CPR2021 1.1	<b>Risk Title</b>	Funding gaps	<b>Current Risk Status</b>	
<b>Description of Risk</b>				<b>Assigned To</b>	Stefan Garner; Lynne Pugh
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Medium term financial strategy in place - approved annually		<b>Current Risk Score</b>	9
<b>Gross Severity</b>	4	Quarterly healthcheck to CMT / Cabinet including MTFS update		<b>Current Severity</b>	3
<b>Gross Likelihood</b>	3	Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels		<b>Current Likelihood</b>	3
<b>Gross Risk Review Date</b>	30-Jun-2020	Monitoring of the situation / regular reporting		<b>Last Risk Review Date</b>	14-Oct-2020
		A robust & critical review of savings proposals is required / undertaken before inclusion within the forecast			
		Scrutiny Role by Executive Management Team (ELT/Cabinet) and CMT			
		Robust management of DFG referrals / funding levels			
		Prudent approach to forecasting of Government Funding (NDR/RSG/New Homes Bonus) post 2021/22 - including redistribution of growth in business rates since 2013			
		Contingencies and Contingency/Transformation Reserve in place			
		<b>Managers reviewed their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020 - savings of £1.2m identified.</b>			
<b>Consequences</b>	Inability to plan long term due to uncertainty over future Local Government funding arising from the Fair Funding Review, the planned business rates reset and the revised business rates retention scheme from 2021/22. Following announcements as part of Spending Round 2019 that the Review of the distribution methodology, the 'Fair Funding Review' as well as the planned Business Rates Reset will be now be reviewed as part of the Comprehensive Spending Review now planned for 2020, the Government has confirmed, due to the pandemic, that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth (pending the planned business rates baseline reset) and the approach to the 2021/22				

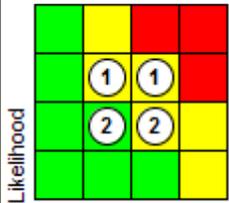
	<p>local government finance settlement. There is a high risk that this will have a significant effect on the Council's funding level.</p> <p>Increased risks associated with those Councils who are borrowing large sums to invest in commercial property activities.</p> <p>Shortfall in DFG grant funding / impact on General Fund revenue</p> <p>Impact of COVID-19 on future income levels uncertain - prudent approach to forecasting business rates, council tax and income from fees and charges will be needed</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 293</p> <p>Inerabilities/causes</p>	<p>Austerity cuts/Major variances to the level of grant/subsidy</p> <p>Business rates retention – deferral of the 75% retention of business rates (rather than 100% as previously planned).</p> <p>Review of the distribution methodology, the 'Fair Funding Review' as well as the planned Business Rates Reset (when a proportion of the growth in business rates achieved since 2013/14 will be redistributed) together with the Spending Review.</p> <p>The Government has confirmed, due to the pandemic, that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement.</p> <p>In addition, the next planned national <b>Business Rates Revaluation</b> has been deferred and will now take effect from 2023/24 – with latest indications that the Government will also aim to introduce a <b>centralised system for business rate appeals</b> at the same time to cover future changes arising from the 2023 valuation list</p> <p>Non achievement/delivery of substantial savings</p> <p>Review of the Treasury Management Investment Guidance / Minimum Revenue Provision Guidance has been carried out by DCLG - however, planned CIPFA review of Prudential code may lead to a potential restriction of investments by Councils given increased risk exposure.</p> <p>Disabled Facilities Grants - increased demand / costs not in line with grant levels impacting on other funding sources, uncertainty over funding.</p> <p>During the COVID-19 pandemic the Council will lose income and other resources. Whilst the full extent of this cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy. Accordingly, it was approved that there is an immediate suspension of all non-essential spending and that the budget be revised to remove these budgets following the preparation of the first quarterly monitoring report. Managers were required to review their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020.</p>
<p>Risk Notes</p>	

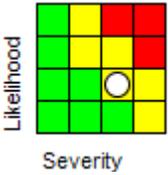
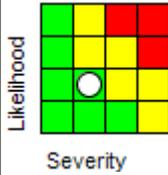
<b>Risk Code</b>	CPR2021 1.2	<b>Risk Title</b>	Business Rates Retention	<b>Current Risk Status</b>	
<b>Description of Risk</b>				<b>Assigned To</b>	Stefan Garner; Lynne Pugh
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>			
<b>Gross Risk Score</b>	12	Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue  Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels	<b>Current Risk Matrix</b>		
<b>Gross Severity</b>	4		<b>Current Risk Score</b>	9	
<b>Gross Likelihood</b>	3		<b>Current Severity</b>	3	
<b>Gross Risk Review Date</b>	29-Mar-2019	Prudent approach to forecasting of Government Funding (NNDR/RSG/New Homes Bonus) post 2021/22 - including redistribution of growth in business rates since 2013	<b>Current Likelihood</b>	3	
<b>Last Risk Review Date</b>			<b>Last Risk Review Date</b>	14-Oct-2020	
<b>Consequences</b>	Reduced levels of business rates income and impact on MTFS				
<b>Vulnerabilities/causes</b>	<p>Uncertainty over level of appeals following 2017 Revaluation and implementation of new approach to 'Check, Challenge and appeal' Impact on collection levels Uncertainty / changes in S31 grants Void property levels Uncertainty due to:</p> <p>Business rates retention – deferral of the 75% retention of business rates.</p> <p>The Government has confirmed, due to the pandemic, that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement.</p> <p>In addition, the next planned national <b>Business Rates Revaluation</b> has been deferred will now take effect from 2023/24 (deferred from 2021/22) – with latest indications that the Government will also aim to introduce a <b>centralised system for business rate appeals</b> at the same time to cover future changes arising from the 2021 valuation list. The government has recently announced that with the changing circumstances as a result of the COVID-19 pandemic, the next revaluation will not go ahead in 2021.</p>				
<b>Risk Notes</b>					

<b>Risk Code</b>	CPR2021 1.3	<b>Risk Title</b>	New Homes Bonus	<b>Current Risk Status</b>	
<b>Description of Risk</b>				<b>Assigned To</b>	Stefan Garner; Lynne Pugh
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>			
<b>Gross Risk Score</b>	9	Given uncertainty over the review of the distribution methodology, the 'Fair Funding Review' as well as the planned Spending Review 2019 - which was planned take effect from 2020/21 a revised risk based approach was introduced in 2018 for 2019/20 onwards.	<b>Current Risk Matrix</b>		
<b>Gross Severity</b>	3		<b>Current Risk Score</b>	6	
<b>Gross Likelihood</b>	3		<b>Current Severity</b>	3	
			<b>Current Likelihood</b>	2	
<b>Gross Risk Review Date</b>	29-Mar-2019	Announcements as part of Spending Round 2019 that NHB scheme will be reviewed as part of the Comprehensive Spending Review now planned for 2020 - also, legacy funding for the 4 years to 2019/20 will be paid, as well as continuation of the scheme for 2020/21 only. New payments from 2020/21 onwards will not be guaranteed pending the review.	<b>Last Risk Review Date</b>	14-Oct-2020	
<b>Consequences</b>	Reduced levels of New Homes Bonus grant funding & Growth in Council tax Income				
<b>Vulnerabilities/causes</b>	<p>Uncertainty over the ongoing funding for the <b>New Homes Bonus scheme</b>, local growth in housing numbers and share of the national pool (including potential increases to the 'deadweight' for which Council's no longer receive grant). Deadweight confirmed unchanged at 0.4% for 2020/21.</p> <p>Announcements as part of Spending Round 2019 that NHB scheme will be reviewed as part of the Comprehensive Spending Review now planned for 2020 - also, legacy funding for the 4 years to 2019/20 will be paid, as well as continuation of the scheme for 2020/21 only. New payments from 2020/21 onwards will not be guaranteed pending the review.</p> <p>The Chancellor announced on 24 March that the 2020 Comprehensive Spending Review would be delayed - awaiting further details.</p>				
<b>Risk Notes</b>					

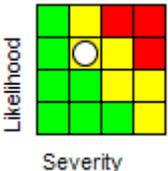
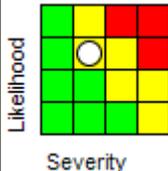
<b>Risk Code</b>	CPR2021 1.5	<b>Risk Title</b>	Welfare and Benefit Reform	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Welfare and Benefit Reform			<b>Assigned To</b>	Rob Barnes; Stefan Garner; Tina Mustafa; Lynne Pugh
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Proactive approach to management of Homelessness Proactive management & monitoring of corporate income levels i.e. council tax, business rates (monthly review of target achievement) & housing rent Extensive preparation including staff training Regular CMT, Cabinet and Scrutiny Committee updates		<b>Current Risk Score</b>	12
<b>Gross Severity</b>	3			<b>Current Severity</b>	4
<b>Gross Likelihood</b>	4			<b>Current Likelihood</b>	3
<b>Gross Risk Review Date</b>	29-Mar-2019			<b>Last Risk Review Date</b>	19-Oct-2020
<b>Consequences</b>	Reduced income / increased bad debts - forecasts adjusted Additional impact arising from increased need for services - eg homelessness Greater demand on 3rd sector and statutory agency services Additional resource requirement to meet demand				
<b>Vulnerabilities/causes</b>	Reduced income corporately due to welfare reform changes (including council tax support scheme and Universal Credit with further austerity measures from Welfare Reform Act 2015) - impact on council tax, rent income etc Implementation of Government policy at local level - Impact of universal Credit being assessed Household hardship				
<b>Risk Notes</b>	Risk downgraded as performance shows high collection levels when benchmarked and measured. COVID19 flash audit also due. Corporate Project continues with external support being engaged to support corporate debt strategy development. Work Commissioned as part of the review around the corporate debt strategy to support those households with multiple debt. Vulnerability and base line assessment also underway to inform risk control measures as part of the early response to COVID and its impact. Corporate Debt Strategy update and proposals are a key corporate project and on track for delivery 2020/2021. Leader and scrutiny supported letters to DWP around the impact of Universal Credit Identified as a Corporate project 27/3/19 and risks being managed				

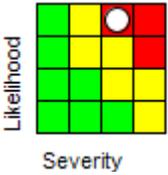
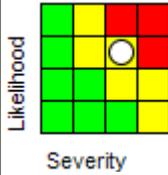
<b>Risk Code</b>	CPR2021 1.6	<b>Risk Title</b>	Failure to manage budgets	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Failure to manage budgets			<b>Assigned To</b>	Stefan Garner; Lynne Pugh
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Budget planning & monitoring (Monthly report to CMT) Training Monthly budget monitoring meetings with Accountants and Managers Budget monitoring information available through Collaborative Planning (updated monthly) Annual review of unspent budgets feeds into budget setting process - <b>Managers reviewed their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020 - savings of £1.2m identified.</b> (During the COVID-19 pandemic the Council will lose income and other resources. Whilst the full extent of this cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy. Accordingly, it was approved that there is an immediate suspension of all non-essential spending and that the budget be revised to remove these budgets following the preparation of the first quarterly monitoring report. Managers were required to review their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020.)  Training sessions for new manager rolled out in 2019 with more planned for 2020		<b>Current Risk Score</b>	6
<b>Gross Severity</b>	4			<b>Current Severity</b>	3
<b>Gross Likelihood</b>	3			<b>Current Likelihood</b>	2
<b>Gross Risk Review Date</b>	29-Mar-2019			<b>Last Risk Review Date</b>	14-Oct-2020
<b>Consequences</b>	Cuts in front line service provision Quality of service declines Inability to meet on-going costs Budget overspends/underspends Reputational issues				
<b>Vulnerabilities/causes</b>	Lack of involvement / ownership by Managers Information not updated / provided on a regular basis				
<b>Risk Notes</b>	In response to the latest MTFs update all managers will be required to review their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020.				

<b>Risk Code</b>	CPR2021 2	<b>Risk Title</b>	Modernisation & Commercialisation Agenda	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Develop and implement continuous improvement and develop employees to perform the right work		<b>Assigned To</b>		
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>	<b>Current Risk Matrix</b>		
<b>Gross Risk Score</b>			<b>Current Risk Score</b>		
<b>Gross Severity</b>			<b>Current Severity</b>		
<b>Gross Likelihood</b>			<b>Current Likelihood</b>		
<b>Gross Risk Review Date</b>			<b>Last Risk Review Date</b>		
<b>Consequences</b>					
<b>Vulnerabilities/causes</b>					
<b>Risk Notes</b>					

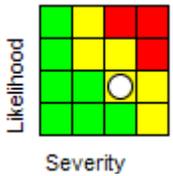
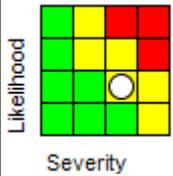
<b>Risk Code</b>	CPR2021 2.1	<b>Risk Title</b>	Contract Management & Procurement	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Contract Management & Procurement			<b>Assigned To</b>	Stefan Garner; Lynne Pugh
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	6	Procurement function Financial Guidance requirements / Contract standing orders in place Contracts review under GDPR legislation to ensure due diligence and obligations met Training for new managers rolled out in 2019 with more planned for 2020		<b>Current Risk Score</b>	4
<b>Gross Severity</b>	3		<b>Current Severity</b>	2	
<b>Gross Likelihood</b>	2		<b>Current Likelihood</b>	2	
<b>Gross Risk Review Date</b>	29-Mar-2019		<b>Last Risk Review Date</b>	14-Oct-2020	
<b>Consequences</b>	Services not delivered Damage to reputation Loss of quality service High exit costs Efficiencies not gained Regulations not met				
<b>Vulnerabilities/causes</b>	Failure to meet service delivery expectations Partner has financial failure Service delivery collapses Third party supply chain failure Contractor/partner under performs Failure to assess and manage the risks arising from the use of third parties Benefit not realised				
<b>Risk Notes</b>					

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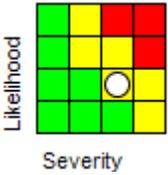
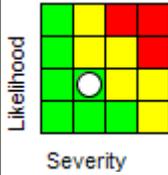
<b>Risk Code</b>	CPR2021 2.2	<b>Risk Title</b>	Management of Assets	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Management of Assets			<b>Assigned To</b>	Rob Barnes; Stefan Garner; Lynne Pugh; Paul Weston
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	6	Asset Strategy Steering Group in place qrtly meetings Asset register updated regularly Potential to purchase land in other districts for development (subject to Potential government restraints in the future) Development of longer term Corporate Capital Strategy and Asset Management Planning including potential acquisition, investment and disposal Proactive approach to respond to emerging fire risk requirements i.e. High rise Flats Ensure programmes and projects are appropriately resourced.	<b>Current Risk Score</b>	6	
<b>Gross Severity</b>	2		<b>Current Severity</b>	2	
<b>Gross Likelihood</b>	3		<b>Current Likelihood</b>	3	
<b>Gross Risk Review Date</b>	15-Jan-2019		<b>Last Risk Review Date</b>	19-Oct-2020	
<b>Consequences</b>	Assets under utilised Income streams not maximised Decrease in asset value				
<b>Vulnerabilities/causes</b>	Assets not monitored Assets not maintained No land available for development opportunity				
<b>Risk Notes</b>	There is the very real likelihood that there will be negative impacts resulting from COVID 19 on the Councils ability to sustain lets for commercial/industrial property. This will impact on income and future viability of assets.				
	There is the very real likelihood that there will be negative impacts resulting from COVID 19 on the Councils ability to sustain lets for commercial/industrial property. This will impact on income and future viability of assets.				

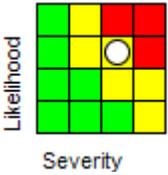
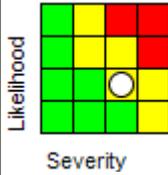
<b>Risk Code</b>	CPR2021 2.3	<b>Risk Title</b>	New Revenue Streams	<b>Current Risk Status</b>	
<b>Description of Risk</b>	New Revenue Streams			<b>Assigned To</b>	Stefan Garner; Lynne Pugh
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Monitoring of the situation / regular reporting Implementation of planned / potential investment and consequential income streams A robust & critical review of investment proposals is required / undertaken Develop commercial skills	<b>Current Risk Score</b>	9	
<b>Gross Severity</b>	3		<b>Current Severity</b>	3	
<b>Gross Likelihood</b>	4		<b>Current Likelihood</b>	3	
<b>Gross Risk Review Date</b>	29-Mar-2019		<b>Last Risk Review Date</b>	14-Oct-2020	
<b>Consequences</b>	Increased risks associated with those Councils who are borrowing large sums to invest in commercial property activities				
<b>Vulnerabilities/causes</b>	Delivery of the planned Commercial Investment Strategy actions and associated improved investment returns of 4% p.a. arising from the investment of £24m from the capital receipt received over the period 2016 – 2018 from the sale of the former golf course (to support the MTFS in the long term); Review of the Treasury Management Investment Guidance / Minimum Revenue Provision Guidance has been carried out by DCLG - Cipfa currently reviewing the Prudential Code with a potential restriction of investments by Councils given increased risk exposure. From 9/10/19 PWLB increased the interest rates offered on new Public Works Loan Board by 1% on top of existing loans terms Uncertainty over future income levels from commercial investments - review of approach to property fund investments planned late 2020				
<b>Risk Notes</b>	The Council has delayed any further investment in Property Funds in light of the current COVID-19 pandemic.				

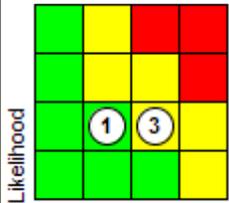
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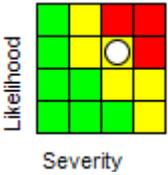
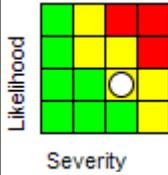
<b>Risk Code</b>	CPR2021 2.4	<b>Risk Title</b>	Workforce Planning Challenges	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Workforce Planning Challenges			<b>Assigned To</b>	Anica Goodwin; Zoe Wolicki
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	6	Service reviews as required Regular communication Regular ELT briefings Essential legislative/compliance/CPD Skills development HR policies and procedures reviewed Financial regulations/procedures Healthshield and occupational health Pre employment checks Gender pay reporting Regular updates with Trade Unions Workforce plan succession planning OD Strategy PDRs	<b>Current Risk Score</b>	6	
<b>Gross Severity</b>	3		<b>Current Severity</b>	3	
<b>Gross Likelihood</b>	2		<b>Current Likelihood</b>	2	
<b>Gross Risk Review Date</b>	15-Jun-2020		<b>Last Risk Review Date</b>	16-Oct-2020	
<b>Consequences</b>	Strain on remaining staff Risk to service delivery Industrial action Increase in fraud Increase in grievances from staff Inability to align skill levels Pay and conditions below market conditions Increased absence rates Failure to manage change				
<b>Vulnerabilities/causes</b>	Staff become overloaded Low morale has impact on service delivery Industrial unrest Redundancy costs Failure to communicate effectively High sickness levels Leadership capacity insufficient to drive change & transformation Senior management review				

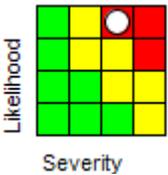
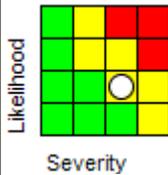
	Inequality Unable to recruit to essential vacant posts Inability to deliver key projects Key officers diverted to other new commitments
<b>Risk Notes</b>	reviewed no change

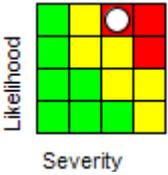
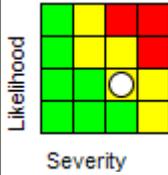
<b>Risk Code</b>	CPR2021 2.5	<b>Risk Title</b>	Continuous Improvement	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Continuous Improvement			<b>Assigned To</b>	Andrew Barratt; Anica Goodwin
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	6	Clear communications re change Robust policies and procedures Effective project management On-going transformational programmes Post Implementation Reviews Leadership Long term planning for continuous improvement clarity of strategies/ purpose Membership of professional bodies Relationships with Members		<b>Current Risk Score</b>	4
<b>Gross Severity</b>	3		<b>Current Severity</b>	2	
<b>Gross Likelihood</b>	2		<b>Current Likelihood</b>	2	
<b>Gross Risk Review Date</b>	11-Jan-2020		<b>Last Risk Review Date</b>	16-Oct-2020	
<b>Consequences</b>	Change is not completed No strategic direction Inability to deliver key projects				
<b>Vulnerabilities/causes</b>	No clarity around responsibilities and accountabilities Lack of leadership Work overload				
<b>Risk Notes</b>	No changes				

<b>Risk Code</b>	CPR2021 2.6	<b>Risk Title</b>	Partnerships fail	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Partnerships			<b>Assigned To</b>	Rob Barnes; Joanne Sands
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	9	Regular partnership service meetings Engagement with service realignments Development of collaborative working TSP Partnership Coordination Group Development and delivery of shared plans and programmes Deployment of TBC resources to support VS pandemic response TBC grant programmes		<b>Current Risk Score</b>	6
<b>Gross Severity</b>	3			<b>Current Severity</b>	3
<b>Gross Likelihood</b>	3			<b>Current Likelihood</b>	2
<b>Gross Risk Review Date</b>	16-Oct-2018			<b>Last Risk Review Date</b>	19-Oct-2020
<b>Consequences</b>	Inability to provide service to the required level Loss of service Lack of skilled resources				
<b>Vulnerabilities/causes</b>	Partnerships fail Inability to provide resources to partnership service arrangements Service arrangements provided by other partners cease Additional pressure to support vulnerable arising from the pandemic Financial pressures and loss of income from pandemic				
<b>Risk Notes</b>	**enter note here** Partnership Coordination group in place. Community safety plan in place. Work continuing with voluntary sector to continue partnership work with those most vulnerable as part of COVID recovery plans No Changes Partnership Co-ordination group established				

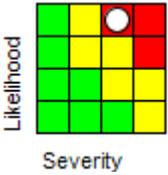
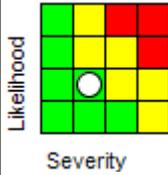
<b>Risk Code</b>	CPR2021 4	<b>Risk Title</b>	Governance	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Ensure that processes, policies and procedures are in place and the authority is held to account		<b>Assigned To</b>		
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	 <p>Likelihood</p> <p>Severity</p>
<b>Gross Risk Score</b>				<b>Current Risk Score</b>	
<b>Gross Severity</b>				<b>Current Severity</b>	
<b>Gross Likelihood</b>				<b>Current Likelihood</b>	
<b>Gross Risk Review Date</b>				<b>Last Risk Review Date</b>	
<b>Consequences</b>					
<b>Vulnerabilities/causes</b>					
<b>Risk Notes</b>					

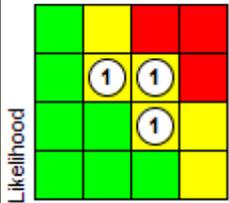
<b>Risk Code</b>	CPR2021 4.1	<b>Risk Title</b>	Governance, Legal and Democratic Process	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Failure in governance and legal processes leading to ultra vires decisions which may be subject to challenge			<b>Assigned To</b>	Andrew Barratt; Anica Goodwin; Rebecca Neill
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	9	Regular review and update of Constitution Scheme of Delegation Forward plan and key decisions Meetings open to the public Project plan implemented for move to remote Council and Committee meetings Training for Members Audit & Governance Committee including Standards Committee) Scrutiny Committees Member Induction Shared legal services arrangements in place	<b>Current Risk Score</b>	6	
<b>Gross Severity</b>	3		<b>Current Severity</b>	3	
<b>Gross Likelihood</b>	3		<b>Current Likelihood</b>	2	
<b>Gross Risk Review Date</b>	11-Jan-2020		<b>Last Risk Review Date</b>	16-Oct-2020	
<b>Consequences</b>	Damage to reputation Legal challenge Damage to reputation Financial impact on poor decisions Increase of "call ins" Ultra vires decisions				
<b>Vulnerabilities/causes</b>	Lack of training/knowledge Lack of documented procedures Lack of commitment from officers and members Failure to understand key decisions, legal/governance requirements Inappropriate decision making				
<b>Risk Notes</b>	a massive transformation process in terms of on-line access to all council meetings has now been put in place This risk score was reviewed following a prompt from the Audit & Governance Standards Committee as it appeared unnecessarily high. The score has also been reviewed in light of the change to council meetings following implementation of the new Regulations for remote meetings. As the project has been effectively implemented, there is no change required to the revised lower risk score. No Change				

<b>Risk Code</b>	CPR2021 4.3	<b>Risk Title</b>	Legislation	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Legislation			<b>Assigned To</b>	Rob Barnes; Andrew Barratt; Stefan Garner; Anica Goodwin
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Constitution & Scheme of Delegation with regular review and update Shared Legal Service Obligations under various legislation Monitoring of government reforms and changes in statute CPD Training Horizon Scanning consultation updates Membership of Professional Bodies Proactive monitoring of potential legislative changes and consultations		<b>Current Risk Score</b>	6
<b>Gross Severity</b>	3			<b>Current Severity</b>	3
<b>Gross Likelihood</b>	4			<b>Current Likelihood</b>	2
<b>Gross Risk Review Date</b>	11-Jan-2020			<b>Last Risk Review Date</b>	16-Oct-2020
<b>Consequences</b>	Non-compliance with legal requirements Damage to reputation Prosecution, fines Legal challenge Ultra vires decisions				
<b>Vulnerabilities/causes</b>	Lack of training/knowledge Lack of documented procedures Lack of commitment from officers and members Non compliance with legislation Lack of resources Loss of key staff/members				
<b>Risk Notes</b>	No Change The risks have been reviewed by Andrew Barratt and he established that there are no changes to the Matrix required				

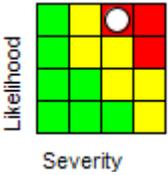
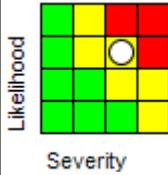
<b>Risk Code</b>	CPR2021 4.4	<b>Risk Title</b>	Policies & Procedures	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Policies & Procedures are not fit for purpose or complied with, leading to challenge			<b>Assigned To</b>	Corporate Management Team; Rebecca Neill
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Key policies are in place and subject to regular review and approval. Astute is used for policy management and acceptance  Annual Governance Statement & Managers Assurance Statements document key policies / procedures and an assessment on policy / procedural compliance Risk assessed internal audit plan which provides assurance on policy controls. Shared legal arrangement which provides advice on legislative compliance, Training provided on key policies.		<b>Current Risk Score</b>	6
<b>Gross Severity</b>	3		<b>Current Severity</b>	3	
<b>Gross Likelihood</b>	4		<b>Current Likelihood</b>	2	
<b>Gross Risk Review Date</b>	05-Sep-2018			<b>Last Risk Review Date</b>	13-Oct-2020
<b>Consequences</b>	Fraud Non compliance with the law. Out of date procedures Poor outcomes in the event of challenge. Poor compliance leading to fraud / error.				
<b>Vulnerabilities/causes</b>	Lack of training/knowledge Lack of up to date documented policies and procedures Lack of commitment from officers and members Lack of resources				
<b>Risk Notes</b>					

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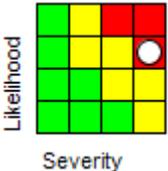
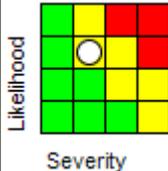
<b>Risk Code</b>	CPR2021 4.5	<b>Risk Title</b>	Ethics	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Poor ethics leading to an increase in challenges / complaints and reputational damage			<b>Assigned To</b>	Andrew Barratt; Rebecca Neill
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Monitoring Officer Declaration of interests, gifts & hospitality Codes of Conduct for members and officers Policies and procedures Complaints processes and remedy		<b>Current Risk Score</b>	4
<b>Gross Severity</b>	3			<b>Current Severity</b>	2
<b>Gross Likelihood</b>	4			<b>Current Likelihood</b>	2
<b>Gross Risk Review Date</b>	10-Oct-2018			<b>Last Risk Review Date</b>	16-Oct-2020
<b>Consequences</b>	Reputational damage				
<b>Vulnerabilities/causes</b>	Lack of training/knowledge Lack of documented procedures Lack of commitment from officers and members Lack of resources				
<b>Risk Notes</b>	No change				

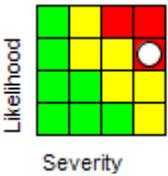
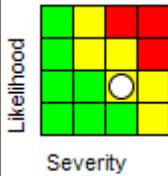
<b>Risk Code</b>	CPR2021 5	<b>Risk Title</b>	Community Focus	<b>Current Risk Status</b>	
<b>Description of Risk</b>	To ensure the safety, health and wellbeing of the citizens of the borough			<b>Assigned To</b>	
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>				<b>Current Risk Score</b>	
<b>Gross Severity</b>				<b>Current Severity</b>	
<b>Gross Likelihood</b>				<b>Current Likelihood</b>	
<b>Gross Risk Review Date</b>				<b>Last Risk Review Date</b>	
<b>Consequences</b>					
<b>Vulnerabilities/causes</b>					
<b>Risk Notes</b>					

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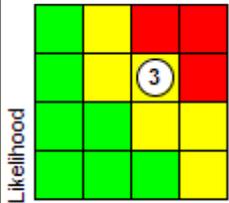
<b>Risk Code</b>	CPR2021 5.1	<b>Risk Title</b>	Community Cohesion & Engagement	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Community Cohesion & Engagement			<b>Assigned To</b>	Rob Barnes; Tina Mustafa; Joanne Sands
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Corporate project to be scoped 2020/21 Neighbourhood working and collaborative arrangements currently under review ASB policy Partnership working Financial inclusion policy Community engagement - locality Corporate consultation database Participatory budgeting Tamworth advice centre Dementia friendly status VCSE Commissioning Grants Review Review TCO		<b>Current Risk Score</b>	9
<b>Gross Severity</b>	3			<b>Current Severity</b>	3
<b>Gross Likelihood</b>	4			<b>Current Likelihood</b>	3
<b>Gross Risk Review Date</b>	16-Oct-2018			<b>Last Risk Review Date</b>	19-Oct-2020
<b>Consequences</b>	<p>Long term costs Not meeting/understanding users needs Increase in crime and disorder Poor use of funding Increased tensions in the community Failure to meet demand Fear of perception of crime</p>				
<b>Vulnerabilities/causes</b>	<p>Economic recession Poverty Welfare reforms Services withdrawn Communities become fragmented Links to Customer Engagement Strategy around building local resilience</p>				
<b>Risk Notes</b>	<p>Risk levels remain high, although mitigation includes Vulnerability and third sector support being a headline project in the Councils proposed Recovery and Reset Programme. base line assessment around vulnerability was completed August and key tasks will include reporting proposals around this to members as part of the project PID and associated tasks.</p> <p>Vulnerability base line assessment underway to inform actions supporting community cohesion as part of early work around COVID response.</p>				

	Neighbourhood offer and corporate project 2020/21 with 2019/20 focussed on baseline data, warden offer, relocation of key partnership and neighbourhood teams. Targeted use of HRA neighbourhood investment fund.
	<i>No Change</i>
	The risks have been reviewed and there are no changes

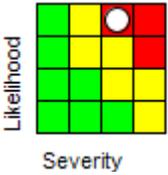
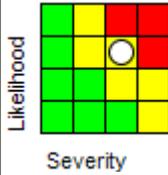
<b>Risk Code</b>	CPR2021 5.2	<b>Risk Title</b>	Safeguarding Children & Adults (including Modern Slavery)	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Safeguarding Children & Adults at Risk of Abuse & Neglect m(including Modern Slavery)			<b>Assigned To</b>	Rob Barnes; Joanne Sands
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Policy in place Training for staff and members Appropriate risk assessments completed Senior leadership commitment Safe recruitment process Supervision of staff, contractors and volunteers Partnership groups around vulnerability		<b>Current Risk Score</b>	6
<b>Gross Severity</b>	4			<b>Current Severity</b>	2
<b>Gross Likelihood</b>	3			<b>Current Likelihood</b>	3
<b>Gross Risk Review Date</b>	16-Oct-2018			<b>Last Risk Review Date</b>	19-Oct-2020
<b>Consequences</b>	Death, serious injury Legal challenge Loss of reputation Prosecution Increase in inspection Increase in demand				
<b>Vulnerabilities/causes</b>	Non-compliance with legislation Lack of appropriate policy and procedures Low awareness amongst staff and members Lack of joined up case management Case management systems unable to share data or support risk management Lack of appropriate services Gaps in service provision Impact of the Pandemic				
<b>Risk Notes</b>	Community safety plan in place No change The risks have been reviewed and no changes identified				

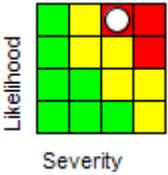
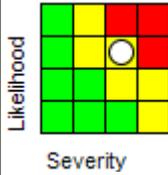
<b>Risk Code</b>	CPR2021 5.3	<b>Risk Title</b>	Emergency Planning	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Emergency Planning			<b>Assigned To</b>	Rob Barnes; Tina Mustafa
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	<p>Emergency Plan in place</p> <p>Emergency planning training completed at various levels</p> <p>Business Continuity Plans in place</p> <p>Comprehensive review of corporate business continuity with representation across all directorates. Policy, terms of reference and testing schedule</p> <p>Active engagement in Exercises</p> <p>Insurance cover in place to cover exposure to financial loss.</p> <p>Advice and guidance on Risk Management and Business Continuity on the intranet</p> <p>Emergencies advice available on website</p> <p>Building- fire prevention controls in place and tested on a regular basis</p> <p>Adequate physical security controls in place and reviewed on a regular basis.</p> <p>IT business continuity plan in place and tested on a regular basis</p> <p>Service impact analysis completed to rank priority of services</p> <p>Corporate business continuity plan in place</p> <p>All communication plans tested on a regular basis</p> <p>Emergency plan tested on a regular basis</p> <p>Business Continuity Group</p> <p>Membership of Staffordshire CCU &amp; Resilience Forum</p> <p>Effective communication /ICT tools/ infrastructure eg mobile phones, laptops</p> <p>Representation at newly formed CCU Strategic Leaders Meeting</p> <p>Successful no notice test</p> <p>Learning from recent incidents - informing preparedness</p> <p>Comprehensive internal audit across BC and EP resulting in a number of agreed management actions</p> <p>Emergency Planning Admin all brought into ICT</p> <p>Actual ICT Disaster recovered from within appropriate timescales</p> <p>Attendance at SRF meetings</p>		<b>Current Risk Score</b>	6
<b>Gross Severity</b>	4			<b>Current Severity</b>	3
<b>Gross Likelihood</b>	3			<b>Current Likelihood</b>	2
<b>Gross Risk Review Date</b>	10-Oct-2018			<b>Last Risk Review Date</b>	19-Oct-2020
<b>Consequences</b>	<p>Services not delivered</p> <p>Damage to reputation</p> <p>Civil Contingency Act requirements not met</p> <p>Death</p> <p>Destruction of property</p>				

	<p>Damage to the environment          Adverse affect on vulnerable groups          Public expectations of service delivery not met          Increased costs for alternative service delivery          Interim arrangements from CCU until December 2020.          Full audit 2020/21</p>
<b>Vulnerabilities/causes</b>	<p>Lack of integrated emergency arrangements making it difficult to react quickly to a disaster and provide the required support and essential service in line with the requirements of the Civil Contingencies Act.          Failure to test plans          Failure to undertake training          Plans not activated          plans do not accurately identify the staffing/resources required          Implications of industrial action from other service providers ie Fire Service</p>
<b>Risk Notes</b>	<p>Risk measure remains the same. Structured debrief with HoS' taking place to inform continual learning around emergency responses. health check also completed and due to be reported to be reported to CMT by CCU lead and TMM</p>
	<p>CCU providing dedicated support 2xdays per week (plus additional 20 days over 2020/21) to support review of Op Bridge plans and complete a self-assessment of all EMP policies and procedures to inform the development of an agreed improvement plan into 2021 and beyond.</p>
	<p>No Change</p> <p>The emergency plans are in place but are currently being reviewed by Alex from the CCU - TM. System updated by RB as TM experiencing access issues</p>

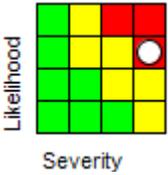
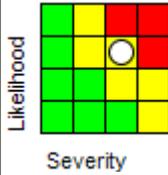
<b>Risk Code</b>	CPR2021 6	<b>Risk Title</b>	Economic Growth & Sustainability	<b>Current Risk Status</b>	
<b>Description of Risk</b>	To ensure that the economic growth and sustainability of the borough is maintained			<b>Assigned To</b>	
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	 <p>Likelihood</p> <p>Severity</p>
<b>Gross Risk Score</b>				<b>Current Risk Score</b>	
<b>Gross Severity</b>				<b>Current Severity</b>	
<b>Gross Likelihood</b>				<b>Current Likelihood</b>	
<b>Gross Risk Review Date</b>				<b>Last Risk Review Date</b>	
<b>Consequences</b>					
<b>Vulnerabilities/causes</b>					
<b>Risk Notes</b>					

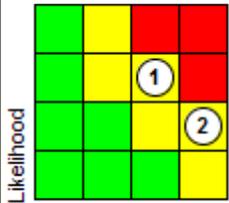
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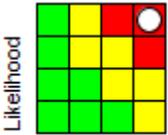
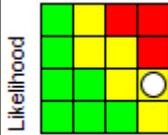
<b>Risk Code</b>	CPR2021 6.1	<b>Risk Title</b>	Lack of economic investment in people and Places	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Lack of economic investment in people and Places			<b>Assigned To</b>	Andrew Barratt; Anna Miller
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Long term investment Safe and secure estate Support to local businesses Tamworth and Lichfield for business Town centre and tourism development		<b>Current Risk Score</b>	9
<b>Gross Severity</b>	3			<b>Current Severity</b>	3
<b>Gross Likelihood</b>	4			<b>Current Likelihood</b>	3
<b>Gross Risk Review Date</b>	10-Oct-2018			<b>Last Risk Review Date</b>	13-Oct-2020
<b>Consequences</b>	Deprivation Loss of footfall to retail areas Reputational damage				
<b>Vulnerabilities/causes</b>	Lack of investment in the borough No investment in the town centre				
<b>Risk Notes</b>	No Change				
	Continue to offer business grants and signposting to businesses.  Investment in town centre site				

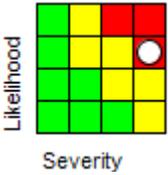
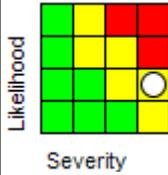
<b>Risk Code</b>	CPR2021 6.2	<b>Risk Title</b>	Housing Needs	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Housing Needs			<b>Assigned To</b>	Rob Barnes; Tina Mustafa; Joanne Sands
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Homelessness strategy under review. Evidence base being updated HRA Business lan updated and Investment plan agreed Third Sector support and early help development Investment and partnership to deliver new affordable homes New Allocations Policy Allocations Policy under review - developed project Plan Rough sleeping Assessment Housing Strategy commissioning	<b>Current Risk Score</b>	9	
<b>Gross Severity</b>	3		<b>Current Severity</b>	3	
<b>Gross Likelihood</b>	4		<b>Current Likelihood</b>	3	
<b>Gross Risk Review Date</b>	10-Oct-2018		<b>Last Risk Review Date</b>	19-Oct-2020	
<b>Consequences</b>	Impact of housing need and homelessness on households Additional demand for Council services Additional demand on 3rd Sector Statutory agencies Overcrowding and wellbeing impact of poor housing				
<b>Vulnerabilities/causes</b>	Lack of accessible homes Lack of affordable homes Poor conditions in the Private Sector Increased homelessness				
<b>Risk Notes</b>	Risk measurement updated to reflect evidence base, Homelessness Strategy now drafted and set for cabinet approval on 031220. Range of covid related measures in place to support and manage homelessness and range of housing options. Rough sleeping estimate due 041120  As a result of comprehensive and robust management the challenges around homelessness and rough sleeping continue to be abated. Whilst the impact of homelessness is significant the mitigations and controls minimise the risks. Tamworth has participated on MHCLG task force leading on the development of legislation as well as participates in regular HAST updates to ensure sharing of best practice and continued innovation. HQN are supporting on the development of an updated evidence base to inform the development of homelessness and rough sleeping strategy 2020-2025. The evidence base will inform the strategy along with detailed spending and delivery plans. It is expected this will be considered by Scrutiny committee(s) in the Autumn with Cabinet approval by Dec 2020.  Assistant Director - Neighbourhoods on MHCLG working group of Government review HRA 2017. Key corporate projects - Housing Strategy, Homelessness & Allocations review 2019/20. HQN engaged to update evidence base, principles for consultation and plans to adopt revised strategies 2020/21.  No changes required  Reviewed by TM adequate controls still in place. system updated by RB as TM experiencing access issues				

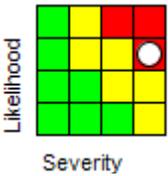
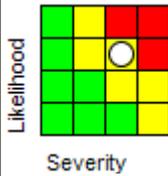


<b>Risk Code</b>	CPR2021 6.3	<b>Risk Title</b>	Economic Changes	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Economic Changes			<b>Assigned To</b>	Andrew Barratt; Anna Miller
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Support to local businesses Business and economic partnership Business growth programme Growth hub Start up business grants for small business Tamworth enterprise centre		<b>Current Risk Score</b>	9
<b>Gross Severity</b>	4			<b>Current Severity</b>	3
<b>Gross Likelihood</b>	3			<b>Current Likelihood</b>	3
<b>Gross Risk Review Date</b>	10-Oct-2018			<b>Last Risk Review Date</b>	13-Oct-2020
<b>Consequences</b>	No external funding to aid economy and growth Economic prosperity declines Increased demand for social housing Increased costs to council services due to increased demand				
<b>Vulnerabilities/causes</b>	Failure to recognise economic changes Sudden economic downturn affecting businesses Loss of major employer in the region Failure to recognise opportunities Rapid increase in inflation Changes in government funding/grants Collapse/decline of property market Possible downturn in the economy due to the recovery period following COVID-19 pandemic Possible negative or positive impact if the changes following BREXIT				
<b>Risk Notes</b>	No Change mindful of Brexit consequences in short and long term. working with partners to promote awareness and consider impacts. offer business grants and signposting to other agencies for support				

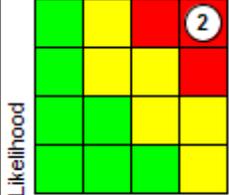
<b>Risk Code</b>	CPR2021 7	<b>Risk Title</b>	Information Safeguarding	<b>Current Risk Status</b>	
<b>Description of Risk</b>	To ensure that our data is protected			<b>Assigned To</b>	
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	 <p>Likelihood</p> <p>Severity</p>
<b>Gross Risk Score</b>				<b>Current Risk Score</b>	
<b>Gross Severity</b>				<b>Current Severity</b>	
<b>Gross Likelihood</b>				<b>Current Likelihood</b>	
<b>Gross Risk Review Date</b>				<b>Last Risk Review Date</b>	
<b>Consequences</b>					
<b>Vulnerabilities/causes</b>					
<b>Risk Notes</b>					

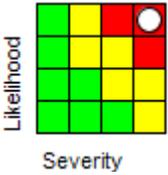
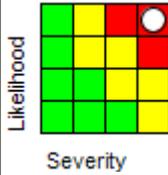
<b>Risk Code</b>	CPR2021 7.1	<b>Risk Title</b>	Data Protection and information Safeguarding	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Data Protection			<b>Assigned To</b>	Anica Goodwin; Zoe Wolicki
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	16	GDPR training Secure password protocol IT physical controls Encryption protocols secure wifi ICO protocol Penetration testing GDPR implemented & ongoing quarterly review & action plan in place Data Protection Officer in place & appropriate backup arrangements Senior management support Comprehensive training plan for staff and members Privacy impact assessments completed for new Projects/implementation/solutions Data sharing protocols PSN compliance Review Access to Systems Building access and security procedures Training review and management of assets	<b>Current Risk Score</b>	8	
<b>Gross Severity</b>	4		<b>Current Severity</b>	4	
<b>Gross Likelihood</b>	4		<b>Current Likelihood</b>	2	
<b>Gross Risk Review Date</b>	05-Sep-2018			<b>Last Risk Review Date</b>	15-Sep-2020
<b>Consequences</b>	Reputational damage Fine				
<b>Vulnerabilities/causes</b>	Human error Virus/hacking				
<b>Risk Notes</b>	most data breaches are as a result of human error and are minor in nature it has not been necessary for TBC to report any occurrences to the ICO due to this. The likelihood has been reduced due to this.				

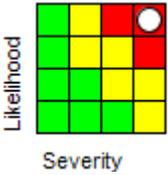
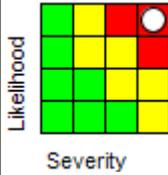
<b>Risk Code</b>	CPR2021 7.2	<b>Risk Title</b>	Cyber Security	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Cyber Security			<b>Assigned To</b>	Anica Goodwin; Zoe Wolicki
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	GDPR compliance and training GCSX PSN compliance Physical security Business continuity plans Penetration testing Firewalls Anti virus software Up to date patching of servers & desktops		<b>Current Risk Score</b>	8
<b>Gross Severity</b>	4			<b>Current Severity</b>	4
<b>Gross Likelihood</b>	3			<b>Current Likelihood</b>	2
<b>Gross Risk Review Date</b>	05-Sep-2018			<b>Last Risk Review Date</b>	15-Sep-2020
<b>Consequences</b>	Fine Reputational damage Potential imprisonment Loss of data Inability to deliver service				
<b>Vulnerabilities/causes</b>	Insecure IT equipment Human error Loss of equipment/data Theft Equipment failure Hacking/viruses				
<b>Risk Notes</b>					

<b>Risk Code</b>	CPR2021 7.3	<b>Risk Title</b>	Business Continuity	<b>Current Risk Status</b>	
<b>Description of Risk</b>	Business Continuity			<b>Assigned To</b>	Rob Barnes; Paul Weston
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	12	Emergency plan in place Business continuity plans in place Insurance cover Advice and guidance on risk management and business continuity Fire prevention controls Physical building controls on place Communication plan Business continuity group Membership of Staffordshire CCU & resilience forum Learning from previous incidents - informing level of preparedness Support from CCU Link Officer Off site plans Multi agency exercises		<b>Current Risk Score</b>	9
<b>Gross Severity</b>	4			<b>Current Severity</b>	3
<b>Gross Likelihood</b>	3			<b>Current Likelihood</b>	3
<b>Gross Risk Review Date</b>	10-Oct-2018			<b>Last Risk Review Date</b>	19-Oct-2020
<b>Consequences</b>	Services not delivered Damage to reputation Civil contingency act obligations not met Death Destruction of property Damage to the environment Adverse affect on vulnerable groups Public expectations of service delivery not met Increased costs for alternative service delivery				
<b>Vulnerabilities/causes</b>	Lack of integrated emergency arrangement making it difficult to react Failure to test plans Failure to undertake training Plans not activated Plans do not accurately identify the staffing/resources required Implications of industrial action from other service providers eg fire service Lack of staff engagement in BC Group Pandemic such as COVID-19				

<b>Risk Notes</b>	<p>Although areas have BC plans in place and the response to COVID19 has shown that the organisation can cope with unplanned events more work is still needed to get consistency across all business areas.</p> <p>A self-audit plan has been completed with a programme of works identified to deliver a greater degree of compliance.</p> <p>All areas have been asked to review BC plans in light of increased risk of concurrent events.</p>
	<p>Although areas have BC plans in place and the response to COVID19 has shown that the organisation can cope with unplanned events more work is still needed to get consistency across all business areas.</p>
	<p>New business continuity group established.  Terms of reference being updated.  Key business continuity plans under review.  Programme for business continuity reviews under way.</p>
	<p>No change from previous assessment. Programme of BC reviews to be implemented and will focus on priority areas.</p>
	<p>No changes as per PW</p>

<b>Risk Code</b>	CPR2021 8	<b>Risk Title</b>	Brexit	<b>Current Risk Status</b>	
<b>Description of Risk</b>	The Impact of Brexit upon the Council			<b>Assigned To</b>	Andrew Barratt; Stefan Garner
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	 <p>Likelihood</p> <p>Severity</p>
<b>Gross Risk Score</b>	16			<b>Current Risk Score</b>	
<b>Gross Severity</b>	4			<b>Current Severity</b>	
<b>Gross Likelihood</b>	4			<b>Current Likelihood</b>	
<b>Gross Risk Review Date</b>	28-Mar-2019			<b>Last Risk Review Date</b>	
<b>Consequences</b>	Downturn in Local and National economic activity Upturn in Local and National economic activity				
<b>Vulnerabilities/causes</b>	Lack of Trade agreements Increased business activity due to freedom to negotiate international trade agreements specific to UK				
<b>Risk Notes</b>					

<b>Risk Code</b>	CPR2021 8.1	<b>Risk Title</b>	Financial	<b>Current Risk Status</b>	
<b>Description of Risk</b>				<b>Assigned To</b>	Andrew Barratt; Stefan Garner
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>		<b>Current Risk Matrix</b>	
<b>Gross Risk Score</b>	16	Implications reassessed as part of the budget setting process and quarterly MTFS updates		<b>Current Risk Score</b>	16
<b>Gross Severity</b>	4			<b>Current Severity</b>	4
<b>Gross Likelihood</b>	4			<b>Current Likelihood</b>	4
<b>Gross Risk Review Date</b>	15-Mar-2019			<b>Last Risk Review Date</b>	14-Oct-2020
<b>Consequences</b>	<p>Reduced level of economic growth and further austerity/prosperity/downturn in the economy  Changes to central government policy  EU grants cease  Reduced base interest rate  NNDR / Council Tax targets not achieved with increased bankruptcy / Liquidations  Government has awarded £51k for EU exit preparations  Contract failure due to Brexit impact on core suppliers</p>				
<b>Vulnerabilities/causes</b>	<p>Uncertainty over the impact of Brexit has increased the financial uncertainty for the UK - reduced levels of economic growth, changes to central government policy, EU grants ceased, reduced interest, employment uncertainty</p>				
<b>Risk Notes</b>	<p>The UK left the EU on the 31/01/2020 and are now in a transitional period until the 31/12/20 during this period we will be able to more accurately assess the implications if any for our area.</p> <p>The current risk is recorded at the maximum risk level as the impact and options to mitigate are currently unknown</p>				

<b>Risk Code</b>	CPR2021 8.2	<b>Risk Title</b>	The Impact of Brexit upon the Council	<b>Current Risk Status</b>	
<b>Description of Risk</b>				<b>Assigned To</b>	Andrew Barratt; Stefan Garner; Paul Weston
<b>Gross Risk Matrix</b>		<b>Risk Treatment Measures Implemented</b>			
<b>Gross Risk Score</b>	16	<p>Monitoring of the political process</p> <p>Central log/register issue that may impact as they develop Take opportunity to realise any additional funding made available to mitigate negative impacts</p> <p>Involvement and updates to Local and Regional Resilience forums.</p> <p>Risk assessments in place.</p> <p>Engagement with regional local forums.</p> <p>Regular reporting to central government.</p> <p>Dissemination of all information to CMT.</p> <p>Regular communication updates to business and residents.</p> <p>Uncertainty still noted by no reduction in risk.</p> <p>Information from MHCLG shared regularly with appropriate officers.</p> <p>Legislative impact done for housing related policies i.e, Settlement scheme for housing associations.</p> <p>Use of growth hub advisors to communicate with businesses.</p> <p>Use of website to pass on key messages.</p>	<b>Current Risk Matrix</b>		
<b>Gross Severity</b>	4		<b>Current Risk Score</b>	16	
<b>Gross Likelihood</b>	4		<b>Current Severity</b>	4	
<b>Next Risk Review Date</b>	08-Jul-2019		<b>Current Likelihood</b>	4	
<b>Last Risk Review Date</b>				19-Oct-2020	
<b>Consequences</b>	<p>Potential tightening of the Labour market</p> <p>Delay in works due to supply delays</p> <p>Restricted economic growth of the Local Area as the new trading arrangements settle in and business confidence is re-established.</p>				
<b>Vulnerabilities/causes</b>					
<b>Risk Notes</b>	<p>Staffs LRF have started up the SCG &amp; TCG to consider implications of Brexit in light of the fact that a 'No Deal' event is now highly likely.</p> <p>The UK left the EU on the 31/01/2020 and are now in a transitional period until the 31/12/20 during this period we will be able to more accurately assess the implications if any for our area.</p> <p>The current risk is recorded at the maximum risk level as the impact and options to mitigate are currently unknown</p>				



## AUDIT & GOVERNANCE COMMITTEE

29 OCTOBER 2020

### REPORT OF THE HEAD OF AUDIT AND GOVERNANCE & MONITORING OFFICER

#### INTERNAL AUDIT PROGRESS UPDATE REPORT 2020/21 (QUARTER 2)

#### EXEMPT INFORMATION

None.

#### PURPOSE

To provide Audit & Governance Committee with internal audit's progress report for the period to 30 September 2020 (Quarter 2).

#### RECOMMENDATIONS

1. That the Committee notes the attached report.

#### EXECUTIVE SUMMARY

The Accounts and Audit Regulations require councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

Internal Audit's progress report for Quarter 2 is detailed at **Appendix 1** for members to consider.

#### RESOURCE IMPLICATIONS

None.

#### LEGAL/RISK IMPLICATIONS BACKGROUND

Failure to report would lead to non-compliance with the requirements of the Accounts and Audit Regulations and Public Sector Internal Audit Standards.

#### SUSTAINABILITY IMPLICATIONS

None.

#### BACKGROUND INFORMATION

None.

**REPORT AUTHOR**

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Ext: 234

**LIST OF BACKGROUND PAPERS**

**APPENDICES**

**Appendix 1 Internal Audit Progress Report (Quarter 2) 2020/21**

Internal Audit Progress Report (Quarter 2)  
October 2020



## Contents

- 01 Introduction
- 02 Internal Audit Work Undertaken
- 03 Opinion
- 04 Follow Up
- 05 Performance of Internal Audit

### Appendices

- 01 Summary of Internal Audit Work Undertaken
- 02 Assurance and Recommendation Classifications

In the event of any questions arising from this report please contact Rebecca Neill, Head of Audit & Governance and Monitoring Officer  
[Rebecca-neill@tamworth.gov.uk](mailto:Rebecca-neill@tamworth.gov.uk)

The matters raised in this report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. This report was produced solely for the use and benefit of Tamworth Borough Council. The Council accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification.

## 01 INTRODUCTION

### BACKGROUND

This report summarises internal audit activity and performance for the period to 30 September 2020.

### SCOPE AND PURPOSE OF INTERNAL AUDIT

The Accounts and Audit Regulations require councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

This progress report and opinion forms part of the framework of assurances that is received by the Council and is used to help inform the annual governance statement. Internal audit also has an independent and objective consultancy role to help managers improve risk management, governance and control.

Internal Audit's professional responsibilities as auditors are set out within Public Sector Internal Audit Standards (PSIAS) produced by the Internal Audit Standards Advisory Board.

### ACKNOWLEDGEMENTS

Internal audit is grateful to the directors, heads of service, service managers and other staff throughout the council for their help during the period.

### 02 INTERNAL AUDIT WORK UNDERTAKEN

The internal audit plan for 2020/21 was approved by the Audit & Governance Committee at its meeting in July 2020. The plan was for a total of 16 audits.

Much of quarter one and two work has been centred on completing annual reports, compliance statements (including the Annual Governance Statement) and supporting counter fraud checks on

Coronavirus business grants. Planned audit work was temporarily suspended to allow functions to concentrate on business critical service delivery due to Covid-19, but audits have re-commenced in Quarter two and work has been re-profiled to ensure that the plan will be achieved by the year end.

The audit findings of each review, together with recommendations for action and the management response are set out in our detailed reports. A summary of the reports we have issued this year is included at **Appendix 01**.

### 03 OPINION

#### SCOPE OF THE OPINION

In giving an opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In arriving at an opinion, the following matters have been taken into account:

- The outcomes of all audit activity undertaken during the period.
- The effects of any material changes in the organisation's objectives or activities.
- Whether or not any limitations have been placed on the scope of internal audit.
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of the organisation.

- What proportion of the organisation’s internal audit needs have been covered to date.

**INTERNAL AUDIT OPINION**

**On the basis of audit work completed, the Head of Audit & Governance’s opinion on the council’s framework of governance, risk management and internal control is reasonable in its overall design and effectiveness. Certain weaknesses and exceptions were highlighted by audit work. These matters have been discussed with management, to whom recommendations have been made. All of these have been, or are in the process of being addressed.**

**Specific Issues**

No specific issues have been highlighted through the work undertaken by internal audit during the period.

**Fraud & Irregularity**

No matters of fraud or irregularity have been reported during the period. Also see the fraud update on this Committee’s agenda.

**Consultancy & Advice**

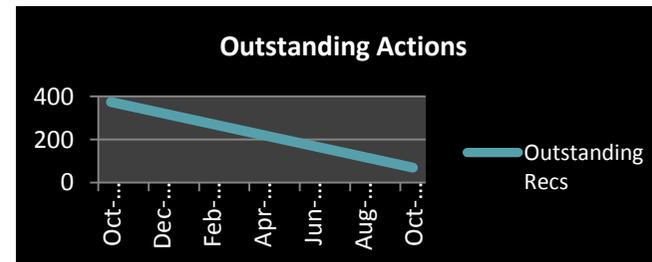
The audit team may be requested by managers to undertake consultancy and advice on governance, risk management and internal control matters from time to time. The following pieces of work were undertaken during the period:

- Design of counter fraud checks on Business Grant Relief / Small Business Grant / Hospitality & Leisure Grant / Discretionary Grant Awards.
- Assistance with set up of review of processes for Test and Trace Payment Support Scheme implementation.
- Ad-hoc advice to services on system controls which may have been amended as a result of remote working.

**04 Follow Up**

The Committee approved a new approach to audit follow up earlier this year (all high priority actions and those arising from no and limited overall assurance reports will be followed up by audit, managers confirmation applies to the rest). Implementation of the new system was initially delayed to allow functions to concentrate on business critical service delivery due to Covid-19, but has now been re-commenced this Quarter.

Most of the follow up work has been directed at closing off outstanding / legacy actions from previous years’ audits. The Committee will recall that there were 375 outstanding actions at October 2019. These have now been reduced to 61 (28 high, 32 medium, 1 low). Outstanding actions generated from recent audits have now also been included (67 actions in total, 32 not yet due, 27 have been closed, leaving 8 outstanding). This means the total outstanding actions are 69 (31 high, 34 medium, 4 low), so the direction of travel is positive but there is still work to do.



Due to the number of high priority closed actions, these are being randomly sampled for audit verification.

Of those audits receiving a no or limited assurance opinion which require follow up, a summary of progress to date is given at Appendix 01.

## 06 PERFORMANCE OF INTERNAL AUDIT

### Compliance with professional standards

We employ a risk-based approach in planning and conducting our audit assignments. Internal audit work has been performed in accordance with PSIAS.

### Conflicts of interest

There have been no instances during the year which have impacted on internal audit's independence that have led to any declarations of interest.

## Performance of Internal Audit

### Internal audit quality assurance

To ensure the quality of the work internal audit performs, there is a programme of quality measures which includes:

- Supervision of staff conducting audit work.
- Review of files of working papers and reports by managers.
- Regular meetings of our networking groups, which issue technical and sector updates.

### Performance Measures

Internal audit's main performance measures and the quarter's outturn are as follows:



To achieve at least 90% of the plan by the end of the financial year – 13% (2 audits completed out of 16). See section 2 for commentary.



Draft reports issued within 15 working days of completion of fieldwork – 100%.



Percentage of recommendations accepted by management - 100%.

**Appendix 01: Summary of Internal Audit Work Undertaken**

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
Core Financial Systems	Main accounting	Risk based review covering the adequacy and effectiveness of controls around main accounting, including access control, journals, virements, control account reconciliations etc. All core financial system audits will include a review of controls which may have been relaxed / adapted as a result of the requirement for remote working as a result of Covid-19.	Q4		
	Budgetary Control	Risk based review covering the adequacy and effectiveness of controls around budget planning; monitoring and control (including variances, profiling), reporting – and testing a sample of departments.	Q3	<p>The budgetary control system is designed with controls in place to mitigate the major risks. There is clear budget planning process with a timetable of tasks, delegation and timescales. Input to the budget setting process 2020/21 was provided by budget holders, Finance, Corporate Management Team (CMT), Members and external stakeholders. The budget was reviewed at Cabinet and Joint Scrutiny (budgets) and culminated in the approval of the budget by Council in February 2020, a requirement of the Council's Constitution.</p> <p>Controls were found to be operating effectively. There was clear evidence of budget monitoring and variances highlighted at budget holder level each month and through performance monitoring reported quarterly to CMT and Cabinet.</p> <p>As part of the audit, feedback was requested from a sample of budget holders, who confirmed their input to the budget setting and monitoring process with sufficient support from finance to enable them to monitor their budgets effectively.</p> <p>Budget holders were also aware of their responsibilities and accountabilities for their budget. Budget holders did not raise any comments or suggestions for improvement of the budget setting/ monitoring process.</p>	 <p>Substantial Assurance</p> <p>Number of Actions H-0 M-0 L-2</p>

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<p>Changes to the budget were found to be identified directly from budget holders, accountancy or through performance monitoring. Virements were also found to be processed in accordance with delegations specified in Financial Guidance.</p> <p>Some minor areas for improvement was noted during the audit, namely ensuring a business case is evident for all approved policy changes and that all new budget holders receive appropriate financial training to enable them to effectively discharge their budget responsibilities. Implementation of the recommendations in the action plan will enhance arrangements</p>	
	Treasury Management	Risk based review of treasury management including strategy, investments and loans (ISSUED IN DRAFT)	Q3	<p>The Treasury Management system is designed well with adequate controls in place to mitigate against risks. Good practice was noted in that an approved Treasury Management Strategy Statement, Policy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy are in place which meet the requirements of the CIPFA Code of Practice on Treasury Management and the Prudential Code. Investment performance was found to be routinely monitored and regularly reported to CMT, Cabinet, Council and Audit Committee and of a sample of 10 investments / 10 repayments examined as part of the audit, all were found to be compliant with the strategy and practices, with adequate segregation of duties and accurate records in place.</p> <p>The Treasury Management system is designed well with adequate controls in place to mitigate against risks. Good practice was noted in that an approved Treasury Management Strategy Statement, Policy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy are in place which meet the requirements of the CIPFA Code of Practice on Treasury Management and the Prudential Code. Investment performance was found to be routinely monitored and regularly reported to CMT, Cabinet, Council and Audit Committee and of a sample of 10 investments / 10</p>	 <p>Substantial Assurance</p> <p>H-0 M-0 L-2</p>

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<p>repayments examined as part of the audit, all were found to be compliant with the strategy and practices, with adequate segregation of duties and accurate records in place.</p> <p>Two minor areas for improvement were noted. The first in relation to KPI's - two (max invested for more than 364 days and average external investment interest rate achieved) were recorded on Pentana as not currently being met, however, the system had not been updated since May 2020. It is recommended that Pentana is updated and any corrective action taken as necessary. The second is in relation to maintaining evidencing of approval of investment decisions. Before the team moved to remote working, investment decisions were noted on a document prepared by the Accountancy Assistant and physically counter signed by two of the authorised approvers. This document is now completed electronically without signature. While the risk of unauthorised transactions is minimal, as payments on the online banking system have to be appropriately approved, supporting evidence of the decisions made would complete the audit trail. It is suggested that this is via retained emails or notes are made and electronically approved of the monthly meetings where upcoming investments and the redemption of funds is planned.</p>	
	Debtors	Standard risk based review of debtors, including invoice requisitioning, invoicing, debt recovery and monitoring, aged debtor analysis, bad and doubtful debts.	Q3		
	Housing & Council Tax Benefits	Standard CIPFA risk based review of housing and council tax benefits.	Q3		
Strategic & Operational Risks	Covid-19 Risks	'Flash' audits of dynamic risks arising from the Council's Covid-19 response. To include continuity and recovery arrangements, business grants, new funding, staff well being, governance, financial, productivity. This audit will	Q2-Q4	<p><u>Staff Wellbeing</u></p> <p>Control measures to mitigate against the risk of staff wellbeing being adversely impacted by the Covid-19 crisis were found to be adequate and effective.</p> <p>A number of good practice areas were noted:</p> <ul style="list-style-type: none"> <li>• A human resources plan in response to staffing</li> </ul>	 Substantial

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
		<p>compliment other strategic and operational risk and ICT audits on the plan which will be looked at with a 'Covid-19 risk lens'.</p>		<p>matters associated with the Covid-19 outbreak was quickly established (consulted on with unions and approved by CMT), including counselling services available to provide staff with support and advice.</p> <ul style="list-style-type: none"> <li>• Regular weekly all staff communications have been maintained throughout the pandemic setting out organisational updates as well as providing clarity on wider (frequently changing) government guidance. Wellbeing has been regularly cited, including a number of links for mental health. Communications have been factual, delivered with the right balance of humour, to raise staff morale and have been generally very well received.</li> <li>• Staff wellbeing engagement has been undertaken via a staff survey in May 2020 (results shared in June 2020). Of the 212 staff members participating, 96% of those felt their managers were understanding about their health and wellbeing and the biggest negative impact was regarding staff missing colleagues and social interactions. Managers reporting to Assistant Directors Group (formerly known as Heads of Service Group) are working on the response to the survey in a 'you said, we did'.</li> <li>• Informal staff engagement has been strong e.g. the use of 'Teams' as a tool for virtual coffee breaks and the recent Macmillan Coffee Morning hosted by Assistant Directors.</li> <li>• Finally, despite the ongoing situation with COVID-19, sickness levels have not suffered a significant impact, but remained constant.</li> </ul> <p>As the pandemic enters a 'second wave', coupled with additional pressures on staff wellbeing arising from the winter months and prolonged remote working, the following areas are suggested as forward focus to maintain staff wellbeing:</p> <ul style="list-style-type: none"> <li>• Ensuring that the work streams to address the results of the staff survey are completed and additional snap surveys are undertaken to measure the success of this work and to continue to 'listen' to staff.</li> </ul>	

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<ul style="list-style-type: none"> <li>• Creation of a wellbeing page on Infozone where links to downloadable materials, specialist wellbeing pages and FAQ's, can be accessed e.g. providing support on mental health <a href="https://www.mind.org.uk/workplace/">https://www.mind.org.uk/workplace/</a></li> <li>• Continue to promote a culture that values individuals and teams (e.g. the 'saying thank you to ...' in weekly comms, promote informal virtual team engagement over the forthcoming holiday period).</li> <li>• Encouraging staff to focus on their physical health (i.e. via reinforcing government safety measures and other measures e.g. promoting nutrition, fitness and educational content etc.)</li> <li>• Continually keep abreast of, and implement suitable innovative developments to promote staff wellbeing.</li> </ul>	
	Risk Management	Review of the adequacy and effectiveness of the Council's risk management policy and system for managing strategic and operational risks.	Q3		
	Housing Allocations	Risk based review of the implementation of the new Housing Allocations Policy and systems for monitoring compliance.	Q4		
	Reactive Repairs	Risk based review of the system for reactive repairs.	Q4		
	Planned Maintenance	Risk based review of the planned maintenance programme.	Q4		
	Landlord Health & Safety	Compliance review against the Council's landlord health & safety requirements e.g. gas, fire, legionella, asbestos, electrical.	Q3	In progress	
	Assembly Rooms	Risk based review looking at key aspects of the Assembly Room's operations e.g. income, asset management, marketing, stock and inventory management, procurement, security and agility of operations on recovery.	Q4	Under review	

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Castle	Risk based review looking at key aspects of the Castle's operations e.g. income, asset management, marketing, stock and inventory management, procurement, security and agility of operations on recovery.	Q4	Under review	
ICT	Remote Working	High level risk based review of ICT systems and controls mitigating risks from remote working.	Q2-Q4		
	Network Infrastructure	Risk based review of network infrastructure, including access management and security.			
	'Patching' and Change Control	Risk based review of the Council's systems for patching			
	I-Trent Application (previous year audit)	Risk based review of controls governing access and use of the I-trent (payroll) application.		Audit carried forward from 2019/20 plan. Audit part completed – IT audit contractor furloughed themselves part way through the audit – to be completed when furlough scheme ends after October 2020.	
Governance Fraud & Other Assurance	Pensions	Assurance statements to Staffordshire County Council / accounts preparation.	Q4		
	Disabled Facilities Grant		Q4		
	Municipal Charities		Q4		
	Counter Fraud	Work to support the mitigation of fraud risk, the provision of fraud awareness training, pro-active fraud exercises and reactive investigations.	Q1-Q4	Counter fraud checks on Business Grant Relief / Small Business Grant / Hospitality & Leisure Grant / Discretionary Grant Awards claims. Preparation of data sets for the National Fraud Initiative 2020 national exercise. See counter fraud update report.	N/A
	Annual Governance Statement	Production of the AGS.	Q1-Q2	Complete	N/A
	Annual Audit Opinion	Production of the Annual Audit Opinion	Q1-Q2	Complete	N/A
	Management and Planning	Management, planning and assurance reporting to CMT and Audit & Governance Committee	Q1-Q4	Ongoing	N/A
	Ad hoc / Contingency / Consultancy	Contingency allocation to be utilised upon agreement of the Chief Finance Officer	Q1-Q4	Ongoing	N/A

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
Follow Up of No and Limited Assurance Opinion Audits	Corporate Business Continuity	Limited Assurance follow up.	Q3	Audit in progress	
	Property Contracts	Limited Assurance follow up.	Q3		
	Cyber Resilience (Limited Assurance)	Limited Assurance follow up– last recommendation implementation date December 2020 so not yet started.	Q4		
	Data Protection (Limited Assurance)	Follow Up – last recommendation implementation date November 2020 so not yet started.	Q3		
	Housing Regeneration & Affordable Housing	No Assurance (Implementation Review) follow up.	Q3	Audit in progress	
	Street Scene	Limited Assurance (Implementation Review) follow up.	Q3	Audit in progress	

Overall Assurance Opinion	Definition
<b>Substantial</b>	There is a sound system of internal control designed to achieve the organisation's objectives. The control processes tested are being consistently applied.
<b>Reasonable</b>	While there is a basically sound system of internal control, there are some weaknesses which may put the organisation's objectives in this area at risk. There is a low level of non-compliance with some of the control processes applied.
<b>Limited</b>	Weaknesses in the system of internal controls are such as to put the organisation's objectives in this area at risk. There is a moderate level of non-compliance with some of the control processes applied.
<b>No</b>	Significant weakness in the design and application of controls mean that no assurance can be given that the organisation will meet its objectives in this area.

Recommendation Priority	Definition
<b>High</b>	High priority recommendation representing a fundamental control weakness which exposes the organisation to a high degree of unnecessary risk.
<b>Medium</b>	Medium priority recommendation representing a significant control weakness which exposes the organisation to a moderate degree of unnecessary risk.
<b>Low (Housekeeping)</b>	Low priority (housekeeping) recommendation highlighted opportunities to implement a good or better practice, to add value, improve efficiency of further reduce the organisation's exposure to risk.

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## AUDIT & GOVERNANCE COMMITTEE

29 OCTOBER 2020

### REPORT OF THE HEAD OF AUDIT AND GOVERNANCE & MONITORING OFFICER

#### COUNTER FRAUD UPDATE

#### EXEMPT INFORMATION

None.

#### PURPOSE

To provide Members with:

- an update of counter fraud work completed this financial year, including updated fraud action plan and fraud risk register and;
- request the Committee's approval of the new Prevention of the Facilitation of Tax Evasion Policy Statement and Procedures to compliment the Council's existing counter fraud and whistleblowing policies / procedures.

#### RECOMMENDATIONS

**That the Committee:**

- 1 Notes this update report, including the updated fraud action plan at **Appendix 1** and fraud risk register at **Appendix 2**.
- 2 Approve the new Prevention of the Facilitation of Tax Evasion Policy Statement and Procedures at **Appendix 3**.

#### EXECUTIVE SUMMARY

##### Counter Fraud Update

Counter fraud work this financial year has been largely dominated by counter fraud checks on Covid-19 related grant application i.e. small business grant / hospitality & leisure grant / discretionary grant awards. Those checks will shortly extend to the new Test and Trace Scheme Payments.

In addition, new matches continue to be received through the National Fraud Initiative (NFI), the Cabinet Office's national data matching service. This year is also a national exercise year which means that data sets across the public sector is matched to prevent and detect fraud. The Council's data sets are currently being collated for upload by the NFI's deadline of 1 December 2020.

Routine counter fraud work including NNDR, Council Tax Reduction, Single Persons Discount, illegal sub-letting and non-residence of council housing has continued. A summary of results to the end of September 2020 is as below:

Type of fraud case	Number of cases investigated	Number of cases proven	Value
Council tax reduction	14	4	£12,333.45
Housing benefit	2	0	£0.00
Housing sublet	0	0	0
Housing – non residence	0	0	0
NFI Housing Waiting List (removal) *NFI attach £3,240 as an indicative saving from the removal)	NFI Dataset	1*	£3,240*
NFI SPD check	NFI Dataset	1	£387.15
<b>Total</b>		<b>6</b>	<b>£15,960.60</b>

In addition to the above, proactive checks have been undertaken on 23 housing related applications (18 Right to Buy and 5 Housing) at application stage.

As the Committee is aware, in line with good practice, a fraud response plan and fraud risk register is maintained and reviewed on a regular basis. The latest fraud action plan is detailed at Appendix 1 and fraud risk register at Appendix 2.

### **Prevention of the Facilitation of Tax Evasion Policy Statement and Procedures**

Part 3 of the Criminal Finances Act 2017 created a corporate criminal offence where a corporate entity fails to prevent the facilitation of tax evasion by its staff, agents and contractual associates. As a corporate entity, good practice (and a defence) against charges of the facilitation of tax evasion, is to have a policy (draft attached), proportionate risk assessment and to communicate the policy to all staff (including targeted training where necessary – e.g. finance / business support staff).

A draft policy has been produced for the Committee’s approval at Appendix 3.

Once approved this policy / procedure will compliment the suite of counter fraud policies that the Council already has in place (anti-fraud & corruption, whistleblowing, ant money laundering etc.). Next steps will be production of the risk assessment, issue of the policy to all staff via the Astute system and provision of targeted training to finance and business support staff.

### **RESOURCE IMPLICATIONS**

None.

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

Without sufficient counter fraud arrangements in place, the risk of fraud / corruption is increased. This can lead to a loss of Council assets / resources / fines and associated reputational damage.

## **SUSTAINABILITY IMPLICATIONS**

None.

## **BACKGROUND INFORMATION**

None.

## **REPORT AUTHOR**

Rebecca Neill, Head of Audit and Governance & Monitoring Officer

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Ext: 234

## **LIST OF BACKGROUND PAPERS**

### **APPENDICES**

<b>Appendix 1</b>	<b>Fraud Action Plan 2020/21</b>
<b>Appendix 2</b>	<b>Fraud Risk Register</b>
<b>Appendix 3</b>	<b>Prevention of the Facilitation of Tax Evasion Policy Statement and Procedures</b>

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## Fraud Action Plan 2019/20

**Report Author:** Rebecca Neill / Andrea Isaac

**Date:** October 2020

<b>Fraud Response Area</b>	<b>Creating an Anti-Fraud Culture</b>		
<b>Description</b>	<b>To build an anti-fraud culture through the adoption of various measures to promote counter fraud awareness.</b>		
Risks	Failure to make staff, member and the public that their suspicions will be treated confidentially, objectively and professionally		
Actions	Action Notes	Due Date	Completed Date
Issue of the counter fraud and corruption policy and whistleblowing policy to raise all staff awareness via Astute	All staff email issued 13/10/20. Astute mandatory reads for all staff in place for completion by end of November 2020	30 November 2020	
Provide drop in sessions to staff and members as required promoting counter fraud	Fraud drop in day completed November 2020. Virtual session planned for January 2021	30 January 2021	
<b>Fraud Response Area</b>	<b>Deterring and Preventing Fraud</b>		
<b>Description</b>	<b>Deterring fraud through proactive communications. Preventing fraud by ensuring that relevant policies are in place and fraud risks are identified.</b>		
Risks	A lack of robust strategic approach to deterring fraud can undermine actions to build an anti-fraud culture		
	A lack of understanding as to the stance the authority takes against fraud		
	Out of date policies and procedures which do not cover relevant legislation.		
Actions	Action Notes	Due Date	Completed Date
Regular attendance at service team meetings to promote	On-going	31 March 2021	

counter fraud work			
Active participation in Staffordshire Counter Fraud Partnership	Meeting attended 14/10/20, sharing best practice on counter fraud initiatives – participation in ‘stop the cheater’ campaign	31 March 2021	
Produce and issue prevention of the facilitation of tax evasion policy statement and procedures	CMT approved 15/10/20, A&G Committee approval sought 29/10/20. Following that, completion of risk assessment, issue of the policy to all staff via the Astute system and provision of targeted training to finance and business support staff.	31 March 2021	
Ensure all counter fraud policies and procedures and Financial Guidance are reviewed by their review date / or on change of key legislation / best practice.	All policies and procedures are currently in date.	31 March 2021	

<b>Fraud Response Area</b>	<b>Detecting Fraud</b>		
<b>Description</b>	<b>Detecting fraud through proactive investigations</b>		
<b>Risks</b>	If not undertaken, there is a risk that the opportunity to abuse a system weakness may be heightened as the risk of being caught maybe deemed negligible by the perpetrator.		
	If not undertaken, there is a risk that fraud could go undetected		
<b>Actions</b>	<b>Action Notes</b>	<b>Due Date</b>	<b>Completed Date</b>
Participating and undertaking NFI checks	Regular ongoing activity. In addition, 2020 is a national exercise year – data uploads being prepared for Dec 2020 deadline. Checking to take place once matches received	31-Mar-2021	
Undertake local proactive exercises through data & intelligence analysis at the Authority as agreed with the Executive Director—Finance	On-going	31-Mar-2021	
Internal audit programme includes review of counter fraud and corruption controls.	Plan on target	31-Mar-2021	

<b>Fraud Response</b>	<b>Investigations</b>
-----------------------	-----------------------

<b>Area</b>			
<b>Description</b>	<b>Investigate fraud in accordance with laid down policies and procedures.</b>		
Risks	The risk of not investigating is that fraud goes unpunished and there is no resulting deterrent effect thus increasing the prevalence of fraud further		
	The staff (or others) making the allegation feel they are not taken seriously and referrals cease to be made.		
Actions	Action Notes	Due Date	Completed Date
Fraud referrals investigated	On-going	31-Mar-2021	

<b>Fraud Response Area</b>	<b>Sanctions</b>		
<b>Description</b>	<b>Apply sanctions correctly and consistently</b>		
Risks	If sanctions are not imposed there is no deterrence of fraud.		
Actions	Action Notes	Due Date	Completed Date
Ensure that sanctions are applied correctly and consistently (including internal disciplinary, regulatory & criminal)	On-going	31-Mar-2021	

<b>Fraud Response Area</b>	<b>Redress</b>		
<b>Description</b>	<b>To ensure that redress is calculated correctly</b>		
Risks	Fraudsters may not realise that any and all measures will be taken to recover any money lost to fraud.		
Actions	Action Notes	Due Date	Completed Date
Maintain comprehensive records of time spent on each investigation so that this can be included in any compensation claim. Identify and maintain a record of the actual proven amount of loss so that appropriate recovery procedures can be actioned.	On-going	31-Mar-2021	

<b>Fraud Response Area</b>	<b>Strategic Work</b>		
<b>Description</b>	<b>To maintain mandatory counter fraud arrangements.</b>		
Risks	Failure to ensure the completion of mandatory strategic work may mean that the professional knowledge and skills are not maintained to a high standard		
Actions	Action Notes	Due Date	Completed Date
Attendance at relevant fraud forums/meetings to ensure that professional knowledge and skills are maintained	On-going	31-Mar-2021	
Attendance at relevant training as required	On-going	31-Mar-2021	
Regular reporting of counter fraud work	Update to A&G Committee – October 2020	31-Mar-2021	
Regular meetings with the Chief Executive	On-going	31-Mar-2021	

## Fraud & Corruption Risk Register

**Report Type:** Risks Report

**Report Author:** Rebecca Neill/ Andrea Isaac

**Date:** 30 September 2020

Risk Title	Risk Description	Gross Risk	- Assessment	Current Risk	- Assessment	Last Review Date
Staffing (internal)						
Credit Income	Misappropriation of income		4 significant-unlikely		2 significant-very unlikely	30-Sept-2020
Assets	Theft of fixed assets		9 serious-likely		2 minor-unlikely	30-Sept-2020
Assets	Theft of Council information/intellectual property		12 major - likely		8 major - unlikely	30-Sept-2020
Assets	Inappropriate use of Council assets for private use		8 significant - very likely		2 minor-unlikely	30-Sept-2020
Petty cash/imprest accounts	Theft of takings disguised by manipulation of accounts		2 minor-unlikely		2 minor-unlikely	30-Sept-2020
Expenses claims	Inflated claims		6 significant-likely		2 minor-unlikely	30-Sept-2020
Corruption	Disposal of assets - land and property		6 serious-unlikely		3 serious-very unlikely	30-Sept-2020
Corruption	Award of planning consents and licences		9 serious-likely		6 serious-unlikely	30-Sept-2020
Corruption	Acceptance of gifts, hospitality, secondary employment		6 significant-likely		4 significant-unlikely	30-Sept-2020
Car parking	Theft of takings		9 serious-likely		2 minor-unlikely	30-Sept-2020
Treasury management	Falsifying records to gain access to loan or investment monies		12 major - likely		6 serious-unlikely	30-Sept-2020
Money laundering	Using the council to hide improper transactions		8 major - unlikely		4 significant-unlikely	30-Sept-2020

Risk Title	Risk Description	Gross Risk	- Assessment	Current Risk	- Assessment	Last Review Date
ICT fraud	Improper use of council ICT equipment		12 major - likely		4 significant-unlikely	30-Sept-2020
Employee - general	Abuse of flexi system Falsification of car loans		6 significant-likely		4 significant-unlikely	30-Sept-2020
Payment of grants to the public	Grants fraudulently claimed		12 major - likely		4 significant-unlikely	30-Sept-2020
Loans & Investments	Misappropriation of funds Fraudulent payment or investment of funds		12 major - likely		4 significant-unlikely	30-Sept-2020
Regeneration development corruption	Regeneration development corruption		12 major - likely		6 serious-unlikely	30-Sept-2020
Financial statements	The financial statements may be materially mis-stated due to fraud		6 serious-unlikely		4 significant-unlikely	30-Sept-2020
Job starter	Fraudulent job application		9 serious-likely		4 significant-unlikely	30-Sept-2020
IT abuse	Improper use of IT equipment		9 serious-likely		4 significant-unlikely	30-Sept-2020
Benefits fraud - internal	Fraudulent claim by member of staff		9 serious-likely		6 serious-unlikely	30-Sept-2020
Cash theft	Theft of takings disguised by manipulation of accounts		4 significant-unlikely		2 significant-very unlikely	30-Sept-2020
Cash theft	Theft of cash without disguise		4 significant-unlikely		1 minor - very unlikely	30-Sept-2020
Payroll	Payment to non existent employees		2 significant-very unlikely		3 serious-very unlikely	30-Sept-2020
Payroll	Over claiming hours worked		6 significant-likely		2 minor-unlikely	30-Sept-2020
Payroll	Manipulation of standing data		6 serious-unlikely		2 significant-very unlikely	30-Sept-2020
Assets	Theft of current assets		6 significant-likely		4 significant-unlikely	30-Sept-2020
Procurement & Contract Management						30-Sept-2020

Risk Title	Risk Description	Gross Risk	- Assessment	Current Risk	- Assessment	Last Review Date
Selection process	Senior staff influencing junior staff involved in a selection process		6 serious-unlikely		4 significant-unlikely	30-Sept-2020
Lack of awareness of the procurement process	Lack of awareness of risks and issues in the procurement process		6 significant-likely		4 significant-unlikely	30-Sept-2020
Lack of anti fraud culture	No antifraud culture - no due diligence/risk registers		6 significant-likely		2 significant-very unlikely	30-Sept-2020
Contract awarded prior to specification being agreed	Contract awarded prior to specifications being fully agreed and developed; meaning the organisation becomes responsible for additional development and training expenses		6 significant-likely		4 significant-unlikely	30-Sept-2020
Manipulation of preferred bidders list	Manipulation of preferred bidders list		4 significant-unlikely		2 significant-very unlikely	30-Sept-2020
No formal contract in place	No formal contract in place		8 significant - very likely		4 significant-unlikely	30-Sept-2020
Prices reworked	Prices reworked to enable the successful bidder to move up the proposal list following initial bidding		6 significant-likely		4 significant-unlikely	30-Sept-2020
Value of contract disaggregated	Value of contract disaggregated to circumvent organisation/EU regulations		12 serious - very likely		4 significant-unlikely	30-Sept-2020
Inappropriate high value purchase	Inappropriate high value purchase for an unauthorised purpose		6 significant-likely		4 significant-unlikely	30-Sept-2020
Inappropriate use of single tender acceptance	Inappropriate use of single tender acceptance		6 significant-likely		4 significant-unlikely	30-Sept-2020
Using agency staff or			4 significant-unlikely		1 minor - very unlikely	30-Sept-2020

Risk Title	Risk Description	Gross Risk	- Assessment	Current Risk	- Assessment	Last Review Date
consultants						
Initial commercial consultations	Procurement staff being sidelined during initial commercial consultations and subsequently being presented with a "done deal".		12 major - likely		4 significant-unlikely	30-Sept-2020
Contract signing	Contracts signed by member of staff not authorised to do so		12 major - likely		4 significant-unlikely	30-Sept-2020
Diversion of funds	Diversion of funds: the risk that a member of staff diverts funds through the set up of non-existent supplier/freelancer		12 major - likely		4 significant-unlikely	30-Sept-2020
Bogus vendor	An individual could authorise the set up of a bogus vendor and raise and authorise a purchase order		16 major - very likely		4 significant-unlikely	30-Sept-2020
Use of confidential information	A member of staff could disclose information on bids to other contract bidders		12 major - likely		4 significant-unlikely	30-Sept-2020
Creditor payments	Fraudulent requests for creditor payments		9 serious-likely		4 significant-unlikely	30-Sept-2020
Fraudulent use for one off payment	Staff use the cheque payment process to send to a bogus vendor		6 serious-unlikely		2 significant-very unlikely	30-Sept-2020
Declaration of interests	Lack of declarations of interests		9 serious-likely		4 significant-unlikely	30-Sept-2020
Housing tenancy/homelessness						30-Sept-2020
Housing allocations	Housing allocated for financial reward fraudulent allocation of property		9 serious-likely		4 significant-unlikely	30-Sept-2020
Illegal sub letting	Illegal sub letting of council property		4 significant-unlikely		2 minor-unlikely	30-Sept-2020

Risk Title	Risk Description	Gross Risk	- Assessment	Current Risk	- Assessment	Last Review Date
Homelessness	False claim of homelessness		6 significant-likely		2 minor-unlikely	30-Sept-2020
Right to Buy	Fraudulent claim of right to buy discount		6 significant-likely		4 significant-unlikely	30-Sept-2020
Council Tax						30-Sept-2020
Single Persons Discount	Single persons discount fraudulently claimed		6 significant-likely		6 significant-likely	30-Sept-2020
Discounts/exemptions	Discounts and exemptions falsely claimed		3 minor-likely		2 minor-unlikely	30-Sept-2020
Refund fraud			3 minor-likely		2 minor-unlikely	30-Sept-2020
Suppressed recovery action	Suppressed recovery action		3 minor-likely		2 minor-unlikely	30-Sept-2020
NNDR						
Void exemption	Void exemption falsely claimed		6 significant-likely		4 significant-unlikely	30-Sept-2020
Occupation dates	Occupation dates incorrectly notified		6 significant-likely		4 significant-unlikely	30-Sept-2020
Changes to property	Changes to property increase the rateable value		6 significant-likely		4 significant-unlikely	30-Sept-2020
Insurance						30-Sept-2020
Insurance claims	Claiming for non existent injuries Claiming at another establishment for the same injury overclaiming		9 serious-likely		4 significant-unlikely	30-Sept-2020
Other						30-Sept-2020
Elections	Fraudulent voting Fraudulent acts by canvassers		12 major - likely		6 serious-unlikely	30-Sept-2020
External funding	Fraudulently claiming/using external funding		1 minor - very unlikely		1 minor - very unlikely	30-Sept-2020

Risk Title	Risk Description	Gross Risk	- Assessment	Current Risk	- Assessment	Last Review Date
Housing Benefits/Council Tax Reduction Scheme						30-Sept-2020
Benefits fraud - claimant	Claimant fraudulently claims benefits		12 serious - very likely		6 significant-likely	30-Sept-2020
Benefits fraud - third party eg landlord	fraudulent claim by third party		4 significant-unlikely		4 significant-unlikely	30-Sept-2020
Cyber	Risk of loss, disruption or damage to the reputation of the Authority from some sort of failure of Information Technology systems					30-Sept-2020
Cyber risk			6 serious-unlikely		6 serious-unlikely	30-Sept-2020
Weltered schemes	Theft of customer monies		4 significant-unlikely		2 significant-very unlikely	30-Sept-2020

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## Prevention of the Facilitation of Tax Evasion

Document Status: Draft

Originator: Andrea Isaac

Updated: Andrea Isaac

Owner: Rebecca Neill

Version: 01.01.01

Date: October 2020

**Approved by Audit & Governance Committee**

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Classification: SEC1 - Routine

## Document Location

This document is held by Tamworth Borough Council, and the document owner is Rebecca Neill, Head of Audit and Governance.

Printed documents may be obsolete, an electronic copy will be available on Tamworth Borough Councils Intranet. Please check for current version before using.

## Revision History

Revision Date	Version Control	Summary of changes

## Key Signatories

### Approvals Creation and Major Change

Name	Title	Approved
Audit & Governance Committee	Committee Approval	
CMT	Group Approval	
Rebecca Neill	Head of Audit and Governance	

### Approvals Minor Change and Scheduled Review

Name	Title	Approved
Rebecca Neill	Head of Audit and Governance	

## Approval Path

### Major Change

	Action
Originator / Owner	Head Audit and Governance
CMT	Corporate Approval
Audit & Governance Committee	Approval

### Minor Change

Head of Audit & Governance	Delegated Approval
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## Document Review Plans

This document is subject to a periodic (3 yearly) review. Updates shall be made in accordance with business requirements; and changes and will be with agreement of the document owner.

Where this document is subject to a major change the Audit & Governance Committee will be consulted.

## Distribution

The document will be distributed through Astute as a **mandatory** policy and will also be available on the Intranet.

## Security Classification

This document is classified as SEC 1 Routine with access restricted to Tamworth Borough Council Staff and business partners.

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# 1. Prevention of the Facilitation of Tax Evasion Policy Statement and Procedures

This Statement sets out Tamworth Borough Council's (the Council's) policy in relation to tax evasion. It has the full support of both the Council's Corporate Management Team and elected members through the Audit & Governance (A&G) Committee.

Part 3 of the Criminal Finances Act 2017 created a corporate criminal offence where a corporate entity fails to prevent the facilitation of tax evasion by its staff, agents and contractual associates.

The Council has a zero tolerance approach to all forms of tax evasion, whether under UK law or under the law of any foreign country. Employees of the Council, its agents and contractual associates must not undertake any transactions which:

- (a) Cause the Council to commit a tax evasion offence; or
- (b) Facilitate a tax evasion offence by a third party.

The Council is committed to acting professionally, fairly and with integrity in all its dealings and relationships wherever we operate and implementing and enforcing effective systems to counter tax evasion facilitation. At all times, Council business should be conducted in a manner such that the opportunity for, and incidence of, tax evasion is prevented.

Governance and internal control procedures are already in place to meet the statutory requirements; and there is no suggestion that the Council tolerates tax evasion, or that staff engage in such behaviour. However, adopting an express corporate policy will help the Council defend any allegation that it has facilitated tax evasion.

This Policy Statement is intended to compliment the Council's Counter Fraud and Corruption Policy Statement, Strategy & Guidance Notes, which sets out what actions the Council proposes to take over the medium-term future to continue to develop its resilience to fraud, corruption and other financial irregularity. It also sets out the key responsibilities with regard to fraud prevention, what to do if fraud or financial irregularity is suspected and the action that will be taken by management.

## 2. Prevention of the Facilitation of Tax Evasion Policy Statement and Procedures

### 2. What is Tax Evasion?

**Tax evasion** is the illegal non-payment or under-payment of taxes, usually as the result of making a false declaration (or no declaration) of taxes due to the relevant tax authorities, which results in legal penalties if the perpetrator is caught.

Tax evasion involves all forms of tax, including income tax, corporation tax, VAT, national insurance, Business Rates and Council tax. This list is not exhaustive.

**Tax avoidance**, by contrast, is seeking to minimise the payment of taxes without deliberate deception. This is often legitimate but is sometimes contrary to the spirit of the law, e.g. involving the exploitation of loopholes.

Importantly the corporate criminal offence of facilitation only applies to tax evasion. The third party must be found guilty of tax evasion before the Council can be found to have facilitated it.

### 3. Examples of Tax Evasion

It is not possible to give examples covering every possible scenario, however, some 'red flag' indicators are detailed below to give a flavour of the scope of the legislation:

<p><i>You become aware, in the course of your work, that a third party has made or intends to make a false statement relating to tax; has failed to disclose income or gains to, or to register with, HMRC; has delivered or intends to deliver a false document relating to tax; or has set up or intends to set up a structure to try to hide income, gains or assets from a tax authority.</i></p>	<p><i>You become aware, in the course of your work that a third party has deliberately failed to register for VAT (or the equivalent tax in any relevant non-UK jurisdiction) or failed to account for VAT.</i></p>
<p><i>A third party requests payment in cash and/or refuses to provide an invoice or receipt for a payment made.</i></p>	<p><i>You become aware, in the course of your work that a third party working for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions.</i></p>

#### **4. The Criminal Finances Act 2017**

Under the Criminal Finances Act 2017, a separate criminal offence is automatically committed by a corporate entity where the tax evasion is facilitated by a person acting in the capacity of an “associated person” to that body. For the offence to be made out, the associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer. If the associated person accidentally, ignorantly, or negligently facilitates the tax evasion, then the corporate offence will not have been committed. The Council does not have to have deliberately or dishonestly facilitated the tax evasion itself; it is the fact that the associated person has done so, creates the liability for the Council.

***Specifically, staff, agents and associates must not knowingly do anything that helps someone else evade tax.***

It is a defence to the corporate criminal offence of facilitating tax evasion if the Council can prove that it has in place such prevention procedures as it is reasonable to expect in the circumstances. Government guidance suggests an appropriate set of prevention measures which gives due recognition to the following:

- risk assessment;
- the proportionality of risk-based prevention procedures;
- top level commitment;
- due diligence;
- communication (including training);
- monitoring and review.

The Council must ensure a policy on prevention is brought to the attention of all staff. This policy is, therefore, published on the Council’s web-site and made available through Astute.

#### **5. Penalties**

As an employer, if the Council fails to prevent its employees, workers, agents or service providers facilitating tax evasion, the Council can face both criminal sanctions including an unlimited fine, and associated reputational damage. The Council therefore take its legal responsibilities seriously.

#### **6. Policy Statement – Tax Evasion**

Tamworth Borough Council has a zero tolerance approach to all forms of tax evasion, whether under UK law or under the law of any foreign country. Employees of the Council, its agents and contractual associates must not undertake any transactions which:

- Cause the Council to commit a tax evasion offence; or
- Facilitate a tax evasion offence by a third party.

## **7. Objective of this policy**

This policy provides a coherent and consistent framework to enable the Council's employees (and other "associated persons") to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable employees to identify and effectively report a potential breach.

The Council requires that all relevant persons:

- Act honestly and with integrity at all times and to safeguard the Council's resources for which they are responsible
- Comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities

## **8. Scope of this policy**

This policy applies to all of the Council's activities. For partners, joint ventures and suppliers, it will seek to promote the adoption of policies consistent with the principles set out in this policy.

Responsibility to control the risk of tax evasion occurring resides at all levels of the organisation. It does not rest solely within assurance functions, but in all business units and corporate functions.

This policy covers all personnel, including all levels and grades, those permanently employed, temporary agency staff, casual staff, contractors, non-executives, agents, Members, volunteers and consultants.

## **9. The Council's commitment to action**

The Council commits to:

- Setting out a clear anti-tax evasion facilitation policy and keeping it up to date
- Making all employees aware of their responsibilities to adhere strictly to this policy at all times

- Raising awareness of the risks of tax evasion with employees so that they can recognise and avoid occurrences of potential tax evasion by themselves and others
- Undertaking a risk assessment to identify those areas of the Council's business where risk is considered to be highest
- Targeted training of services where the perceived risk is higher
- Promoting good ethical behaviour by staff in all of its forms
- Encouraging its employees to be vigilant and to report any suspicions of tax evasion, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- Investigating instances of alleged tax evasion
- Referring investigations to the Police where it is appropriate to do so
- Taking firm and vigorous action against any individual(s) involved in tax evasion, or the facilitation of it
- Providing information to all employees on how to report breaches and suspected breaches of this policy
- Including appropriate clauses in contracts to prevent tax evasion.

The Council seeks to maintain relevant procedures, including top-level commitment to tackling tax evasion and effective communication, including training. Chief Officers have an additional responsibility (beyond that of the employees own) for ensuring this policy is communicated effectively to staff and frequently refreshed throughout their department along with other good practice regarding ethical behaviour.

## **10. Tax Evasion is not tolerated**

It is unacceptable to:

- Engage in any form of facilitating tax evasion (including foreign tax evasion);
- Aid, abet, counsel or procure the commission of a tax evasion offence by another person;
- Fail to promptly report any request from any third party to facilitate the fraudulent evasion of tax by another person;
- Engage in any other activity that might lead to a breach of this policy;

- Threaten or retaliate against another individual who has refused to commit a tax evasion offence or who has raised concerns under this policy;
- Commit an offence under the law of any part of the UK consisting of being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax.

## **11. Staff responsibilities**

The prevention, detection and reporting of all forms of financial irregularity, including suspected tax evasion, are the responsibility of all those working for the organisation or under its control (“associated persons”). All staff are required to avoid activity that breaches this policy.

As individuals you must:

- Ensure that you read, understand and comply with this policy.
- Raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

As well as the possibility of civil legal action and criminal prosecution, staff that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct.

## **12. Raising a concern**

The Council is committed to ensuring that there is a safe, reliable, and confidential way of reporting any suspicious activity, and wants each and every member of staff to know how they can raise concerns.

All have a responsibility to help detect, prevent and report instances of tax evasion. If you have a concern regarding a suspected instance of tax evasion, please speak up – your information and assistance will help. The sooner it is brought to attention, the sooner it can be resolved.

There are multiple channels to help raise concerns. Please refer to the Council’s Whistleblowing Policy and determine the favoured course of action. Preferably the disclosure will be made and resolved internally (e.g. to a line manager or head of department). Secondly, where such disclosure would not be appropriate, concerns can be raised with the Head of Audit and Governance (Monitoring Officer), the Executive Director - Finance or the External Auditor. Raising concerns in these ways may be more likely to be considered reasonable than making disclosures publicly (e.g. to the media).

Concerns can be raised anonymously. In the event that an incident of suspected wrong doing is reported, the Council will act as soon as possible to

evaluate the situation. It has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in an investigation of this kind. This is easier and quicker if concerns raised are not anonymous.

Staff who raise concerns or report wrongdoing could understandably be worried about the repercussions. The Council aims to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken. The Public Interest Disclosure Act 1998 (PIDA) protects individuals who make certain disclosures of information in the public interest. Our Whistleblowing Policy complies with PIDA. The Council is committed to ensuring nobody suffers detrimental treatment through the reporting of a concern in good faith.

### **13. Other relevant policies**

Further information on relevant Council policy and practice can be found in the policies available at the following link:

<http://infozone.tamworth.gov.uk:901/audit>

### **14. Useful links**

- [Criminal Finances Act 2017, Part 3 – Corporate Offences of Failure to Prevent Facilitation of Tax Evasion](#)
- [HM Revenue & Customs](#)

### **15. Policy review**

The Head of Audit & Governance and the Council's Audit & Governance Committee will ensure the continuous review and amendment of this policy document, to ensure that it remains compliant with good practice and legislative requirements.

Responsible Officer: Head of Audit and Governance

Next Review date: November 2023



Part 1 – Details	
What Policy/ Procedure/ Strategy/Project/Service is being assessed?	Prevention of the Facilitation of Tax Evasion
Date Conducted	September 2020
Name of Lead Officer and Service Area	Andrea Isaac Audit
Commissioning Team (if applicable)	N/A
Director Responsible for project/service area	Rebecca Neill
Who are the main stakeholders	Employees
Describe what consultation has been undertaken. Who was involved and what was the outcome	CMT Audit & Governance Committee
Outline the wider research that has taken place (E.G. commissioners, partners,	Peer review

other providers etc)		
What are you assessing? Indicate with an 'x' which applies	A decision to review or change a service	<input type="checkbox"/>
	A Strategy/Policy/Procedure	<input checked="" type="checkbox"/>
	A function, service or project	<input type="checkbox"/>
What kind of assessment is it? Indicate with an 'x' which applies	New	<input checked="" type="checkbox"/>
	Existing	<input type="checkbox"/>
	Being reviewed	<input type="checkbox"/>
	Being reviewed as a result of budget constraints / End of Contract	<input type="checkbox"/>

<p><b>Part 2 – Summary of Assessment</b></p> <p>Give a summary of your proposal and set out the aims/ objectives/ purposes/ and outcomes of the area you are impact assessing.</p> <p>See introduction section of the Policy Statement and Procedures</p> <p>Who will be affected and how?</p> <p>The Council's 'associated persons' (staff, agents, associates)</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Are there any other functions, policies or services linked to this impact assessment?			
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If you answered 'Yes', please indicate what they are? All employees			
This Policy Statement is intended to compliment the Council's Counter Fraud and Corruption Policy Statement, Strategy & Guidance Notes, which sets out what actions the Council proposes to take over the medium-term future to continue to develop its resilience to fraud, corruption and other financial irregularity.			

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**Part 3 – Impact on the Community**  
Thinking about each of the Areas below, does or could the Policy function, or service have a direct impact on them?

Impact Area	Yes	No	Reason (provide brief explanation )
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy applies consistent and fair treatment irrespective of age
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy applies consistent and fair treatment irrespective of disability
Gender Reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy applies consistent and fair treatment irrespective of gender reassignment
Marriage & Civil Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy applies consistent and fair treatment irrespective of marital status
Pregnancy & Maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy applies consistent and fair treatment irrespective of pregnancy and

			maternity
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy applies consistent and fair treatment irrespective of race
Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy applies consistent and fair treatment irrespective of religion or belief
Sexual orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy applies consistent and fair treatment irrespective of sexual orientation
Sex	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy applies consistent and fair treatment irrespective of sex
Gypsy/Travelling Community	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy applies consistent and fair treatment
Those with Caring/Dependent responsibilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy applies consistent and fair treatment irrespective of those with caring responsibilities
Those having an offending past	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy applies consistent and fair treatment irrespective of an offending past
Children	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not a factor
Vulnerable Adults	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not a factor
Families	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not a factor
Those who are homeless	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not a factor
Those on low income	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not a factor
Those with Drug or Alcohol problems	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not a factor
Those with Mental Health issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not a factor
Those with Physical Health issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not a factor
Other (Please Detail)	<input type="checkbox"/>	<input type="checkbox"/>	

<b>Part 4 – Risk Assessment</b>		
<b>From evidence given from previous question, please detail what measures or changes will be put in place to mitigate adverse implications</b>		
Impact Area	Details of the Impact	Action to reduce risk
N/A		

**Part 5 - Action Plan and Review**

Detail in the plan below, actions that you have identified in your CIA, which will eliminate discrimination, advance equality of opportunity and/or foster good relations.

**If you are unable to eliminate or reduce negative impact on any of the impact areas, you should explain why**

Impact (positive or negative) identified	Action	Person(s) responsible	Target date	Required outcome
N/A				

Date of Review (If applicable):12 October 2020

## AUDIT & GOVERNANCE COMMITTEE

29 October 2020

### REPORT OF THE HEAD OF AUDIT & GOVERNANCE, MONITORING OFFICER

#### ANNUAL GOVERNANCE STATEMENT & CODE OF CORPORATE GOVERNANCE

##### EXEMPT INFORMATION

None.

##### PURPOSE

To submit the refreshed Annual Governance Statement and Code of Corporate Governance for Audit & Governance Committee's approval.

##### RECOMMENDATIONS

That the proposed be approved:

- a) The Annual Governance Statement (for inclusion in the annual statement of accounts) at **Appendix 1**; and
- b) Code of Corporate Governance at **Appendix 2**.

##### EXECUTIVE SUMMARY

The Accounts and Audit Regulations require local authorities conduct an annual review of the effectiveness of their system of internal control and include a statement (Annual Governance Statement) with their published statement of accounts.

The Account & Audit Regulations stipulate that the Annual Governance Statement be prepared in accordance with 'proper practices'. As has been the case in previous years, the CIPFA / SOLACE 'Delivering Good Governance in Local Government: Framework (2016)' has been used as the framework to fulfil this requirement.

The proposed Annual Governance Statement for 2019/20 is attached at **Appendix 1**. It should be noted that the Annual Governance Statement only includes significant governance issues, the detail is contained within the Code of Corporate Governance.

The Code of Corporate Governance 2019/20 has been refreshed and is attached as **Appendix 2**. The Code indicates what is expected as per the Framework (what assurance do we want) and what we have in place (what assurance do we get) to ensure that the principles of good governance are met.

This year's review has identified that the Council's governance arrangements largely comply with best practice, with some minor areas for improvement which are detailed in the action plan below:

<b>20/21 Action</b>	<b>Responsibility / Date</b>
Finalisation of Communication Strategy and Social Media Policy	Assistant Director People March 2021
Finalisation of Organisational Development Strategy	Assistant Director People March 2021

#### **RESOURCE IMPLICATIONS**

None

#### **LEGAL/RISK IMPLICATIONS**

Failure to produce an AGS would result in non-compliance with the Accounts and Audit Regulations and a risk that failures in Governance would not be identified and therefore addressed.

#### **SUSTAINABILITY IMPLICATIONS**

None

#### **BACKGROUND INFORMATION**

None

#### **REPORT AUTHOR**

Rebecca Neill, Head of Audit & Governance, Monitoring Officer

#### **LIST OF BACKGROUND PAPERS**

None

#### **APPENDICES**

**Appendix 1 Annual Governance Statement 2019/20**  
**Appendix 2 Code of Corporate Governance 2019/20**

## Annual Governance Statement 2019/20

### What is Governance?

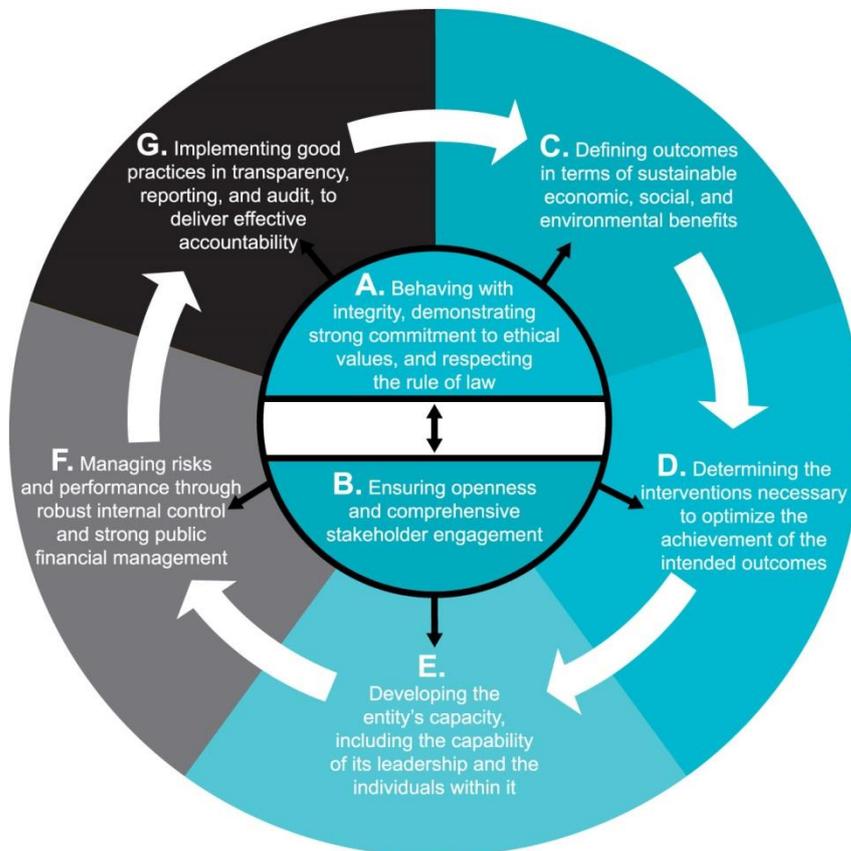
Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

To deliver good governance in the Authority, both governing bodies (Members) and individuals working for the Authority must try to achieve the Authority's objectives whilst acting in the public interest at all times.

Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

### The Core Principles of Good Governance

The diagram below, taken from the International Framework: Good Governance in the Public Sector, illustrates the various principles of good governance in the public sector and how they relate to each other.



## **Responsibility**

The Authority is responsible for ensuring that its business is completed in line with the law and statutory legislation, and that public money is spent wisely and properly accounted for. We will ensure that we continually improve the way we provide our services whilst taking into account value for money.

We will ensure that we put in place proper arrangements to ensure our risks are managed, and that controls and the governance process are in place.

We have approved and adopted a Code of Corporate Governance which is consistent with principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The Code demonstrates the supporting principles which underpin the core principles and identifies the assurance as outlined in the Framework. It also demonstrates what level of assurance we get and thus, identifies any areas for improvement. This forms the assurance framework for good governance and demonstrates that we know our governance arrangements are working. Links to all supporting evidence identified in the assurance framework are contained within the Code of Corporate Governance and are not repeated in this statement. The Code of Corporate Governance document is available on the Council's website.

## **Our Outcomes**

Our desired outcomes for 2019-22 are detailed in the Corporate Plan. The Corporate Plan details our Vision and sets out our Thematic Priorities. Under each thematic priority, we detail our ambitions and how we are going to realise these. All outcomes we aim to achieve, along with changes we want to see and supporting information are detailed in the Corporate Plan.

For each activity or process we complete, we ensure that the appropriate governance arrangements are in place.

Towards the end of 2019/20, we together with the rest of the UK, have faced an unprecedented global crisis in the Coronavirus pandemic. While the impact was felt latterly in 2019/20, this has been and will remain, a significant factor affecting our operations in 2020/21 and beyond. As part of the Staffordshire wide Civil Contingencies Unit, the Council has evoked business continuity arrangements to enable the continuation of business critical operations. While the Corporate Plan remains relevant to our future outcomes, these will no doubt be affected by the Covid-19 situation and will be dealt with as part of the councils emerging recovery plan.

# TAMWORTH BOROUGH COUNCIL CORPORATE PLAN 2019-2022

## TAMWORTH BOROUGH COUNCIL: VISION

To put Tamworth, its people and the local economy at the heart of everything we do

### OUR PURPOSE IS TO:

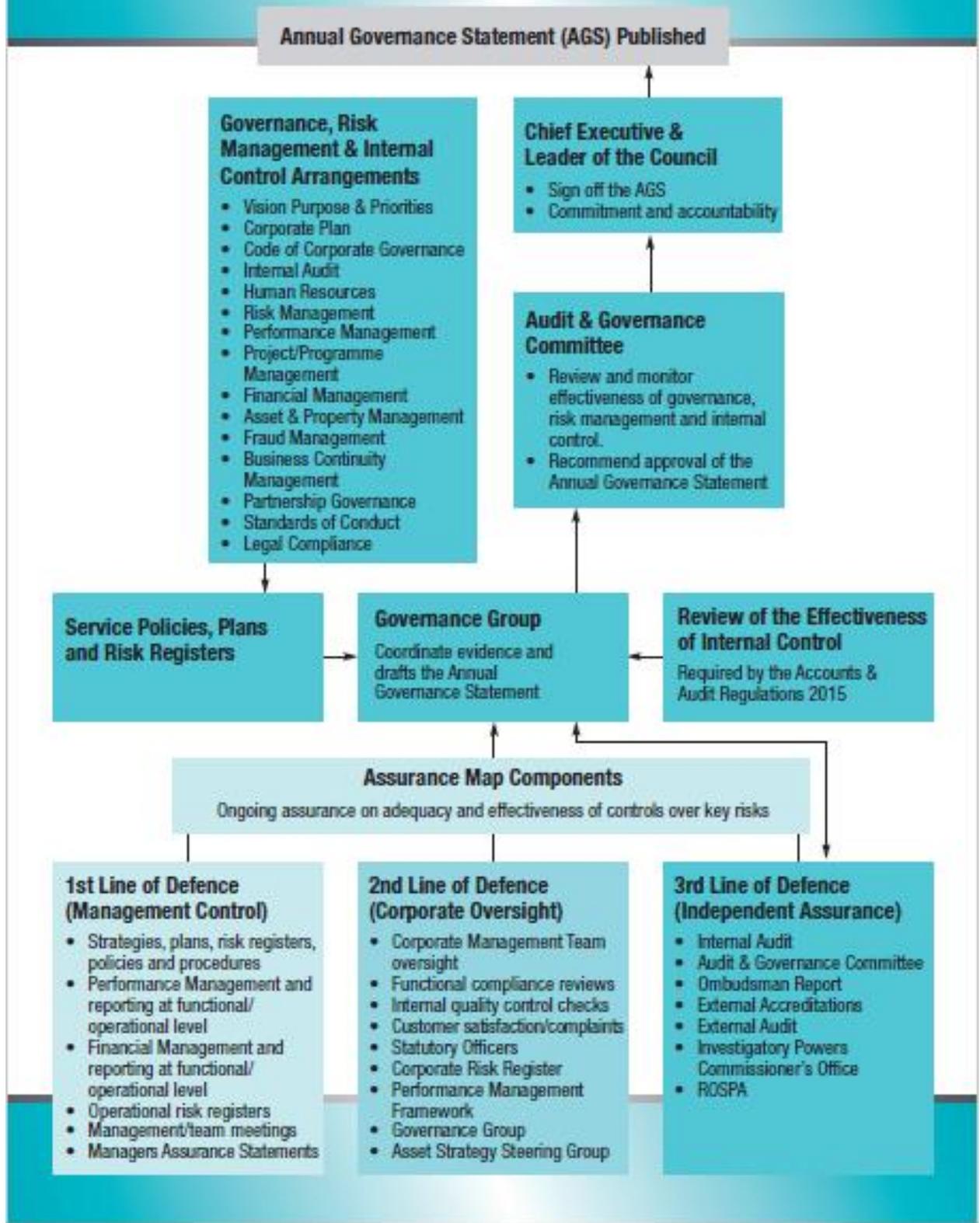
- ▶ help tackle causes and effects of poverty and financial hardship
- ▶ increase all residents' resilience and access to information
- ▶ engage with our residents to promote community involvement and civic pride
- ▶ support the development of Tamworth now, and in the future
- ▶ help the local economy to grow in a way which benefits our residents and businesses
- ▶ utilise Council resources effectively
- ▶ help tackle the causes of inequality and increase opportunities for all residents and businesses
- ▶ help protect, nurture and celebrate our local heritage
- ▶ help prevent homelessness and help people access suitable housing
- ▶ help build resilient communities
- ▶ help develop and safeguard our environment and open spaces

## OUR STRATEGIC PRIORITIES FOR 2019-2022

People and Place	Organisation
 To meet housing needs through a variety of approaches and interventions	 To be financially stable
 To facilitate sustainable growth and economic prosperity	 To ensure our employees have the right skills and culture to help our residents, visitors and businesses
 To work collaboratively and flexibly to meet the needs of our communities	 To ensure our service delivery is consistent, clear, and focused
 To create a new and developing vision for the continued evolution of Tamworth, including a town centre fit for the 21st century	 To ensure our decisions are driven by evidence and knowledge

# The Assurance Framework

The diagram below shows how the Assurance Framework is made up



## **What have we done to monitor and evaluate the effectiveness of our governance arrangements during 2019/20.**

The Authority has the responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the system of internal control is informed by:

- The work of Internal Audit which is detailed in the Head of Audit & Governance's Annual Report.
- Responsibility of Corporate Management Team for the development and maintenance of the internal control environment.
- Reports received from our External Auditors and any other review agencies or inspectorates.

During 2019/20, the following actions have contributed to the evaluation of the effectiveness of the governance arrangements:

- The Code of Corporate Governance, set out in line with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, has been reviewed and updated.
- The Head of Audit & Governance reports to the Audit & Governance Committee on a quarterly basis and provides an opinion on the overall effectiveness of the system of internal control based upon the work completed. The statement for the 2019/20 financial year is as follows.  
"I am satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of the organisation's risk management, control and governance processes. Overall in my opinion, based upon the reviews performed during the year, the Authority has:
  - ✓ adequate and effective risk management arrangements;
  - ✓ adequate and effective governance; and
  - ✓ adequate and effective control processes.
- Our External Auditors report to each Audit & Governance Committee. In their Annual Audit Letter (2018/19), they gave an unqualified opinion on the Statement of Accounts and an unqualified conclusion in respect of the Authority securing economy, efficiency and effectiveness.
- The Corporate Risk Register is owned and reviewed on a quarterly basis by the Corporate Management Team and reported in the Quarterly Health Check to Cabinet. It is also reported in the risk management update to the Audit & Governance Committee. There were no significant risks on the Corporate Risk Register during 2018/19, however the changing risk landscape post Covid-19, will be an area of risk focus moving into 2020/21.
- Managers Assurance Statements have been completed by Executive Directors and Assistant Directors and have not identified any significant control issues.
- Financial Guidance and Financial and Contract Procedure Rules are reviewed on a regular basis, the latest review being approved by the Audit & Governance Committee in June 2019, subject to the full review of the constitution which has been completed

and is expected to go to Full Council in September 2020 (due to interruptions in the usual Council and Committee schedule arising from Covid-19).

- The Chief Finance Officer and Head of Internal Audit & Governance are suitably experienced and qualified and comply with the CIPFA Statements on their respective roles.
- No issues were raised through the Counter Fraud and Corruption and Whistleblowing Policies.
- There were no data security breaches/lapses during the financial year.
- Internal Audit are required to comply with the Public Sector Internal Audit Standards. As part of this requirement, Internal Audit are required to complete an annual self-assessment against the Standards and produce a Quality Assurance & Improvement Programme(QAIP) which identifies areas for improvement both to ensure compliance with the Standards and other quality areas. The self-assessment against the standards and the QAIP are reported to the Audit & Governance Committee.
- The Ombudsman report on the enquiries and complaints received in 2018/19 was reported to the Audit & Governance Committee in October 2019.
- The Performance Management Framework ensures that the Financial Health Check is reported to Cabinet on a quarterly basis and made readily available on the Authority's website.
- The Authority is currently compliant with the PSN Code of Connection. The compliance process includes assessments against governance, service management and information assurance conditions and assures access to the Public Services Network. Our current compliance certificate expires in October 2020, the renewal process will be started prior to that to ensure continuity of PSN services.
- A quarterly update report is presented to the Audit & Governance Committee on the use of RIPA powers. During 2018/19, no RIPA authorisations were made.
- To assist in a more co-ordinated approach to managing projects, a Corporate Project Management template and process is now in place.
- A self-assessment of the Audit & Governance Committee's effectiveness was completed in February 2020.
- The Chairs of the Audit & Governance and Scrutiny Committees submitted their Annual Reports to Full Council.
- The Authority complies with the Transparency Code.
- Counter fraud work continues to be completed with the retained expertise of in-house staff to investigate corporate fraud.
- Internal Audit completes an annual assessment of the risk of fraud which is reported to the Audit & Governance Committee. Assessments against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption, the Fighting Fraud & Corruption Strategy & Checklist have been completed. Having considered all of the principles, we are satisfied that the Authority has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.
- In compliance with the Localism Act 2011, a report was presented to Full Council in May 2019 advising them of the number of complaints received regarding Members Conduct.
- The review of the Constitution and Scheme of Delegation was approved by Council in May 2019. It has been refreshed again and is due to go to Council in September 2020.

- The Anti-Money Laundering Policy was reviewed and approved by the Audit & Governance Committee in November 2019.
- The Diversity & Equalities Scheme 2015-19 was approved by Cabinet in July 2017, the formal review is underway, but has been delayed due to COVID-19, this review will be complete by August 2020. The Pay Policy 2018 was approved by Council in July 2019.
- The authority has continued to progress implementation of the organisation's response to the General Data Protection Regulations (GDPR). The Data Protection Officer continues to raise its awareness of GDPR across the authority. As part of wider IT Governance work, policies and procedures have been reviewed or are being developed to meet our obligations under the GDPR and to ensure a robust governance framework is in place for our ICT systems and information assets. The Information Security Policy has been rolled out across the authority with this becoming a mandatory requirement for new starters. The authority's Corporate Privacy Notice along with Departmental Fair Processing Notices have been developed with reviews being undertaken when necessary. Information on our website has been reviewed and is due to be updated with guidance to support our customer's rights of access to their data. Work is progressing with suppliers to ensure the security and compliance of personal data held within our software systems. A programme of cyber security training has been completed across the authority with further bite size communications to be issued over the coming months.
- Partnership working arrangements continue to strengthen and further develop with both our statutory and community and voluntary sector partners. We value our community and voluntary sector and the work they do within our community. In 2019/20 we continued award grants through our Community and Voluntary Sector Grant Programme, Sports, Festive, business and Arts Grant Programme. Full details can be found on our website:  
[https://www.tamworth.gov.uk/sites/default/files/misc\\_docs/Grants\\_2019-20.pdf](https://www.tamworth.gov.uk/sites/default/files/misc_docs/Grants_2019-20.pdf)
- Through the Staffordshire Commissioner's Office Locality Deal Funding the Community Safety Partnership, various organisations were funded. A total of £63,954 was allocated to address domestic abuse, hate crime and social isolation. Diversionary holiday schemes also took place and the Summer Space Scheme funded 4 organisations a total of £14,407.80.
- The Place Based Approach continues to grow and further develop; this is a collaborative partnership approach that uses multi skilled teams, universal services, voluntary sector organisations, and communities at the right time to improve outcomes for children, young people, vulnerable people and our community. As part of this Place Based Approach we have been working in partnership to identify community and voluntary sector organisations that can offer children, families and vulnerable people help and support at the earliest opportunity. Grant funding has been awarded to the value of £30,000 for community projects during 2019/20 and 2020/21.
- Financial resilience is and has been the key requirement for local authorities at any time, but in the current crisis it has assumed unprecedented importance. Perhaps the biggest difficulty with the pandemic is that there is no certainty about time scales; it is impossible to draw any conclusions about how long it will continue to impact on and the lasting effect for the Councils finances. During the Covid-19 crisis the Council will have lost income and other resources which will significantly impact on the potential sustainability of the organisation and the impact is likely to be long term, as will be the case across many Local Government organisations. Whilst the full extent of this

cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy.

- The Authority has both a moral and legal obligation to ensure a duty of care for children and adults with care and support needs across its services. We are committed to ensuring that all children and adults with care and support needs are protected and kept safe from harm whilst engaged in services organised and/or provided by the Council. We do this by:
  - Having a Safeguarding Children & Adults at Risk of Abuse & Neglect Policy and procedures in place;
  - Having Safeguarding Children & Adults Processes which give clear, step-by-step guidance if abuse is identified;
  - Safeguarding training programme in place for staff and members;
  - Carrying out of the appropriate level of Disclosure and Barring Service (DBS) checks on staff and volunteers;
  - Working closely with Staffordshire Safeguarding Children's Board & Staffordshire & Stoke-on-Trent Adult Safeguarding Partnership; and Staffordshire Police.
- The Authority recognises that it has a responsibility to take a robust approach to slavery and human trafficking. In addition to the Authority's responsibility as an employer, it also acknowledges its duty as a Borough Council to notify the Secretary of State of suspected victims of slavery or human trafficking as introduced by section 52 of the Modern Slavery Act 2015. The Authority is committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking. The Authority has included modern slavery and human trafficking information within the corporate safeguarding policy and training. The Council will continue to develop and strengthen its approach to modern slavery and trafficking in 2019/20. The Tamworth Vulnerability Partnership continues to meet each morning to ensure that partner organisations are working together to coordinate efforts to support children, young people, families and vulnerable people across Tamworth.
- Finally, full Council in March 2019 approved urgency provisions regarding governance for urgent decision making in light of the Covid-19 crisis and the Council has gone on to fully adopted the provisions included within the Regulations for The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, by holding virtual meetings from June 2020.

## **Declaration**

We have been advised on the implications of the result of the review of the effectiveness of the Governance Framework by the Audit & Governance Committee and that the arrangements continue to be regarded as fit for purpose. The issues which remain outstanding from previous years' Annual Governance Statements are detailed at **Annex 1** with actions to address them. No additional governance issues were highlighted during 2019/20. Other minor issues highlighted through the assurance gathering process have been noted with planned actions to address these issues. Monitoring of the completion of all these issues will be completed through reporting to the Audit & Governance Committee.

We propose over the coming year to take steps to address those matters raised to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operations as part of our next review.

Signed

D Cook

A Barratt

Leader

Chief Executive

Date

On behalf of the Authority

## Significant Governance Issues

The significant governance issues identified in relation to previous iterations of our Annual Governance Statement, which remained significant issues for us during 2019/20 and are detailed below:

No	Issue	Previous Action	Update 2019/20
1	<p><b>Medium Term Financial Strategy (MTFS)</b></p> <p>Whilst actions have been taken to ensure that the MTFS remains balanced, this is still a significant risk to the Authority. Revenue Support grant will be removed around 2020. Opportunities and risks associated with the 100% Business Rates Retention will need to be identified. The increasing demands of our customers also need to be considered.</p>	<p>Work is continuing on a number of actions to address the financial position in future years:</p> <ul style="list-style-type: none"> <li>• Delivering Quality Services Project – the demand management approach to shift demand to more efficient methods of service delivery – online and automation (Interactive Voice Response). A savings target of £100k p.a. has already been included within the MTFS together with reduced CRM costs of £62k p.a. from 2019/20;</li> <li>• Recruitment freeze – where possible, temporary 12 month</li> </ul>	<p>When the budget and MTFS were approved in February 2020, future levels of funding for the Council were uncertain pending the most significant changes in Local Government funding for a generation. The reforms were planned to be in place by 2020/21 but were deferred until 2021/22.</p> <p>Following the period of lockdown to counter the Covid-19 pandemic, there are now questions over the timing (and likely period) of the planned Spending Review and the Government has confirmed that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. In addition, the next planned national Business Rates Revaluation, planned for 2021 will take effect from</p>

No	Issue	Previous Action	Update 2019/20
		<p>appointments are now only being made; there is a robust challenge / re-justification process in place for all vacant posts with a requirement to investigate alternative options including restructuring to fill vacancies / looking at what we can stop doing. This means we have the opportunity to increase the vacancy allowance from 5% to 7.5% c. £45k p.a. year on year for the General Fund (£14k p.a. – HRA); It should be noted that staffing in some services e.g. planning, are key to the delivery of the Council's economic growth agenda and have significant demand from the public and local businesses but can also experience severe recruitment difficulties – which may lead to the use of market supplements to attract staff.</p> <ul style="list-style-type: none"> <li>• Spend freeze – Managers have previously been required to</li> </ul>	<p>2022.</p> <p>The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth of £2m p.a. (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement. It is also the Government's intention to look again at the New Homes Bonus for 2021/22 and explore the most effective way to incentivise housing growth. They planned to consult widely on proposals prior to implementation.</p> <p>In the longer-term, the Government remains committed to reform and want to take time to work with local authorities to make sure that the approach is right.</p> <p>Service provision, in the main, has continued through workable day-to-day agile working policies. It's also the case that a large proportion of income comes in automatically by way of direct debits. The pandemic's timing at the very end of the financial year is, in part, helpful as most taxation income was already collected for 2019/20.</p>

No	Issue	Previous Action	Update 2019/20
		<p>restrict / limit spending to essential spend only (there was a £1.6m underspend in 2016/17 – although the majority was windfall income, c. £0.57m was lower level underspend). Savings of over £150k p.a. have been included within the MTFS;</p> <ul style="list-style-type: none"> <li>• Alternative investment options arising from the Commercial Investment Strategy (as well as the Treasury Management Investment Strategy, including any prudential borrowing opportunities) to generate improved returns of c. 5% p.a. (plus asset growth) including: <ul style="list-style-type: none"> <li>○ Set up of trading company to develop new income streams;</li> <li>○ Local investment options – Lower Gungate / Solway Close development including the potential to</li> </ul> </li> </ul>	<p>Government has provided additional funding of c.£0.9m (from the national allocation of the £4.3bn to Local Government). However, the funding is still very unlikely to be sufficient and the LGA and SDCT will continue to lobby and provide evidence to MHCLG of the income and expenditure pressures that Council's face.</p> <p>Financial resilience is and has been the key requirement for local authorities at any time, but in the current crisis it has assumed unprecedented importance. Perhaps the biggest difficulty with the pandemic is that there is no certainty about time scales; it is impossible to draw any conclusions about how long it will continue to impact on and the lasting effect for the Councils finances.</p> <p>During the crisis the Council will have lost income and other resources which will significantly impact on the potential sustainability of the organisation and the impact is likely to be long term, as will be the case across many Local Government organisations. Whilst the full extent of this cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy.</p>

No	Issue	Previous Action	Update 2019/20
		<p>drawdown funding from the Local Growth Fund / Local Enterprise Partnerships (GBS and Staffordshire);</p> <ul style="list-style-type: none"> <li>○ Investments in a Diversified Property Fund;</li> </ul> <p>Note: these would represent long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs).</p> <ul style="list-style-type: none"> <li>• Review of reserves / creation of fund for transformation costs (if needed), and</li> <li>• Targeted Savings – to identify potential areas for review in future years.</li> </ul> <p>Uncertainty remains over the work progressing with regard to business rates retention (and the associated impact on the Council's business rates</p>	<p>Work is also continuing on a number of actions to address the financial position in future years:</p> <ul style="list-style-type: none"> <li>• Recruitment freeze – there is a robust challenge / re-justification process in place for all vacant posts with a requirement to investigate alternative options including restructuring to fill vacancies / looking at what we can stop doing;</li> <li>• Spend freeze – A review of the underspend position is undertaken annually with a view to drive out as many savings as possible. In addition, it has been recommended that there is an immediate suspension of all non-essential spending and that the budget be revised to remove these budgets following the preparation the first quarterly monitoring report. Managers were required to review their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020.</li> <li>• Alternative investment options to generate improved returns of c. 4% to 5% p.a. (plus asset growth);</li> <li>• Review of reserves (including ensuring adequate provision for the funding uncertainties) / creation of fund for</li> </ul>

No	Issue	Previous Action	Update 2019/20
		<p>income and associated baseline and tariff levels) – it has recently been announced that Councils will be able to retain 75% of business rates collected from 2020/21 rather than 100% as previously planned. In addition, the Government are also consulting on a review of the distribution methodology, the ‘Fair Funding Review’ as well as the planned Business Rates Reset (when a proportion of the growth in business rates achieved since 2013/14 will be redistributed) - both of which will also take effect from 2020/21. <b>There is a high risk that this will have a significant effect on the Council’s funding level from 2020/21;</b></p>	<p>transformation costs (if needed);</p> <ul style="list-style-type: none"> <li>• Targeted Savings – to identify potential areas for review in future years; and</li> <li>• Review and rationalisation of IT systems.</li> </ul>
2	<p><b>Regeneration/Capital Projects</b></p> <p>The Authority needs to ensure that capital projects are managed effectively to ensure that they are delivered and grant monies are spent appropriately and</p>	<p>Significant re-profiling of capital scheme spend is forecast for 2017/18 into 2018/19 – c.£20m relating mainly to Housing Regeneration Schemes, works to High Rise flats and the works at the Assembly Rooms.</p>	<p>Re-profiling of capital scheme spend from 2019/20 into 2020/21 is forecast at c. £21m (c.£39m 2018/19) relating mainly to Housing Regeneration Schemes, Acquisitions and Commercial Investments.</p>

No	Issue	Previous Action	Update 2019/20
	<p>timely.</p> <p>There is a risk that developers will not develop timely in accordance with the Local Plan need.</p>	<p>The majority of this is beyond the control of the Council and has been forecast with the reasons understood.</p> <p>It is anticipated that this spend will now occur during 2018/19 with firm plans in place for such but the situation will be closely monitored and any potential issues will be highlighted at the earliest opportunity.</p> <p><b>Review of Asset Holdings and Asset Management Plan</b></p> <p>The Council's Asset Management Plan will be reviewed on an ongoing basis. This will identify any assets held by the Council that are no longer either required or fit for purpose and appropriate recommendations made regarding retention for alternative use or disposal.</p> <p>The Corporate Asset Management Strategy was last updated in 2015 relating to the following assets:</p>	<p>It is anticipated that this spend will now occur during 2020/21 but the situation will be closely monitored and any potential issues will be highlighted at the earliest opportunity.</p> <p>As part of the MTFs, Council in February 2020 approved the updated Capital Strategy which sets out the Council's approach to capital investment and the approach that will be followed in making decisions in respect of the Council's Capital assets.</p> <p>Capital investment is an important ingredient in ensuring the Council's vision is achieved and given that capital resources are limited it is critical that the Council makes best use of these resources – including the development of a long term strategic plan to address the identified maintenance and repairs backlog for corporate assets.</p> <p>It is recognised that significant further work is required in this area in order to deliver a robust capital strategy, in 2020/21, the Asset Management Plan is to be reviewed and updated, with an up to date stock condition survey (with appropriate budget provision approved within the MTFs). This should set out the detailed capital resources/expenditure required to maintain assets, together with the associated timeframe, to inform</p>

No	Issue	Previous Action		Update 2019/20
		<b>Asset Description</b>	<b>Value (31/03/15)</b>	<p>options appraisal and feed into the capital strategy for ASSG/CMT review of potential schemes.</p> <p>The Tinkers Green and Kerria regeneration project is progressing with anticipated completion during 2020.</p>
Investment Properties	£14,588,052	Land and Buildings	£6,537,500	
<b>Total</b>	<b>£21,125,552</b>	<p>It details an estimated 10 year maintenance cost for each asset (<b>totalling c.£8m</b>) based on the inspections that had been undertaken.</p> <p><b>Long Term Strategic Plan</b></p> <p>It has been identified that the Council, through the Corporate Capital strategy and through the development of a long term strategic plan, needs to take a longer-term view of the assets required to deliver its Corporate Plan priorities and to support its Medium Term Financial Strategy (MTFS), including spend required (and associated potential funding streams) to address the identified maintenance and repairs backlog for corporate assets.</p>		

No	Issue	Previous Action	Update 2019/20
3	<p><b>Welfare &amp; Benefit Reform</b></p> <p>There is a risk of reduced income corporately due to welfare reform changes (including council tax support scheme and Universal Credit with further austerity measures from the Welfare reform Act 2015). As well as the potential for reduced income and an increase in bad debts, there are additional impacts arising from increased needs in services – eg homelessness, requirement for additional support to vulnerable people, increased issues of ASB etc meaning an increase in demand on 3<sup>rd</sup> sector and statutory agency services.</p>	<p>The Authority will continue to proactively manage and monitor corporate income levels on a monthly basis and report this to CMT. Staff will be trained to deal with the impact and we will be commissioning 3<sup>rd</sup> sector support as well as providing additional resources in key service areas. In addition, we will provide financial advice and support for vulnerable clients.</p>	<p>The Council has experienced an impact from Welfare Benefit Reform and is able to evidence an increase in rent arrears to the implementation of Universal Credit. A Corporate Working Group has been established to ensure an organisation wide approach and the Council has been pro-active in seeking positive working relationships with DWP. The issue has been the subject of examination by the Council's scrutiny committees. Any impact in relation to homelessness has been less apparent and the Council has been successful in its proactive approach to implementation of the Homelessness Reduction Act and has achieved a significant reduction in the use of bed and breakfast accommodation thereby reducing costs and social harm.</p> <p>Income levels have been largely maintained without reduction in 2019/20 (due to the mitigations put in place) however, the Covid-19 crisis likely to now have a significant effect on future income and welfare spending (which we cannot quantify at the moment).</p> <p>Work is being commissioned around corporate debt to secure a one council approach focusing on not</p>

No	Issue	Previous Action	Update 2019/20
			<p>only the management of multiple debt households but seeking to understand how resources are better aligned to secure VFM.</p> <p>A corporate task and finish group is being established around vulnerability which will map base line data to support forecasting around likely impacts which will then inform actions.</p>

# TAMWORTH BOROUGH COUNCIL

## CODE OF CORPORATE GOVERNANCE 2019/2020

### Introduction

Good Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

The International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the “International Framework”), states that:

*To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times.*

*Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.*

### Our Commitment

The Authority is committed to upholding the highest possible standards of good corporate governance, as good governance leads to high standards of management, strong performance, effective use of resources, increased public involvement and trust in the Council and ultimately good results.

Good governance flows from shared values, culture and behaviour and from sound systems and structures. This Code of Corporate Governance is a public statement which sets out the framework through which the Council meets its commitment to good corporate governance and is based on the following principles;

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity’s capacity of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

This Code describes how the Council demonstrates its commitment to these seven principles and indicates what the Council has completed to achieve the commitment. It shows our own governance structure underpinned by the principles and demonstrated how we operate effectively.

**Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Supporting Principle	Ensuring members and officers behave with integrity and lead culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.
What Assurance Do We Want	Codes of Conduct Individual sign off with regard to compliance with code Induction for new members and staff on standard of behaviours expected Performance appraisals
What Assurance Do We Get	<p>There is a Members' Code of Conduct which forms part of the <a href="#">Constitution</a> and is approved on an annual basis. Each member is required to sign two copies of the Code, retain one for themselves and one is held by Democratic Services. The Code of Conduct for employees is also in the <a href="#">Constitution</a>. Members' are required to sign up to the Code of Conduct at the time they are elected to office. The Code of Conduct for officers is issued to employees on an annual basis.</p> <p>There is a protocol for Member/Officer relations detailed in the Constitution.</p> <p>The <a href="#">Constitution</a> details Rules of Procedures for Committee meetings. Codes and protocols are also included in the Gifts &amp; Hospitality Policy and Register of Interests.</p> <p>Key Officers and Members are required to complete an annual disclosure regarding any related party interests as part of the annual statement of accounts process.</p> <p>There are a set of mandatory training requirements for all officers, which are delivered by either e-learning or face to face sessions.</p> <p>Members have at least one training event each year which relates to Conduct. They have access to the Monitoring Officer at all times.</p> <p>Other protocols included in the Constitution relate to Pre-Election, Member involvement in Commercial Transactions, use of Council facilities, printing and postage, Dealing with Planning Matters and Monitoring Officer Protocol.</p> <p>The Audit and Governance Committee remit includes review of Standards of Conduct for Members as required by the Localism Act 2011 – reports are produced to the Audit and Governance Committee.</p> <p>There is a Chief Officer conduct committee and a Statutory Officer conduct committee.</p> <p>There is an E-induction programme in place which was launched in May 2019.</p> <p>A members' induction programme took place in May 2019 for the intake of newly elected members and for the new member elected following a by-election in December 2019. Due to the Covid-19 restrictions, no elections took place in May 2020. The members' induction process will commence following the restoration of local elections anticipated for May 2021.</p>

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	A new personal development review process was rolled out during 2019, which incorporates Corporate Values and Behaviours. This is being reviewed again in 2020.
What is missing	Nothing identified
Supporting Principle	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).
What Assurance Do We Want	Communicating shared values with members, staff, the community and partners.
What Assurance Do We Get	<p>The Members Code of Conduct is built upon the Seven Principles of Public Life. The Code of Conduct is included in the <a href="#">Constitution</a>.</p> <p>The Vision for Tamworth is underpinned by high level, evidence based priorities that focus upon both Tamworth (the place), the communities served (the people) as well as the Council (the organisation). It is through the Corporate Plan that these aspirations and expectations will be achieved. The scale, scope and timescale relating to these outcomes presents the Council with a challenging yet achievable task over the forthcoming years, particularly now in light of the challenges posed by Covid-19.</p> <p>It is important to note that whilst the plan focuses upon delivering against the 3 Thematic Priorities, the Council must also ensure that the wide range of day-to-day operational and support services continue to be delivered to a consistent and efficient standard. In doing so, it demonstrates how “Delivering Quality Services” both connects and underpins our Thematic Priorities.</p> <p>The <a href="#">Corporate Plan</a> identifies that we will prioritise the development of clear standards of service across the organisation and will further develop our approaches to measure and respond quickly to customer intelligence and levels of satisfaction together with the revision of the Organisational and People Strategy that ensures the organisation is focused on the future.</p> <p>In addition to the activity planned for the Tamworth Listens process / State of Tamworth debate, consultation is planned to gauge residents’, business and other core stakeholders’ views on the Council’s priorities to achieve the ‘Vision’ considering areas of spending or where savings could potentially be made.</p> <p>The consultation is carried out through a range of activities, including online surveys, workshops etc. A survey that is tailored for businesses, a full survey aimed at residents and a survey that is tailored for the voluntary and community sector. The online residents survey is promoted using social networking/media sites and through email contact databases. The business survey is promoted through business social networking sites and business email contact databases. The voluntary and community sector survey is promoted through email contact databases. Implementation of an updated Customer Service strategy has been delayed as it is being further developed to support the move to more efficient ways of working and a more accelerated move to digitalisation.</p>

What is missing	Nothing identified
Supporting Principle	Leading by example and using these standard operating principles or values as a framework for decision making and other actions.
What Assurance Do We Want	Decision making practices Declaration of interests made at meetings Conduct at meetings Shared values guide decision making Develop and maintain an effective standards committee
What Assurance Do We Get	Rules of procedure for Committee meetings detailed in the <a href="#">Constitution</a> . Report format set out to ensure key information is provided to Members to inform decision making. Declarations of interests completed at all <a href="#">Committee meetings</a> and recorded on the website. <a href="#">Annual declarations</a> made by members – register of Interests. Nolan principles (values) detailed with the Code of Conduct. The <a href="#">Audit &amp; Governance Committee</a> takes on the role of Standards Committee and independent members sit on the Committee for Standards matters. Monitoring Officer dedicated to member issues with early intervention and resolution practised leading to good Member/Officer relationships. The Council's commitment to equality and diversity is demonstrated in its policy and plan (2015-19), which will be updated and implemented by December 2020.
What is missing	Nothing identified
Supporting Principle	Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.
What Assurance Do We Want	Anti-fraud and corruption policies are working effectively Up-to-date register of interests (members and staff) Up-to-date register of gifts and hospitality Whistleblowing policies are in place and protect individuals raising concerns Whistleblowing policy has been made available to members of the public, employees, partners and contractors Complaints policy and examples of responding to complaints about behaviour Changes/improvements as a result of complaints received and acted upon Members and officers code of conduct refers to a requirement to declare interests Minutes show declarations of interest were sought and appropriate declarations made. As part of our approach to service delivery we will:

	<ul style="list-style-type: none"> <li>• Improve our use of ‘insight’ in shaping services and directing investment;</li> <li>• Better align service delivery to ensure we act with purpose and are accountable;</li> <li>• Support the Demand Management model with prevention approaches which seek to tackle causes and reduce costs;</li> <li>• Develop approaches which genuinely ‘empower’ individuals and communities;</li> <li>• Support a transformed dialogue with residents - recognising that our financial capacity will be less than in previous years which means educating and supporting communities to focus resources on ‘needs’ and being clear on what we are able to do and equally what we can’t.</li> </ul>
What Assurance Do We Get	<p><a href="#">The Counter Fraud and Corruption Policy Statement, Strategy &amp; Guidance Notes</a> are reviewed and updated on a regular basis. They are approved by the <a href="#">Audit &amp; Governance Committee</a>. The Policy is made available on the intranet and promoted to all staff via annual fraud awareness campaigns. One was held in November 2019.</p> <p>All staff and members are required to register their interests.</p> <p><a href="#">Members interests</a> are made public on the website.</p> <p>Gifts and hospitality register is maintained by the Monitoring Officer. Regular reminders are sent to Members and Officers on the requirement to Register Gifts &amp; Hospitality, the last one being sent in December 2019.</p> <p>The <a href="#">Whistleblowing Policy</a> is reviewed and updated on a regular basis and made available on the intranet.</p> <p>The <a href="#">Tell Us Policy</a> is made available on the website and details the comments, complaints and complements process. The next scheduled review of the Tell Us process, contained within the Customer Services Business Plan, will be completed and implemented by December 2020.</p> <p>Codes of Conduct require members and officer to declare interests.</p> <p><a href="#">Committee meeting minutes</a> detail declarations made.</p> <p>Ombudsman Investigations are reported to Audit &amp; Governance Committee.</p> <p>There is an Anti-Money Laundering Policy in place that was reviewed and approved in November 2019 by the Audit &amp; Governance Committee.</p>
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What is missing	Nothing identified
Supporting Principle	Seeking to establish, monitor and maintain the organisation’s ethical standards and performance
What Assurance Do We Want	Scrutiny of ethical decision making Championing ethical compliance at governing body level
What Assurance Do We Get	<p>The Council has in place three <a href="#">Scrutiny Committees</a> – Corporate, Health &amp; Wellbeing and Infrastructure, Safety &amp; Growth which provide effective scrutiny to the achievement of the strategic priorities. The <a href="#">Scrutiny Committees</a> join together to scrutinise the Budget.</p> <p>The Scrutiny Committees have the right to “call in” decisions made by the Executive. The Scrutiny Committees make use of the Forward Plan to shape projects and improve accountability and decision</p>

	<p>making. The Scrutiny Committee function is currently being reviewed for effectiveness by the Constitution Working Group.</p> <p>Agendas and minutes for the <a href="#">Scrutiny Committees</a> are made available on the Council's website and reported to the <a href="#">Full Council</a>.</p> <p>Each Chair of the Scrutiny Committee reports annually to Full Council.</p> <p>The role of scrutiny has been enhanced with their monitoring and scrutiny of organisational performance on a regular basis. Training will continue as required for members to improve effectiveness</p> <p>There is an Audit and Governance Committee with the roles as required by the CIPFA/Solace framework (as well as the Standards function).</p> <p>The Constitution Working Group, made up of cross party representatives, meets to review the Constitution.</p> <p>The Deputy leader of the Council and Portfolio Holder for Assets &amp; Finance is the Governance lead in the Authority.</p> <p>Corporate Values and Behaviours have been rolled out to staff.</p>
What is missing	Nothing identified
Supporting Principle	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation
What Assurance Do We Want	Provision of ethical awareness training
What Assurance Do We Get	<p>Members receive induction training which covers expected behaviours and ethics.</p> <p>Complaints received about Members Conduct are administered by the Monitoring Officer. Following the Localism Act, the Standards Committee has been abolished. Issues in relation to Members Standards of Conduct are now operated in terms of the Localism Act 2011. A procedure approved by Council is in place which outlines the process to be followed in relation to complaints of members conduct. It also provides the procedure for complaints that are to be dealt with by the <a href="#">Audit &amp; Governance Committee</a>. An Independent Person is in place and has been provided with training on the function. A recruitment process is planned shortly to recruit further Independent Members.</p> <p>Training is provided on a regular basis for Equalities (MERIT);</p> <ul style="list-style-type: none"> <li>• Safeguarding;</li> <li>• Data Protection /GDPR/FOI</li> <li>• Health and Safety.</li> </ul>
What is missing	Nothing identified
Supporting Principle	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.
What Assurance Do We Want	<p>Appraisal processes take account of values and ethical behaviour</p> <p>Staff appointments policy</p> <p>Procurement policy</p>

What Assurance Do We Get	<p>PDR's take into account corporate priorities. The PDR process identifies training needs required by the officer for continued professional development and in order to deliver the vision and priorities of the Authority. New and vacant post procedure in place.</p> <p>Recruitment processes are carried out by trained officers.</p> <p>Procurement Policy in place which requires compliance standards that apply to procurement, including:</p> <ul style="list-style-type: none"> <li>• Compliance with National and European legislation; all procurement will be undertaken in accordance with UK and European statutes and regulations;</li> <li>• Financial regulations external and internal; all procurement will be undertaken in accordance with the Council's Standing Orders and Financial Regulations;</li> <li>• Health &amp; Safety standards;</li> <li>• Environmental Impact and Sustainability; the Council will aim to procure from suppliers and to use goods and services which have the least impact on the environment and minimise energy consumption whilst maintaining quality and value for money;</li> <li>• Equality and Diversity – the Council is committed to eliminating inequalities in all areas of activity including procurement, and the procurement process will not discriminate on the grounds of age, disability, gender, race, religion or sexuality;</li> <li>• Safeguarding Children &amp; Adults at Risk of Abuse &amp; Neglect standards.</li> <li>• Under the provisions of the Social Value Act, officers are required to consider social value issues in the procurement of major works or services i.e. impact on local labour, local economy/businesses, apprenticeships etc.</li> <li>• Under the requirements of the Modern Slavery Act 2015, suitability questionnaires for tenderers need to be completed to ensure that the commercial organisations confirm that they are compliant with the annual reporting requirements contained with Section 54 (transparency in supply chains etc.) of the Act.</li> </ul>
What is missing	Nothing identified
Supporting Principle	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.
What Assurance Do We Want	<p>Agreed values in partnership working:</p> <ul style="list-style-type: none"> <li>- Statement of business ethics communicates commitment to ethical values to external suppliers</li> <li>- Ethical values feature in contracts with external service providers.</li> </ul> <p>Protocols for partnership working</p>
What Assurance Do We Get	<p><a href="#">Conditions of contract</a> for provision of service details bribery and corruption. This is available on the website Partnership arrangements in place, designed to help the Council work with its partners to ensure that all partnerships have good systems of governance. The Seven Principles of Public Life are detailed within the <a href="#">Counter Fraud &amp; Corruption Policy Statement, Strategy &amp; Guidance Notes</a>. They are also detailed in the</p>

	Members Code of Conduct.
What is missing	Nothing identified
Supporting Principle	Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.
What Assurance Do We Want	Statutory provisions Statutory guidance is followed Constitution
What Assurance Do We Get	The Authority receives legal advice via the shared Legal Service of Lichfield District, South Staffordshire District and Tamworth Borough Councils. This shared arrangement was implemented during 2019/20. Monitoring Officer and Section 151 Officer roles in place – review key decisions for legal and financial compliance. Legal updates from officers regarding changes to legislation, regulations, codes of practice, etc. are provided. Statutory guidance is followed by all services. The <a href="#">Constitution</a> , which includes the Scheme of Delegation to Officers is reviewed and approved annually by Full Council. Any substantial amendments required are approved by the Full Council. Quarterly ‘statutory officers’ meetings are held with the Chief Executive. Early in 2020, the provisions of the Coronavirus Act 2020 were implemented, including the requirement to hold Council and Committee meetings remotely under the associated new Regulations.
What is missing	Nothing identified
Supporting Principle	Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.
What Assurance Do We Want	Job descriptions/specifications Compliance with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2015) Terms of reference Committee support
What Assurance Do We Get	Job descriptions and personal specifications in place Compliance with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government Statutory officers terms of reference detailed with the <a href="#">Constitution</a> Democratic support provided for Committee including a Scrutiny Officer to support Members.
What is missing	Nothing identified
Supporting Principle	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders
What Assurance Do We Want	Record of legal advice provided by officers
What Assurance Do	Details of legal advice provided to officers is maintained where appropriate and an electronic file created.

We Get	Officers have the relevant training in their service sector appropriate to their position to ensure advice provided to citizens is correct, relevant and accurate. Committee reports require legal implications to be identified as part of the decision making process. All Cabinet Reports are approved by the Monitoring Officer and the S151 Officer.
What is missing	Nothing identified
Supporting Principle	Dealing with breaches of legal and regulatory provisions effectively
What Assurance Do We Want	Monitoring officer provisions Record of legal advice provided by officers Statutory provisions
What Assurance Do We Get	Officers receive legal advice as required from the shared legal services arrangement. There is a designated Monitoring Officer for member issues. Committee reports require legal implications to be identified as part of the decision making process. Statutory provisions are followed and preserved.
What is missing	Nothing identified
Supporting Principle	Ensuring corruption and misuse of power are dealt with effectively.
What Assurance Do We Want	Effective anti-fraud and corruption policies and procedures
What Assurance Do We Get	<a href="#">The Counter Fraud and Corruption Policy Statement, Strategy and &amp; Guidance Notes</a> are reviewed and updated on a regular basis and approved by the <a href="#">Audit &amp; Governance Committee</a> . The document is made available on the Authority's website and the Intranet and is promoted to staff. The <a href="#">Whistleblowing Policy</a> is approved on an annual basis by the <a href="#">Audit &amp; Governance Committee</a> and made available on the Authority's website and the intranet. Assistant Directors are required to complete annual assurance statements to confirm compliance or otherwise with laid down expected principles and policy.
What is missing	Nothing identified

## Core Principle B: Ensuring openness and comprehensive stakeholder engagement

Supporting Principle	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness
What Assurance Do We Want	Annual report Freedom of Information Act publication scheme Online council tax information Authority's goals and values

	Authority website
What Assurance Do We Get	<p>The Corporate Plan is published on the website</p> <p>There is a <a href="#">publication scheme</a> in place. FOI disclosures are recorded on the website.</p> <p>On-line <a href="#">Council Tax information</a> is made available – as well as published financial information in line with the Transparency Code of Practice (Accounts, budget, pay Policy etc.)</p> <p>The Authority’s goals and values are detailed in the <a href="#">performance information</a> and <a href="#">Corporate Plan</a>.</p> <p>The Vision for Tamworth ‘To put Tamworth, its people and the local economy at the heart of everything we do’ is underpinned by high level, evidence based priorities that focus upon both Tamworth (the place), the communities served (the people) as well as the Council (the organisation).</p> <p>The Vision and associated priorities was driven by Members and based upon the collection, collation and analysis of a range of information; an understanding of local issues and an awareness of key influences.</p> <p>Each service area develops a business plan with outcomes, and performance indicators linked to the vision and priorities. The website is fully functional and has available information to aid citizens.</p>
What is missing	Nothing identified
Supporting Principle	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.
What Assurance Do We Want	Record of decision making and supporting materials
What Assurance Do We Get	<p>The Forward Plan is maintained for all key decisions and follows the access to information rules and regulations regarding publication and notice.</p> <p>All <a href="#">agenda items</a> (reports) are made available on the website 5 working days prior to the meeting. Minutes are published on the website.</p> <p>All reports identify restrictions on publication.</p> <p>An Annual Report from the Leader of the Council detailing any reports that have not met the required notice is made in accordance with the Access to Information Regulations.</p> <p>The budget process aims to be open and transparent with an initial Process Plan approved in July, detailed base budget in November and Policy changes to arrive at the following year’s budget approved in February. Appropriate action is taken and relevant Notices published in terms of the access to information rules and regulations when urgent items and private items are considered.</p>
What is missing	Nothing identified
Supporting Principle	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rational and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.
What Assurance Do	Decision making protocols

We Want	<p>Report pro-formas</p> <p>Record of professional advice in reaching decisions</p> <p>Meeting reports show detail of advice given</p> <p>Discussions between members and officers on the information needs of members to support decision making</p> <p>Agreement on the information that will be provided and timescales</p> <p>Calendar of dates for submitting, publishing and distributing timely reports is adhered to</p>
What Assurance Do We Get	<p><a href="#">All decisions</a> are made in accordance with the protocol as per the Constitution.</p> <p>Report formats are set on ModGov including key information to make informed decisions.</p> <p>The report author is noted on the report.</p> <p>Cabinet reports require Monitoring Officer and Section 151 Officer sign off.</p> <p>Portfolio holders / Cabinet are required to sign off the reports before publication / consideration – following discussions / agreement.</p> <p>A <a href="#">Forward Plan</a> is produced detailing the key decisions that will be made over the following one to four months. The forward plan is published on a regular basis and at least monthly.</p> <p>A calendar of meetings is published annually.</p> <p>All Agendas and Minutes of meetings are published in accordance with statutory requirements.</p>
What is missing	Nothing identified
Supporting Principle	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/course of action.
What Assurance Do We Want	Use of consultation feedback
What Assurance Do We Get	<p>The Tamworth Strategic Partnership (TSP) brings together key local organisations from the public, private, voluntary and community sectors via a partnership coordination group. All organisations work together to address the often complicated challenges needed to improve the quality of life for Tamworth communities.</p> <p>The partnership provides a platform to discuss, debate and progress issues and it is structured to deliver our collective partnership plan. A review of the TSP was undertaken and a new terms of reference and structure was agreed at the 1<sup>st</sup> July 2019 meeting.</p> <p>The Council has invested strongly in the development of innovative and proactive collaboration across agencies and sectors and has a well-earned reputation for placing partnership at the heart of our approach.</p> <p>The approved Corporate Plan 2019-2022 contains a commitment that we consider that our ability to deliver positive outcomes for residents is enhanced by working with others and as a result we will continue to invest in the development of purposeful and meaningful partnerships. In particular we will focus on enhancing the work that we do with others to protect vulnerable people and enhance neighbourhoods.</p> <p>Various <a href="#">consultations</a> exercises are completed throughout the year. Details of the consultations are made</p>

	<p>available on the website and the results are published.</p> <p>As part of the Tamworth Listens process – a <a href="#">Tamworth Question Time</a> event takes place which a panel of local leaders attend and members of the public can ask questions. These are then fed into the State of Tamworth Debate.</p> <p>In addition to the activity planned for the Tamworth listens process / State of Tamworth debate, consultation is planned to gauge residents’, business and other core stakeholders’ views on the Council’s priorities to achieve the ‘Vision’ considering areas of spending or where savings could potentially be made.</p> <p>The consultation is carried out through 3 online surveys. A survey that is tailored for businesses, a full survey aimed at residents and a survey that is tailored for the voluntary and community sector.</p> <p>The online residents survey is promoted using social networking/media sites and through email contact databases.</p> <p>The business survey is promoted through business social networking sites and business email contact databases. The voluntary and community sector survey is promoted through email contact databases.</p> <p>Implementation of an updated Customer Service strategy has been delayed was implemented in March 2020is it is being further developed to support the move to more efficient ways of working and a more accelerated move to digitalisation. Social media channels are being used to encourage more participation.</p> <p>There is a new <a href="#">Tenant Involvement Strategy</a> (2020-24) in place and various forms of tenant involvement takes place throughout the year.</p> <p><a href="#">Statement of Community Involvement</a> in place for the Local Plan.</p> <p>There is a <a href="#">Community Safety Website</a> for the Community Safety Partnership.</p>
What is missing	Nothing identified
Supporting Principle	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably
What Assurance Do We Want	Communication strategy
What Assurance Do We Get	<p><a href="#">Tenant Involvement Strategy</a> (2020-24) in place in Housing.</p> <p>The approved Corporate Plan 2019-2022 contains a commitment for the development of a Communication Strategy that reinforces public expectation of transparency and accountability from the Council.</p> <p>One of the approved Corporate Priorities is to work collaboratively and flexible to meet the needs of our communities.</p> <p>The Council has invested strongly in the development of innovative and proactive collaboration across agencies and sectors and has a well-earned reputation for placing partnership at the heart of our approach. We consider that our ability to deliver positive outcomes for residents is enhanced by working with others and as a result we will continue to invest in the development of purposeful and meaningful partnerships. In</p>

	particular we will focus on enhancing the work that we do with others to protect vulnerable people and enhance neighbourhoods.
What is missing	Communication Strategy, Social Media Policy together with media guidelines are all currently being developed(Medium)
Supporting Principle	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.
What Assurance Do We Want	Database of stakeholders with whom the authority should engage and for what purpose and a record of an assessment of the effectiveness of any changes.
What Assurance Do We Get	One of the approved Corporate Priorities is to work collaboratively and flexible to meet the needs of our communities. The Council has invested strongly in the development of innovative and proactive collaboration across agencies and sectors and has a well-earned reputation for placing partnership at the heart of our approach. We consider that our ability to deliver positive outcomes for residents is enhanced by working with others and as a result we will continue to invest in the development of purposeful and meaningful partnerships. In particular we will focus on enhancing the work that we do with others to protect vulnerable people and enhance neighbourhoods.
What is missing	Nothing identified
Supporting Principle	Ensuring that partnerships are based on: <ul style="list-style-type: none"> <li>- Trust</li> <li>- A shared commitment to change</li> <li>- A culture that promotes and accepts challenge among partners</li> </ul> And that the added value of partnership working is explicit
What Assurance Do We Want	Partnership framework Partnership protocols
What Assurance Do We Get	Memorandum of Understanding in place with Lichfield District Council for the provision of shared services. <a href="#">Tamworth Strategic Partnership</a> in place. Local Enterprise Partnership. Combined Authority. The Council has invested strongly in the development of innovative and proactive collaboration across agencies and sectors and has a well-earned reputation for placing partnership at the heart of our approach. We consider that our ability to deliver positive outcomes for residents is enhanced by working with others and as a result we will continue to invest in the development of purposeful and meaningful partnerships. In particular we will focus on enhancing the work that we do with others to protect vulnerable people and enhance neighbourhoods.

What is missing	Nothing identified
Supporting Principle	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes
What Assurance Do We Want	Record of public consultations Partnership framework
What Assurance Do We Get	Results of Public consultations are made available on the website. <a href="#">Tamworth Strategic Partnership</a> in place. One of the approved Corporate Priorities is to work collaboratively and flexible to meet the needs of our communities. The Council has invested strongly in the development of innovative and proactive collaboration across agencies and sectors and has a well-earned reputation for placing partnership at the heart of our approach. We consider that our ability to deliver positive outcomes for residents is enhanced by working with others and as a result we will continue to invest in the development of purposeful and meaningful partnerships. In particular we will focus on enhancing the work that we do with others to protect vulnerable people and enhance neighbourhoods.
What is missing	Nothing identified
Supporting Principle	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement
What Assurance Do We Want	Communications strategy
What Assurance Do We Get	The Tamworth Strategic Partnership (TSP) brings together key local organisations from the public, private, voluntary and community sectors. All organisations work together to address the often complicated challenges needed to improve the quality of life for Tamworth communities. The partnership provides a platform to discuss, debate and progress issues and it is structured to deliver our collective partnership plan. A review of the TSP was undertaken and a new terms of reference and structure agreed at the meeting on the 1 <sup>st</sup> July 2019. A Partnership Coordination Group has been established to support joint working on key issues. Various consultations exercises are completed throughout the year. Details of the consultations are made available on the website and the results are published. One of the approved Corporate Priorities is to work collaboratively and flexible to meet the needs of our communities. The Council has invested strongly in the development of innovative and proactive collaboration across agencies and sectors and has a well-earned reputation for placing partnership at the heart of our approach. We consider that our ability to deliver positive outcomes for residents is enhanced by working with others and

<p>Page 4</p>	<p>as a result we will continue to invest in the development of purposeful and meaningful partnerships. In particular we will focus on enhancing the work that we do with others to protect vulnerable people and enhance neighbourhoods.</p> <p>Tamworth Question Time event – an annual event which a panel of local leaders attend and members of the public can ask questions. These are then fed into the State of Tamworth Debate</p> <p>In addition to the activity planned for the Tamworth Listens process / State of Tamworth debate, consultation is planned to gauge residents', business and other core stakeholders' views on the Council's priorities to achieve the 'Vision' considering areas of spending or where savings could potentially be made.</p> <p>The consultation is carried out through 3 online surveys. A survey that is tailored for businesses, a full survey aimed at residents and a survey that is tailored for the voluntary and community sector.</p> <p>The online residents survey is promoted using social networking/media sites and through email contact databases.</p> <p>The business survey is promoted through business social networking sites and business email contact databases. The voluntary and community sector survey is promoted through email contact databases.</p> <p>The Customer Service strategy is under review The Customer Service strategy is under review to be completed by March 2020. In addition, as part of the service redesign project an organisational wide approach will be developed that will regularly test customer satisfaction across all services and to use outcomes to better shape services. Social media channels are being used to encourage more participation.</p> <p>There is a Tenant Involvement Strategy in place and various forms of tenant involvement takes place throughout the year.</p> <p>Statement of Community Involvement in place for the Local Plan.</p>
<p>What is missing</p>	<p>Nothing identified</p>
<p>Supporting Principle</p>	<p>Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.</p>
<p>What Assurance Do We Want</p>	<p>Communications strategy Joint strategic needs assessment</p>
<p>What Assurance Do We Get</p>	<p>The Tamworth Strategic Partnership (TSP) brings together key local organisations from the public, private, voluntary and community sectors. All organisations work together to address the often complicated challenges needed to improve the quality of life for Tamworth communities.</p> <p>The partnership provides a platform to discuss, debate and progress issues and it is structured to deliver our collective partnership plan. A review of the TSP has been undertaken and a new terms of reference and structure agreed at their 1<sup>st</sup> July 2019 meeting.</p> <p>Various consultations exercises are completed throughout the year. Details of the consultations are made available on the website and the results are published.</p>

	<p>Citizens panel in place.</p> <p>The Council has invested strongly in the development of innovative and proactive collaboration across agencies and sectors and has a well-earned reputation for placing partnership at the heart of our approach. The approved Corporate Plan 2019-2022 contains a commitment that we consider that our ability to deliver positive outcomes for residents is enhanced by working with others and as a result we will continue to invest in the development of purposeful and meaningful partnerships. In particular we will focus on enhancing the work that we do with others to protect vulnerable people and enhance neighbourhoods.</p> <p><a href="#">Tamworth Question Time</a> event – an annual event which a panel of local leaders attend and members of the public can ask questions. These are then fed into the State of Tamworth Debate which discussed securing services for future generations</p> <p>In addition to the activity planned for the Tamworth Listens process / State of Tamworth debate, consultation is planned to gauge residents', business and other core stakeholders' views on the Council's priorities to achieve the 'Vision' considering areas of spending or where savings could potentially be made.</p> <p>The consultation is carried out through 3 online surveys. A survey that is tailored for businesses, a full survey aimed at residents and a survey that is tailored for the voluntary and community sector.</p> <p>The online residents survey is promoted using social networking/media sites and through email contact databases.</p> <p>The business survey is promoted through business social networking sites and business email contact databases. The voluntary and community sector survey is promoted through email contact databases. Social media channels are being used to encourage more participation.</p> <p>There is a Tenant Involvement Strategy in place and various forms of tenant involvement takes place throughout the year.</p> <p>Statement of Community Involvement in place for the Local Plan.</p>
What is missing	Nothing identified
Supporting Principle	Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account
What Assurance Do We Want	Communications strategy
What Assurance Do We Get	<p>The Tamworth Strategic Partnership (TSP) brings together key local organisations from the public, private, voluntary and community sectors. All organisations work together to address the often complicated challenges needed to improve the quality of life for Tamworth communities.</p> <p>The partnership provides a platform to discuss, debate and progress issues and it is structured to deliver our collective partnership plan. A review of the TSP has been undertaken and a new terms of reference and structure agreed at their 1<sup>st</sup> July 2019 meeting.</p>

	<p>The Council has invested strongly in the development of innovative and proactive collaboration across agencies and sectors and has a well-earned reputation for placing partnership at the heart of our approach. The approved Corporate Plan 2019-2022 contains a commitment that we consider that our ability to deliver positive outcomes for residents is enhanced by working with others and as a result we will continue to invest in the development of purposeful and meaningful partnerships. In particular we will focus on enhancing the work that we do with others to protect vulnerable people and enhance neighbourhoods.</p> <p>Various consultations exercises are completed throughout the year. Details of the consultations are made available on the website and the results are published.</p> <p>Citizens panel in place.</p> <p>Tamworth Question Time event – an annual event which a panel of local leaders attend and members of the public can ask questions. These are then fed into the State of Tamworth Debate</p> <p>In addition to the activity planned for the Tamworth Listens process / State of Tamworth debate, consultation is planned to gauge residents', business and other core stakeholders' views on the Council's priorities to achieve the 'Vision' considering areas of spending or where savings could potentially be made.</p> <p>The consultation is carried out through 3 online surveys. A survey that is tailored for businesses, a full survey aimed at residents and a survey that is tailored for the voluntary and community sector.</p> <p>The online residents survey is promoted using social networking/media sites and through email contact databases.</p> <p>The business survey is promoted through business social networking sites and business email contact databases. The voluntary and community sector survey is promoted through email contact databases.</p> <p>The Customer Service strategy is under review. The Customer Service strategy is under review to be completed by March 2020. In addition, as part of the service improvement project an organisational wide approach will be developed that will regularly test customer satisfaction across all services and to use outcomes to better shape services. Social media channels as well as e-enabled services are being used to encourage more participation.</p> <p>There is a Tenant Involvement Strategy in place and various forms of tenant involvement takes place throughout the year.</p> <p>Statement of Community Involvement in place for the Local Plan.</p>
What is missing	Nothing identified
Supporting Principle	Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity
What Assurance Do We Want	Processes for dealing with competing demands within the community, for example a consultation
What Assurance Do We Get	<a href="#">Tamworth Listens</a> includes consultation with residents, businesses, and the voluntary sector (including budget consultation). Promotion of the consultation exercise is completed through press releases, active promotion on the website, and through social media.

What is missing	Nothing identified
Supporting Principle	Taking accounts of the interests of future generations of tax payers and service users
What Assurance Do We Want	Reports Joint strategic needs assessment
What Assurance Do We Get	<p>Citizens panel in place.</p> <p><a href="#">Tamworth Question Time</a> event – an annual event which a panel of local leaders attend and members of the public can ask questions. These are then fed into the State of Tamworth Debate.</p> <p>In addition to the activity planned for the Tamworth Listens process / State of Tamworth debate, consultation is planned to gauge residents', business and other core stakeholders' views on the Council's priorities to achieve the 'Vision' considering areas of spending or where savings could potentially be made.</p> <p>The consultation is carried out through 3 online surveys. A survey that is tailored for businesses, a full survey aimed at residents and a survey that is tailored for the voluntary and community sector.</p> <p>The online residents survey is promoted using social networking/media sites and through email contact databases.</p> <p>The business survey is promoted through business social networking sites and business email contact databases. The voluntary and community sector survey is promoted through email contact databases.</p> <p>The Council is working closely with partners as part of the Children, Families and Vulnerable People review to share and analyse key data with the aim to develop shared priorities for the development of Early Help approaches.</p>
What is missing	Nothing identified

### **Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits**

Supporting Principle	Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators which provides the basis for the organisation's overall strategy, planning and other decisions
What Assurance Do We Want	Vision used as a basis for corporate and service planning
What Assurance Do We Get	<p>The Vision for Tamworth is underpinned by high level, evidence based priorities that focus upon both Tamworth (the place), the communities served (the people) as well as the Council (the organisation).</p> <p>It is through the Corporate Plan 2019-2022 that these aspirations and expectations are being achieved. The scale, scope and timescale relating to these outcomes presents the Council with a challenging yet achievable task over the forthcoming years, particularly now in light of the challenges posed by Covid-19.</p>

It is important to note that whilst the plan focuses upon delivering against the 3 Thematic Priorities, the Council must also ensure that the wide range of day-to-day operational and support services continue to be delivered to a consistent and efficient standard. In doing so, it demonstrates how “Delivering Quality Services” both connects and underpins the Thematic Priorities.

The Authority continues to work with others by using alternative delivery models for service provision. A Memorandum of Understanding has been adopted with Lichfield District Council to replace an existing informal arrangement for options of pursuing shared service arrangement with each other.

Every year, the Authority undertakes [consultation](#) with local people on a wide range of issues. During 2019/20, [consultation](#) was completed on the budget, Local Council Tax Reduction Scheme, ‘Tamworth – What Next?’, planning documents, local development documents and public space protection orders.

“[Tamworth Listens](#)” is another consultation exercise of which the results feed into [the “State of Tamworth Debate”](#). The consultation exercise for the 2020/21 budget process was completed to gauge residents’, business and other core stakeholders’ views on the Council’s priorities to achieve the “Vision” considering areas of spending or where savings could be potentially be made.

There are dedicated [Business Advice](#) and [Visit Tamworth](#) websites.

In terms of the Councils own housing stock and in compliance with the regulatory framework members have approved a regulatory framework ensuring tenants are plugged into the democratic process and have the opportunity to inform, share and influence key strategic decisions

The landlord regulatory framework sets out how tenants inform, scrutinise and develop services. The tenant Consultative group are constituted and their views are incorporated in to the Council’s decision making through references in reports. The Councils presents an annual report for tenants to Cabinet detailing compliance with consumer standards and reference to benchmarked HRA activity. This is evidenced through the Tenant Involvement and Consultation Strategy which gives examples of where tenants’ have been consulted regarding the decisions which affect the management and maintenance of their homes, for example, Tenants were consulted as part of the development of the new Housing Allocations Policy. As part of the Tenant participation, there are formal groups for [Tenant Consultation](#) and Tenant Involvement and several informal groups in place. [Open House](#) is now communicated by way of an e-newsletter on a bi-monthly basis. It is still advertised on our website and will be available on request as a hard copy. A small number of hard copies will be made available in prominent places i.e. reception/TIC etc. and a small number delivered to the 11 Housing Sheltered schemes around the Borough.

The [Vision](#) is used as a basis for the Corporate Plan and service delivery plans which are reviewed on an annual basis.

The [Tamworth Strategic Partnership](#) (TSP) is an umbrella partnership that brings together key local agencies from the public, private, voluntary and community sectors. The TSP has terms of reference, vision and

priorities, work streams, a commissioning framework. Agenda and minutes are made available on the Authority's website.

The Authority produces an Annual Review and [Corporate Plan](#). Performance against the Corporate Plan is reported on a quarterly basis. The [Statement of Accounts](#) and the [Annual Audit Report](#) are made available on the website.

Council, on 25th February 2020, approved a 3 year Medium Term Financial Strategy for the General Fund with a Council Tax increase of £5 for the year – in order to continue to deliver those services essential to the Local Community.

With regard to the Housing Revenue Account, a 5 year MTFs was approved by Council including significant investment in Regeneration projects to meet future housing needs and sustain the HRA in the longer term. When the budget and MTFs were approved, future levels of funding for the Council were uncertain pending the most significant changes in Local Government funding for a generation. The reforms were planned to be in place by 2020/21 but were deferred until 2021/22. The Government has confirmed that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. In addition, the next planned national Business Rates Revaluation, planned for 2021 will take effect from 2023.

In light of the projected impact of Covid-19 on the Councils Medium Term Financial Strategy, an immediate suspension of all non-essential spending was approved by Cabinet on 9th July and that Managers review their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020 - and approval sought for the budget to be revised to remove these.

No one can know what the effect of the Covid-19 crisis will have on the economy and ultimately the impact for the Councils finances. It will be many months before we have a clearer idea on how the economy has responded to the recovery process – including any lasting effects for individual businesses and their employees. Social distancing measures will remain in place for the foreseeable future – impacting mainly on the Councils ongoing income receipts.

Measures taken to control Covid-19 are leading to heavy economic losses and this has and will continue to affect collection rates, as some individuals and businesses experience financial effects of the pandemic. The uncertainties created by the pandemic have also significantly increased volatility and uncertainty in markets. This applies not only to non-current operational and non-operational property assets held by authorities, but also to investment properties, financial assets and many assets held by pension funds.

Financial resilience is and has been the key requirement for local authorities at any time, but in the current crisis it has assumed unprecedented importance. Perhaps the biggest difficulty with the pandemic is that there is no certainty about time scales; it is impossible to draw any conclusions about how long the effects will last.

	<p>During the crisis the Council has lost income which will significantly impact on the potential sustainability of the organisation, as will be the case across many Local Government organisations. Whilst the full extent of this cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy. This must be linked to an overall vision for the organisation.</p> <p>The Council remains committed to promoting and stimulating economic growth and regeneration; meeting our housing needs; creating a vibrant town centre economy and protecting those most vulnerable in our communities. The Council is responding to these challenges by considering the opportunities to make further savings and /or grow our income. We are ambitious with our commercial view and will continue to work hard to identify income streams that enable us to continue to meet the needs of our residents.</p> <p>More than ever, we recognise that our financial capacity will be less than in previous years which means that we will need to maintain our approach to innovation, collaboration and transformation. So, not only will the Council seek investment from businesses and developers, but the Council itself will explore viable and sustainable investment opportunities using all returns to support public services.</p> <p>We continue to invest in our teams, transform our processes and ensure our technology infrastructure is fit for purpose. We have identified a number of opportunities to improve customer access to information and services as well as our engagement with our citizens and the way in which we manage our data and information.</p> <p>Linked with this, the 'Delivering Quality Services' project continues to review processes and demand, with the aim of re-designing processes to meet changing customer expectations and making the best use of technology to deliver efficient and effective services to the customer, including self-service and digital functionality.</p> <p>This approach will change the organisation and how it works; will require Members to put evidence and insight at the heart of our decision making to ensure that we are transparent about the rationale for our decisions and plans; will involve managed risks and will sustain essential services critical in supporting the most vulnerable in our communities at a time when demand is increasing and resources reducing.</p> <p>Corporate Management Team (CMT) and Cabinet review the most up-to-date budget forecasts on a quarterly basis, and discuss the delivery of the planned savings to support our Medium Term Financial Strategy (MTFS).</p>
What is missing	Nothing identified
Supporting Principle	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer
What Assurance Do We Want	<p>Community engagement and involvement</p> <p>Corporate and service plans</p> <p>Community strategy</p>

What Assurance Do We Get

Every year, the authority undertakes consultation with local people on a wide range of issues and through a variety of means. This consultation takes place under the umbrella concept of 'Tamworth Listens'. This includes the annual budget consultation, the State of Tamworth Debate and various other departmental consultations as they arise.

During 2019/20, consultation was completed on the budget, the future of Tamworth town centre as part of 'Tamworth What's Next and the State of Tamworth Debate.

The consultation exercise for the 2020/21 budget process is due to take place during September/October and will be fed back to Cabinet later in the year. The 2020/21 budget consultation exercise will gauge the views of residents, businesses and other core stakeholders on the council's priorities to achieve the 'vision' and consider areas of spending or where savings could potentially be made. The 2020/21 consultation has also been amended to take into account recovery from coronavirus.

There are dedicated [Business Advice](#) and [Visit Tamworth](#) websites.

In terms of the Councils own housing stock and in compliance with the regulatory framework members have approved a regulatory framework ensuring tenants are plugged into the democratic process and have the opportunity to inform, share and influence key strategic decisions.

The landlord regulatory framework sets out how tenants inform, scrutinise and develop services. The tenant Consultative group are constituted and their views are incorporated in to the council's decision making through references in a full range of reports. The Councils presents an annual report for tenants to Cabinet detailing compliance with consumer standards and reference to benchmarked HRA activity. There is a [Tenant Involvement and Consultation Strategy](#) in place and tenants are regularly consulted regarding the decisions which affect the management and maintenance of their homes. During 2019 tenants were involved in a review of the Housing Revenue Account business plan via the Tenant Consultative group. As part of the Tenant participation, there are formal groups for Tenant Consultation and Tenant Involvement and several informal groups in place. Open House is now communicated by way of an e-newsletter on a bi-monthly basis. It is still advertised on our website and will be available on request as a hard copy. A small number of hard copies will be made available in prominent places i.e. reception/TIC etc and a small number delivered to the 11 Housing Sheltered schemes around the Borough.

The Vision is used as a basis for the Corporate Plan and service delivery plans which are reviewed on an annual basis.

The [Tamworth Strategic Partnership](#) (TSP) is an umbrella partnership that brings together key local agencies from the public, private, voluntary and community sectors. The TSP has terms of reference, vision and priorities, workstreams, a commissioning framework. Agenda and minutes are made available on the Authority's website.

The Authority produces a [Corporate Plan](#). Performance against the Corporate Plan is reported on a quarterly basis. The [Statement of Accounts](#) and the [Annual Audit Report](#) are made available on the website.

	Corporate and service plans are reviewed and updated annually. They include actions to be completed
What is missing	Nothing identified
Supporting Principle	Delivering defined outcomes on a sustainable basis within the resources that will be available
What Assurance Do We Want	Regular reports on progress
What Assurance Do We Get	The quarterly performance report details performance indicators, collections rates, an update on the sustainability strategy, progress against the corporate plan and the corporate risk register. The performance report is reported quarterly to <a href="#">Cabinet</a> . The Authority has in place a <a href="#">Tell Us scheme</a> which provides an avenues for service users to provide feedback on the services provided. This can either be in the form of comments, compliments or complaints. Guidance available about complaints refers to referrals to the Ombudsman. Guidance is made available to members of the public if they wish to make a complaint against a member of the Council. Complaints against members of the Council are dealt with by the Monitoring Officer in the first instance and ultimately reported to the <a href="#">Audit &amp; Governance Committee</a> .
What is missing	Nothing identified
Supporting Principle	Identifying and managing risks to the achievement of outcomes
What Assurance Do We Want	Performance trends are established and reported upon Risk management protocols
What Assurance Do We Get	Performance trends are reported in the quarterly performance report. Risks are identified at a corporate and operational level and are monitored on a regular basis in line with the Risk Management Policy. The Corporate Risk Register is reported to the <a href="#">Audit &amp; Governance Committee</a> on a quarterly basis. A review of the approach to risk management has been commissioned and is underway. The annual audit plan is developed around the audit risk assessment and through consultation with members of the Corporate Management Team who identify emerging risks within their service areas.
What is missing	Nothing identified
Supporting Principle	Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available
What Assurance Do We Want	An agreed set of quality standard measures for each service element and included in service plans Processes for dealing with competing demands within the community
What Assurance Do We Get	Each service plan has actions plans and performance indicators. <a href="#">Corporate plan actions</a> aligned to the strategic priorities have action plans in place which are updated on a quarterly basis. The council has implemented a Demand Management model which aims to eliminate waste in processes.

	<p>The Quarterly Performance Report is reviewed by Corporate Scrutiny each quarter prior to being approved by Cabinet.</p> <p>Ensuring that residents are able to easily access clear information about the standards of service they can expect from us will greatly help to reduce waste demand and promote confidence in the Council. Of equal importance is ensuring that the right tools are in place to deliver consistently to the expected standard.</p> <p>The Corporate Plan 2019-2022 identifies that we will prioritise the development of clear standards of service across the organisation and will further develop our approaches to measure and respond quickly to customer intelligence and levels of satisfaction.</p>
What is missing	Nothing identified
Supporting Principle	Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision
What Assurance Do We Want	<p>Capital investment is structured to achieve appropriate life spans and adaptability for future use or that resources (eg land) are spent on optimising social, economic and environmental wellbeing:</p> <ul style="list-style-type: none"> <li>- Capital programme</li> <li>- Capital investment strategy</li> </ul>
What Assurance Do We Get	<p>There is a 3 year <a href="#">capital programme</a> in place (as detailed in the MTFs and budget book) which identifies capital spend and financing. The Capital Investment Strategy, Capital process guidance, full capital appraisal forms and outline capital bid forms are available on the intranet.</p> <p>Business plans are informed by Corporate Plan and take into account PEST impacts.</p> <p>A longer term Capital Strategy has been prepared which sets out the Council's approach to capital investment and the approach that will be followed in making decisions in respect of the Council's Capital assets including an action plan for the development of a longer term approach to capital and asset management.</p>
What is missing	Nothing identified
Supporting Principle	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.
What Assurance Do We Want	<p>Discussion between members and officers on the information needs of members to support decision making</p> <p>Record of decision making and support materials</p>
What Assurance Do We Get	<p>Full reports are prepared by officers and members. Portfolio Holders can discuss any issues prior to the committee meeting with the relevant officer.</p> <p>The Council publishes a Forward Plan which provides detail of all upcoming key decisions. Scrutiny Committees are encouraged to utilise the Forward Plan to inform their decision making process and can Call In any decisions for further scrutiny.</p> <p>All <a href="#">agenda items and minutes</a> are available on the website with the exception of restricted agenda items.</p>

	The Local Authorities (Executive Arrangements) (Meeting and Access to Information) Regulations 2012 requires that the Leader of the Council makes one report annually to the authority to include particulars of each urgent executive decisions made and a summary of matters in respect of which each decision was made. Resource and Legal/Risk implications are identified in Committee reports
What is missing	Nothing identified
Supporting Principle	Determining the wider public interest associated with balance conflicting interests between achieving the various economic. Social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.
What Assurance Do We Want	Record of decision making and supporting materials Protocols for consultation
What Assurance Do We Get	All <a href="#">Committee decisions</a> are recorded in the minutes. Minutes and agendas are made available on the website. Where Officers have made <a href="#">decisions</a> which require approval by Portfolio holders, these are made available on the website. All consultation undertaken is made available on the website so that citizens can participate. Budget consultation protocol approved annually by Cabinet. Community Impact Assessments completed for all strategies, policies and procedures Equality and Diversity Scheme and supporting action plan.
What is missing	Nothing identified
Supporting Principle	Ensuring fair access to services
What Assurance Do We Want	Protocols ensure fair access and statutory guidance is followed.
What Assurance Do We Get	Equalities assessments are undertaken at each policy review <a href="#">Website accessibility</a> – is W3C1.0 compliance (standard) with the ability to change font sizes, or use alternative formats and languages. Hard copies of Committee agendas are made available on request. A hardcopy of each agenda was taken to each Committee meeting for public use. Now in 2020/21, that meetings are held remotely due to Covid-19 restrictions, papers are clearly signposted on the website.
What is missing	Nothing identified

**Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**

Supporting Principle	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore
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	ensuring best value is achieved however services are provided.
What Assurance Do We Want	Discussion between member and officers on the information needs of members to support decision making Decision making protocols Options appraisals Agreement of information that will be provided and timescales
What Assurance Do We Get	Leadership team meetings between members and officers are in place. Regular update meetings are held between the Leader of the Council and the Chief Executive, and relevant Chief officers and their Portfolio holders. The <a href="#">Constitution</a> details the decision making protocols and format of reports. Various options are required to be detailed in the <a href="#">Committee</a> reports so that members can make informed decisions. There is a set timetable in place for the production of agendas prior to the meeting taking place. Scrutiny Officer in place to support the Scrutiny function.
What is missing	Nothing identified
Supporting Principle	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.
What Assurance Do We Want	Financial strategy
What Assurance Do We Get	Budget consultation is completed on an annual basis with citizen input which informs the financial strategy. The consultation is carried out through three online surveys. A survey that is tailored for businesses, a full survey aimed at residents and a survey that is tailored for the voluntary and community sector. The online residents' survey is promoted using social networking/media sites and through email contact databases. This includes the 238-strong Citizens Panel. The business survey is promoted through business social networking sites and business email contact databases. The voluntary and community sector survey is promoted through email contact databases. All surveys are promoted in local media outlets and across social media. MTFS approved annually takes into account budget consultation feedback – reported annually to Cabinet. As part of the Tamworth Listens process, we have also historically held an annual Question Time event, which sees a panel of local leaders attend and members of the public can ask questions. In 2019/20, this was repurposed to focus on a major issue affecting Tamworth - the future of the town centre. Called Tamworth What's Next, this involved a wide-spread consultation campaign, supported by media, social media, videos and a series of workshops in the council chamber where members of the public, businesses and voluntary sector organisations were able to ask questions of the Leader. Unfortunately, the coronavirus pandemic has made it impossible to hold such an event in 2020/21 at this

	time.
What is missing	Nothing identified
Supporting Principle	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets
What Assurance Do We Want	Calendar of dates for developing and submitting plans and reports that are adhered to
What Assurance Do We Get	There is a performance management reporting cycle in place which timetables the performance reporting cycle. The <a href="#">Forward Plan</a> is published on the website detailing the expected agenda items for the following four months.
What is missing	Nothing identified
Supporting Principle	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered
What Assurance Do We Want	Communication strategy
What Assurance Do We Get	As part of the Tamworth Listens process, we hold a Question Time event – an annual event which a panel of local leaders attend and members of the public can ask questions. These are then fed into the State of Tamworth Debate. In 2019/20, this was repurposed to focus on a major issue affecting Tamworth - the future of the town centre. Called Tamworth What's Next, this involved a wide-spread consultation campaign, supported by media, social media, videos and a series of workshops in the council chamber where members of the public, businesses and voluntary sector organisations were able to ask questions of the Leader. Unfortunately, the coronavirus pandemic has made it impossible to hold such an event in 2020/21 at this time. In addition to the activity planned for the Tamworth Listens process / State of Tamworth debate, consultation is planned to gauge residents', business and other core stakeholders' views on the Council's priorities to achieve the 'Vision' considering areas of spending or where savings could potentially be made. The <a href="#">consultation</a> is carried out through 3 online surveys. A survey that is tailored for businesses, a full survey aimed at residents and a survey that is tailored for the voluntary and community sector. The online residents survey is promoted using social networking/media sites and through email contact databases. The business survey is promoted through business social networking sites and business email contact databases. The voluntary and community sector survey is promoted through email contact databases. Joint Scrutiny Committee (Budget) held annually to feedback Member concerns from residents. The approved Corporate Plan 2019-2022 contains a commitment for the development of a Communication

	<p>Strategy that reinforces public expectation of transparency and accountability from the Council.</p> <p>One of the approved Corporate Priorities for 2019 is to work collaboratively and flexible to meet the needs of our communities.</p> <p>The Council has invested strongly in the development of innovative and proactive collaboration across agencies and sectors and has a well-earned reputation for placing partnership at the heart of our approach. We consider that our ability to deliver positive outcomes for residents is enhanced by working with others and as a result we will continue to invest in the development of purposeful and meaningful partnerships. In particular we will focus on enhancing the work that we do with others to protect vulnerable people and enhance neighbourhoods.</p>
What is missing	Nothing identified
Supporting Principle	Considering and monitoring risks facing each partner when working collaboratively including shared risks
What Assurance Do We Want	Partnership framework Risk management protocol
What Assurance Do We Get	<p>Partnerships risks are identified and monitored – risk registers are in place.</p> <p>Partnership arrangements in place designed to help the Council work with its partners to ensure that all partnerships have good systems of governance.</p> <p>Risks are identified at a corporate and operational level and are monitored on a regular basis in line with the Risk Management Policy. The Corporate Risk Register is reported to the <a href="#">Audit &amp; Governance Committee</a> on a quarterly basis.</p>
What is missing	Nothing identified
Supporting Principle	Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances
What Assurance Do We Want	Planning protocols
What Assurance Do We Get	<p>Protocols in place (constitution) to ensure annual delivery of:</p> <ol style="list-style-type: none"> <li>1) MTFS;</li> <li>2) Budget Consultation;</li> <li>3) Tamworth Listens events;</li> <li>4) State of Tamworth debate;</li> <li>5) KPIs / Service Plans;</li> <li>6) Corporate Plan.</li> </ol> <p>The Quarterly Performance Report is reviewed by Corporate Scrutiny each quarter prior to being approved by Cabinet.</p>
What is missing	Nothing identified
Supporting Principle	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify

	how the performance of services and projects is to be measured
What Assurance Do We Want	KPIs have been established and approved for each service element and included in the service plan and are reported upon regularly
What Assurance Do We Get	Key performance indicators are in place within Service Plans and the Corporate Plan and monitored and reported on a regular basis through quarterly reports to Cabinet.
What is missing	Nothing identified
Supporting Principle	Ensuring capacity exists to generate the information required to review service quality regularly
What Assurance Do We Want	Reports include detailed performance results and highlights areas where corrective action is necessary
What Assurance Do We Get	A quarterly performance report is reported to <a href="#">Cabinet</a> . The report details progress against performance indicators with a red, amber, green traffic light scenario to prompt remedial actions.
What is missing	Nothing identified
Supporting Principle	Preparing budgets in accordance with organisational objectives, strategies and the Medium Term Financial Strategy
What Assurance Do We Want	Evidence that budgets, plans and objectives are aligned
What Assurance Do We Get	Budgets are set following <a href="#">budget consultation</a> with citizens. Budgets are aligned to the corporate objectives A joint report is approved annually by Council which approves the Vision, Corporate Priorities and Medium Term Financial Strategy aligning resource demands in support of the corporate priorities.
What is missing	Nothing identified
Supporting Principle	Informing medium and long term resource planning by drawing up realistic estimates of revenues and capital expenditure aimed at developing a sustainable funding strategy.
What Assurance Do We Want	Budget guidance and protocols Medium term financial plan Corporate plans
What Assurance Do We Get	Council, on 25th February 2020, approved a 3 year Medium Term Financial Strategy for the General Fund with a Council Tax increase of £5 for the year – in order to continue to deliver those services essential to the Local Community. With regard to the Housing Revenue Account, a 5 year MTFs was approved by Council including significant investment in Regeneration projects to meet future housing needs and sustain the HRA in the longer term. When the budget and MTFs were approved, future levels of funding for the Council were uncertain pending the most significant changes in Local Government funding for a generation. The reforms were planned to be in place by 2020/21 but were deferred until 2021/22. The Government has confirmed that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current

situation, although no timescales have been released. In addition, the next planned national Business Rates Revaluation, planned for 2021 will take effect from 2023.

In light of the projected impact of Covid-19 on the Councils Medium Term Financial Strategy, an immediate suspension of all non-essential spending was approved by Cabinet on 9th July and that Managers review their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020 - and approval sought for the budget to be revised to remove these.

No one can know what the effect of the Covid-19 crisis will have on the economy and ultimately the impact for the Councils finances. It will be many months before we have a clearer idea on how the economy has responded to the recovery process – including any lasting effects for individual businesses and their employees. Social distancing measures will remain in place for the foreseeable future – impacting mainly on the Councils ongoing income receipts.

Measures taken to control Covid-19 are leading to heavy economic losses and this has and will continue to affect collection rates, as some individuals and businesses experience financial effects of the pandemic. The uncertainties created by the pandemic have also significantly increased volatility and uncertainty in markets. This applies not only to non-current operational and non-operational property assets held by authorities, but also to investment properties, financial assets and many assets held by pension funds.

Financial resilience is and has been the key requirement for local authorities at any time, but in the current crisis it has assumed unprecedented importance. Perhaps the biggest difficulty with the pandemic is that there is no certainty about time scales; it is impossible to draw any conclusions about how long the effects will last.

During the crisis the Council has lost income which will significantly impact on the potential sustainability of the organisation, as will be the case across many Local Government organisations. Whilst the full extent of this cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy. This must be linked to an overall vision for the organisation.

The Council remains committed to promoting and stimulating economic growth and regeneration; meeting our housing needs; creating a vibrant town centre economy and protecting those most vulnerable in our communities. The Council is responding to these challenges by considering the opportunities to make further savings and /or grow our income. We are ambitious with our commercial view and will continue to work hard to identify income streams that enable us to continue to meet the needs of our residents.

More than ever, we recognise that our financial capacity will be less than in previous years which means that we will need to maintain our approach to innovation, collaboration and transformation. So, not only will the Council seek investment from businesses and developers, but the Council itself will explore viable and sustainable investment opportunities using all returns to support public services.

We continue to invest in our teams, transform our processes and ensure our technology infrastructure is fit

	<p>for purpose. We have identified a number of opportunities to improve customer access to information and services as well as our engagement with our citizens and the way in which we manage our data and information.</p> <p>Linked with this, the 'Delivering Quality Services' project continues to review processes and demand, with the aim of re-designing processes to meet changing customer expectations and making the best use of technology to deliver efficient and effective services to the customer, including self-service and digital functionality.</p> <p>This approach will change the organisation and how it works; will require Members to put evidence and insight at the heart of our decision making to ensure that we are transparent about the rationale for our decisions and plans; will involve managed risks and will sustain essential services critical in supporting the most vulnerable in our communities at a time when demand is increasing and resources reducing.</p> <p>Corporate Management Team (CMT) and Cabinet review the most up-to-date budget forecasts on a quarterly basis, and discuss the delivery of the planned savings to support our Medium Term Financial Strategy (MTFS).</p>
What is missing	Nothing identified
Supporting Principle	Ensuring the medium term financial strategy integrates and balance service priorities, affordability and other resource constraints.
<del>What Assurance Do We Want</del>	Feedback surveys and exit/decommissioning strategies Changes as a result
<del>What Assurance Do We Get</del>	<p><a href="#">Budget consultation</a> completed on an annual basis.</p> <p>Consultation is planned to gauge residents', business and other core stakeholders' views on the Council's priorities to achieve the 'Vision' considering areas of spending or where savings could potentially be made. The consultation is carried out through 3 online surveys. A survey that is tailored for businesses, a full survey aimed at residents and a survey that is tailored for the voluntary and community sector.</p> <p>The online residents survey is promoted using social networking/media sites and through email contact databases.</p> <p>The business survey is promoted through business social networking sites and business email contact databases. The voluntary and community sector survey is promoted through email contact databases.</p> <p><a href="#">Joint Scrutiny Committee</a> (Budget) held annually to feedback Member concerns from residents.</p>
What is missing	Nothing identified
Supporting Principle	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
What Assurance Do We Want	Budgeting guidance and protocols

What Assurance Do We Get	<p><a href="#">Medium Term Financial Strategy</a> Budget setting process approved by Cabinet in July each year – including a robust process for capital investment and policy changes which requires business cases to be prepared for consideration by Executive Management Team.</p> <p>As part of the Tamworth Listens process, we hold a Tamworth Question Time event – an annual event which a panel of local leaders attend and members of the public can ask questions. These are then fed into the State of Tamworth Debate.</p> <p>In 2019/20, this was repurposed to focus on a major issue affecting Tamworth - the future of the town centre. Called Tamworth What's Next, this involved a wide-spread consultation campaign, supported by media, social media, videos and a series of workshops in the council chamber where members of the public, businesses and voluntary sector organisations were able to ask questions of the Leader.</p> <p>Unfortunately, the coronavirus pandemic has made it impossible to hold such an event in 2020/21 at this time.</p> <p>In addition to the activity planned for the Tamworth Listens process / State of Tamworth debate, consultation is planned to gauge residents', business and other core stakeholders' views on the Council's priorities to achieve the 'Vision' considering areas of spending or where savings could potentially be made.</p> <p>The <a href="#">consultation</a> is carried out through 3 online surveys. A survey that is tailored for businesses, a full survey aimed at residents and a survey that is tailored for the voluntary and community sector.</p> <p>The online residents survey is promoted using social networking/media sites and through email contact databases.</p> <p>The business survey is promoted through business social networking sites and business email contact databases. The voluntary and community sector survey is promoted through email contact databases.</p> <p>Joint Scrutiny Committee (Budget) held annually to feedback Member concerns from residents.</p>
What is missing	Nothing identified
Supporting Principle	Ensuring the medium term financial strategy sets the context for ongoing decisions on significantly delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved whilst optimising resource usage
What Assurance Do We Want	Financial Strategy
What Assurance Do We Get	<p><a href="#">Medium Term Financial Strategy</a> and associated forecasts are considered by CMT, EMT and <a href="#">Cabinet</a> prior to review/scrutiny by Members at the <a href="#">Joint Scrutiny Committee</a> (Budget). It is then approved by Full <a href="#">Council</a>.</p> <p>These consider the need for any ongoing decisions on significant issues and appropriate budget changes made through the policy changes process or capital programming process.</p> <p>In year changes can be made using virements procedures (for both Officers and Cabinet) outlined within financial guidance (as well as use of contingencies).</p>

	Financial impact assessment are included in reports to Committees.
What is missing	Nothing identified
Supporting Principle	Ensuring the achievement of “social value” through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is “the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes”
What Assurance Do We Want	<p>Service plans demonstrate consideration of “social value”</p> <p>Achievement of “social value” is monitored and reported upon</p> <p>New contracts for the delivery of repairs and investment of the Council’s property portfolio have been procured. Both contracts include a suite Social Value measures which have defined and measurable outcomes with financial penalties for non-compliance. Social Value measures range from formal training and apprenticeship schemes through to more local skills training for residents including DIY and IT with a view to reducing demand. Other local environmental improvement measures are also included. Social Value aspects have to be considered before the procurement process starts. Also, although we do not have to include social value aspects in our procurement, we do have to demonstrate that we have considered them, which means documenting this and evidencing that due consideration has been given.</p> <p>It is important that sufficient time is allowed to undertake procurements where social value is going to be included to allow for the required consideration and consultation before the process starts. The Corporate Procurement Officer must be involved at the earliest stages of the process, to ensure that proper consideration is given to what is required, and that this is adequately reflected in tender and evaluation documents and processes.</p>
What Assurance Do We Get	<p>The Procurement Strategy, approved by Cabinet, includes the requirements of the Social Value Act. The requirements of the Social Value Act have been covered in staff training sessions, and the provisions of the Act have been utilised in voluntary sector commissioning projects.</p> <p>It requires Officers to consider social value issues in the procurement of major works or services i.e. impact on local labour, local economy/businesses, apprenticeships etc.</p>
What is missing	Nothing identified

**Core Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it**

Supporting Principle	Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness.
What Assurance Do We Want	Regular reviews of activities, outputs and planned outcomes
What Assurance Do We Get	<p>Quarterly reviews of operational business plans are in place which have performance indicators.</p> <p>As part of the capital programme, annual consideration of need for asset maintenance e.g. use of office</p>

	space, regular stock condition surveys, asset management plan
What is missing	Nothing identified
Supporting Principle	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.
What Assurance Do We Want	Utilisation of research and benchmarking exercise
What Assurance Do We Get	Research and benchmarking exercises are completed in appropriate areas. CIPFA benchmarking for corporate services completed as necessary. Housing Benchmarking undertaken through Housemark and accreditation via the Housing Quality Net work Review of assets use through the One Public Estate programme and liaison with Staffordshire County Council.
What is missing	Nothing identified
Supporting Principle	Recognising the benefits of partnerships and collaborative working where added value can be achieved.
What Assurance Do We Want	Effective operation of partnerships which deliver agreed outcomes
What Assurance Do We Get	Partnerships are in place for the delivery of some services. There is a Memorandum of Understanding in place with Lichfield District Council for the sharing of services Partnership arrangements in place, designed to help the Council work with its partners to ensure that all partnerships have good systems of governance.
What is missing	Nothing identified
Supporting Principle	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.
What Assurance Do We Want	Workforce plan Organisational development Strategy
What Assurance Do We Get	There are training and development plans in place for members and officers. Officers training and development is identified through the Personal Development Review (PDR). The recruitment process ensures that skills and knowledge are measured and tested appropriately. There is an E-Induction programme in place which is available to both officers and members. Job descriptions and personal specifications are in place for all posts and reviewed as required. All Statutory Officers are members of CMT. Job descriptions for members are included in the recently revised <a href="#">Constitution</a> . They detail the purpose, duties & responsibilities and skills required for all Councillors, Leader & Deputy Leader, Members of the Executive, Chairs of Committees and the Leader and Deputy Leader of the Opposition. Service reviews are informed by the Delivering Quality Services process.

What is missing	Nothing identified.
Supporting Principle	Developing protocols to ensure that elected and appointed leaders negotiate their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.
What Assurance Do We Want	Job descriptions Chief Executive and Leader pairings have considered how best to establish and maintain effective communication.
What Assurance Do We Get	Job descriptions are in place for both members and officers. The Chief Executive, the Head of Paid Service and the Leader hold regular meetings. Executive Leadership Team and the Cabinet form together to form the Executive Management Team. There is a training and development plan which is developed through the PDR process. This process is in place for all officers Members' training is provided on induction and in specialist areas. Regular training is provided for the Regulatory Committees.
What is missing	Nothing identified
Supporting Principle	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.
What Assurance Do We Want	Scheme of delegation reviewed at least annually in the light of legal and organisational changes. Standing orders and financial regulations which are reviewed on a regular basis.
What Assurance Do We Get	The scheme of delegation and scheme of delegation log is reviewed at least annually. Financial Guidance, Contract and Financial Procedure Rules are reviewed and updated on an annual basis
What is missing	Nothing identified
Supporting Principle	Ensuring the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.
What Assurance Do We Want	Clear statement of respective roles and responsibilities and how they will be put into practice.
What Assurance Do We Get	The <a href="#">Constitution</a> details the roles and responsibilities of the Leader and the Statutory Officers. Job Descriptions for members including the Leader are in the Constitution,
What is missing	Nothing identified
Supporting Principle	Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <ul style="list-style-type: none"> <li>- ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirement is available and</li> </ul>

	<p>encouraged</p> <ul style="list-style-type: none"> <li>- Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.</li> <li>- Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.</li> </ul>
What Assurance Do We Want	<p>Access to update courses/information briefing on new legislation</p> <p>Induction programme</p> <p>Personal development plans for members and officers</p> <p>For example, for members this may include the ability to:</p> <ul style="list-style-type: none"> <li>- Scrutinise and challenge</li> <li>- Recognise when outside expert advice is required</li> <li>- Promote trust</li> <li>- Work in partnership</li> <li>- Lead the organisation</li> <li>- Act as a community leader</li> </ul> <p>Efficient systems and technology used for effective support</p> <p>Arrangements for succession planning</p>
What Assurance Do We Get	<p>The PDR process identifies training needs for both Members and Officers</p> <p>CPD/membership of professional bodies for up to date information/changes to legislation</p> <p>Networking and membership of professional bodies encouraged</p> <p>Members' induction and training programme in place (e.g. finance, treasury management, planning, licensing, governance).</p> <p>Astute provide an E-learning and policy management tool which covers a number of training areas such as GDPR, FOI, Modern Slavery, Health and safety.</p>
What is missing	Nothing identified
Supporting Principle	Ensuring that there are structures in place to encourage public participation.
What Assurance Do We Want	<p>Resident's panels</p> <p>Stakeholder forum terms of reference</p> <p>Strategic partnership frameworks</p>
What Assurance Do We Get	<p>Tenant participation is actively encouraged and completed in various formats. They provide training to tenants on a variety of day to day skills and confidence, as well as estate inspections, other events and meetings and customer satisfaction, feedback and consultation.</p> <p>The Citizens Panel is made up of local residents who are asked about local services.</p>

	<p>A Community Safety Partnership exist which has its own website – “Safer Tamworth”. The partnership brings together a number of organisations who work together to make the borough a safer place to work, live and socialise.</p> <p>Partnership frameworks in place for joint working.</p> <p>Partnership arrangements in place designed to help the Council work with its partners to ensure that all partnerships have good systems of governance.</p>
What is missing	Nothing identified
Supporting Principle	Taking steps to consider the leadership’s own effectiveness and ensuring leaders are open to constructive feedback from peer reviews and inspections.
What Assurance Do We Want	<p>Reviewing individual member performance on a regular basis taking account of their attendance and considering any training or development needs.</p> <p>Peer reviews.</p>
What Assurance Do We Get	<p>PDR process and job descriptions are in place for members.</p> <p>Peer reviews have been completed previously and any recommendations have been acted upon.</p> <p>Members attendance is recorded and monitored.</p> <p>Peer review planned for 2020/21.</p>
What is missing	Nothing identified
Supporting Principle	Holding staff to account through regular performance reviews which take account of training or development needs.
What Assurance Do We Want	<p>Training and development plan</p> <p>Staff development plans linked to appraisals</p> <p>Implementing appropriate human resource policies and ensuring that they are working effectively</p>
What Assurance Do We Get	<p>Training identified as part of the PDR process as part of continued professional development. One to one meetings are completed on a regular basis. Performance indicators are recorded on the Pentana and assigned to the relevant managers to monitor and update.</p> <p>Conduct and Capability Procedures are in place.</p> <p>Training for managers in strategic skills as well as soft skills.</p> <p>HR policies in place and updated as required.</p>
What is missing	Nothing identified
Supporting Principle	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.
What Assurance Do We Want	Human resource policies
What Assurance Do We Get	<p>Health and safety policies are in place.</p> <p>‘Health shield’ benefits for staff.</p>

	<p>On-site and virtual Counselling service available to staff on a confidential basis.          HR policies are in place.          Well-being policy developed.          TBC signed up to national initiative 'Thrive at Work'.          12 Mental Health First Aiders have been trained.          Robust management of attendance with support from Occupational Health .          Regular updates with Trade unions and / or representatives.</p>
What is missing	Nothing identified

## Core Principle F: Managing risks and performance through robust internal control and strong public financial management

Supporting Principle	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making
What Assurance Do We Want	Risk management protocol
What Assurance Do We Get	<p>Risk Management Policy – reviewed and updated annually and approved by <a href="#">Audit &amp; Governance Committee</a>. There is a Corporate Risk Register which is owned by Corporate Management Team which is updated on a quarterly basis and reported to the <a href="#">Audit &amp; Governance Committee</a>. Operational risk register are owned by managers and recorded on the Pentana system and linked to performance and service plans. The Finance section work with managers to help them identify their risks and record them on the Pentana system. The Internal Audit plan takes into account the identified risks on the risk registers.          All decisions made by Members have risks identified in the report.          A review of the approach to risk management has been commissioned and is underway.</p>
What is missing	Nothing identified
Supporting Principle	Implementing robust and integral risk management arrangements and ensuring that they are working effectively.
What Assurance Do We Want	Risk management strategy/policy formally approved and adopted and reviewed and updated on a regular basis.
What Assurance Do We Get	<p>Risk Management Policy – reviewed and updated annually and approved by <a href="#">Audit &amp; Governance Committee</a>.          All decisions made by Members have the risks identified.          A review of the approach to risk management has been commissioned for 2019 and is underway.</p>
What is missing	Nothing identified

Supporting Principle	Ensuring that responsibilities for managing individual risks are clearly allocated.
What Assurance Do We Want	Risk management protocol
What Assurance Do We Get	Risk registers are in place for service areas as well as having a corporate risk register in place. Owners of the risks are assigned to owners to manage and review. The Risk Management Policy details responsibilities for managing individual risks.
What is missing	Nothing identified
Supporting Principle	Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.
What Assurance Do We Want	Performance map showing all key activities have performance measures Benchmarking information Cost performance (using inputs and outputs) Calendar of dates for submitting, publishing and distributing timely reports that are adhered to.
What Assurance Do We Get	The <a href="#">corporate plan</a> 2019-22 identifies key performance indicators aligned to the strategic priorities Benchmarking information is used for some services where appropriate/available Performance management cycle identifies the timetable for the submission of performance reports There is a Forward Plan in place which identifies key decisions to be made in the following four months The Asset Strategy Group identifies Post Implementation Reviews required for Capital Schemes on an annual basis.
What is missing	Nothing identified
Supporting Principle	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.
What Assurance Do We Want	Discussion between members and officers on the information needs of members to support decision making Publication of agendas and minutes of meetings Agreement on the information that will be needed and timescales
What Assurance Do We Get	Portfolio holders hold meetings with relevant staff. All <a href="#">agenda and minutes</a> are published on the website. Agendas are published 5 working days prior to the committee meeting date. The <a href="#">forward plan</a> is a list of the council's key decisions that will be made over the next one to four months. These decisions will be made by either the Cabinet or by officers who have been delegated authority by the Cabinet. The <a href="#">forward plans</a> are published on the first working day of the month. The forward plan includes a short description of the decision to be made; who will make it; when the decision will be taken; details of the planned consultation with local people and other stakeholders; and contact details for further information (including reports and background papers).

What is missing	Nothing identified
Supporting Principle	Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible. (OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.
What Assurance Do We Want	The role and responsibility for scrutiny has been established and is clear. Agenda and minutes of scrutiny meetings. Evidence of improvements as a result of scrutiny. Planned work items identified at beginning of municipal year, Performance reporting reviewed, members now sit on tenant's consultative group. Terms of reference. Training for members. Membership.
What Assurance Do We Get	The roles and responsibilities, terms of reference for Scrutiny Committees are detailed in The <a href="#">Constitution Agendas and minutes</a> are made available on the website. Scrutiny chairs report annually to full Council on their workplan. Training is provided for members on the role of Scrutiny. There is a Scrutiny Officer in post to provide support to the Scrutiny Committees. When required to assist task and finish groups the Committees can co-opt external expertise Under the remit of the <a href="#">Scrutiny Committees</a> , they can call in decisions made by the Cabinet.
What is missing	Nothing identified
Supporting Principle	Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.
What Assurance Do We Want	Calendar of dates for submitting, publishing and distributing timely reports that are adhered to
What Assurance Do We Get	There is a calendar of dates for the submission and publishing reports which is adhered to
What is missing	Nothing identified
Supporting Principle	Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)
What Assurance Do We Want	Financial standards, guidance. Financial and contract procedure rules.
What Assurance Do We Get	Financial and contract procedure rules and financial guidance are in place and reviewed and updated regularly. There is a robust project management process in place with post implementation reviews completed at the end of the project.

What is missing	Nothing identified
Supporting Principle	Aligning the risk management strategy and policies on internal control with achieving the objectives
What Assurance Do We Want	Risk management strategy. Audit plan. Audit reports.
What Assurance Do We Get	The risk management strategy is reviewed, updated and approved annually by the <a href="#">Audit &amp; Governance Committee</a> . The Audit plan is based on an internal audit risk assessment which takes into account risks identified by Heads of Service and endorsed by the <a href="#">Audit &amp; Governance Committee</a> . Quarterly reports of progress against the audit plan are submitted to the Audit & Governance Committee Audit reports are concise and reported in a timely manner. All high priority recommendations and those arising from no and limited assurance overall opinion reports are followed up, the results of which are reported to the Audit & Governance Committee. All recommendations are assigned to the relevant officers for actioning.
What is missing	Nothing identified
Supporting Principle	Evaluating and monitoring the authority's risk management and internal control on a regular basis
What Assurance Do We Want	Risk management strategy/policy has been formally approved and adopted and is reviewed and updated on a regular basis
What Assurance Do We Get	The Risk Management Policy/Strategy is reviewed, updated and then approved by the <a href="#">Audit &amp; Governance Committee</a> on an annual basis. Quarter updates of the risk management action plan are also submitted to the Committee.
What is missing	Nothing identified
Supporting Principle	Ensuring effective counter fraud and anti-corruption arrangements are in place
What Assurance Do We Want	Compliance with the relevant codes of practice, best practice. Counter fraud policies and strategies. Participation in data matching (e.g. NFI)
What Assurance Do We Get	Routine reports on counter fraud to the Audit & Governance Committee. Dedicated resource in the Corporate Anti Fraud Officer. Regularly reviewed counter fraud policies and strategies including anti money laundering, whistleblowing.
What is missing	Nothing identified
Supporting Principle	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
What Assurance Do We Want	Annual Governance Statement. Effective internal audit resource and maintained.

What Assurance Do We Get	The <a href="#">Annual Governance Statement</a> is produced in accordance with the guideline alongside the Code of Corporate Governance. The Annual Governance Statement is signed by the Leader and the Chief Executive. Internal Audit is adequately resourced and complies with the Public Sector Internal Audit Standards (PSIAS). An annual self-assessment against the PSIAS is completed and in line with the Standards and External Quality Assessment (EQA) is completed every five years. The EQA was completed in 2017 and confirmed compliance with the Standards. It is next due in 2022.
What is missing	Nothing identified
Supporting Principle	Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: <ul style="list-style-type: none"> <li>- Provides further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment</li> <li>- That its recommendations are listened to and acted upon</li> </ul>
What Assurance Do We Want	Audit committee complies with best practice. See Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA 2013) Terms of reference Membership Training
What Assurance Do We Get	The terms of reference for the Audit & Governance Committee are detailed within the <a href="#">Constitution</a> . Members of the Committee are independent of the Cabinet and the Chair reports annually to Full Council. The <a href="#">Audit &amp; Governance Committee</a> receive quarterly update reports on Risk Management which include a review of the Corporate Risk Register, an update of the risk management action plan and they approve the Risk Management Policy on an annual basis. Any recommendations made by the <a href="#">Audit &amp; Governance Committee</a> are recorded in the minutes and acted upon. The Audit & Governance Committee complete an annual self-assessment against Audit Committee guidance issued by CIPFA and any areas for improvement are acted upon.
What is missing	Nothing identified
Supporting Principle	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to Safeguard personal data
What Assurance Do We Want	Data management framework and procedures Designated data protection officer Data protection policies and procedures
What Assurance Do We Get	The Council has a designated Data Protection Officer, with the Information Governance Manager assigned to this role.

	<p>The Council has reviewed a framework of Information Governance policies and procedures with the view of these being adopted throughout the Authority in 2020. These include but are not limited to an Information Security Policy, Data Protection Policy, Data Protection Impact Assessment Procedure, Cyber Security Policy and Business Continuity Plan.</p> <p>Cyber Security awareness rolled out to staff across the Authority.</p> <p>Mandatory GDPR/FOI training for all staff.</p> <p>Work continues to progress in relation to ongoing compliance to the new General Data Protection Regulations (GDPR) requirements with a full audit being undertaken in 2019/2020.</p> <p>PSN compliance.</p>
What is missing	Nothing identified
Supporting Principle	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies
What Assurance Do We Want	<p>Information Sharing subject to defined Information Sharing protocols.</p> <p>A register of Information Sharing Agreements held centrally.</p>
What Assurance Do We Get	<p>The Council has signed up to Staffordshire One Information Sharing Protocol.</p> <p>Individual Information Sharing Agreements are in place within various area (EG, Benefits, Environmental Health, Housing) with details of such agreements available on the Council's Intranet.</p> <p>A register of Information Sharing agreements is held by the Council's Data Protection Officer.</p>
What is missing	Nothing identified
Supporting Principle	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring
What Assurance Do We Want	<p>Data quality procedures and reports</p> <p>Data validation procedures</p>
What Assurance Do We Get	<p>Auditing of data is completed in accordance with the risk based internal audit plan.</p> <p>Data is validated as part of the internal controls in place within the various systems.</p> <p>Knowledge, Performance and Insight service providing information to aid accurate and informed decision making and performance monitoring.</p>
What is missing	Nothing identified
Supporting Principle	Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance
What Assurance Do We Want	Financial management supports the delivery of services and transformational change as well as securing good stewardship
What Assurance Do We Get	<p>Council, on 25th February 2020, approved a 3 year Medium Term Financial Strategy for the General Fund with a Council Tax increase of £5 for the year – in order to continue to deliver those services essential to the Local Community.</p> <p>With regard to the Housing Revenue Account, a 5 year MTFS was approved by Council including significant</p>

investment in Regeneration projects to meet future housing needs and sustain the HRA in the longer term. When the budget and MTFs were approved, future levels of funding for the Council were uncertain pending the most significant changes in Local Government funding for a generation. The reforms were planned to be in place by 2020/21 but were deferred until 2021/22. The Government has confirmed that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. In addition, the next planned national Business Rates Revaluation, planned for 2021 will take effect from 2023.

In light of the projected impact of Covid-19 on the Councils Medium Term Financial Strategy, an immediate suspension of all non-essential spending was approved by Cabinet on 9th July and that Managers review their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020 - and approval sought for the budget to be revised to remove these.

No one can know what the effect of the Covid-19 crisis will have on the economy and ultimately the impact for the Councils finances. It will be many months before we have a clearer idea on how the economy has responded to the recovery process – including any lasting effects for individual businesses and their employees. Social distancing measures will remain in place for the foreseeable future – impacting mainly on the Councils ongoing income receipts.

Measures taken to control Covid-19 are leading to heavy economic losses and this has and will continue to affect collection rates, as some individuals and businesses experience financial effects of the pandemic. The uncertainties created by the pandemic have also significantly increased volatility and uncertainty in markets. This applies not only to non-current operational and non-operational property assets held by authorities, but also to investment properties, financial assets and many assets held by pension funds.

Financial resilience is and has been the key requirement for local authorities at any time, but in the current crisis it has assumed unprecedented importance. Perhaps the biggest difficulty with the pandemic is that there is no certainty about time scales; it is impossible to draw any conclusions about how long the effects will last.

During the crisis the Council has lost income which will significantly impact on the potential sustainability of the organisation, as will be the case across many Local Government organisations. Whilst the full extent of this cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy. This must be linked to an overall vision for the organisation.

The Council remains committed to promoting and stimulating economic growth and regeneration; meeting our housing needs; creating a vibrant town centre economy and protecting those most vulnerable in our communities. The Council is responding to these challenges by considering the opportunities to make further savings and /or grow our income. We are ambitious with our commercial view and will continue to work hard

Page 44	<p>to identify income streams that enable us to continue to meet the needs of our residents.</p> <p>More than ever, we recognise that our financial capacity will be less than in previous years which means that we will need to maintain our approach to innovation, collaboration and transformation. So, not only will the Council seek investment from businesses and developers, but the Council itself will explore viable and sustainable investment opportunities using all returns to support public services.</p> <p>We continue to invest in our teams, transform our processes and ensure our technology infrastructure is fit for purpose. We have identified a number of opportunities to improve customer access to information and services as well as our engagement with our citizens and the way in which we manage our data and information.</p> <p>Linked with this, the 'Delivering Quality Services' project continues to review processes and demand, with the aim of re-designing processes to meet changing customer expectations and making the best use of technology to deliver efficient and effective services to the customer, including self-service and digital functionality.</p> <p>This approach will change the organisation and how it works; will require Members to put evidence and insight at the heart of our decision making to ensure that we are transparent about the rationale for our decisions and plans; will involve managed risks and will sustain essential services critical in supporting the most vulnerable in our communities at a time when demand is increasing and resources reducing.</p> <p>Corporate Management Team (CMT) and Cabinet review the most up-to-date budget forecasts on a quarterly basis, and discuss the delivery of the planned savings to support our Medium Term Financial Strategy (MTFS).</p>
What is missing	Nothing identified
Supporting Principle	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls
What Assurance Do We Want	Budget monitoring reports
What Assurance Do We Get	Budget monitoring reports are available monthly and ad hoc as required. Accountants complete regular budget monitoring reports with budget managers.
What is missing	Nothing identified

**Core Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Supporting Principle	Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.
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	Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.
What Assurance Do We Want	Website Annual report
What Assurance Do We Get	All reports are made available on the website for the public to access apart from anything confidential as laid down by the Local Government Act 1972 and subsequent enabling legislation and guidance The <a href="#">Corporate Plan</a> is published on an annual basis and made available on the website. All information is made available in accordance with the Transparency Agenda. Where Freedom of Information requests are made and it is beneficial to publish the data on the website, this is completed to ensure that the Authority is transparent and it also reduces the number of information requests received.
What is missing	Nothing identified
Supporting Principle	Reporting at least annually on performance, value for money and the stewardship of its resources.
What Assurance Do We Want	Formal annual report which includes key points raised by external scrutineers and service users' feedback on service delivery. Annual financial statements
What Assurance Do We Get	The <a href="#">Corporate Plan</a> is refreshed on an annual basis. The financial statements are produced in accordance with the laid down timetable and presented to the Audit & Governance Committee for approval. The External Auditors produce the Annual Audit Letter and the Audit Findings Report which is presented to the Audit & Governance Committee.
What is missing	Nothing identified
Supporting Principle	Ensuring members and senior management own the results.
What Assurance Do We Want	Appropriate approvals
What Assurance Do We Get	Decisions approved by <a href="#">Cabinet</a> and <a href="#">Full Council</a> as detailed within the Constitution Accounts (including AGS) approved by Audit & Governance Committee. Minutes of the meetings are made available on the website.
What is missing	Nothing identified
Supporting Principle	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (Annual Governance Statement).
What Assurance Do We Want	Annual Governance Statement
What Assurance Do We Get	Results and actions arising from this assessment will go in the Annual Governance Statement for approval by Audit & Governance Committee
What is missing	Nothing identified

Supporting Principle	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.
What Assurance Do We Want	Annual Governance Statement
What Assurance Do We Get	The Annual Governance Statement is prepared by the Governance Group which is made up of lead officers within the Authority. The revised Personal Development Review document will include reference to the core principles of Corporate Governance.
What is missing	Nothing identified
Supporting Principle	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.
What Assurance Do We Want	Format follows best practice
What Assurance Do We Get	High level corporate plan projects/programmes and corporate risk register included in the <a href="#">Statement of Accounts</a> Financial statements prepared in line with the CIPFA Code of Practice (as all Councils should) including relevant performance information from the Corporate Plan.
What is missing	Nothing identified
Supporting Principle	Ensuring that recommendations for corrective action made by external audit are acted upon Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon
What Assurance Do We Want	Recommendations have informed positive improvement Compliance with CIPFA's Statement on the Role of the Head of Internal Audit Compliance with Public Sector Internal Audit Standards
What Assurance Do We Get	All recommendations made by the External Auditors are acted upon. Compliant and supporting evidence in the review of arrangements in relation to compliance with the CIPFA Statement on the Role of the Head of Internal Audit and compliance to the Public Sector Internal Audit Standards which has been further demonstrated following and external assessment completed in 2017.
What is missing	Nothing identified
Supporting Principle	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.
What Assurance Do We Want	Recommendations have informed positive improvement
What Assurance Do We Get	A Peer Assessment is planned for 2020/21.
What is missing	Nothing identified

Supporting Principle	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.
What Assurance Do We Want	Annual Governance Statement
What Assurance Do We Get	Partnership arrangements in place designed to help the Council work with its partners to ensure that all partnerships have good systems of governance. Informed by Corporate Risk Register.
What is missing	Nothing identified
Supporting Principle	Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.
What Assurance Do We Want	Community Strategy
What Assurance Do We Get	Partnership arrangements in place designed to help the Council work with its partners to ensure that all partnerships have good systems of governance.
What is missing	Nothing identified

29 October 2020

**REPORT OF THE HEAD OF AUDIT AND GOVERNANCE & MONITORING OFFICER****REVIEW OF THE CONSTITUTION & SCHEME OF DELEGATION****EXEMPT INFORMATION**

None.

**PURPOSE**

For the Audit & Governance Committee to comment on and endorse the proposed amendments to the Council's Constitution (including the Scheme of Delegation) in advance of its submission to Council.

**RECOMMENDATIONS**

- 1. That the Committee comment on and endorse the proposed amendments to the Council's constitution (including the scheme of delegation) prior to its submission to Council.**

**EXECUTIVE SUMMARY**

Articles 13 and 16 of the Constitution require the Monitoring Officer to maintain, monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect. Any changes to the Constitution must be approved by the Full Council after consideration of the proposal by the Monitoring Officer and the Audit & Governance Committee (as necessary).

The Audit & Governance Committee's review of the proposed changes to the Constitution (including scheme of delegation) at **Appendix 1**, in advance of Council's consideration, supports the Council in this review.

In summary, this review has included:

- Advice from legal advisors, Anthony Collins as well as via our own shared service arrangement with South Staffordshire Council, to ensure the document remains lawful and accords with best practice.
- Consultation from the Corporate Management Team to ensure the document's application remains practical and up to date for staff and delegation changes.
- Consideration and endorsement by the Constitution Working Group (comprising cross party membership) which met on 2 March 2020, prior to the Covid-19 restrictions.
- Update on the financial limits as set out in the revised Financial Guidance which the Audit & Governance Committee approved in July 2020.

Following the Audit & Governance Committee's review and any actions /

amendments subsequently proposed, the revised Constitution will be submitted to the Council for final approval in December 2020.

## **RESOURCE IMPLICATIONS**

None.

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

None.

## **EQUALITIES IMPLICATIONS**

None.

## **SUSTAINABILITY IMPLICATIONS**

None.

## **BACKGROUND INFORMATION**

None.

## **REPORT AUTHOR**

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## **LIST OF BACKGROUND PAPERS**

## **APPENDICES**

**Appendix 1** – Proposed Constitution and Scheme of Delegation with tracked changes.

# TAMWORTH BOROUGH COUNCIL



## CONSTITUTION

As approved at the meeting of the Council on the ~~21 May 2019~~ <sup>18<sup>th</sup>-19<sup>th</sup> Edition</sup>

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## 1 Part 1 - Summary and Explanation

### Summary and Explanation

Tamworth Borough Council is the democratically elected authority for Tamworth. The Council provides community leadership to develop Tamworth and enhance the experiences of those who live here, work here and visit the Borough. It has statutory responsibility for the provision of a range of services, some of which are delivered directly by the Council, others are delivered on its behalf by a range of organisations and partners. The Council works in partnership with other organisations such as Staffordshire County Council and other District Councils, the Police, Health bodies and the voluntary and community sector.

### The Council's Constitution

Tamworth Borough Council's constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose.

The Constitution is divided into 17 articles which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in separate rules and protocols at the end of the document.

### What's in the Constitution?

Article 1 of the Constitution commits the Council to provide clear transparent and effective community leadership. Articles 2 – 17 explain the rights of citizens and how the key parts of the Council operate. These are:

- Members of the Council (Article 2).
- Citizens and the Council (Article 3).
- The Council meeting (Article 4).
- Chairing the Council (Article 5).
- Overview and scrutiny of decisions (Article 6).
- The Executive (Article 7).
- Regulatory committees (Article 8).
- The Audit and Governance Committee (Article 9).
- Nominations Committee (Article 10).
- Area Committees (Article 11).
- Joint Arrangements (Article 12).
- Officers (Article 13).
- Decision making (Article 14).
- Finance, contracts and legal matters (Article 15).
- Review and revision of the Constitution (Article 16).
- Suspension, interpretation and publication of the Constitution (Article 17).

### How the Council operates

The Council is composed of 30 councillors with one-third elected three years in four. Councillors are democratically accountable to residents of their ward. The overriding duty of councillors is to the whole community, but they have a special duty to their constituents, including those who did not vote for them.

Councillors have to agree to follow a code of conduct to ensure high standards in the way they undertake their duties. Councillors receive training and advice on the code of conduct.

All councillors meet together as the Council. Meetings of the Council are normally open to the public. Here councillors decide the Council's overall policies and set the budget each year. The Council appoints the Leader of the Council, and members of the various committees and sub committees, receives reports from the Leader and its scrutiny committees, answers questions from the public and holds an annual state of Tamworth debate.

### 1.1 How Decisions are made

The Executive is the part of the Council which is responsible for most day-to-day decisions. The Executive (which may also referred to as the ~~Cabinet~~Executive) is made up of the Leader, who is elected by the Council, and an Executive of a maximum of nine councillors whom s/he appoints.

Commented [A2]: Cabinet has been replaced with Executive throughout for consistency

When major decisions are to be discussed or made, these are published in the Executive's forward plan in so far as they can be anticipated. If these major decisions are to be discussed with council officers at a meeting of the Executive, this will generally be open for the public to attend except where personal or confidential matters are being discussed. The Executive has to make decisions which are in line with the Council's overall policies and budget. If it wishes to make a decision which is outside the budget or policy framework, this must be referred to the Council as a whole to decide.

There are some decisions, mostly those of a regulatory nature such as planning and licensing, which the law does not allow the Executive to make. These are made by committees appointed by the full Council.

In many cases decisions are delegated by members, both from the Executive and from the Council committees, to officers. The Scheme of Delegation at Part 3 gives details of the delegations which are in force.

### 1.2 Overview and Scrutiny

There are three overview and scrutiny committees which hold the Executive to account and support the work of the Executive and the performance delivery of the Council as a whole. They allow citizens to have a greater say in Council matters by holding public inquiries into matters of local concern. These lead to reports and recommendations which advise the Executive and the Council as a whole on its policies, budget and service delivery. Overview and scrutiny committees also monitor the decisions of the Executive. They can 'call-in' a decision which has been made by the Executive but not yet implemented. This enables them to consider whether the decision is appropriate. They may recommend that the Executive reconsider the decision. They may also be consulted by the Executive or the Council on forthcoming decisions and the development of policy.

The Council also has other committees such as Audit and Governance Committee and Nominations Committee. Non councillors may be co-opted onto overview and scrutiny committees.

#### The Council's Staff

The Council has people working for it (called 'officers') to give advice, implement decisions and manage the day-to-day delivery of its services. Some officers have a specific duty to ensure that the Council acts within the law and uses its resources

wisely. A code of practice governs the relationships between officers and members of the council.

### **Citizens' Rights**

Citizens have a number of rights in their dealings with the Council. These are set out in more detail in Article 3. Some of these are legal rights, whilst others depend on the Council's own processes. The local Citizens' Advice Bureau can advise on individuals' legal rights.

Where members of the public use specific council services, for example as a council tenant, they have additional rights. These are not covered in this Constitution.

Citizens have the right to:

- vote at local elections if they are registered;
- contact their local councillor about any matters of concern to them;
- obtain a copy of the Constitution;
- attend meetings of the Council and its committees except where, for example, personal or confidential matters are being discussed;
- petition to request a referendum on a change back to a Committee system or for an elected Mayor;
- participate in the Council's question time and contribute to investigations by the overview and scrutiny committees;
- find out, from the Executive's forward plan, what major decisions are to be discussed by the Executive or decided by the Executive or officers, and when;
- attend meetings of the Executive where key decisions are being discussed or decided;
- see reports and background papers, and any record of decisions made by the Council and Executive;
- complain to the Council through the [Tell Us Policy and Procedure; ~~comments, compliment and complaints procedure;~~](#)
- complain to the Ombudsman if they think the Council has not followed its procedures properly. However, they should only do this after using the Council's [Tell Us Policy and Procedure; ~~own complaints process;~~](#)
- complain to the Council if they have evidence which they think shows that a councillor has not followed the Council's Code of Conduct; and
- inspect the Council's accounts and make their views known to the external auditor.

The Council welcomes participation by its citizens in its work. For further information on your rights as a citizen, please contact the main switchboard on 01827 709709.

## 2 Part 2 - Articles of the Constitution

### 2.1 Article 1 – The Constitution

#### 2.1.1 Powers of the Council

The Council will exercise all its powers and duties in accordance with the law and this Constitution.

#### 2.1.2 The Constitution

This Constitution, and all its appendices, is the Constitution of ~~the~~ Tamworth Borough Council.

#### 2.1.3 Purpose of the Constitution

The purpose of the Constitution is to:

- enable the Council to provide clear leadership to the community in partnership with citizens, businesses and other organisations;
- support the active involvement of citizens in the process of local authority decision-making;
- help councillors represent their constituents more effectively;
- enable decisions to be taken efficiently and effectively;
- create a powerful and effective means of holding decision-makers to public account;
- ensure that no one will review or scrutinise a decision in which they were directly involved;
- ensure that those responsible for decision making are clearly identifiable to local people and that they explain the reasons for decisions; and
- provide a means of improving the delivery of services to the community.

#### 2.1.4 Interpretation and Review of the Constitution

Where the Constitution permits the Council to choose between different courses of action, the Council will always choose that option which it thinks is closest to the purposes stated above.

The Council will monitor and evaluate the operation of the Constitution as set out in Article 16.

Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

## 2.2 Article 2 – Members of the Council

### 2.2.1 Composition and eligibility

- (a) **Composition.** The Council will comprise 30 members, otherwise called councillors. The Borough is divided into 10 wards and 3 councillors are elected by the voters of each ward in accordance with a scheme drawn up by the Local Government Commission and approved by the Secretary of State.
- (b) **Eligibility.** Only registered voters of the borough or those living or working there will be eligible to hold the office of councillor.

### 2.2.2 Election and terms of councillors

- (a) The ordinary election of a third of all councillors will be held on the first Thursday in May in each year beginning in 2003 except that in 2005 and every fourth year after there will be no regular election. The terms of office of councillors will be four years starting on the fourth day after being elected and finishing on the fourth day after the date of the regular election four years later.
- (b) The overriding duty of councillors is to the whole community of the Borough, but they have a special responsibility to each one of their constituents. Councillors are democratically accountable to residents of their ward.

### 2.2.3 Roles and functions of all councillors

- (a) **Key roles.** All councillors will:
  - (i) collectively be the ultimate policy-makers and carry out a number of strategic and corporate management functions;
  - (ii) represent their communities and bring their views into the Council's decision-making process, i.e. become the advocate of and for their communities. Councillors have a duty to the whole of the Borough, but a special role in relation to their ward;
  - (iii) deal with individual casework and act as an advocate ~~for~~ supporting constituents in resolving particular concerns or grievances;
  - (iv) balance different interests identified within the ward or electoral division and represent the ward or electoral division as a whole;
  - (v) be involved in decision-making;
  - (vi) be available to represent the Council on other bodies;
  - (vii) maintain the highest standards of conduct and ethics; and

- (viii) have the power to refer to an overview and scrutiny committee ~~for consideration of~~ inclusion in their agenda for discussion, any local government matters which ~~are~~ relevant to the functions of the committee.

(b) **Rights and duties**

- (i) Councillors will have such rights of access to such documents, information, land and buildings of the Council as are necessary for the proper discharge of their functions and in accordance with the law.
- (ii) Councillors will not make public information which is confidential or exempt without the consent of the Council or divulge information given in confidence to anyone other than a councillor or officer entitled to know it.
- (iii) For these purposes, “confidential” and “exempt” information are defined in the Access to Information Rules in Part 4 of this Constitution.
- (iv) Members of overview and scrutiny committees or a sub-committee of such a committee may refer for inclusion in the agenda for discussion by the committee any matter which is relevant to the functions of the committee.
- (v) A councillor who is not a member of an overview and scrutiny committee may refer for inclusion on the agenda for discussion at that committee any ~~local government~~ matter which is relevant to the functions of the committee (except for excluded matters as defined in the Local Government Act 2000, as amended).

2.2.4 **Conduct**

Councillors will at all times observe the Members’ Code of Conduct and the Protocol on Member/Officer Relations set out in Part 5 of this Constitution.

2.2.5 **Allowances**

Councillors will be entitled to receive allowances in accordance with the Members’ Allowances Scheme set out in Part 6 of this Constitution.

## 2.3 Article 3 – Citizens and the Council

### 2.3.1 Citizens' rights

Citizens have the following rights. Their rights to information and to participate are explained in more detail in the Access to Information Rules in Part 4 of this Constitution:

- (a) **Voting and petitions.** Citizens on the electoral roll for the area have the right to vote and to request a referendum for an elected Mayor form of Constitution. Citizens may request a Councillor at Council meetings in July, September, December and March to present a petition to the Council on their behalf. The petition is thereafter processed as provided in the Petition Scheme.
- (b) **Information.** Citizens have the right to:
  - (i) Attend and report on meetings of the Council and its committees except where confidential or exempt information is likely to be disclosed, and the meeting is therefore held in private.;
  - (ii) ~~A~~ttend and report on meetings of the Executive ~~when key decisions are being considered except where confidential or exempt information is likely to be disclosed, and the meeting is therefore held in private.~~;
  - (iii) ~~F~~ind out from the Forward Plan what key decisions will be taken by the Executive and when.;
  - (iv) ~~S~~ee reports and background papers, unless these contain confidential or exempt information and any records of decisions made by the Council and the Executive.;
  - (v) ~~I~~nspect the Council's accounts and make their views known to the external auditor. ~~;~~ ~~and~~
  - (vi) ~~S~~eek information held by the Council under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.
- (c) **Participation.** Citizens have the right to participate in the Council's question time and contribute to investigations by overview and scrutiny committees.
- (d) **Complaints.** Citizens have the right to complain to:
  - (i) ~~T~~he Council itself under its comments compliments and complaints scheme.;
  - (ii) ~~T~~he Ombudsman after using the Council's own complaints scheme.;

- (iii) The Council about a breach of the Councillor's Code of Conduct.

### 2.3.2 **Citizens' responsibilities**

Citizens must not be violent, abusing or threatening to councillors or officers and must not wilfully harm things owned by the Council, councillors or officers.

## 2.4 Article 4 – The Full Council

Subject to any statutory requirements, the Council may determine those plans and strategies to be included in the Policy Framework.

### 2.4.1 Meanings

(a) **The Budget and Policy Framework.** ~~The policy framework~~ means the Budget and the following plans and strategies:-

- The Council's Procedure Rules as adopted pursuant to this Constitution;
- Pay Policy Statement;
- ~~Investment Strategy;~~
- Corporate Capital Strategy Asset Management Strategy;
- Treasury Management Strategy;
- Licensing Act 2003 Statement of Policy;
- Gambling Act 2005 Statement of Policy;
- Plans and strategies which together comprise the Local Plan;
- ~~The Healthier Housing Strategy Community Safety Plan;~~
- The Housing Revenue Account Business Plan and Investment;
- Housing Allocations Policy;
- Regulation & Investigative Powers (RIPA) Policy;

(b) **Budget.** The budget includes the allocation of financial resources to different services and projects, proposed contingency funds, setting the council tax and decisions relating to the control of the Council's borrowing requirement, the control of its capital expenditure and the setting of virement limits.

(c) **Housing Land Transfer.** Housing Land Transfer means the approval or adoption of applications (whether in draft form or not) to the Secretary of State for approval of a programme of disposal of 500 or more properties to a person under the Leasehold Reform, Housing and Urban Development Act 1993 or to dispose of land used for residential purposes where approval is required under sections 32 or 43 of the Housing Act 1985.

### 2.4.2 Functions of the full Council

Only the Council will exercise the following functions:

- (a) adopting and changing the Constitution;
- (b) approving or adopting the Policy Framework, the Budget and any application to the Secretary of State in respect of any Housing Land Transfer;
- (c) subject to the urgency procedure contained in the Access to Information Procedure Rules in Part 4 of this Constitution, making decisions about any matter in the discharge of an Executive

function which is covered by the Policy Framework or the Budget where the decision maker is minded to make it in a manner which would be contrary to the Policy Framework or contrary to/or not wholly in accordance with the Budget;

- (d) ~~appointing~~ ~~electing~~ the Leader and resolving to remove the Leader;
- (e) agreeing and/or amending the terms of reference for committees, deciding on their composition and making appointments to them (except where the appointment to a committee is required to give effect to the wishes of a political group); and ensuring that, with the exception of the Mayor, members are appointed to at least two committees (one of which shall not include the Budget Review Joint Scrutiny Committee); except for Executive members who are appointed to one committee;
- (f) appointing representatives to outside bodies unless the appointment is an Executive function or has been delegated by the Council;
- (g) adopting an allowances scheme under Article 2.2.5;
- (h) changing the name of the area, conferring the title of Honorary Alderman, Freeman, or Freedom of the Borough;
- (i) ~~confirming~~ ~~approving~~ the appointment or dismissal of the Chief Executive & Head of Paid Service; Monitoring Officer and s151 Officer;
- (j) making, amending, revoking, re-enacting or adopting bylaws and promoting or opposing the making of local legislation or personal Bills;
- (k) approving the Council's Code of Conduct;
- (l) approving the Chief Officers Pay Scheme (JNC Conditions) as part of Annual Pay Policy;
- (m) all local choice functions set out in Part 3 of this Constitution which the Council decides should be undertaken by itself rather than the Executive;
- (n) electing the Mayor and the Deputy Mayor at the annual meeting;
- ~~(m)~~(o) appointing Independent Persons; and
- ~~(n)~~(p) all other matters which, by law, must be reserved to Council.

#### 2.4.3 Council meetings

There are three types of Council meeting:

- (a) the annual meeting;

- (b) ordinary meetings;
- (c) extraordinary meetings.

and they will be conducted in accordance with the Council Procedure Rules in Part 4 of this Constitution.

2.4.4 **Responsibility for functions**

The Council will maintain the tables in Part 3 of this Constitution setting out the responsibilities for the Council's functions which are not the responsibility of the Executive.

## 2.5 Article 5 – Chairing the Council

### 2.5.1 Role and function of the Mayor

The Mayor and in their absence, the Deputy Mayor will have the following roles and functions:

~~The Mayor will be elected by the Council annually. The Mayor will have the following responsibilities:~~

- (a) to uphold and promote the purposes of the Constitution, and to interpret the Constitution when necessary which includes promoting the highest standards of conduct and behaviour during meetings of the Council;
- (b) to preside over meetings of the Council so that its business can be carried out efficiently and with regard to the rights of councillors and the interests of the community;
- (c) to ensure that the Council meeting is a forum for the debate of matters of concern to the local community and the place at which members who are not on the Executive are able to hold the Executive to account;
- (d) to promote public involvement in the Council's activities;
- (e) to be the conscience of the Council; and
- (f) to attend such civic and ceremonial functions as the Council and s/he determine appropriate.

2.6 **Article 6 – Overview and Scrutiny Committees**

2.6.1 **Terms of reference**

The Council will appoint the overview and scrutiny committees set out in the left hand column of the table below to discharge the functions conferred by sections 9F24 and 9F24A of the Local Government Act 2000 ~~or regulations under section 32 of the Local Government Act 2000~~ in relation to the matters set out in the right hand column of the same table. The membership of the committees and any sub-committees will be politically balanced. Members of the Executive may not be members of overview and scrutiny committees.

Committee	Primary Scope
<p>Health and Wellbeing Scrutiny</p> <p>(The Committee shall comprise 9 members of the Council and one co-opted member with voting rights being a member nominated by Staffordshire County Council)</p>	<p>To provide effective scrutiny of the achievement of the Council's strategic priorities by scrutinising the performance of the Executive and external providers in securing a safe environment in which local people can reach their full potential and live longer, healthier lives :-</p> <ul style="list-style-type: none"> <li>• Statutory Health Obligation</li> <li>• <del>County Council Agreement</del></li> <li>• Leisure</li> <li>• Voluntary Sector</li> <li>• Non HRA Housing</li> <li>• Disability Service</li> <li>• Social Care</li> <li>• Elderly and Vulnerable People Services</li> </ul> <p>To undertake such other scrutiny activities <u>relevant to the committee's scope</u>, as may be required in relation to the performance of the Council, governance, financial management and discharge of statutory functions.</p>
<p>Infrastructure, Safety and Growth Scrutiny</p> <p>(The Committee shall comprise 9 members of the Council)</p>	<p>To provide effective scrutiny of the achievement of the Council's strategic priorities and external providers in securing the primary outcome of creating a safe and sustaining thriving local economy and making Tamworth a more aspirational and competitive place to do business, <u>with a focus on</u>:-</p> <ul style="list-style-type: none"> <li>• <u>Infrastructure</u></li> <li>• <u>Education</u></li> <li>• <u>Employment/Inward Investment</u></li> <li>• <u>Town Centre</u></li> <li>• <u>Open Space and Play</u></li> <li>• <u>Public Space Protection Orders</u></li> </ul> <p>Statutory Crime and Disorder obligation; the</p>

	<p>Committee shall act as the Crime and Disorder Committee for the purposes of section 19 of the Police and Justice Act 2006 and may co-opt additional members subject to the Crime and Disorder Overview and Scrutiny) Regulations 2009.</p> <ul style="list-style-type: none"> <li>• <del>Highways</del> - (full Council decision)</li> <li>• <del>Education</del></li> <li>• <del>Employment/Inward Investment</del></li> <li>• <del>Town Centre</del></li> <li>• <del>Open Space and Play</del></li> </ul> <p><u>To undertake such other scrutiny activities, relevant to the committee's scope, as may be required in relation to the performance of the Council, governance, financial management and discharge of statutory functions.</u></p>
<p>Corporate Scrutiny (The Committee shall comprise 9 members of the Council)</p>	<p>To provide effective scrutiny of the achievement of the Council's strategic priorities by scrutinising the performance of the Executive.</p> <p>To review and scrutinise the performance and functions of other public bodies, statutory undertakers or other such organisations, including voluntary and not for profit institutions, who provide or facilitate the provision of public services within the Borough.</p> <ul style="list-style-type: none"> <li>• The Committee shall review and scrutinise matters relating to:-</li> <li>• Forward Plan</li> <li>• Quarterly performance reports</li> <li>• Corporate plan</li> <li>• Major Council lead projects</li> <li>• <del>Commercial</del> Investment <del>S</del>strategy</li> <li>• HRA function</li> <li>• <u>Bi-annually review and scrutinise matters relating to the Local Authority Trading Company's activities and performance.</u></li> </ul> <p><u>To undertake such other scrutiny activities, relevant to the committee's scope, as may be required in relation to the performance of the</u></p>

	<u>Council, governance, financial management and discharge of statutory functions.</u>
Budget Review Joint Scrutiny Committee  The Committees membership includes all non Executive members of the Council	The Committee meets up to twice a year to consider the budget proposals being put forward by the Executive and may make comments and recommendations back to the Executive on their budget proposals.
For All Committees	All Committees will consider the following matters as they carry out their primary functions <ul style="list-style-type: none"> <li>• Policy Development</li> <li>• Service Delivery &amp; Performance</li> <li>• Use of technology to ensure access and equality</li> <li>• Use of Corporate assets</li> <li>• Finance</li> </ul>

#### 2.6.2 General role

Within their terms of reference, overview and scrutiny committees and sub-committees will:

- (a) review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions including consideration at each meeting of the Forward Plan;
- ~~(a)~~(b) review and/or scrutinise matters identified as relevant to that committee, including items on the Forward Plan which have not yet been approved and/or implemented;
- ~~(b)~~(c) prepare an annual scrutiny work plan ~~covering two successive periods of six months~~ and make reports and/or recommendations ~~bi-annually~~ to the full Council and/or the Executive and/or any policy, joint or area committee in connection with the discharge of any functions;
- ~~(e)~~(d) liaise regularly with each other to ensure that there is no duplication between them in respect of scrutiny and review activity;
- ~~(d)~~(e) consider any matter affecting the area or its inhabitants; and
- ~~(e)~~(f) exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the Executive and/or any policy or area committees;
- ~~(f)~~(g) appoint Task and Finish Groups as and when required ~~with no more than two operating at any one time~~. Normally the Chair or Vice-Chair of the Committee would Chair such groups and there would be an expectation that any such groups would co-opt external expertise. No external appointees will be able to vote on any matter.

#### 2.6.3 Specific functions

- (a) **Policy development and review.** Overview and scrutiny committees and sub-committees may:
- (i) assist the Council and the Executive in the development of its Budget and Policy Framework by in-depth analysis of the budget and policy issues;
  - (ii) conduct research, community and other consultation in the analysis of policy issues and possible options;
  - (iii) consider and implement mechanisms to encourage and enhance community participation in the development of policy options;
  - (iv) question members of the Executive, other committees and chief officers about their views on issues and proposals affecting the area and receive a reply/progress statement from the responsible body or member within 3 calendar months, relating to any recommendations accepted by Full Council or Executive which have been referred from the scrutiny process; and
  - (v) liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working.
- (b) **Scrutiny.** Overview and scrutiny committees and sub-committees may:
- (i) review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas;
  - (ii) review and scrutinise members of the Executive and chief officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects;
  - (iii) make recommendations to the Executive and Council arising from the outcome of the scrutiny process;
  - (iv) review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the overview and scrutiny committee and local people about their activities and performance.

- (c) **Finance.** Overview and scrutiny committees and sub-committees may exercise overall responsibility for any finances that may be made available to them.
- (d) **Annual report.** Overview and scrutiny committees must report annually to full Council on their workings and make recommendations for future work programmes and amended working methods if appropriate.

2.6.4 **Proceedings of overview and scrutiny committees and sub-committees**

Overview and scrutiny committees will conduct their proceedings in accordance with the Overview and Scrutiny Procedure Rules and the Non Regulatory Committee Procedure Rules set out in Part 4 of this Constitution.

## 2.7 Article 7 – The Executive

### 2.7.1 Role

The Executive will carry out all of the local authority's functions which are not the responsibility of any other part of the local authority, whether by law or under this Constitution.

### 2.7.2 Form and composition

The Executive will consist of the Executive leader together with not more than nine councillors appointed to the Executive by the Executive leader.

### 2.7.3 Leader

The Leader will be a councillor elected to the position of Leader by the Council, ~~at the Annual Council meeting.~~ The Leader will hold office from the date s/he is elected as leader until the next annual Council meeting or until:

- (a) s/he resigns from the office as Leader; or
- (b) s/he is removed from office by resolution of the Council; or
- (c) s/he is disqualified from ~~-~~being a councillor.

### 2.7.4 The Leader will

- (a) Determine the size of the Executive
- (b) Appoint members of the Executive
- (c) Allocate portfolio areas to members of the Executive
- (d) Remove and replace members of the Executive
- (e) Appoint and replace member champions

### 2.7.5 Other Executive members

The Leader will nominate one member of the Executive as a Deputy Leader to exercise the powers of the Leader when the Leader is unable to act or in the event of the office of Leader being vacant.

The Deputy Leader will hold office until the end of the Leader's term of office unless removed from office by the Leader or ceases to hold office as provided in this article.

The Leader shall give notice in writing to the Chief Executive of appointments made of the Deputy Leader and other Executive members.

The Deputy Leader and other Executive members shall hold office until:

- (a) they resign from office; or
- (b) they are disqualified from ~~-~~being councillors; or
- (c) they are no longer councillors; or

- (d) they are removed from office by the Leader who must give written notice of any removal to the Chief Executive. The removal will take effect two working days after receipt of the notice to the Chief Executive.

#### 2.7.6 **Proceedings of the Executive**

Proceedings of the Executive shall take place in accordance with the Executive Procedure Rules set out in Part 4 of this Constitution.

#### 2.7.7 **Responsibility for functions**

The Leader will inform the Chief Executive which individual members of the Executive, committees of the Executive, officers or joint arrangements are responsible for the exercise of particular Executive functions and the Monitoring Officer will maintain the list in Part 3 of this Constitution.

- 2.7.8 The Executive may appoint a committee or committees of Executive members, which committees may discharge Executive functions.

#### 2.7.9 **Member Champions**

The Leader may at the Annual meeting of the Council or such other time as s/he decides, appoint members to act as champions in such areas as he deems appropriate.

A champion is a Member who will champion an issue on behalf of the Council, as appointed by the Leader of the Council. Examples are issues like heritage, youth, sports, housing, business, town centre. This is not exhaustive but is an example of issues to champion.

#### **Champions**

~~A champion is a Member who will champion an issue on behalf of the Council, as appointed by the Leader of the Council. Examples are issues like heritage, youth, sports, housing, business, town centre. This is not exhaustive but is an example of issues to champion.~~

- Champions are expected to become very knowledgeable on their issue and report to Council, Executive, and relevant committees on their subject as required.
- They have no authority to decide Council actions, policy or direct to staff to act on their issue.
- All policy and decision making authority is the exclusive role of the Executive.
- A champion cannot be a Tamworth Borough Council Executive member, Scrutiny committee Chair, Deputy Mayor or Mayor.

A champion will:-

- Act as a lead person to gather, collect and research an issue on behalf of the Executive;

- Represent the Council, if authorised by the Executive, at relevant internal or external events and or meetings;
- Engage external partners and agencies on the issue if authorised by the Executive;
- Engage the public on the issue if authorised by the Executive;
- Act as a project spokesperson or council representative on a body group, such as youth council, if required by the Executive;
- Engage external agencies in the course of researching or investigating an issue or subject.

## 2.8 Article 8 – Regulatory Committees

### 2.8.1 Regulatory Committees

The council will appoint such regulatory Committees as it considers necessary and appropriate from time to time to discharge non-Executive functions. The committees to be appointed and their detailed terms and references are set out in Part 3 of this Constitution (Responsibility of Functions).

#### **Planning Committee**

See Schedule 16 – Local Protocol for Councillors and Officers Dealing with Planning Matters.

#### **Licensing Committee**

Under the Licensing Act 2003 and the Gambling Act 2005, Licensing Sub Committees will be formed in accordance with the Statement of Licensing Policy ~~2015–2020 - 2023~~. The ~~Head of Legal and Democratic Services~~ Monitoring Officer shall determine the makeup of the sub Committees (not necessarily to be politically balanced) with members as far as practically possible serving in rotation).

## Article 9 – Audit & Governance Committee

### 2.8.2 Audit & Governance Committee

The Council will establish an Audit & Governance Committee.

### 2.8.3 Composition

- (a) **Membership.** The Audit & Governance Committee will be composed of at least seven councillors ~~who are not other than a members~~ of the Executive or the Chair of any Scrutiny Committee.
- (b) **Independent members.** The Committee may co-opt up to two independent (non-elected) non-voting persons as and when it deems appropriate, for a period or periods it may determine.
- (c) **Chairing the Committee.** The Chair and Vice-Chair will be appointed in accordance with Council Procedure Rules.

### 2.8.4 Role and Function

The Audit & Governance Committee will have the following roles and functions:

- (a) **Audit Activity**
  - (i) Receive, but not direct, internal audit's strategy and audit plan;
  - (ii) Consider reports dealing with the management and performance of Internal Audit;
  - (iii) Consider the ~~Head of Internal~~ Head of Internal Audit and Governance's annual report and opinion, and the level of assurance Internal Audit can give over the Council's corporate governance arrangements;
  - (iv) Consider periodic reports from Internal Audit on the main issues arising from their work and "high priority" recommendations not implemented within a reasonable timescale, and seek assurance that action has been taken where necessary;
  - (v) Consider the final external audit Annual Audit and Inspection letter and any other relevant reports to "those charged with governance".
  - (vi) Consider on an annual basis the Local Authority Trading Company's Code of Practice and Governance Statement.
- (b) **Regulatory Framework**
  - (i) Maintain an overview of the Council's Constitution, including Contract Procedure Rules, Financial Regulations and Codes of Conduct;
  - (ii) Consider the internal control environment and the level of assurance that may be given as to its effectiveness, to include the review of the Statement on Internal Control and the recommendation to the Council of its adoption;

- (iii) Satisfy itself that the authority's assurance statements, including the Statement on Internal Control, properly reflect the risk environment and any actions required to improve it;
- (iv) Monitor the effectiveness of the authority's risk management arrangements, including the actions taken to manage risks and to receive regular reports on risk management;
- (v) Monitor the effective development and operation of the corporate governance framework in the Council and to recommend to the Executive or the Council, as appropriate, the actions necessary to ensure compliance with best practice;
- (vi) Monitor the effectiveness of the Council's policies and arrangements for anti-fraud and corruption and whistle-blowing, complaints handling, RIPA and Ombudsman investigations.

(c) **Accounts**

Approve the annual statement of accounts, external auditor's opinion and reports to members and monitor management action in response to the issues raised by external audit.

(d) **Reports to Council**

The Chair of the Audit & Governance Committee will provide an annual report of the Committee's activities to Council. Reports in the form of Minutes detailing action taken by the Committee and recommendations will be submitted to Council on an annual basis.

(e) **Delegated Powers**

The Committee is empowered to deal with the functions detailed above.

(f) **Standards of Conduct**

This Committee, in the form of a sub Committee, shall exercise all the functions of the Council relating to the Members' Codes of Conduct as provided in the Localism Act 2011 except for those functions which under Chapter 7 of the Localism Act 2011 may only be exercised by the full Council.

Where a complaint is made alleging a breach of the Code, the matter will be considered by a Sub-committee of the Audit & Governance Committee. The Sub-committee will consider the complaint in accordance with the procedure set down in the Council's Arrangements for Making Complaints Against a Councillor for an Alleged Breach of the Code of Conduct.

The Sub-committee shall be made of three members of the Audit & Governance Committee and shall include representation from each political group (where practicable).

The Independent Person(s) appointed by full Council shall attend meetings of the Sub-committee and the Sub-committee shall have regards to the views of the Independent Person(s).

The Monitoring Officer will report to the Audit & Governance Committee regarding an investigation of a complaint if the investigation has not concluded within 6 months of the date of the complaint, and the Audit & Governance Committee may review the investigation of such a complaint, following consideration of the Monitoring Officer's report.

The Council's Arrangements for Making Complaints Against a Councillor for an Alleged Breach of the Code of Conduct is appended. ~~The sub Committee shall be made of three members of the Audit & Governance Committee and shall be politically balanced where practical.~~

## 2.9 Article 10 – Nominations Committee

2.9.1 The Council will establish a Nominations Committee.

### 2.9.2 Composition

- (a) **Membership.** The nominations committee will be composed of at least:
  - (i) seven councillors
  - (ii) one person who is not a councillor or an officer of the council (“Independent person”).
- (b) **Chairing the Committee.** The Chair and Vice-Chair will be appointed in accordance with Council Procedure Rules.
- (c) **Independent ~~persons~~members.** Independent ~~members~~persons will be entitled to vote at meetings.

### 2.9.3 Role and Function

The Nominations Committee will have the following roles and functions:

- (a) Consider nominations to be made to the Council pursuant to section 249(1) of the Local Government Act 1972 for conferring the title of Honorary Aldermen or Honorary Alderwomen on persons who have, in the opinion of the Council, rendered eminent services to the Council;
- (b) Consider nominations to be made to the Council pursuant to section 249(5) of the Local Government Act 1972 to admit to be honorary freemen or honorary freewomen of the Borough of Tamworth persons who are of distinction and who have, in the opinion of the Council, rendered eminent services to the Borough;
- (c) Maintain a publicly accessible application process for the two above honours;
- (d) ~~Any approved applications are Re~~ refer any approved applications ~~red~~ to Full Council for ~~Full Council~~ approval;
- (e) Act as a sponsor to a new application, make referral to, or support an existing application that nominates a Tamworth resident to any outside bodies’ awards or recognition scheme;
- (f) Seek nominations from the Tamworth public, persons worthy of public recognition for their service or work for the Borough of Tamworth;
- (g) Bi-annually, promote by way of the Council’s media, ~~insert on the Council website and local newspaper an — article — providing~~ details of the operation and function of the Committee.

**2.10 Article 11 – Area Committees and Forums**

**2.10.1 Area Committees and Forums**

The Council may appoint area committees and forums as it sees fit, if it is satisfied that to do so will ensure improved service delivery in the context of best value and more efficient, transparent and accountable decision making.

## 2.11 Article 12 - Joint Arrangements

### 2.11.1 Arrangements to promote well being

The Council, in respect of Non-Executive functions, and the Executive in respect of Executive functions ~~and in order to promote the economic, social or environmental well-being of its area~~, to carry out activities falling within its powers under the General Power of Competence may:

- (a) enter into arrangements or agreements with any person or body;
- (b) co-operate with, or facilitate or co-ordinate the activities of, any person or body; and
- (c) exercise on behalf of that person or body any functions of that person or body.

Subject, in all cases, to compliance with the statutory requirements.

### 2.11.2 Joint Arrangements

- (a) The Council may establish joint arrangements with one or more local authorities to exercise functions which are not Executive functions in any of the participating authorities, or to advise the Council. Such arrangements may involve the appointment of a joint committee with these other local authorities.
- (b) The Executive may establish joint arrangements with one or more local authorities to exercise functions which are Executive functions. Such arrangements may involve the appointment of joint committees with these other local authorities.
- (c) Except as set out below the Executive may only appoint Executive members to a joint committee and those members need not reflect the political composition of the Council as a whole.
- (d) The Executive may appoint members to a Joint Committee from outside the Executive in the following circumstances:
  - (i) the Joint Committee has functions for only part of the authority and that area is smaller than two fifth of the authority by areas or population. In such cases the Executive may appoint to the Joint Committee any Councillor who is a member for a ward which is wholly or partly contained within the area;
  - (ii) the Joint Committee is discharging a function in relation to five or more authorities;
  - (iii) the function which the Joint Committee is discharging is a function which is required by statute to be discharged by a Joint Committee;
  - (iv) political balance requirements do not apply to such appointments.

- (e) Details of any joint arrangements including delegations to Joint Committees will be found in Part 3 of this Constitution.

2.11.3 **Access to information**

The Access to Information Rules in Part 4 of this Constitution will apply.

2.11.4 **Delegation to and from other local authorities**

- (a) The Council may delegate functions to another local authority or, in certain circumstances, the Executive of another local authority.
- (b) The Executive may delegate Executive functions to another local authority or the Executive of another local authority in certain circumstances.
- (c) The decision whether or not to accept or refuse such a delegation from another local authority shall be reserved to the Council meeting.

2.11.5 **Contracting out**

The Council in respect of non-Executive functions and the Executive in respect of Executive functions may contract out to another body or organisation functions which may be exercised by an Officer and which are subject to an order under section 70 of the Deregulation and Contracting Out Act 1994, or under contracting arrangements where the contractor acts as the Council's agent under usual contracting principles, provided there is no delegation of the Council's discretionary decision making.

## 2.12 Article 13 – Officers

### 2.12.1 Management structure

- (a) **General.** The full Council may engage such staff (referred to as officers) as it considers necessary to carry out its functions.
- (b) **Chief Officers.** The full Council will engage persons for the following posts, who will be designated chief officers:

Chief Executive

Executive Director – Organisation (Head of Paid Service & Deputy Chief Executive)

Executive Director – Finance

Executive Director – Communities

Assistant Directors:-

Assets

Finance

Growth & Regeneration

Neighbourhoods

Operations & Leisure

Partnerships

People

- (c) **Head of Paid Service, Monitoring Officer and Chief Financial Officer.** The Council will designate the following posts as shown:

#### STATUTORY OFFICERS

Post	Designation
Executive Director Organisation	Head of Paid Service
Head of Audit & Governance	Monitoring Officer
Executive Director – Finance	Section 151 Officer

Such posts will have the functions described in Article 12.13.2–12.13.4 below.

- (d) **Structure.** The Head of Paid Service will determine and publicise a description of the overall departmental structure of the Council showing the management structure and deployment of officers. This is set out at Part 7 of this Constitution.

### 2.12.2 Functions of the Head of Paid Service

- (a) **Discharge of functions by the Council.** The Head of Paid Service will report to full Council on the manner in which the discharge of the Council's functions is co-ordinated, the number and grade of officers required for the discharge of functions and the organisation of officers.

- (b) **Restrictions on functions.** The Head of Paid Service may not be the Monitoring Officer but may hold the post of Section 151 Officer if a qualified accountant.

2.12.3 **Functions of the Monitoring Officer (to be exercised after consultation with the Chief Executive)**

- (a) **Maintaining the Constitution.** The Monitoring Officer will maintain an up-to-date version of the Constitution and will ensure that it is widely available for consultation by members, staff and the public.
- (b) **Ensuring lawfulness and fairness of decision making.** After consulting with the Chief Executive and Section 151 Officer, the Monitoring Officer will report to the full Council or to the Executive in relation to an Executive function if s/he considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered in accordance with s5 of the Local Government and Housing Act 1989.
- (c) **Supporting the Audit & Governance Committee.** The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct through provision of support to the relevant committee.
- (d) **Conducting investigations or other action.** The Monitoring Officer will conduct investigations or take other action into matters referred by the Audit & Governance Committee in accordance with the Complaints Procedure.
- (e) **Proper officer for access to information.** The Chief Executive will ensure that Executive decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible and will advise upon issues relating to confidential and exempt information.
- (f) **Advising whether Executive decisions are within the Budget and Policy Framework.** The Monitoring Officer will advise whether decisions of the Executive are in accordance with the Budget and Policy Framework.
- (g) **Providing advice.** The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all councillors.
- (h) **Restrictions on posts.** The Monitoring Officer cannot be the Section 151 Officer or the Head of Paid Service.

2.12.4 **Functions of the Section 151 Officer (to be exercised after consultation with the Chief Executive)**

- (a) **Ensuring lawfulness and financial prudence of decision making.** After consulting with the Chief Executive and the Monitoring Officer,

the Section 151 Officer will report to the full Council or to the Executive in relation to an Executive function – and the Council's external auditor if s/he considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully.

- (b) **Administration of financial affairs.** The Section 151 Officer will have responsibility for the administration of the financial affairs of the Council.
- (c) **Contributing to corporate management.** The Section 151 Officer will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.
- (d) **Providing advice.** The Section 151 Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all councillors and will support and advise councillors and officers in their respective roles.
- (e) **Give financial information.** The Section 151 Officer will provide financial information to the media, members of the public and the community.

2.12.5 **Duty to provide sufficient resources to the Monitoring Officer and Section 151 Officer**

The Council will provide the Monitoring Officer and Section 151 Officer with such officers, accommodation and other resources as are in their opinion sufficient to allow their duties to be performed.

2.12.6 **Conduct**

Officers will comply with the Officers' Code of Conduct and the Protocol on Officer/Member Relations set out in Part 5 of this Constitution.

2.12.7 **Employment**

The recruitment, selection and dismissal of officers will comply with the Officer Employment Rules set out in Part 4, schedule 8 of this Constitution.

## 2.13 Article 14 – Decision Making

### 2.13.1 Responsibility for decision making

The Council will issue and keep up to date a record of what part of the Council or individual has responsibility for particular types of decisions or decisions relating to particular areas or functions. This record is set out in Part 3 of this Constitution.

### 2.13.2 Principles of decision making

All decisions of the Council will be made with due regard to the Members' Code of Conduct and in accordance with the following principles:

- (a) proportionality (i.e. the action must be proportionate to the desired outcome) and having regard to the Council's Diversity and Equality Scheme;
- (b) due consultation and the taking of professional advice from officers;
- (c) respect for human rights (see below for further details);
- (d) a presumption in favour of openness;
- ~~(e)~~ the provision of the options considered;
- ~~(f)~~ the provision of reasons for the decision made;
- ~~(g)~~ the proper recording of the reasons;
- ~~(h)~~ compliance with the law and this Constitution; and
- ~~(i)~~ clarity of aims and desired outcomes.

### 2.13.3 Types of decision

- (a) Decisions reserved to full Council. Decisions relating to the functions listed in Article 4 will be made by the full Council and not delegated.
- ~~(b)~~ Decisions that are not reserved to full Council under this Constitution or by law or are otherwise delegated by full Council to a Committee or Sub Committee of the Council are Executive decisions and the Leader and Executive have overall responsibility for these decisions.
- ~~(b)~~~~(c)~~ Key decisions are taken by the Executive:-
  - (i) Key decision means any Executive decision to spend or forego income or raise additional income or make savings which is significant having regard to the Council's budget for the service or function to which the decision relates. For the purposes of this paragraph the Council interprets as "significant" any decision to spend ~~or~~ forego income or raise additional income or make savings exceeding £100,000 in one financial year.

or

- (ii) any Executive decision that has a significant effect on two or more wards. For the purposes of this paragraph the Council interprets as "significant" any proposal which will make a substantial physical alteration to the appearance of the area of two or more wards, or any proposal which will substantially alter the level of a Council service given to people who live or work in the area;
- (iii) An Executive decision maker may only make a key decision in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of this Constitution.

**2.13.4 Decision making by the full Council**

Subject to Article 2.14.8, the Council at their meetings will follow the Council Procedures Rules set out in Part 4 of this Constitution when considering any matter.

**2.13.5 Decision making by the Executive**

Subject to Article 2.14.8, the Executive will follow the Executive Procedures Rules set out in Part 4 of this Constitution when considering any matter.

**2.13.6 Decision making by overview and scrutiny committees**

Overview and scrutiny committees will follow the Overview and Scrutiny Procedures Rules, and where applicable the Non-Regulatory Committee Procedure Rules, set out in Part 4 of this Constitution when considering any matter.

**2.13.7 Decision making by other committees and sub-committees established by the Council**

Subject to Article 2.14.8, other Council committees and sub-committees will follow those parts of the Council Procedures Rules set out in Part 4 of this Constitution as apply to them.

**2.13.8 Decision making by Council bodies acting as tribunals**

The Council, a councillor or an officer acting as a tribunal or in a quasi-judicial manner or determining/considering (other than for the purposes of giving advice) the civil rights and obligations or the criminal responsibility of any person will follow a proper procedure which accords with the requirements of natural justice and the right to a fair trial contained in Article 6 of the European Convention on Human Rights and the duties placed on the Council under the Equality Act 2010.

## 2.14 Article 15 – Finance, Contracts and Legal Matters

### 2.14.1 Financial management

The management of the Council's financial affairs will be conducted in accordance with the financial rules set out in Part 4 of this Constitution.

### 2.14.2 Contracts

Every contract made by the Council will comply with the Contracts Procedure Rules set out in Part 4 of this Constitution.

### 2.14.3 Legal proceedings

The ~~Head of Legal & Democratic Services is Executive / Executive Directors~~ are authorised to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Council or in any case where they ~~Head of Legal & Democratic Services~~ considers that such action is necessary to protect the Council's interests.

### 2.14.4 Authentication of documents

Where any document is necessary to any legal procedure or proceedings on behalf of the Council, it will be signed by the ~~Head of Legal & Democratic Services/Executive Director~~ or other person authorised by ~~them/him/her~~, unless any enactment otherwise authorises or requires, or the Council has given requisite authority to some other person.

Any contract with a value exceeding £50,000 entered into on behalf of the local authority in the course of the discharge of an Executive function shall be made in writing. ~~Such contracts must either be signed by at least two officers of the authority or made under the common seal of the council attested by at least one officer.~~

~~Any document determined by the by the Monitoring Officer Chief Executive and in accordance with financial guidance to be a deed or otherwise required by law to be sealed, must be sealed with the Common Seal of the Council.~~

### 2.14.5 Common Seal of the Council

The Common Seal of the Council will be kept in a safe place in the custody of the ~~Head of Legal & Legal, Admin & Democratic Services~~ Officer. A decision of the Council, or of any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the ~~Head of Legal & Democratic Services Chief Executive~~ should be sealed.

### 2.14.6 Affixing of the Common Seal

~~The Common Seal shall be affixed by the Chief Executive or the Monitoring Officer,~~ or some other person authorised by the Chief Executive.

### 2.14.7 Attesting to the Affixing of the Common Seal

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The affixing of the Common Seal will be attested by the Chief Executive or some other person authorised by the Chief Executive.

## 2.15 Article 16 – Review and Revision of the Constitution

### 2.15.1 Duty to monitor and review the constitution

The Monitoring Officer will monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect.

#### **Protocol for monitoring and review of constitution by monitoring officer**

A key role for the Monitoring Officer is to be aware of the strengths and weaknesses of the Constitution adopted by the Council, and to make recommendations for ways in which it could be amended in order better to achieve the purposes set out in Article 1. In undertaking this task the Monitoring Officer may:

- (a) observe meetings of different parts of the member and officer structure;
- (b) undertake an audit trail of a sample of decisions;
- (c) record and analyse issues raised with him/her by members, officers, the public and other relevant stakeholders; and
- (d) compare practices in this authority with those in other comparable authorities, or national examples of best practice.

### 2.15.2 Changes to the Constitution

**Approval.** Any changes to the constitution other than those delegated to the Monitoring Officer as described below must be approved by the full Council after consideration of the proposal by the Monitoring Officer and the Audit and Governance Committee (as necessary). Changes to factual references and those required as a result of legislative changes or decisions of the full Council or the Executive (in the case of Executive arrangements) may be made by the Monitoring Officer.

## 2.16 Article 17 – Suspension, Interpretation and Publication of the Constitution

### 2.16.1 Suspension of the Constitution

- (a) **Limit to suspension.** The Articles of this Constitution may not be suspended. The Rules specified below may be suspended by the full Council to the extent permitted within those Rules and the law.
- (b) **Procedure to suspend.** A motion to suspend any rules will not be moved without notice unless at least one half of the whole number of councillors are present. The extent and duration of suspension will be proportionate to the result to be achieved, taking account of the purposes of the Constitution set out in Article 1.
- (c) **Rules capable of suspension.** The following Rules may be suspended in accordance with this Article:

The Council's Procedure Rules to the extent provided 4.24 and Schedule 1, 18.

### 2.16.2 Interpretation

The ruling of the Mayor as to the construction or application of this Constitution or as to any proceedings of the Council shall not be challenged at any meeting of the Council. Such interpretation will have regard to the purposes of this Constitution contained in Article 1.

### 2.16.3 Publication

~~(a) — The Head of Legal & Democratic Services Monitoring Officer will ensure that a copy of this constitution is ~~ies are~~ published on the Council's website and ~~made~~ available for inspection at the council offices at Marmion House, libraries and other appropriate locations, and can be purchased by members of the local press and the public on payment of a reasonable fee.~~

## 2.17 Schedule 1: Description of Executive Arrangements

The following parts of this Constitution constitute the Executive arrangements:

- 2.17.1 Article 6 (Overview and Scrutiny committees) and the Overview and Scrutiny Procedure Rules;
- 2.17.2 Article 7 (The Executive) and the Executive Procedure Rules;
- 2.17.3 Article 11 (Area Committees) where the Area Committee is exercising Executive functions;
- 2.17.4 Article 12 (Joint Arrangements) where the Joint committee is exercising Executive functions;
- 2.17.5 Article 14 (Decision making) and the Access to Information Procedure Rules (as they relate to Executive matters);
- 2.17.6 Part 3 (Responsibility for Functions) (as it relates to Executive matters);

### 3 Part 3 - Responsibility for Functions

The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended or replaced) specify which functions are not the responsibility of the Executive, functions which may be the responsibility of the Executive (local choice functions) and functions which are partly the responsibility of the Executive and partly the Council.

#### 3.1 RESPONSIBILITY FOR LOCAL CHOICE FUNCTIONS

The following local choice functions shall be the responsibility of the Executive:-

Appointments under paragraph 19 of Schedule 2 to the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended or replaced).

All other local choice functions shall be the responsibility of the Council but may be delegated to committees.

#### 3.2 RESPONSIBILITY FOR COUNCIL FUNCTIONS

Committee	Membership	Functions	Delegation of functions
Planning	Thirteen Members	<p>Planning and conservation Functions conferred on the Council relating to town and country planning, development control, highways and environmental protection as specified in the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended):</p> <p>Schedule 1 Part A 1-27                      Schedule 1 Part B 47-55, Part I 1-34, 46-47                      Schedule 2 – 10-12, 14-15 and 16,17 and 18 (except the powers reserved to the Executive)</p>	<p>Assistant Director – Growth &amp; Regeneration                      In accordance with any arrangements approved from time to time by the Planning Committee</p>
Licensing Committee	Thirteen Members	<p>Those functions conferred on the Council in relation to licensing (including liquor licensing), registration, health &amp; safety as contained in Schedule 1, Part B (1-46, 56-70), Part C</p>	<p><del>Chief Executive</del>  <del>Executive</del>  <del>Assistant Director</del>  <del>Growth &amp; Regeneration</del></p>

		(whole), Part I (42) of the Local Government (Functions & Responsibilities) (England) Regulations 2000 (as amended) To determine matters under the Licensing Act 2003 and the Gambling Act 2005	
Appointments and Staffing Committee	Five Members, of which one must be a member of the Executive.	To recommend to full Council the appointment or dismissal of the <b>Chief Executive and</b> Head of Paid Service and Posts designated as Chief Officer (including any such Officers on Chief Officer conditions), <b>including the as well as the</b> Monitoring Officer and S151 Officer.  To determine the terms and conditions on which all staff hold office including procedures dealing with grievance and dismissal.  In respect of Chief Officers and Officers appointed on Chief Officer conditions, to be the appeal Committee for appeals against decisions made on matters of grievance and discipline by an Investigating Committee or the Chief Officer Conduct Committee.	
Chief Officer Conduct Committee	Five Members of which one must be a member of the Executive	To act as the Investigating Committee or the first stage Committee to hear the case against an employee appointed in	

		<p>accordance with Joint Negotiating Committee terms for Executives or Chief Officers.</p> <p>The Committee will not act as an appellate Committee as such provisions are reserved to the Appointment &amp; Staffing Committee.</p>	
Audit & Governance Committee	Seven Members	<p>Those functions conferred on the Council in relation to Audit and Governance matters including Audit Activity, Regulatory Framework and Accounts.</p> <p>To advise the council on the adoption or revision of its Code of Conduct.</p> <p>To monitor and advise the council about the operation of its Code of Conduct in the light of best practice and in terms of the Localism Act 2011.</p> <p><del>Assistance to</del> <u>To assist</u> members and co-opted members of the authority.</p> <p>To ensure that all members of the Council have access to training in all aspects of the member Code of Conduct, that this training is actively promoted, and that members are aware of the standards expected from local councillors under the Code</p>	

		<p>1) Other functions</p> <p>Functions relating to standards of conduct of members under any relevant provision of, or regulations made under, the Localism Act 2011 <u>including complaints against members and co-opted members of the Council for breach of the Code of Conduct; and the granting of dispensations pursuant to section 33, Localism Act 2011.</u></p> <p>The Council's complaints procedure.</p>	
Statutory Officer Conduct Committee	Seven comprised of five elected Members of whom one must be a member of the <u>Cabinet Executive</u> and two voting Independent Persons	To recommend to Council any disciplinary action <u>(including dismissal) etc. of statutory officers.</u>	

### 3.3 RESPONSIBILITY FOR EXECUTIVE FUNCTIONS

Executive functions shall be subject to the provisions of Section 9E of the Local Government Act 2000 (as amended) and shall be the responsibility of the Leader of the Council. The Leader who may discharge Executive functions or arrange for their discharge by the Executive, by another member of the Executive, by a committee of the Executive or by an officer of the Council.

The Leader-Monitoring Officer shall as required by Article 7 (2.7.7) maintain a list of delegations of functions which shall form part of this Constitution.

#### Delegated Executive Functions

The Leader has determined that the Executive functions should be discharged by the following portfolio holders

<b>Leader of the Council</b> Cllr Daniel Cook	<b>Assets and Finance</b> Cllr Rob Pritchard (Deputy leader)	<b>Heritage and Regeneration</b> Cllr Jeremy Oates
<b>Portfolio</b>	<b>Portfolio</b>	<b>Portfolio</b>
Business Continuity	Property Management Investment	WMCA Member
TSP (Tamworth Statagic Partnership)	GF Repairs	Local Enterprise Partnerships (LEP's)
Emergency Planning	DFG's	Economic & Business Development
Performance	Commercial Property Portfolio	Tourism / Destination Tamworth
MTFS	Asset Management	Castle
Organisational Development	Revenues & Benefits	Heritage Promotion
PR / Comms / Corporate Consultation	Treasury Management	Education / Educational Attainment
Marketing	Finance	Career Skills and Training
Customer Insight	Procurement	Town Centre Regeneration
Partnership Development	HR & Payroll	Town Centre Master-planning
Member Development	Audit & Governance	TIC
Corporate Assessments	Democratic Services	Town Centre Markets
Corporate Risk Management	Land Charges/Legal/RTB	Heritage Conservation
Commercial Investment Strategy (CIS)	Constitution	
	Customer Services	
	Information	
	Mgt/GDPR/Ombudsman	
	Technology	
	Town Centre Car Parks	
<b>Regulatory and Community Safety</b> Cllr Stephen Doyle	<b>Environment and Culture</b> Cllr John Chesworth	<b>Neighbourhoods</b> Cllr Michelle Cook
<b>Portfolio</b>	<b>Portfolio</b>	<b>Portfolio</b>
Local Plan Development/Implementation	Waste Management	Neighbourhood Services
Development Control (Planning)	Joint Waste Board with LDC.	HRA Repairs
Building Control (Planning)	Street Scene / Tamworth in Bloom	HRA Business Planning
Enforcement	Cemeteries	HRA Neighbourhood Renewal
Environmental Health (Licencing)	Arts / Culture	Tenant Regulation
Licensing Policy	Outdoor Events	HRA Solutions
Health & Safety	Community Leisure / Sport	Homelessness Prevention
Local Health Engagement	Public Toilets	Private Rental Sector
PCC Engagement	Nature Reserves, Parks and Play	HRA Cleaning
Community Safety	Assembly Rooms	Social Landlord Providers
Corporate ASB Strategy	Sports Development	HRA Green Spaces and Neighbourhoods
Safeguarding		HRA Strategy
Civil Parking Enforcement		Tamworth Community Offer
Community Wardens		Voluntary Sector
CCTV		

Commented [A3]: Updated as at September 2020

## 3.4 SCHEME OF DELEGATION TO OFFICERS

### 3.4.1 Introduction

- (a) In accordance with Article 14 of the Constitution this Scheme forms part of Part 3 of the Council's Constitution.
- (b) This Scheme is approved by the Council in respect of those functions which by virtue of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended or replaced) are not the responsibility of the ~~Cabinet-Executive~~ and which in accordance with Section 101 of the Local Government Act 1972 and all other powers enabling such delegation are delegated by the Council to officers.
- (c) This scheme is approved by the Leader of the Council in respect of those functions which under the Council's Executive arrangements are the responsibility of ~~the Cabinet as the~~ Executive and which in accordance with Section 9E of the Local Government Act 2000 are delegated by the Leader of the Council to officers.
- (d) This Scheme is adopted with the intent that it should lead to a streamlining and simplification of the decision-making processes of the Council, and accordingly it should be interpreted widely rather than narrowly.
- (e) This Scheme delegates to Directors and other Authorised Officers the powers and duties necessary for the discharge of the Council's functions within the broad functional description set out, together with the specific delegations therein, and should be taken to include powers and duties within those descriptions under all present and future legislation, and all powers incidental to that legislation including the application of the incidental powers under Section 111 of the Local Government Act 1972.
- (f) An Officer may decline to exercise delegated powers and instead report to the Council or appropriate Committee or the Executive (whether that is the Leader, the Executive or another appropriate Executive member or committee of the Executive) to make a decision.
- (g) For the purpose of this Scheme:
  - (i) "the estimates" means the revenue estimates approved by the Council;
  - (ii) "the establishment" means the staff establishment of the Council for which funds have been provided in the estimates;
  - (iii) "the Council" includes any committee or officer of the Council acting within delegated powers and acting as agent for another body or person;
  - (iv) "Authorised Officer" means an Officer who is specified under this Scheme as having the authority to exercise delegated powers and duties on behalf of the Council. This includes the Chief Executive, Executive Director Organisation, Executive Director Finance, Executive Director Communities, Monitoring Officer, ~~Head of Legal & Democratic Services,~~ Assistant Director Organisation, Assistant Director Operations & Leisure, Assistant Director Finance, Assistant

Director Neighbourhoods, Assistant Director Partnerships, Assistant Director Assets, Assistant Director Growth & Regeneration

- (v) "function" includes any power or duty;
  - (vi) "legislation" and "statute" includes subordinate legislation and "legislative" and "statutory" shall be construed accordingly;
  - (vii) "proceedings" includes any tribunal, inquiry, arbitration or other legal or quasi-legal proceedings;
  - (viii) "Portfolio Holder" shall be taken to mean a Councillor (including the Leader of the Council if so nominated) nominated in writing to the Chief Executive by the Leader of the Council as a Member of the Executive;
  - (ix) "Leader of the Council" shall mean the person elected to that position ~~at the Annual~~ ~~by the full~~ Council ~~meeting~~;
  - (x) "Proper Officer" shall be taken to mean the Officer appointed by the Council for the purpose of the Scheme, or in default of such appointment the Chief Executive of the Council;
  - (xi) "Statutory Officer" means:
    - the Head of Paid Service in respect of the manner in which the co-ordination by the Council of the discharge of their different functions is co-ordinated, the number of staff required for the discharge of those functions, the organisation of those staff and the appointment and proper management of those staff;
    - the Monitoring Officer in respect of any proposal, decision or omission which has given rise to or is likely to give rise to a breach of law or of any statutory code of practice, or maladministration;
    - the Section 151 Officer in respect of the proper administration of the Council's financial affairs.
- (h) Where an Authorised Officer designation has ceased to exist eg because of a re-organisation of services the Authorised Officer shall be that person who has taken over responsibility for the function classified in this Scheme.

#### 3.4.2 Limitations

- (a) This Scheme does not delegate to Officers:
  - (i) any matter reserved by law or by the Constitution, Terms of Reference of the Executive, Committees and Sub-Committees to the Council, or to a Committee or Sub-Committee of the Council;
  - (ii) any matter which by law may not be delegated to an officer;
  - (iii) any matter which is specifically excluded from delegation by this Scheme or by resolution of Council, the Executive or a Committee or Sub-Committee.
- (b) Officers may only exercise delegated powers in accordance with the:
  - (i) Policies, Plans and Programmes approved by or on behalf of the Council;

- (ii) budget and policy framework and Executive procedural rules;
  - (iii) officer employment procedural rules;
  - (iv) Financial Regulations, Contract Procedure Rules and Financial Guidance;
  - (v) any statutory restrictions, statutory guidance/circulars or statutory code of practice; and
  - (vi) the provisions of the Council's Constitution.
- (c) In exercising delegated powers, Officers shall act only within the revenue and capital budgets for the relevant service as approved by the Council, subject to any variation thereof which is permitted by the Council's Financial Regulations, Contract Procedure Rules and Financial Guidance.

### 3.4.3 Sub-Delegation

- (a) This Scheme includes the power for Authorised Officers to authorise another Officer to exercise the delegation to the Authorised Officer in their name and on their behalf, further delegate any function which has been delegated to them under this Scheme, to another Officer or to other Officers. Every such sub-delegation authorisation shall be in writing, setting out the name of the delegate Officer, the terms and conditions upon which that function is to be performed, and accountability for the performance of the sub-delegated function. The Authorised Officer making such sub-delegation authorisation shall record the sub-delegation authorisation in a register maintained for the purpose by the Authorised Officer responsible for the function.
- (b) Authorised Officers shall devolve operational responsibilities for day to day service delivery and management to the nearest practicable point to the service user.
- (c) The Officer named shall have the power to act for the purposes of these delegated matters as if he/she were the Authorised Officer. Sub-delegated decisions are taken in the name of the Authorised Officer.
- (d) Delegated Decision-Making – General Principles
- (i) In exercising any delegated function, Officers shall have regard to the requirement to comply with the limitations set out in paragraph 3.4.2 above, and shall be responsible for undertaking any appropriate consultation with the Council's Statutory Officers before taking any decision;
  - (ii) If a function, power or responsibility has not been specifically reserved to the Council, a committee or the Executive, the Authorised Officer within whose remit the matter falls is authorised to act;
  - (iii) Where any matter involves professional or technical considerations not within the sphere of competence of the Authorised Officer concerned, he shall consult with the appropriate Statutory Officer of the Council before authorising action. Such constraints are kept to the absolute minimum necessary for internal check;

- (iv) The Officers exercising such powers shall take account of any previous decision of the Council on any relevant policies or procedures;
- (v) All decisions shall be taken in the name of, but not necessarily personally by, the Officer(s) to whom the power is delegated. Arrangements shall be made for the recording of action taken pursuant to these powers;
- (vi) In any case, where an Officer, exercising a delegated power or duty considers that a new departure in policy, procedure or a significant change in financial practice is likely to be involved, he/she shall consult with the Statutory Officer(s), who shall, if necessary, refer the matter to the appropriate decision-making process;
- (vii) Where there is a dispute between Authorised Officers, either Officer may refer the matter to the Chief Executive ~~Head of Paid Service~~ for appropriate action;
- (viii) The Chief Executive, ~~Head of Paid Service~~ shall monitor the exercise of delegated powers and duties other than statutory functions for which other Authorised Officers have responsibility. The Chief Executive ~~Head of Paid Service~~ may require any Officer to cease the exercise of such powers and duties pending a report to the next meeting of the Council, Executive or appropriate Committee.

#### 3.4.4 Interpretation

- (a) References in the Scheme to any statute, statutory instrument, regulation, rule, circular, agency or other agreement or any such matter in respect of which a power or duty is delegated shall be deemed to include any modification or re-enactment of the same as may be made from time to time.

### 3.5 GENERAL DELEGATIONS OF POWERS AND DUTIES TO AUTHORISED OFFICERS

Subject to the general principles and requirements of the Scheme, the following powers/duties are exercisable by the Authorised Officer.

#### 3.5.1 Employment

Subject always to:

- (a) Budget provision;
- (b) The policies and practices adopted by the Council from time to time; and
- (c) Observance of contracts of employment and conditions of service including any discretions incorporated within them.

The Chief Executive and Executive Director Organisation shall be fully empowered in the following matters of HR Management ~~as regards their respective Directorates and employees~~ (other than those specifically subject to Appointments and Staffing Committee).

- To re-grade posts, hold posts vacant, amend the titles of posts and to make interim arrangements as necessary (where no budgetary impact).
  - To make minor changes to Job Descriptions to be agreed with the appropriate Chief Officer prior to any changes being made. Changes to Job Descriptions should not include:
    - additional responsibilities warranting salary increases;
    - not exceeding 25% of the existing job description (Consultation with staff prior to any change).
- (d) Job Share/Reduced Hours
- All posts should be available to apply for job share, with the following exceptions:
- Job share/reduced hours which would disrupt management arrangements (e.g. the reduction in hours meant that the remaining hours were impossible to cover).
  - Employee contracts, for time limited periods e.g. fixed term contracts.
- (e) Unpaid leave up to a maximum of 10 days may be granted subject to the demands of the service in the following circumstances:
- Extended holidays;
  - For reasons set out in the Employment Rights Act 1996 and 1999 (e.g. parental leave);
  - Compassionate grounds;
  - Exceptional circumstances;
  - Religious observance.
- NB: Annual leave and flexi leave should be taken into account.
- (f) Secondment to another Service Unit or to an external organisation may be granted in accordance with the Council Policies in effect at the time of the secondment.
- NB: Increase in salary may be available subject to existing budget; otherwise the secondment must be on the basis of a staff loan (this may include budget virement).
- (g) Training within available budget
- All training should be notified to the appropriate Chief Officer, for monitoring purposes and identification as to whether it is to be considered as corporate training. It should be job related and for the purpose of:
- Changes to job requirements;
  - To meet an employee's skills gap;
  - Personal development;

- To meet the business needs of the ~~Organisation Service Unit~~;
- Succession planning and the future needs of the Council;
- Such training will involve:
  - CPD;
  - Training in-house;
  - External courses/seminars.

NB: Any other forms of training must be approved by the appropriate Chief Officer and the cost met out of the corporate training budget.

Training expenses and time off for attendance will be in accordance with the appropriate policies and procedures.

~~Records of all training must be kept by the appropriate Chief Officer.~~ Notification of all training must be provided to HR so as to ensure accurate records are maintained on the employees' individual HR record.

(h) Paid Leave

Allowable as provided in current policies (Consult Human Resources for advice).

- (i) To action matters arising from the application of the Council's Human Resource policies and procedures.
- (ii) To deal with the appointment of staff and disciplinary/grievance proceedings in accordance with the Council's approved scheme. (Dismissal is referred to the Head of Paid Service in consultation with the Chief Executive, in accordance with Council Policy)

3.5.2 Subject always to budget provision to appoint and instruct when necessary temporary or agency staff provided there is no increase in the Council's permanent establishment, and outside agents or consultants to carry out specific work within the normal terms of reference of the Directorate of the relevant Director and to authorise overtime working for officers; and in consultation with the Head of Paid Service to authorise planned overtime for officers above the overtime limit always subject to budgetary control.

3.5.3 To nominate an officer to deputise in the Director's absence.

A. Finance

Subject to:

- (a) Budget provision;
- (b) Having due regard to the professional advice pertinent to the particular matter:
  - (i) All Authorised Officers in respect of financial matters for which they are responsible can authorise expenditure within approved revenue budgets and decisions on works programmes within those budgets except any items reserved by the Council or Executive for further approval;

- (ii) Approve expenditure within approved capital budgets and decisions on work programmes within those budgets. Authority to approve additional expenditure in accordance with current financial guidance.;
- (iii) Authorise the transfer of funds (virement) between approved revenue budget headings within a service area subject to there being no commitment to recurring expenditure in future years as determined by financial guidance;
- (iv) In consultation with the Executive Director Finance and where necessary the Portfolio Holder, to set ~~unless the charge requires Cabinet approval~~ rent, fee, charges and other income levels unless any changes:-
  - exceed inflation by more than 3%; and/or
  - involve a change in policy; or
  - ~~potentially have significant political implications.~~

Which will require Executive approval;
- (v) To authorise the write-off of individual sums in line with current financial guidance;
- (vi) Are responsible for the carrying forward from one financial year to another any approved planned expenditure that remains unspent (excluding wages and salaries budgets) provided a decision to approve is taken by ~~Cabinet~~ Executive before the end of June in the new financial year.

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#### B. Contracts

All authorised Officers shall comply with financial guidance in respect of contract tendering and procurement making use of the internal system where appropriate.

To include:

- (a) Hiring of plant and engaging of specialist sub-contractors;
- (b) Any special requirements or directions given by the Council, its Committees or the ~~Cabinet~~ Executive;
- (c) To sign all contracts which fall outside the categories set out in Financial Guidance.

#### C. Miscellaneous

All authorised Officers shall comply with relevant guidance subject to their specific delegation.

- (a) Exercise any power of the Council in relation to the Local Government Act 1972, the Local Government and Housing Act 1989, the Local Government Act 2000, the Local Government and Public Involvement in Health Act 2007, the Local Democracy Economic Development and Construction Act 2009 and the Localism Act 2011 as appropriate.
- (b) In consultation with Group Leaders and other Directors as appropriate to respond to consultation papers on matters which are routine or which do not have significant policy or financial implications and to share any correspondence replies with those leaders and directors as required.
- (c) In consultation with the Chief Executive other Executive Directors and/or the Communications Team as appropriate to respond to the press or otherwise to

- make personal statements on behalf of their service which are routine or do not have significant policy or financial implications.
- (d) Subject to securing independent valuation advice, to sell surplus vehicles, stores, equipment and services. All such sales shall be notified to the Executive Director Finance before the property is handed over to the purchaser.
  - (e) To exercise the Council's powers under Section 41 of the Local Government (Miscellaneous Provisions) Act 1982 (disposal of lost and unconnected property) ~~and to notify~~subject to notifying the Executive Director Finance before actual disposal.
  - (f) After consultation with the relevant Assistant Director to authorise the installation, replacement or removal of telephones in Council establishments and in premises occupied by employees.
  - (g) To formulate the requirements for property use and occupation of the services and Directorates for which he is responsible.
  - (h) To authorise the provision of equipment at Council premises.
  - (i) To accept on behalf of the Authority contributions by individuals or bodies towards approved capital or revenue projects subject to the concurrence of the Chief Executive and Executive Directors ~~and Head of Legal & Democratic Services~~ as appropriate and reported to the next meeting of the ~~Cabinet Executive~~ or relevant committee; provided always that any modifications or additions to Council property to be funded by third parties shall be agreed by the Director concerned, ~~subject to the advice of the Head of Legal & Democratic Services.~~
  - (j) To issue, sign and serve all statutory notices and orders properly authorised by the Council, any decision-making body or an officer exercising delegated powers under this scheme and not specifically delegated under this Scheme to an Authorised Officer.
  - (k) To liaise with and advise public, private, voluntary and community groups and other stakeholders relating to corporate issues.
  - (l) To provide/contractually receive goods and services to/from adjoining authorities (subject to any requirement for competitive tendering), and (within the powers of the Authority) to supply/receive them to other bodies. (In accordance with Financial Regulations)
  - (m) To prepare and sign any corporate policies and strategies authorised by the Council as appropriate.
  - (n) In consultation with the relevant portfolio holder, to consultation on behalf of the authority where time prohibits the matter being referred to a Committee for consideration.
  - (o) To assist the ~~Executive Director Organisation~~ Head of Paid Service in any conflict regarding employment matters.
  - (p) All authorised officers to be responsible for obtaining all relevant grants and awards that may be available to their service area.
  - (q) Subject to the Council's Constitution (Contracts Procedure Rules), within their respective responsibilities for the functions of the Council, to accept a quotation submitted to the Council for the provision of goods, materials, services or works in respect of a relevant function.
  - (r) To attend meetings of professional and local government bodies of which they are members and to authorise the attendance of members of their departments at similar meetings.
  - (s) To formulate responses and respond to any Freedom of Information Act 2000 and/or Environmental Information Regulations 2004 requests for information.

### 3.6 **SPECIFIC DIRECTORATE DELEGATIONS**

Subject to the general principles and requirements of the Scheme, the following powers/duties (expressed as functions) are delegated to the specified Authorised Officer.

(A) CHIEF ~~EXECUTIVE~~EXECUTIVE/HEAD OF PAID SERVICE

~~Delegations to the Chief Executive/Executive/Head of Paid Service also include to the Executive Director Organisation~~

	FUNCTION	AUTHORISED OFFICER
1.	<p><b>Urgent Action</b></p> <p>To take urgent action <del>in relation to any Health, Safety and Wellbeing matters</del>, to protect the interests of the Council and the inhabitants of the Borough.</p>	Chief Executive in consultation with the Leader of the Council & opposition group leaders so far as is practicable
2.	<p><b>Major Incident/Emergencies</b></p> <p>To incur expenditure and commit resources within or adjoining borough until a meeting of the Council can be called to respond to a major incident/business continuity emergency when the Council's Emergency Plan or Business Continuity Plan is invoked.</p> <p>To designate Directors/Managers to carry out emergency functions in accordance with CCU Guidelines and Tamworth Borough Councils Emergency Plan and Business Continuity Procedures.</p>	Chief Executive in consultation with <del>Assistant Director Neighbourhoods or relevant Authorised Officer as far as is practicable</del> <u>Executive Directors and relevant officers</u>
3.	<p><b>Corporate Complaints</b></p> <p>The administration of the Corporate Complaints Procedure <del>known as The Tell Us Policy and Procedure</del>.</p>	Executive Director Organisation
4.	<p><b>Local Government Ombudsman</b></p> <p>To respond to the Local Government Ombudsman in respect of complaints of maladministration made against the Council.</p> <p>To authorise payments or other benefits under Section 92 Local Government Act 2000.</p>	Executive Director Organisation in consultation with the Assistant Director People
5.	<p><b>Head of Paid Service</b></p> <p>To carry out the statutory duties as Head of the Council's Paid Service in addition with the following specific powers:</p>	
	<p>(a) Appointment of staff and determination of individual salary points within the approved grading structure (provided that such decisions are not reserved to Appointments and Staffing Committee).</p>	Chief Executive/Executive Director Organisation
	<p>(b) Long service awards and the award of increments within salary grades.</p>	Chief Executive/ Executive Director Organisation

Authority to execute letters and contracts of appointment	Chief Executive/ Executive Director Organisation
(c) The exercise of disciplinary powers over staff (including power immediately to suspend), and to dismiss.	Chief Executive/ Executive Director Organisation
Authority to execute letters of dismissal and settlement agreements to terminate employment <u>(subject to where full Council approval is required)</u> .	Chief Executive/Executive Director Organisation
Authority to vary contracts of employment (subject to Council Polices and Committee decisions) and to execute such letter and contracts of variation	Relevant Authorised officer in consultation with Chief Executive/Executive Director Organisation
Authority to pay overtime and planned overtime above the overtime limit.	<u>Relevant Authorised officer in consultation with Chief Executive / Executive Director Organisation</u>
(d) The signing of Certificates of opinion to accompany applications for exemption for posts from political restrictions.	Relevant Authorised officer in consultation with Chief Executive/Executive Director Organisation
(e) Honoraria to be paid in accordance with NJC conditions, or any local agreement with the following exceptions: <ul style="list-style-type: none"> <li>Duties can be shared between more than one Director but payment would therefore be restricted to one to two increments.</li> </ul>	Any Officer authorised by either the Chief Executive and the Executive Director Organisation
(f) To prepare and sign (or send or otherwise authenticate) any notice, order or other document authorised by the Council.	Chief Executive Executive Director Organisation
(g) To represent the Authority at any conference meeting or enquiry to which the Authority is invited unless the Council has indicated otherwise and to exercise any voting rights conferred by corporate membership of any body.	Any authorised Chief Officer in consultation with Chief Executive/Executive Director Organisation
(h) To settle proceedings regarding employment matters <u>in consultation with the Head of Legal &amp; Democratic Services</u>	Any authorised Chief Officer in consultation with Chief Executive/Executive Director Organisation
(i) To agree accelerated increments.	Chief Executive/Executive Director Organisation in consultation with appropriate Executive Directors

<p>(j) To enter into and execute such agreements on behalf of the Authority as required including but not limited to Partnership and other local area agreements.</p>	<p>Chief Executive/Head of Paid Service in consultation with appropriate Directors</p>
<p>(k) To chair Director or other multi-disciplinary Groups.</p>	<p>Chief Executive/Executive Director Organisation in consultation with appropriate Executive Directors</p>
<p>(l) To appoint multi-disciplinary teams or engage consultants to undertake projects falling outside the remit of any specific Director.</p>	<p>Chief Executive/Executive Director Organisation in consultation with appropriate Executive Directors</p>
<p>(m) To assume the delegated powers of Directors in specific cases when requested so to do by such Director.</p>	<p>Chief Executive/Executive Director Organisation in consultation with appropriate Executive Directors</p>
<p>(n) To make appropriate arrangements for the resolution of disputes between Directors.</p>	<p>Chief Executive/Executive Director Organisation in consultation with Executive Director Finance</p>
<p>(o) On behalf of the Council where necessary and, having consulted the Leader of the Council, to suspend Directors pending the institution of disciplinary procedures.</p>	<p>Chief Executive/Executive Director Organisation</p>
<p>(p) To undertake the duties of Proper Officer in default of a specific appointment by the Council.</p>	<p>Chief Executive</p>
<p>(q) Ex-Gratia <del>Payment</del> <u>Settlement</u>.</p>	<p>Chief Executive/Executive Director Organisation</p>
<p><u>(r)</u> Settlement of claims in respect of loss or damage to an employee's personal effects.</p>	<p>Executive Director Organisation</p>
<p>6. <b>Returning Officer</b></p>	
<p>(a) To carry out the duties of Acting Returning Officer and Returning Officer for Parliamentary, Local, County, <del>Fire Police and Crime Commissioner and European Elections</del> and Referendums.</p>	<p>Chief Executive</p>
<p>(b) To designate Polling Places where necessary in exceptional circumstances for Parliamentary, <del>Fire Police and Crime Commissioner European and</del> Local Elections.</p>	<p>Chief Executive</p>
<p>(c) To amend from time to time the scale of fees, costs, charges and expenses to be allowed for Borough elections. (Note: the level of remuneration for the Returning Officer personally to be determined</p>	<p>Chief Executive</p>

	by <del>Cabinet</del> , Executive).	
7.	<b>Electoral Registration Officer</b> To act as the Council's Electoral Registration Officer	Chief Executive
8.	<b>Common Seal</b> To attest the Common Seal of the Borough Council To execute and/or attest any document as required on behalf of the Council.	Chief Executive/or any officer authorised by the Chief Executive Chief Executive/ <del>Head of Legal &amp; Democratic Services</del>
9.	<b>Mayor</b> To provide banking facilities for the Mayor, and to pay the Mayor's annual allowance as may be determined from time to time by the Council.	Chief Executive/Executive Director Organisation/ <del>Legal, Admin &amp; Democratic Services Manager/Head of Audit &amp; Governance/Head of Legal &amp; Democratic Services</del>
10.	<b>Monitoring Officer</b> To act as the Council's Monitoring Officer and carry out the statutory duties set out in the Local Government & Housing Act 1989 the Local Government Act 2000 and the Localism Act 2011.	Head of Audit & Governance
11.	<b>Local Land Charges</b> To reply to requisitions for a search of the Local Land Charges Register and Enquiries of Local Authorities.	<del>Head of Legal &amp; Democratic Services</del> Executive Director Organisation
12.	<b>Town and Village Greens</b> To consider applications for, and where appropriate, register Town and Village Greens under the Commons Registration Act 1965 and the Commons Act 2006.	<del>Head of Legal &amp; Democratic Services</del> Chief Executive

13.	<b>Representation in Court</b> To authorise the appearance of persons other than Solicitors pursuant to Section 223 of the Local Government Act 1972.	<del>Head of Legal &amp; Democratic Services in consultation with the relevant</del> Relevant Executive Director
14.	<b>Legal Proceedings (Civil)</b> (a) To institute, defend, appeal from, settle or abandon legal proceedings whether administrative or civil in any matter in which the Council or its officers may institute or defend proceedings in any court or arbitration or administrative tribunal.	<del>Head of Legal &amp; Democratic Services in consultation with the appropriate authorised Officer</del> Relevant Executive Director

	(b) To institute proceedings in the Magistrates or Crown Court where there has been a breach of any statutory notice issues/served by the Council or where the Authority has a general power or duty to enforce the law through the criminal courts.	<del>Relevant Executive Director Head of Legal &amp; Democratic Services in consultation with the appropriate authorised Officer</del>
15.	<b>Legal Agreements/Public Notices</b>  To be responsible for:  (a) the execution of legal agreements pursuant to the Council's Procedural and Contract Rules.  (b) the issue of Public Notices	<del>Relevant Executive Director Head of Legal &amp; Democratic Services in consultation with authorised Officer</del>
16.	To make a charge on a property when an individual enters Part III residential accommodation.	<del>Head of Legal &amp; Democratic Services in consultation with authorised Officer Executive Director Communities</del>
17.	To enter into Deed of Release and/or Variation in landlord tenant matters.	<del>Head of Legal &amp; Democratic Services in consultation with authorised Officer Executive Director Communities</del>
18.	To take peaceable re-entry of leasehold property in the event of occupation of property not in agreement with agreed terms.	<del>Head of Legal &amp; Democratic Services in consultation with authorised Officer Executive Director Communities</del>
19.	To enter into nomination agreements on housing matters.	<del>Head of Legal &amp; Democratic Services in consultation with authorised Officer Executive Director Communities</del>
20.	To enter into Highway Bond Agreements under Sections 219 to 220 Highways Act 1980.	<del>Head of Legal &amp; Democratic Services in consultation with authorised Officer Relevant Executive Director</del>
21.	<b>Implementation of Decisions</b>  To take all such steps as are in his/her opinion necessary, including the affixing of the Common Seal of the Council and the bringing of legal proceedings and the making of orders to give effect to any decision or action taken properly by the Council, or any duly authorised body or officer acting on its behalf, or to protect the interests of the Council or any person or property to whom or for which the Council has responsibility.	<del>Chief Executive in consultation with the Head of Legal &amp; Democratic Services</del>
22.	<b>Compulsory Purchase Orders</b>  To make, vary and/or amend Compulsory Purchase Orders.	<del>Head of Legal &amp; Democratic Services in consultation with relevant Relevant Assistant Executive Director</del>

23.	<b>Property Management</b> Service of notices under Section 25 of the Landlord & Tenant Act 1954 to enable rents and any other new terms to be negotiated.	<del>Head of Legal &amp; Democratic Services in consultation with relevant</del> <del>Assistant Director</del> <u>Relevant Executive Director Communities</u>
24.	Arrangement of defective title indemnity cover in respect of land or property being disposed of by the Council up to a premium limit of £6,500 each such costs to be met from sale proceeds.	<del>Head of Legal &amp; Democratic Services in consultation with authorised Officer</del> <u>Executive Director Communities</u>
25.	<b>Council Halls/Meeting Rooms</b> To determine any applications for the use of Council halls or meeting rooms by extremist organisations other than use required under the Representation of the People Acts.	Chief Executive in consultation with Assistant Director Assets and Leader of the Council
26.	<b>Hire of Civic Accommodation</b> To waive the charges for the hire of Civic meeting rooms to outside organisations where such organisations are of a charitable or non-profit making nature or where there are exceptional circumstances.	Assistant Director People
27.	<b>Regulation of Investigatory Powers Act 2000</b> To make any necessary amendments to the Covert Surveillance Policy and Procedural Guidance documentation.	<u>Executive Director Communities</u> Assistant Director Partnerships

28.	<b>Data Protection Act 1998</b> <del>To adjust in the light of inflation the figure below which no charge be made for the supply of copies of documents under the Act on a one-off basis.</del>	<del>Assistant Director People</del>
29.	To determine arrangements for the inspection of background papers for meetings.	<del>Head of Legal &amp; Democratic Services</del> <u>Legal, Admin and Democratic Services Manager in consultation with the Executive Director Organisation</u>
30.	<b>Members' Allowances Scheme</b> To consider on its merits and make payment in respect of any claim not received within 4 months of the date of performance of the duty.	<u>Executive</u> Director Finance and Head of Audit & Governance
31.	<b>Entertainment of Civic Guests/Hospitality</b>	

	<p>Authority to approve arrangements and expenditure in respect of the entertainment of civic guests within approved budget.</p> <p>To arrange all civic ceremonies and ancillary events in consultation with the Mayor.</p>	<p>Chief <del>Executive/Head of Legal &amp; Democratic Services</del></p> <p>Chief <del>Executive /Executive</del> Director Organisation <del>Head of Legal &amp; Democratic Services</del></p>
32.	<p><b>Courses &amp; Seminars</b></p> <p>To approve the attendance of Members at courses and seminars.</p>	<p>Chief <del>Executive, Executive</del> Director Organisation;</p>

**(B) LAND AND PROPERTY**

1. Subject always to:

- (a) Budget provision;
- (b) Having due regard to the professional advice pertinent to the particular matter.

The Executive Director ~~Place Communities having taken in~~ consultation as necessary, with the Council's legal advisors, with the Solicitor to the Council be authorised in respect of the land and property for which he is responsible subject to:

	FUNCTION	AUTHORISED OFFICER
(i)	To authorise the granting, renewal, termination, assignment or sub-letting of leases, tenancies or other interests in land and property.	Assistant Director Assets <del>in consultation with the Head of Legal &amp; Democratic Services</del>
(ii)	To approve variations in rent arising from rent reviews of land and property leased to or by the Council.	Assistant Director Assets <del>in consultation with the Head of Legal &amp; Democratic Services</del>
(iii)	To authorise the acquisition of legal estates or interests in land and property up to the value of £50,000 plus appropriate and reasonable incidental fees and costs in line with the Acquisitions and Disposals Policy.	Chief Executive <del>in consultation with Executive Director Communities in consultation with the Head of Legal &amp; Democratic Services</del>
(iv)	To authorise the disposal of legal estates or interests in land and property not required by the Council up to the value of £50,000 set out in the Acquisitions and Disposals Policy plus appropriate and reasonable incidental fees and costs.	Chief Executive <del>in consultation with the Executive Director Communities in consultation with the Head of Legal &amp; Democratic Services</del>
(v)	To approve the payment of interest on the purchase price of land and property in those cases where entry on to the land is required in advance of completion.	Assistant Director Assets <del>in consultation with the Head of Legal Services &amp; Democratic Services</del>
(vi)	To authorise the taking, granting, revocation or termination of covenants, easements, wayleaves, licences and other rights or user and to undertake the management of land and property.	Assistant Director Assets <del>in consultation with the Head of Legal Services &amp; Democratic Services</del>
(vii)	To arrange for payment of appropriate rates, charges and taxes.	Assistant Director Assets <del>in consultation with the Head of Legal &amp; Democratic Services</del>
(viii)	To approve claims for disturbance arising out of compulsory and voluntary acquisitions.	Assistant Director Assets <del>in consultation with the Head of Legal &amp; Democratic Services</del>
(ix)	To commence preliminary negotiations with respect to any land or property to be acquired so as to be able to ascertain questions of willingness to sell and general terms.	<del>Executive Director Communities</del> Assistant Director Assets <del>in consultation with the Head of Legal &amp; Democratic Services</del>

(x)	To approve modifications or additions to Council land and property funded by third parties.	Assistant Director Assets <del>in consultation with the Head of Legal &amp; Democratic Services</del>
(xi)	To authorise works of improvement or repair to Council land and property.	Assistant Director Assets <del>in consultation with the Head of Legal &amp; Democratic Services</del>
(xii)	To authorise building maintenance work.	Assistant Director Assets <del>in consultation with the Head of legal &amp; Democratic Services</del>
(xiii)	To authorise the design and execution of building and incidental work.	Assistant Director Assets <del>in consultation with the Head of Legal &amp; Democratic Services</del>
(xiv)	To commission building contracts to be entered into by the Council.	Assistant Director Assets <del>in consultation with the Head of Legal &amp; Democratic Services</del>
(xv)	To commission feasibility studies and value for money appraisals on all capital investments.	Assistant Director Assets <del>in consultation with the Head of Legal &amp; Democratic Services</del>
<del>(xvi)</del>	<del>To authorise persons to apply for liquor and associated licences for use on Council premises.</del>	Assistant Director Growth & Regeneration <del>in consultation with the Head of Legal &amp; Democratic Services</del>
(xvii)	To proceed with compulsory acquisition of rights over land under the Local Government (Miscellaneous Provisions) Act 1976 and other relevant legislation.	Assistant Director Assets <del>in consultation with the Head of Legal &amp; Democratic Services</del>

**(C) RESOURCES**

	<b>FUNCTION</b>	<b>AUTHORISED OFFICER</b>
	<b>Banking Arrangements and Cheques</b>	
1.	All necessary arrangements with the Council's bankers and Girobank concerning the Council's banking requirements and to administer the same on a day to day basis including the provision of any necessary indemnity to the Council's bankers, and the authorisation of the signing of cheques and negotiable instruments.	Executive Director Finance
2.	Arrangements for overdraft facilities as necessary within the limit authorised by the Council.	Executive Director Finance
3.	The creation, investment, realisation and utilisation of sinking funds, reserves, capital funds and receipts and other special funds.	Executive Director Finance
4.	To administer and act as Registrar in respect of existing Council bonds, including discretion to make premature payment.	Executive Director Finance
5.	The raising and management of all loans (except stock) for the purpose and amount for which the Council is authorised to borrow money in accordance with Section 172 and Schedule 13 of the Local Government Act 1972.	Executive Director Finance
6.	To exercise (as far as may be lawful) the powers of the Council to borrow and invest.	Executive Director Finance
	<b>Finance</b>	
7.	Determination of accounting procedures and the form and extent of financial records.	Executive Director Finance
8.	Production and distribution of financial management information.	Assistant Director - Finance
9.	Financial negotiations with external bodies in Consultation with the Chief Executive and Solicitor & Monitoring officer. Determination of the manner in which the cost of capital schemes is to be defrayed and the application of capital receipts.	Executive Director Finance

10.	Approval of accounts for payment, having been satisfied that payment is lawful and that property certification procedures have been followed.	Any Authorised Officer
11.	Co-ordination, control and supervision of all monies due to the Council.	Executive Director Finance
12.	Issue of all cheques appropriately signed for: <ul style="list-style-type: none"> <li>• cheques below £10,000 bearing facsimile signature</li> <li>• cheques in excess of £10,000 bearing the autograph signature of authorised officers.</li> </ul>	Executive Director Finance
13.	Undertaking all borrowing of monies, financial and operational leasing of vehicles, equipment and other assets and the making of all arrangements concerning the investment or utilising of capital monies and other funds.	Executive Director Finance
14.	Registrar of Council Bonds and Stock Issues.	Executive Director Finance
15.	Approval of all petty cash floats and imprests to officers.	Executive Director Finance
16.	Agreeing form in which stores and stock records are kept, and agreement to adjustments to accounts if less than £5,000 in any one year.	Executive Director Finance
17.	Declarations and Certificates relating to Securities.	Executive Director Finance
18.	The Executive Director Finance shall be the delegated officer for signing/authorising any statutory, legal, grant documents requiring the signature of a finance officer.	Executive Director Finance
19.	The payment and reimbursement of monies in respect of Benefit Scheme and Grant Subsidy income.	Executive Director Finance
	The Executive Director Finance to report quarterly to Council on the Councils Financial Position.	Executive Director Finance
21.	To determine the method of financing of capital projects within the overall financing reserves strategy of the Council.	Executive Director Finance
22.	To arrange credit cards and limits for staff use on behalf of the Council	Assistant Director Finance

	<b>National Non Domestic Rates</b>	
23.	The powers, duties and functions as required/granted under the Local Government Finance Act 1988 as amended by the Localism Act 2011 Part 4.	Executive Director Finance
	<b>National Non Domestic Rates</b>	
24.	The issue of demands for void rates in respect of empty properties within such class or classes of hereditaments which the Council shall have determined to be subject to change under Non-Domestic Rating (Unoccupied Property) Regulations 1989 as amended.	Executive Director Finance
25.	Any action necessary in respect of the recovery of rates including void rates.	Executive Director Finance
26.	Action on Valuation Officer's proposals for revision of rating assessments.	Executive Director Finance
27.	Lodging of proposals by the Council for revision of existing rating assessments.	Executive Director Finance
28.	To deal with the remission of Non-Domestic Rates under statute.	Assistant Director Finance Executive Director Finance
29.	To determine, where necessary, whether or not objection should be made to any proposal for the amendment of the Valuation Lists, and whether or not compromises should be agreed.	Executive Director Finance
30.	To process claims for discretionary rate relief applications as approved by the Portfolio Holder.	Assistant Director Finance
31.	Making allowances under Section 47 and Section 48 of the Local Government Finance Act 1988.	Executive Director Finance
	<b>Mortgages &amp; Advances</b>	
32.	To determine the rate of interest to be applied to advances on mortgage for house purchase, etc., The Housing (Financial Provisions) Act 1958 and the Section 110 of the Housing Act 1980.	Executive Director Finance

33.	To deal with applications for advances on mortgages for house purchase, etc., under the Housing Act 1980 where no special considerations arise.	Executive Director Finance
	<b>Sundry Income &amp; Miscellaneous Rents</b>	
34.	To collect income of the Council, including: <ul style="list-style-type: none"> <li>the recovery of unpaid income of the Council by the issue of summonses or otherwise, including proceedings in tribunals and inferior courts</li> <li>the issue and recovery of penalties (or their waiver and writing off) under the Third Schedule to the Local Government Finance Act 1988 and the Third Schedule to the Local Government Finance Act 1992.</li> <li>The writing off of Court costs in respect of rates and council tax.</li> <li>The payment of sums properly payable from the Collection Fund.</li> <li>Requests to the Valuation Officer to revise valuation lists by e.g. the inclusion of newly completed properties, and appeals against valuations of Council property.</li> <li>The determination of on-costs and rates of interest in respect of any sums due where such on-cost or interest is properly chargeable.</li> <li>To set fees in consultation with the Data Protection Officer in consultation with Executive Director, for the provision of personal information protected by the Data Protection legislation and for the provision of information subject to the Freedom of Information legislation.</li> </ul>	Executive Director Finance in conjunction with the authorised Officer.
	<b>Insurances</b>	
35.	Management of the Council's insurances including the renewal of policies within long term agreements.	Executive Director Finance
36.	Approval of payments from the insurance fund in respect of claims meeting the criteria and terms of self-insured risks. To deal with all insurance against loss to or liability of the Council including the areas of cover, the extent of cover, the negotiation and acceptance of conditions of cover, and settlement of claims against the insurer or by a claimant (so far as permitted by the insurer).	Executive Director Finance
	<b>Car Loans &amp; Allowances</b>	
37.	The day to day grant and administration of car loans, and financial allowances to staff, including the	Executive Director Organisation/Executive Director

	schemes for travelling, subsistence, relocation expenses, telephone and car allowances, including variations to local terms to reflect variation in national agreed schemes or in line with inflation. The authorisation /sign off of car loan agreements	Finance
38.	To regularly review the interest rate charged on car loans and adjust the rate to provide that the true annual interest rate charged on loans should be calculated in line with the Bank of England base rate prevailing at the time the loan is approved subject to a minimum level of <del>3</del> 2% (in line with scheme conditions for term rates).	Executive Director Finance
39.	Determination of eligibility for the amount of loan within approved policy.	Executive Director Organisation
40.	Determination of eligibility for car purchase loans within approved policy.	Executive Director Organisation and appropriate authorised Officer
41.	Management of the Council's Car Allowance Scheme in accordance with approved guidelines.	Executive Director Organisation, Assistant Director People and relevant authorised officer
	<b>Remuneration &amp; Organisational Review</b>	
42.	(a) The payment of salaries, allowances and authorised supplementary payments, and the authorised deduction of appropriate sums and payment thereof to any body to whom such payment is due, and including the implementation of national awards in respect of salaries, etc. the payment of superannuation gratuities (following <del>Cabinet</del> Executive/Council resolution).	Executive Director Organisation and Assistant Director People
	(b) Advance payments of salaries, wages and allowances (excluding Member allowances) to be made in accordance with the Financial Regulations.	Executive Director Organisation, Assistant Director People
43.	<b>Representation of Council in Court</b>  To authorise appropriate staff to represent the Council in Court in respect of Sundry Income, Council Tax and Non-Domestic Rates debt.	Executive Director Finance, Assistant Director Finance <del>and Head of Legal &amp; Democratic Services</del>

44.	<p><b>Health &amp; Safety</b></p> <p>a) In respect of the Council's own premises and land, authority to instruct contractor(s) to cease work where it may constitute a risk to the health and safety of the public and/or employees or where there is a breach of a contractual requirement or statutory duty.</p> <p>b) In respect of the Council's employees to instruct them to cease work where it may constitute a risk to their or others health and safety or where there is a breach of a statutory duty.</p>	<p>Chief Executive/Assistant Director Growth &amp; Regeneration</p> <p>Executive Director Organisation/Chief Executive</p>
45.	<p><b>Write-offs</b></p> <p>In respect of all write-off's below £10,000.</p>	<p>Executive Director Finance</p>
	<p><b>Housing Benefit, &amp; Council Tax Benefit and Council Tax Reduction</b></p>	
46.	<p>To take all necessary action in the general administration, implementation and enforcement of the Housing Benefit Regulations 2006, the Council Tax Benefit Regulations 2006 and the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 and Staffordshire County Council's Charging for Residential Accommodation Guide including the submission of returns, funding arrangements, and other such documents.</p>	<p>Assistant Director Finance</p>
47.	<p>To apply administration penalties, sanctions and administer Cautions under current legislation in relation to Social Security and Council Tax Reduction fraud.</p>	<p>Assistant Director Finance /Head of Benefits</p>
48.	<p><b>Council Tax</b></p> <p>Lodging of proposals by the Council for revision of existing bandings.</p>	<p>Executive Director Finance</p>
49.	<p>(a) To discharge any of the functions imposed upon and capable of delegation to an Officer by the Borough Council, as a billing authority, by virtue of the Local Government Finance Act 1992 (as amended) in connection with the administration, billing collection and recovery of the Council Tax including:</p> <ul style="list-style-type: none"> <li>• To give due notice of the agreed Council Tax in the manner provided by Section 38(2) of the 1992 Act.</li> <li>• To calculate the Council Tax Base for the whole Council area [Item T in the formula in Section 31B(3) of the 1992 Act as amended]</li> </ul>	<p>Executive Director Finance</p>
	<ul style="list-style-type: none"> <li>• To apply when necessary for a summons against any Council Tax payer or non-domestic ratepayer</li> </ul>	<p>Executive Director Finance</p>

	on whom an account for the said tax or rate and arrears has been duly served and who has failed to pay the amounts due to take all subsequent necessary action to recover them promptly.	
	<ul style="list-style-type: none"> <li>To collect (and disperse from the relevant accounts) the Council Tax and National Non-Domestic Rate.</li> </ul>	Executive Director Finance
	(b) To impose or revoke penalties under the provisions of Schedule 3 of the Local Government Finance Act 1992 (as amended).	Executive Director Finance
	(c) Arrangements for Officers to agree with any Council Tax payer an alternative payment to the standard scheme where it is considered that it is in the best interests of the Authority.	Executive Director Finance
	(d) To determine applications for awards of Local Council Tax discount, under Section 13A of the Local Government Finance Act 1992, in cases of hardship.	Executive Director Finance
	(e) To consider any referenda received from persons regarding increases in Council Tax as provided in the Local Government Finance Act 1992 as amended	Executive Director Finance
50.	Town & Country Planning Act 1990 To determine and allocate S106 funding for appropriate projects and activities	Assistant Director Finance Assistant Director Growth & Regeneration both in consultation with the approved mechanism for the expenditure of Section 106 funding

#### (D) HOUSING AND HEALTH

	FUNCTION	AUTHORISED OFFICER
	<b>Consultation</b>	
1.	To consult and promote participation of tenants in service development.	Executive Director Communities
	<b>Government Returns</b>	
2.	Complete relevant returns annually in line with the agreed capital programme and strategy.	Executive Director Communities
	<b>Tenants' Improvements</b>	
3.	Approval or refusal of applications from tenants to carry out external or internal improvements to Council accommodation subject to the Housing Act 1985 and subject to compliance with building	Executive Director Communities/ <u>Assistant Director Assets</u>

	regulations and planning requirements.	
	<b>Improvements to Sold Council Dwellings</b>	
4.	Approval or refusal of applications from owners of sold Council dwellings:-	Executive Director Communities/ <u>Assistant Director Assets</u>
	(a) To carry out internal improvements or external improvements not involving significant additions to the existing building.	Executive Director Communities/ <u>Assistant Director Assets</u>
	(b) To carry out significant external improvements.	Executive Director Communities
	<b>Rents &amp; Management Matters</b>	
5.	(a) Fixing of rents for properties on Council housing estates used for special purposes.	Executive Director Finance and Executive Director Communities
	(b) Payment of sums as approved to tenants in respect of their transfer from under-occupied housing of any type to smaller properties.	Executive Director Communities Assistant Director Neighbourhoods
	(c) To deal with tenant consultation in accordance with the Council's policy and current legislation.	Executive Director Communities/ <u>Assistant Director Neighbourhoods</u>
	(d) Payment of reasonable removal and reconnection of appliance expenses and a disturbance allowance (not exceeding the maximum approved from time to time), in appropriate cases to tenants who are requested to move by the Council, and where there is a management advantage to the Council in their moving.	Executive Director Communities/ <u>Assistant Director Neighbourhoods</u>
	(e) Service of Notice of Variation of Rent.	Executive Director Communities
	(f) Amendments to tenancy terms in accordance with the Council's policy.	Executive Director Communities <del>in consultation with Head of Legal &amp; Democratic Services</del>
	(g) Fixing of standard charges for rechargeable repairs.	Executive Director Communities/Assistant Director <u>Assets Neighbourhoods</u>
	(h) Approval of applications for "three room scheme" of internal redecoration.	Executive Director Communities Assistant Director Neighbourhoods

	(i) Authorisation of refunds of undue expenditure, rent refunds and similar items (not the fault of the tenants) in appropriate circumstances; waiver of rents and charges in respect of temporary disruption of occupation or services; authority to waive or reduce the standard charge for bed and breakfast accommodation in cases of hardship.	Executive Director Communities Assistant Director Neighbourhoods
	(j) Authority to act on behalf of the Council in respect of the provisions of the Housing Act 1985 (amended), including powers to serve notice, powers of entry and inspection, survey and examination under sections 197, 395, 319 (1), 337 (1), 340(1) and elsewhere within the Act.	Executive Director Communities -Assistant Director Neighbourhoods <u>Assistant Director Assets</u>
	(k) Ordering of works of alteration within budget provision to Council properties to meet the needs of disabled persons.	Executive Director Communities Assistant Director <u>Assets</u> <del>Neighbourhoods</del>
	(l) Issue of distress warrants for rent arrears.	Executive Director Communities Assistant Director Neighbourhoods
	<b>Homelessness</b>	
6.	(a) To consider and deal with cases of permanent re-housing arising from the implementation of Part 7 of the 1996 Housing Act as amended.	Executive Director Communities Assistant Director Neighbourhoods
	(b) Determination of appeals against decisions in homelessness cases in accordance with approved policy guidelines.	Executive Director Communities Assistant Director Neighbourhoods
	(c) Authorisation to give rent guarantees as part of the duty to provide advice and assistance and the prevention of homelessness.	Executive Director Communities Assistant Director Neighbourhoods
	(d) To deal with the leasing of private sector properties in accordance with the Council's approved scheme.	Executive Director Communities Assistant Director Partnerships

	<b>Allocation Scheme</b>	
7.	(a) To deal with all matters in connection with (i) the allocation of housing accommodation in accordance with current legislation and the schemes of allocation adopted by the Council and (ii) applications for transfer and exchanges of accommodation.	Executive Director Communities / <del>Assistant Director Partnerships</del> /Assistant Director Neighbourhoods
	(b) To deal with all applications from tenants of the Council for alternative accommodation on non-housing needs grounds.	Executive Director Communities <del>Assistant Director Partnerships</del> /Assistant Director Neighbourhoods
	(c) Re-housing of the tenants and their families in cases where Closing, Demolition and Clearance Orders are made.	Executive Director <del>Partnerships</del> <u>Communities</u> /Assistant Director Neighbourhoods
	(d) Acceptance of service authorities' certificates of cessation of entitlement to occupy a service quarter in lieu of Court Order.	Executive Director Communities / Assistant Director Partnerships/Assistant Director Neighbourhoods
	(e) To amend or vary the designation as elderly persons dwellings, bed-sit bungalows and one bedroom flats which are not part of a sheltered complex.	Executive Director Communities
	(f) Appeals on those matters referred to in (a) and (b) above.	Executive Director Communities
	(g) To transfer tenants on management grounds.	Executive Director Communities
	<b>Provision of Council Housing in Special Cases</b>	
8.	(a) Within established policy deal with applications for priority housing on medical grounds, non-housing need grounds and emergency housing accommodation from persons who are homeless or threatened with eviction from their present accommodation.	Executive Director Communities / Assistant Director Partnerships/Assistant Director Neighbourhoods
	(b) Appeals on those matters referred to in 11 (a) above.	Executive Director Communities/ Assistant Director Partnerships/Assistant Director Neighbourhoods

	<b>Management of Council Housing</b>	
9.	To deal with:	
	(a) Applications for succession of tenancy within statutory right where the property is not under-occupied.	Assistant Director Neighbourhoods/ <del>Head of Legal &amp; Democratic Services</del>
	(b) Applications for second succession or succession leading to under-occupation.	Assistant Director Neighbourhoods/ <del>Head of Legal &amp; Democratic Services</del>
	(c) Applications for assignment of a tenancy.	Assistant Director Neighbourhoods/ <del>Head of Legal &amp; Democratic Services</del>
	(d) Applications to sublet or part with possession of part of a property.	Assistant Director Neighbourhoods/ <del>Head of Legal &amp; Democratic Services</del>
	(e) Application under the "right to approve".	Assistant Director Neighbourhoods/ <del>Head of Legal &amp; Democratic Services</del>
<p>N.B. Appeals against the Officer decisions referred to in 11 and 12(i), (iii), (iv) and (v) shall be considered initially by the <del>Executive</del> Executive Director Communities. There may be a further appeal to the Appeals Sub-Committee on referral by Officers or at the request of 3 Members.</p>		
	<b>Termination, Possession &amp; Legal Proceedings</b>	
10.	(a) To sign and serve Notices of Seeking Possession for tenancy conditions.	Executive Director Communities, Assistant Director Neighbourhoods
	(b) To serve Notice to quit for unauthorised occupation or abandonment of tenancy and recover possession.	Executive Director Communities, Assistant Director Neighbourhoods
	(c) To authorise possession proceedings.	Executive Director Communities, Assistant Director Neighbourhoods
	(d) To authorise eviction proceedings.	Executive Director Communities, Assistant Director Neighbourhoods
	(e) Recovery of Court costs and associated fees from Possession Proceedings, and other legal action for breach of Tenancy Conditions.	Executive Director Communities, Assistant Director Neighbourhoods
	(f) Waiver of or partial claim for Court costs where reasonable.	Executive Director Communities Assistant Director Neighbourhoods
	<b>Squatting</b>	
11.	To authorise recovery under the Criminal Law Act 1977.	Executive Director Communities Assistant Director Neighbourhoods

	Sales of Housing	
12.	Signature of TP1 and Right to Buy (RTB) forms in connection with Housing Act 1985 <u>unless under seal which would require the Chief Executive's authority.</u>	<del>Head of Legal &amp; Democratic Services</del> Chief Executive Executive Director Organisation
13.	In respect of sales under the Housing Act 1985, the Housing & Building Control Act 1984 and any voluntary sales scheme to: <ul style="list-style-type: none"> <li>(a) Seek determination from the Secretary of State – appropriate cases, to serve Admission of the Right to Buy, authorise cases in pursuance of Sections 4(2) and 15(2) of the Housing Act 1985 and acceptance of statutory declarations;</li> <li>(b) Approve and exercise discretions permitted in the Acts covering mortgages;</li> <li>(c) Determine the parameters in respect of mortgage offers to be made in cases where a tenant has served a Notice requesting a shared equity lease;</li> <li>(d) Grant of extension of time limits as permitted;</li> <li>(e) (i) Determine service charges in respect of leasehold sales and refunds in accordance with current legislation;</li> <li>(ii) To authorise refunds of undue expenditure on service charges and similar items (not the fault of leaseholders) in appropriate circumstances;</li> <li>(iii) To waive charges in respect of temporary disruption of occupation or services.</li> <li>(f) Carry out structural surveys as required.</li> <li>(g) Determine applications for the purchase of amenity areas and off-site garages by Right to Buy purchasers;</li> </ul>	<del>Head of Legal &amp; Democratic Services</del> Executive Director Organisation  <del>Head of Legal &amp; Democratic Services</del> Executive Director Organisation  <del>Head of Legal &amp; Democratic Services</del> Executive Director Organisation  <del>Head of Legal &amp; Democratic Services</del> Executive Director Organisation  Assistant Director Assets  Assistant Director Assets  Executive Director Communities  Assistant Director Assets  Assistant Director Assets

	(h) To decide on applications for the Right to Buy from tenants of designated elderly persons' dwellings, in accordance with the legislation currently in force, ensuring that as far as possible the properties concerned are retained in the Council's housing stock;	<del>Head of Legal &amp; Democratic Services</del> <del>Executive Director Organisation</del>
	(i) Appeal against discretionary determinations.	<del>Head of Legal &amp; Democratic Services</del> <del>Executive Director Organisation</del>
	<b>Tenants' Right to Repair</b>	
14.	(a) Authority to operate statutory schemes under Right to Repair legislation.	Assistant Director Assets
	(b) Authority to pay compensation for failure of the Council to carry out repairs in accordance with the Tenancy Agreement and current Landlord and Tenant legislation.	Assistant Director Assets
	<b>Harassment</b>	
15.	Investigation of complaints or alleged offences including the instigation of legal proceedings and prosecutions, under Landlord & Tenant Act 1962 and under the Protection from Eviction Act 1977 and under the Protection of Harassment Act 1997.	Executive Director Communities / Assistant Director Neighbourhoods / <del>Assistant Director Partnerships</del>
16.	To determine applications for transfer from tenants suffering from harassment.	Executive Director Communities / Assistant Director Neighbourhoods
	<b>Private Tenants – Restoration of Services</b>	
	Local Government (Miscellaneous Provisions) Act 1976/1982	
17.	Section 33 (Assistance to private tenants in restoration or continuation of supply of water, gas or electricity).	Executive Director Communities /Assistant Director Partnerships
	<b>Private Sector Housing</b>	
18.	(a) To exercise all of the Council's powers and duties under the housing/public health statutes set out in Annex 1 and any Regulations and Orders made thereunder.	Executive Director Communities Assistant Director Partnerships
	(b) To authorise suitably qualified Officers to exercise the various powers of entry for the purposes of inspection, survey etc. as provided for by the above-mentioned statutes.	Executive Director Communities Assistant Director Partnerships
	<b>Authorised Signatories for Affordable Housing Funded Schemes</b>	

19.	(a) Authority to sign Local Authority Social Housing Grant applications, subject to available Capital Funding.	Executive Director Communities Assistant Director Partnerships
	(b) Authority to sign Housing Association Grants claims.	Executive Director Communities Assistant Director Partnerships
	(c) Authority to sign scheme work certifications.	Executive Director Communities Assistant Director Partnerships
	<b>Infill Housing Sites on Council Housing Estates</b>	
20.	Authority to approve sites before proceeding further.	Executive Director Communities
21.	Authority to dispose of surplus sites to Registered Social Landlords for provision of new affordable housing.	Executive Director Communities
	<b>Demolition of Unfit Properties/Garage Sites</b>	
22.	Following completion of Compulsory Purchase Order to arrange for demolition of unfit housing or garage site in the interests of public safety and health and to seek to recover any expenditure as appropriate.	Executive Director Communities / <del>Assistant Director Assets in consultation with Head of Legal &amp; Democratic Services</del>
	Public Health - Public Health Act 1936	Executive Director Communities
23.	Incurring of expenditure in premises requiring emergency cleansing on a discretionary basis.	Executive Director Communities / <del>Assistant Director Assets</del>
24.	To set charges for individual alarm units that cover the actual cost of purchase by the Council.	Executive Director Communities / <del>Assistant Director Neighbourhoods / Assistant Director Assets</del>
25.	To waive the connection charge for individual alarm units provided by third parties and to vary this charge in response to market conditions for other subscribers.	Executive Director Communities / <del>Assistant Director Neighbourhoods / Assistant Director Assets</del>

**(E) COMMUNITIES, PLANNING AND PARTNERSHIPS**

	<b>Building Control</b>	
1.	Notices and action under Sections 16 and 18 of the Building Act 1984.	Assistant Director Growth & Regeneration <del>through Partnership Agreement with</del> <u>but delegated to joint arrangements hosted by</u> Lichfield District Council <del>and South Staffordshire Council</del>
2.	Directions under Sections 8, 10, 15, 19, 20, 21, 24, 25, 30, 32, 33, 35, 36, 47, 72, 77, 78, 79, 80, 81, 95, 96 and 107 of the Building Act 1984.	Assistant Director Growth & Regeneration through Partnership Agreement with Lichfield District Council
3.	Notices and action under the Building Regulations 2000 and subsequent amendments thereto.	Assistant Director Growth & Regeneration and Development Control Manager through Partnership Agreement with Lichfield District Council
4.	To determine the scheme of charges to recover the costs in connection with the performance of the functions relating to building regulations as provided by the Building (Local authority Charges) Regulations 2010 and subsequent amendments thereto.	Assistant Director Growth & Regeneration in consultation with Executive Director Finance through Partnership Agreement with Lichfield District Council
	<b>Clean Air – Height of Chimney</b>	
5.	Notices and action under Section 10 of the Clean Air Act 1956 (Height of Chimneys – for development control purposes).	Assistant Director Growth & Regeneration
	<b>Scaffolding &amp; Hoarding</b>	
6.	Issue of licences and appropriate actions under Section 169, 171 and 172 of the Highways Act 1980.	Authorised officers through Partnership Agreement with Lichfield District Council
	<b>Party Wall Act 1996</b>	
7.	Appointment of “third” surveyor under Section 10 of the Party Wall Act 1996.	Assistant Director Growth & Regeneration <del>&amp; Assistant Director Assets through Partnership Agreement with</del> <u>Lichfield District Council</u>
	<b>Protection of Buildings during Demolition</b>	
8.	Action under Section 29 of the Local Government (Miscellaneous Provisions) Act 1982.	Assistant Director Growth & Regeneration through Partnership Agreement with Lichfield District Council

		Council
	<b>Uninspected Work</b>	
9.	Laying open uninspected work under Regulation 15 of the Building Regulations 2000.	Assistant Director Growth & Regeneration through Partnership Agreement with Lichfield District Council
	<b>Development Control Functions</b>	
10.	The Development Control Functions set out in the Appendix 2 hereto.	Assistant Director Growth & Regeneration
	<b>Emergency Tree Works</b>	
11.	Action under Sections 23 and 24 of the Local Government (Miscellaneous Provisions) Act 1976 in cases of emergency (including the institution of legal proceedings and prosecutions).	Assistant Directors Operations & Leisure/Growth & Regeneration
12.	The making and confirmation of orders under Sections 198 and 201 of the Town & Country Planning Act 1990 for the preservation of trees in the Borough (where no objections have been received) and issue of consents to the felling, topping, lopping, etc. of individual trees.	Assistant Director Growth & Regeneration/
	<b>Cable Television</b>	
13.	Response to consultations between The Cable Corporation and the Local Planning Authority regarding the proposed installation of cable television apparatus except for proposals relating to installations within conservation areas or affecting listed buildings or where it is considered an objection should be raised.	Assistant Director Growth & Regeneration
	<b>Advertising Boards</b>	
14.	Determination of applications for advertisement consent made in accordance with the Town and Country Planning (Control of Advertisements) (England) Regulations 2007 and in consultation with the Borough Secretary and Solicitor the powers in these Regulations relating to the discontinuance of deemed consent.	Assistant Director Growth & Regeneration
	<b>Demolition</b>	
15.	To determine whether the approval of the Council will be required to the method of the proposed demolition and any proposed restoration of the site under the relevant regulations.	Assistant Director Growth & Regeneration

16.	To determine whether to approve the submission of subsequent details of demolition/restoration under the relevant regulations.	Assistant Director Growth & Regeneration
<b>Town &amp; Country Planning Act 1990 (as amended)</b>		
17.	(a) To issue & serve planning contravention notices under Section 171C of the Act and to consider any representations subsequently received.	Assistant Director Growth & Regeneration
	(b) To authorise the issue and service of an Enforcement Notice, Stop Notice and Temporary Stop Notice under the Town & Country Planning Act 1990 where urgent action is required to protect the amenities of local residents and the surrounding area.	Assistant Director Growth & Regeneration
	(c) To authorise the issue and service of an enforcement notice where operational development (i.e. building, engineering, mining or other operations) or an unauthorised change of use has occurred.	Assistant Director Growth & Regeneration
	(d) To authorise the issue and service of a notice requiring the proper maintenance of land under Section 215 of the Town and Country Planning Act 1990.	Assistant Director Growth & Regeneration

	(e) To authorise the raising and issuing of notices under the provisions of S.330 and S. 172 of the Town and Country Planning Act 1990 and/or S.16 of the Local Government (Miscellaneous) (Provisions) Act 1976 and the Local Government and Planning (Amendment) Act 1981 and Planning Contravention Notices under S.171c and 171d of the Town & Country Planning Act 1990.	Assistant Director Growth & Regeneration
	(f) Not to take enforcement action in those cases where it would be in expedient.	Assistant Director Growth & Regeneration
	<b>Planning &amp; Compensation Act 1991</b>	
18.	To decide to decline to determine applications if he/she is satisfied that they fall within all provisions of Section 17 of the Act.	Assistant Director Growth & Regeneration
	<b>Listed Buildings</b>	
19.	To take urgent action in respect of Listed Buildings and Conservation Areas under the provisions of the Planning (Listed Buildings & Conservation Areas) Act 1990.	Assistant Director Growth & Regeneration
	<b>Planning Briefs</b>	
20.	Approval of planning briefs in accordance with planning policy.	Assistant Director Growth & Regeneration
	<b>Street Naming and Numbering</b>	
21.	Towns Improvement Clauses Act 1847, Public Health Acts Amendment Act 1907 and Public Health Act 1925  Numbering and re-numbering of premises in streets.	Assistant Director Growth & Regeneration

	<b>Allocation of new street names</b>	
22.	Planning Act 2008 Community Infrastructure Levy Part II – General administration to include undertaking enforcement and amending and publishing the Regulation 123 List.	Assistant Director Growth & Regeneration

**(F) ASSETS AND ENVIRONMENT**

	<b>FUNCTION</b>	<b>AUTHORISED OFFICER</b>
	<b>Highways &amp; Transportation Services - Regulatory Functions</b>	
1.	The Highway & Transportation functions set out in Appendix 3.	Assistant Director Assets
2.	To enforce the provisions of the Highways Act 1980 that relate to enviro-crime, nuisance parking and nuisance where applicable to the Borough Council.	Assistant Directors Assets, Partnerships, Operations & Leisure
3.	Authority to remove and/or obliterate all unauthorised signs and free standing advertisement boards on or projecting over highway or Council land; charge for their return and following warning to the owners, destroy any signs not collected within 21 days and instigate legal proceedings against persistent offenders as necessary. [Sections 224 and 225 Town and Country Planning Act 1990]	Assistant Director Assets
4.	Position of litter bins.	Assistant Director Operations & Leisure
5.	Selection of sites for and planting of street trees within approved estimates.	Assistant Director Operations & Leisure
	<b>Permits</b>	
<del>6.</del>	<del>Issue of permits for vehicles to enter the High Street in accordance with the terms of the Traffic Order(s).</del>	<del>No longer a Council function.</del>
<del>67.</del>	To exercise the Council's powers under the Road Traffic Regulations (Special Events) Act 1994 to restrict or prohibit vehicular and pedestrian movements as necessary to facilitate the holding of a relevant event where the <u>relevant Authorised Officer</u> <del>Head of Legal &amp; Democratic Services</del> considers an order under the Town Police Clauses	The relevant Authorised Officer <del>in consultation with the Head of Legal &amp; Democratic Services.</del>

	Act 1847 is inappropriate.	
	<b>Hackney Carriages &amp; Private Hire Vehicles</b>	
<del>78.</del>	(a) Substitution of vehicles under existing Hackney Carriages and Private Hire Licences.  (b) Transfer of ownership of Hackney Carriages and Private Hire Vehicles.  (c) The grant or renewal of Hackney Carriage Drivers and Private Hire Vehicles, Operators and Driver's Licences (except when drivers have convictions) in accordance with guidelines laid down.	Assistant Director Growth & Regeneration
<del>89.</del>	<b>Allotments</b>  Decisions on requests from allotment associations for permission to erect additional storage accommodation at their own expense for member's use, subject to compliance with planning legislation.	Assistant Director Assets
<del>94.</del>	Routine management of allotment plots in accordance with Smallholdings and Allotments Act 1908 and Allotments Act 1922.	Assistant Director Assets
	<b>Cemetery &amp; Crematorium</b>	
<del>104.</del>	Management of the Cemetery and Crematorium in accordance with Cemetery and Crematorium Rules and appropriate statutory provisions.	Assistant Director Operations & Leisure
	<b>Commercial Transport</b>	
<del>112.</del>	Appointed Licence holder for any commercial transport for the Council	Chief Executive

**(G) MISCELLANEOUS**

	<b>Emergency Planning</b>	
1.	All matters relating to the preparation, production, maintenance and implementation of the Council's Emergency Peacetime and Civil Defence Plans.	Assistant Director Neighbourhoods

	<b>Public Transport</b>	
2.	To exercise the power of the Council under Section 7 of the Transport Act 1985 to request the Traffic Commission to make, vary or revoke Traffic Regulation conditions affecting local services or to hold an inquiry prior to determination of such conditions.	Authorised Officer
3.	To enter into public transport service subsidy agreements under the Transport Act 1985 where they are exempted from the tendering requirements in that Act.	Authorised Officer
4.	To lodge holding objections regarding proposals by operators for withdrawals of or alterations to rail services, or the fares and charges thereof, where it is anticipated that extra Council expenditure would result, and to pursue objections before the Transport Users Consultative Committee.	Authorised Officer
5.	To serve a 42 day Notice of Deregulation	
	<b>Stopping Up</b>	
6.	To exercise the powers of the Highway Authority to stop up or divert the highway or private access to the highway under the Highways Act 1980 and the Town and Country Planning Act 1990 (if applicable) and to undertake all necessary legal procedures in connection therewith.	Authorised Officer
	<b>Traffic Regulation Orders</b>	
7.	To consider objections to proposed Traffic Regulation Orders and formal notices to other traffic management matters including traffic calming measures and Public Rights of Way and to authorise the making of the necessary orders with or without modification or to refer to the <del>Cabinet</del> <u>Executive</u> as appropriate.	Authorised Officer
	<b>Formal Cautions</b>	
8.	To issue formal cautions with respect to Environmental Health, Community Safety, Licensing and Registration functions (to meet current Home Office requirements) on behalf of the Council. To delegate authority to suitably qualified officers to issue cautions.	Assistant Directors, Growth & Regeneration, Partnerships, Head of Environmental Health
	<b>Public Health Acts (Amendment) Act 1907</b>	

9.	Authority to act on behalf of the Council in respect of the provisions of the Public Health Acts (Amendment) Act 1907.	Appropriate Authorised Officer
10.	Wildlife and Countryside Act 1981	Appropriate Authorised Officer
11.	Guard Dogs Act 1975 (as amended)	Appropriate Authorised Officer
12.	Authority to act on behalf of the Council in respect of the provisions of Section 2 of the Local Government Act 2000 (the Wellbeing Power).	Appropriate Authorised Officer
	<b>Information and Communication Technology</b>	
13.	To enter into contracts for the provision of information technology systems	Appropriate Executive Director in consultation with the Assistant Director People

## ANNEX 1

### HOUSING & PUBLIC HEALTH

#### a) PRIVATE SECTOR HOUSING FUNCTIONS

The power and duties of the Council contained in the following Acts of Parliament are delegated to the Executive Director Communities to the extent set out in the right-hand column:-

ACT	EXTENT OF DELEGATION (Parts or Sections)
Housing Act 1985 (as amended)	Part VIII Area Improvement (except declaration of Neighbourhood Renewal Area) Part IX Slum Clearance (except declaration of Clearance Area).
Housing Grants, Construction & Regeneration Act 1996	Mandatory Grants to help with disabled facilities.
The Regulatory Reform (Housing Assistance) Order 2002	Policy for grants etc. for renewal of Private Sector Housing and Provision of <u>mandatory and discretionary</u> disabled facilities grants.  <del>DFG's and HRA grants are carried out by property services who are under the Deputy Corporate Director Growth, Assets and Environment. Private Sector Housing undertake empty property grants so will need these delegations but they must also be put in appendix 3.</del>
Public Health Act 1936	Sections 45, 50, 83, 84, 268 and 269
Prevention of Damage by Pests Act 1949	Sections 4, 5, 6 & 7
Caravan Site & Control of Development Act 1960	Conditional licensing of caravan sites, subject to current planning permission, including approval to transfer licences and stationing of caravans.
Mobile Homes Act 2013	Sections 1-7 and 12-14
Public Health Act 1961 (as amended)	Sections 17 and 34
Housing Act 2004	Part I – Enforcement of housing conditions Part II – Licensing of houses in Multiple Occupation Part III – Selective licensing of other residential accommodation Part IV – Additional control provisions in relation to residential accommodation (interim and final management orders in HMOs and empty dwellings), Overcrowding and supplementary provisions.

	Part VI other provisions about housing – secure tenancies /rights to buy, mobile homes, overcrowding and other provisions. Part VII – supplementary and final provisions.
<a href="#">Housing and Planning Act 2016</a>	<a href="#">Part II – Rogue Landlords and property agents in England</a>
Local Government (Miscellaneous Provisions) Act 1976	Section 16, 29 & 35
Local Government (Miscellaneous Provisions) Act 1982	Sections 27, 29, 30 31 & 32, 33
Building Act 1984	Sections 59, 60, 64, 76, 79
Environmental Protection Act 1990	Part III Statutory Notices
Anti Social Behaviour, Crime and Policing Act 2014	All sections and powers within the Act which are relevant to Local Authorities with effect from 1 October 2014
Protection from Eviction Act 1977	Parts I, II and III
Protection from Harassment Act 1997	Sections 1-7
Enterprise and Regulatory Reform Act 2013	Part 6 Miscellaneous Provisions

## ANNEX 2

### DEVELOPMENT MANAGEMENT FUNCTIONS

The following functions are delegated to the Assistant Director Growth & Regeneration subject to any conditions set out below:

1. Power to determine applications for certificates of lawfulness under the Town and Country Planning Act 1990 as amended by Section 191 and 192 of the Planning & Compensation Act 1991.

2. Directions requiring further details, information, evidence or particulars in respect of an application for planning permission pursuant to Part 2 Article 4 of the Town & Country Planning (Development Management Procedure) (England) Order 2015.

3. Decisions under the Town & Country Planning (EIA) Regulations 2011 as to:-

(a) whether or not an environmental impact assessment is needed (screening opinion);

and

(b) the main effects of a development which an Environmental Statement should cover (scoping opinion)

4. Determination of all applications for planning permission, permission in principle (PIP's), technical consents, listed buildings, conservation area and advertisement consents, and Certificates of Lawfulness of Proposed Use or Development (except for major developments ++) under the relevant Acts within the constraints set out below:-

(a) Approval of applications which comply with existing approved statutory statements of policy and substantially comply with non-statutory policy guidelines.

(b) Refusal of applications which do not comply with existing approved statutory and non statutory statements of policy.

defined as

(i) Development of 10 or more dwellings (0.5 hectare where no numbers are given)

(ii) Development of buildings of 1,000 square metres floor space or development on sites of 1 hectare or more

5. Power to decline to determine applications for planning permission under section 70A (following a refusal at appeal where there has been no substantial change to the proposal) and 70B (for an application for a similar application which is still to be determined) of the Town and Country Planning Act 1990.

6. ~~Head of Legal & Democratic Services~~ Tto enter into planning obligations under Section 106 of the Town & Country Planning Act 1990 in cases where in all other respects the application falls within this Scheme of Delegation.

7. To determine all applications for planning permission (except for major developments ++) requiring a payment to be made in accordance with an agreed charging schedule approved by Council.

8. To deal with the administration of all aspects of development management matters including:

(a) validation of all applications for planning permission, planning in principle, technical consents, listed building, conservation area and advertisement consents in accordance with the adopted validation scheme

(b) consultation with appropriate bodies and persons in accordance with national legislation and council policy

(c) the wording of planning conditions, planning obligations, policy reasons for approval and reasons for refusal

(d) preparation and signature of decision notices in respect of planning applications, listed building, conservation and advertisement consents

(e) the approval of or refusal to accept minor variations to submitted plans, planning permissions, listed building consents, conservation area consents and advertisement consents

(f) preparation and presentation of the Councils case in the event that a planning decision made by the Council, either by the Planning Committee or through the use of delegated powers is challenged by means of an appeal

9. Determination of applications deferred by the Planning Committee which are subsequently amended such that they comply with the provisions of 4(a) above, unless the Committee specifically reserves the determination to itself.

10. Determination of applications for discharge and variation of conditions, and non material amendments to planning applications under the Town & Country Planning (Development Management Procedure) (England) Order 2015.

11. Determination of applications for prior notification relating to development pursuant to Schedule 2 of The Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended).

12. To make and confirm Tree Preservation Orders.

13. Determination of applications for the felling, lopping or other works to trees within a Conservation Area or any trees which are subject to a Tree Preservation Order.

14. Determination of applications under the Anti-Social Behaviour Act 2003 on respect of high hedges.

15. Determination of application for Hedgerow Removal Notices and Hedgerow Retention Notices under the Hedgerow Act 1997.

16. To receive and investigate any alleged breach of planning control, including the carrying out of any administrative duties associated therewith

17. In consultation with the Council's legal advisors as necessary, Head of Legal & Democratic Services to issue:-

- (a) Stop notices and enforcement notices
- (b) Building preservation notices
- (c) Discontinuance notices in respect of advertisements
- (d) Requisition for information notices
- (e) Breach of condition notices
- (f) Planning contravention notices
- (g) Section 215 notices in respect of untidy land and buildings
- (h) Determine applications for Certificates of Lawful Use or Development

18. To withdraw or amend a Stop Notice, Enforcement Notice, Building Preservation Notice, Breach of Condition Notice, Planning Contravention Notice or Section 215 Notice when there has been a change in circumstances.

19. To respond, if necessary in consultation with the portfolio holder, to consultations on planning proposals from neighbouring authorities or the County Council.

20. To make and confirm an order for the stopping up, or diversion of a public footpath, under Section 257 of the Town and Country Planning Act 1990, unless substantive objections are received.

21. To comment on:-

- (a) proposals for the stopping up, diversion or creation of public footpaths
- (b) changes to existing overhead power lines
- (c) proposals for electricity sub stations
- (d) proposals to remove public payphones
- (e) proposals being carried out within the public highway by the Highway

22. Naming (and renaming) and numbering (and renumbering) of streets and all necessary consultation with the residents and statutory bodies in respect of this duty.

~~23. To carry out relevant duties and functions imposed on the Council by the **Anti-social Behaviour, Crime and Policing Act 2014**~~

### **Conditions**

#### **Members**

The Assistant Director Growth & Regeneration / shall refer applications under Paragraph 4(a) and 4(b) above to the Planning Committee for determination where any Member has:

- (i) set out in writing to the Planning Case Officer the detailed planning issues/concerns which s/he has in respect of the Application; and
- (ii) s/he has had an official and formal discussion on such planning issues/concerns with the Development Manager and the issues/concerns remain unresolved. The Member will be informed of the date of the meeting so that s/he can attend and speak in support of the referral.

#### **Objections**

The Assistant Director Growth & Regeneration shall refer applications under Paragraph 4(a) and 4(b) above to the Planning Committee for determination in the event that they consider that the application raises issues of considerable public interest.

#### **Council Applications**

In the case of Applications made by the Council paragraphs 4(a), 8, 9, 10,11,12,16 14 and 17 shall apply unless a substantive written objection has been received on material planning grounds against the proposal and if so the Application shall be referred to the Planning Committee for determination

#### **Appeals**

Planning Appeals shall be reported to the Planning Committee and dealt with by the Assistant Director Growth & Regeneration and the Democratic Services in accordance with Council Policy.

**ANNEX 3**

**ENVIRONMENTAL HEALTH**

**COMMUNITY SAFETY, LICENSING AND REGISTRATION FUNCTIONS**

The powers and duties of the Council contained in the following Acts of Parliament are delegated to the Assistant Directors, Growth & Regeneration/Partnerships/Assets/Operations & Leisure/Head of Environmental Health as appropriate to area of responsibility and to the extent set out in the right hand column.

ACT	EXTENT OF DELEGATION (Parts or Sections)
<p>1. Local Government (Miscellaneous Provisions) Acts 1976 and 1982:-</p>	<p>Powers under the following sections of the Local Government (Miscellaneous Provisions) Acts 1976 and 1982)</p> <p>(a) Securing of unoccupied premises against unauthorised entry or likely to be a danger to public health, as per Sections 29 and 30 of the Local Government (Miscellaneous Provisions) Act 1982.</p> <p>(b) Section 20 (Notice requiring provision of sanitary appliances at places of public entertainment) Local Government (Miscellaneous Provisions) Act 1976.</p> <p>(c) Section 35 (Power by notice to require removal of obstructions from private sewers) Local Government (Miscellaneous Provisions) Act 1976.</p> <p>Service of notices requiring works to be carried out, carrying out of works in default and recovery of costs and expenses in connection therewith under Local Government (Miscellaneous Provisions) Act 1976 and 1982.</p>
<p>2. Registration and Licensing – Various Acts</p>	<p>Registration of persons and premises in respect of acupuncture, tattooing and electrolysis in accordance with sections 14 and 15 of the Local (Miscellaneous Provisions) Act 1982.</p> <p>Enforcement of Parts III and V of the Food Act 1984.</p> <p>Entry into premises where it is suspected that an offence is being committed in accordance with Section 17 of the Local Government(Miscellaneous) Provisions Act</p>

	1982.
3. Sunbeds (Regulations) Act 2010	<p>Powers under the following sections of the Sunbed (Regulations) Act 2010</p> <p>Section 2 – Duty to prevent sunbed use by children</p> <p>Section 7 - Enforcement by local authorities</p> <p>Section 8 – Obstruction etc. of authorised officers</p> <p>Section 9 - Offences by bodies corporate</p> <p>Schedule - Powers of entry etc.</p>
4. Licensing Act 2003	<p>All powers under the Licensing Act 2003 which can be delegated to an officer relating to</p> <p>(a) The determination of an application for a premises licence</p> <p>(b) The determination of an application for a provisional statement</p> <p>(c) The determination of an application to vary a premises licence</p> <p>(d) The determination of an application to vary a premises licence so as to specify a new premises supervisor</p> <p>(e) The determination of an application to transfer a premises licence</p> <p>(f) The determination of an application for review of premises licence</p> <p>(g) The determination of whether a club is established and conducted in good faith</p> <p>(h) The determination of an application for club premises certificate</p> <p>(i) The determination of an application to vary club premises certificate</p> <p>(j) The determination of an application for review of club premises certificate</p> <p>(k) The determination of an application by temporary event notice for a permitted temporary activity</p> <p>(l) The determination of an application for grant or renewal of personal licence</p> <p>(m) The authorisation of an officer as an “authorised person” for the purposes off the Act</p> <p>(n) The authorisation of an officer as an “authorised officer” for the purposes of the Act</p>

5. Gambling Act 2005	<p>All powers under the Gambling Act are to be delegated to an officer relating to:</p> <ul style="list-style-type: none"> <li>(a) The setting of fees</li> <li>(b) The determination of applications for a premises licence</li> <li>(c) The determination of an application to vary a premises licence</li> <li>(d) The determination of an application for a transfer of a premises licence</li> <li>(e) The determination of the Pre-Instatement of a premises licence</li> <li>(f) The determination of an application for a provisional statement</li> <li>(g) The determination of a Notification of Charge of a premises licence</li> <li>(h) The determination of an application for a club gaming/club machine permit</li> <li>(i) The determination of all other notifications and permits under the Act</li> <li>(j) The determination of an application for the registration of a Non Commercial Society Lottery</li> <li>(k) Cancellation of licensed premises gaming machine permits</li> <li>(l) Consideration of temporary and occasional use Notices</li> <li>(m) To exercise the role of Licensing Authority as the Responsible Authority under Part 8 of the Act, and when otherwise necessary</li> </ul>
6. Sex Establishment Licences - (Local Government (Miscellaneous Provisions) Act 1982)	The Whole Act
7. Street trading consent (except the fixing of fees for consents and the designation of consent or prohibited streets) (Local Government (Miscellaneous Provisions) Act 1982)	The Whole Act
8. Zoo Premises - (Zoo Licensing Act 1981)	The Whole Act
9. Riding Establishments - (Riding Establishments Acts 1964, 1970)	The Whole Act
10. Breeding of Dogs - (Breeding of Dogs Act 1973)	The Whole Act
11. House to House Collections - (House to House Collections Act 1939)	The Whole Act
12. Dangerous Wild Animals - (Dangerous Wild Animals Act 1976)	The Whole Act

13. Scrap Metal Dealers - (Scrap Metal Dealers Act 1964)	The Whole Act
14. Pets Shops Act 1951	The Whole Act
15. Motor Salvage Operators – (The Motor Salvage Operators Regulations 2002 and Vehicle (Crime) Act 2001	To accept and determine applications for registration as a Motor Salvage Operator
16. Acupuncture, tattooing, Ear-Piercing, and Electrolysis – (Local Government Miscellaneous Provisions) Act 1982 as amended by The Local Government Act 2003	To accept and determine applications for registrations as for Acupuncture, Tattooing, Ear-Piercing and Electrolysis
17. Public Health Act 1936	<p>Section 42 (Alteration to drainage systems of premises)</p> <p>Section 45 (Notice to repair water closets)</p> <p>Section 48 (Power to examine &amp; test drains believed to be defective.)</p> <p>Section 50 (Overflowing or leaking Cesspools)</p> <p>Section 78 (Scavenging of common courts and passages)</p> <p>Section 79 (power to remove noxious matter)</p> <p>Section 83 (As amended) (Cleansing of filthy and/or verminous premises)</p> <p>Section 84 (Cleansing or destruction of filthy or verminous articles)</p> <p>Section 141 (Powers to deal with wells, tanks, cisterns etc.)</p> <p>Sections 259, 260 (Powers to deal with nuisances from ponds, pools ditches and watercourses etc)</p> <p>Section 268  (Powers to deal with nuisances from tents, vans etc.)</p>

18. Public Health Act 1961	<p>Section 17 (Drainage) as amended by Section 27 of the Local Government (Miscellaneous Provisions) Act 1982.</p> <p>Section 34 (Accumulation of rubbish)</p> <p>Section 74 (Pigeons)</p>
19. Public Health (Control Of Disease) Act 1984	<p>Section 23 (Exclusion of children from places of entertainment)</p> <p>Section 24 (Control of infected articles)</p> <p>Section 25 (Library books)</p> <p>Section 26 (Infectious matter in dustbins)</p> <p>Section 28 (Prohibition of work on premises where notifiable diseases exist)</p> <p>Section 30 (Giving of notice to owners and occupiers of houses after the recent case of notifiable disease)</p> <p>Section 34 (Disinfection of public conveyance)</p> <p>Section 41 and 42 (Common lodging houses - notifiable disease)</p> <p>Section 46 (Burial and Cremation)</p> <p>Section 51 (Canal Boats)</p>
20. Provisions of the Public Health (Infectious Disease) Regulations 1968, 1974 and 1976 and subsequent regulations made.	The Whole Acts
21. Prevention of Damage by Pests Act 1949	Service of Notices, carrying out of works in default, recovery of reasonable expenses and exercise of powers relating to entry onto premises in accordance with Sections 4, 5, 6, 7

	and 22.
22. Building Act 1984	<p>Section 59 (Drainage of buildings)</p> <p>Section 60 (Ventilation of soil pipes)</p> <p>Section 64 (Closets in buildings)</p> <p>Section 65 (Sanitary conveniences in workplaces)</p> <p>Section 70 (Food storage accommodation)</p> <p>Section 76 (Defective Premises)</p> <p>Section 79 Ruinous and dilapidated buildings and neglected sites.</p>
23. Refuse Disposal (Amenity ) Act 1978	The Whole Act
24. Performing Animals (Regulation) Act 1925	The Whole Act
25. Food Safety Act 1990	The Whole Act
26. Health and Safety Legislation	<p>Authority to act on behalf of the Council in respect of the provisions of the Health and Safety at Work etc Act 1974, the Offices, Shops and Railway Premises Act 1963 and relevant codes of practice, regulations and guidance made under these acts.</p> <p>Under the Health and Safety at Work etc Act 1974 Authority to issue instruments in writing to suitably qualified persons to act as 'Inspector' Sections 20(2), 21, 22, 25 and 39.</p> <p>Under Section 19 of the above act, authority to issue instruments in writing to suitably qualified persons to act as 'inspector' for the purposes of the Health and Safety at Work etc Act 1974 and thus the Petroleum (Regulations) Acts 1928 and 1936, Petroleum Consolidation Act 1928 and appropriate associated legislation.</p>
27. Public Health Act 1961 – Section 73	Authority to serve notice under section 73 to require the occupier of a premise on which a fixed tank or other fixed container which has been used for the storage of petroleum spirit

	<p>and is no longer used for that purpose 'to take all such steps as may be reasonably necessary to prevent danger from that container'.</p> <p>Authority to appoint and/or authorise a suitably qualified officer for the purposes of Section 73 (2), (3), (4).</p>
28. Petroleum (Regulation) Acts 1928 and 1936	Authority to act on behalf of the Council in respect of the provisions of the Petroleum (Regulation) Acts 1928 and 1936.
29. Petroleum (Consolidation) Act 1928	Sections 1 & 2 - Authority to issue or refuse licences, with appropriate conditions for the keeping of petroleum spirit.
30. Petroleum (Transfer of Licences) Act 1936	Authority to transfer licences for the keeping of petroleum spirit, by endorsement of the licence or otherwise.
31. Sunday Trading Act 1994	The Whole Act
32. Safety of Sports Grounds Act 1975	The Whole Act
33. Hypnotism Act 1952	The Whole Act
34. Animal Welfare Legislation	<p>The powers and functions of the Council in connection with the receipt and determination of applications and consideration of reports by Veterinary Surgeons and Practitioners, relating to the issue of licences and to approve arrangements for the retention of Veterinary Surgeons or practitioners under:</p> <p>The Riding Establishments Act 1964 and 1970  The Pet Animals Act 1951  The Animal Boarding Establishments Act 1963  The Breeding of Dogs Act 1973  The Dangerous Wild Animals Act 1976  The Zoo Licensing Act 1981</p> <p>The negotiation and agreement in respect of fees under the Animal Welfare Acts (subject to fees proposed, not exceeding those recommended by the British Veterinary Association or prescribed by DEFRA).</p>
35. Water Act 1989, Water Industry Act 1991	Authority to act on behalf of the Council in relation to the controls and duties over public and private water supplies under the terms of the above acts.

36. Caravan Sites & Control Of Development Act 1960	The Whole Act
37. Scrap Metal Dealers Act 1964	(i) The powers and duties of the Council under Section 3 regarding the issue of Exemption Orders (where no special considerations arise).  (ii) Authorisation to enter land and ascertain if the premises are being used contrary to the Scrap Metal Dealers Act 1964.
38. Control of Asbestos Regulations 2006	Authority to determine notifications received under Regulation 9 of the Control of Asbestos Regulations 2006 and to agree the commencement of work before the end of the 14-day notification period.
39. Environmental Protection Act 1990	The powers and duties of the Council under Parts I, II, IIa, III, IV, VIII, IX of the Environmental Protection Act 1990.  Authority to serve relevant notices under the provisions of part IIa of the Act in respect of contaminated land and the declaration of land as contaminated.  Authority to appoint suitably qualified persons to act as authorised Officers/Inspectors for the purposes of the provisions of parts I, II, IIa, III, IV, VIII, IX.  Compliance with the Council's Duty of Care in respect of waste (Section 34).  Compliance with the Council's Duty to keep land and highways clear of litter etc. (Section 89).  Compliance with the Council's duties under section 45, 46 and 48 in respect of collection and disposal of household waste.
40. Food & Environment Protection Act 1985 (Part III) and the Control of Pesticides Regulations 1986	To enforce relevant provisions of the above legislation.

41. Environment Act 1995	To exercise the functions and duties of the Council in respect of air quality management and contaminated land management.  Authority to appoint and/or authorise suitably qualified persons in writing to exercise the powers under Section 108 – Powers of enforcing authorities and persons authorised by them and Section 109 – Power to deal with imminent danger of serious pollution etc.
42. Dangerous Dogs Act 1991	The Whole Act.
43. Noise & Statutory Nuisance Act 1993	To carry out relevant statutory functions for the purposes of this Act, in respect of vehicles, machinery and equipment noise on the highway.
44. Anti Social Behaviour, Crime and Policing Act 2014	All sections and powers within the Act which are relevant to Local Authorities with effect from 1 October 2014.
45. Control of Pollution Act 1974	Parts III and V of the Act
46. Clean Air Act 1993	The Whole Act
47. Noise Act 1996	The Whole Act
48. Transport Act 1968	Part V – to make representation on behalf of the Council to the licensing authorities in connection with the revocation, suspension or curtailment of operation licences in appropriate circumstances.
49. Animal Health  Dogs Act 1906 Protection of Animals Act 1911 Dogs (Amendment) Act 1928 Protection of Animals (Amendment) Act 1954 Protection of Animals (Anaesthetics) Act 1954 Abandonment of Animals Act 1960 Agriculture (Miscellaneous Provisions) Act 1968 Animal Health Act 1981 Animal Health and Welfare Act 1984 Protection of Animals (Penalties) Act 1987 Protection of Animals (Amendment) Act 1988 Protection Against Cruel Tethering Act 1988 Dangerous Dogs Act 1989 Welfare of Animals at Slaughter Act 1991 Animal Health Act 2002 Animal Welfare Act 2006	As applicable to Borough Council

<p>50. Company Law</p> <p>Companies Act 1985 &amp; 2006  Companies Consolidation (Consequential Provisions) Act 1985  Business Names Act 1985  Insolvency Act 1986  Company Directors Disqualification Act 1986</p>	<p>As applicable to Borough Council</p>
<p>51. Consumer Credit</p> <p>Administration of Justice Act 1970  Consumer Credit Act 1974 &amp; 2006  Law of Property (Miscellaneous Provisions) Act 1989</p>	
<p>52. Consumer Protection</p> <p>Consumer Protection Act 1987  Motor Vehicles (Safety Equipment for Children) Act 1991</p>	
<p>53. Control of Pollution</p> <p>Control of Pollution Act 1974  Environmental Protection Act 1990  Clean Air Act 1993</p>	
<p>54. Copyright</p> <p>Registered Designs Act 1949  Patents, Designs and Marks Act 1986  Copyright, Designs and Patents Act 1988  Broadcasting Act 1990  Trade Marks Act 1994  Olympic Symbol etc (Protection) Act 1995  Copyright, Designs, Patents and Trade Marks Act 2002  Patents Act 2004</p>	
<p>55. Explosives</p> <p>Explosives Act 1875  Explosives Act 1923  Fireworks Act 1951  Fireworks Act 1964  Explosives (Age of Purchase) Act 1976  Fireworks (Safety) Regulations 1987  Package Travel, Package Holiday and Package Tours Regulations 1992  Fireworks Act 2003  Fireworks Regulations 2004  Firework (Safety) (amendment) Regulations 2004</p>	

Manufacture and storage of Explosive Regulations 2005	
56. Food and Environmental Protection  Food and Environment Protection Act 1985 Pesticides (Fees and Enforcement) Act 1989 Scotch Whiskey Act 1988 Food Safety Act 1990 Food Labelling Regulations 1996 (as amended)	As applicable to Borough Council
57. Hallmarking Act 1973	
58. Health and Safety at Work etc Act 1974	
59. Insurance Brokers (Registration) Act 1977 Insurance Companies Act 1982	
60. Medicines Act 1968	
61. Other Enforcement Legislation  Children and Young Persons Act 1933 Timeshare Act 1992 Violent Crimes Reduction Act 1984 Telecommunications Act 1984 National Lottery Act 1993 & 2006 Offensive Weapons Act 1996 Children & Young Persons (Protection from Tobacco) Act 1991 Tobacco Advertising & Promotion Act 2002 Customs & Excise Management Act 1979 Sale of Goods Act 1979 (as amended) Development of Tourism Act 1969 Licensing Acts 1964 & 2003 Cancer Act 1939 Accommodation Agencies Act 1953 Trading Representations (Disabled Persons) Act 1958 Theft Act 1968 Trading Representations (Disabled Persons) Act 1972 Employment Agencies Act 1973	
62. Road Traffic  Vehicles (Excise) Act 1971 Road Traffic (Foreign Vehicles) Act 1972 Road Traffic (Consequential Provisions) Act 1988 Road Traffic Act 1988	As applicable to Borough Council

Road Traffic Offenders Act 1988 Road Traffic Act 1991	
63. Telecommunications  Telecommunications Act 1984	
64. Trade Descriptions  Trade Descriptions Act 1968 Property Misdescriptions Act 1991	
65. Unsolicited Goods and Services  Unsolicited Goods and Services Act 1971 Unsolicited Goods and Services (Amendment) Act 1975	
66. Video Recordings  Video Recording Act 1984 Video Recordings Act 1993	
67. Weights and Measures  Weights and Measures etc. Act 1976 Merchant Shipping Act 1979 Weights and Measures Act 1985	
68. Nationality, Immigration and Asylum Act 2002	Performance and Management of Citizenship Ceremonies
69. Refuse Disposal (Amenity) Act 1987 and the Vehicle Excise and Registration Act 1994	To authorise the removal of untaxed vehicles on an adopted highway under the devolved powers scheme of the Driver and Vehicle Licensing Agency.
70. Pollution Prevention Control Act 1999	To carry out the relevant functions of the Council with respect to a Part A(2) Installation or mobile plant for the purpose of achieving a high level of protection of the environment by reducing emissions into the air, water and land.  Authority to appoint suitable officers to exercise any such functions and conferring powers (such as those specified in Section 108 (4) of the Environment Act 1995) on persons so appointed.
71. Clean Neighbourhoods and Environment Act 2005	Authority to <u>authorise carry out the relevant functions as applicable to a Borough Council in authorising</u> suitable officers for the purpose of exercising a statutory function with respect to Environmental Health, Community Safety,

	<p>Licensing and Registration.</p> <p><del>The Fouling of Land by Dogs (Tamworth Borough Council) Order 2012</del></p> <p><del>The Dogs on Lead By Direction (Tamworth Borough Council) Order 2012</del></p> <p><del>The Dogs on Lead at All Times (Tamworth Borough Council) Order 2012</del></p> <p><del>The Dog Exclusion (Tamworth Borough Council) Order 2012</del></p>
72. Control of Pollution (Amendment) Act 1989	Authority to authorise suitable officers to demand that a person produce his, or his employer's authority for transporting waste and to search any vehicle that is being, or has been used for transporting waste and to carry out tests on anything found and to take samples away for testing.
73. Housing Grants, Construction & Regeneration Act 1996	Mandatory Grants to help with disabled facilities.
74. The Regulatory Reform (Housing Assistance) Order 2002	<p>(i) Policy for grants etc. for renewal of Private Sector Housing and Provision of <u>mandatory and</u> discretionary disabled facilities grants.</p> <p><del>DFG's and HRA grants are carried out by property services who are under the Corporate Director Growth, Assets and Environment. Private Sector Housing undertake empty property grants so will need these delegations but they must also be put in appendix 3.</del></p>
75. Byelaws for Pleasure Grounds, Public Walks and Open Spaces 2004	Full Byelaws
76. Byelaws for Good Rule and Government 2004	Full Byelaws

## ANNEX 4

### MISCELLANEOUS

The following functions are delegated to the Officer(s) named in the Authorised Officer column subject to any conditions set out below.

	FUNCTION	AUTHORISED OFFICER
	Public space for Events	Assistant Director Operations & Leisure or authorised officer
1.	Town Hall Bookings of the Town Hall	<del>Authorised officer</del> <u>Customer Experience Operations Manager</u>
2.	To determine appeals following the refusal of a booking of the Town Hall. Opening Hours	Assistant Director People
3.	Fixing of opening and closing dates of public buildings within control of the Council including bank and public holiday periods.	Assistant Director Assets in consultation with relevant Assistant Directors
4.	Museums and Archives To determine the policy on the materials and records to be held in any archives maintained by the Council, other than those maintained for statutory or similar purposes.	Assistant Director Growth & Regeneration
5.	Lettings of Public Buildings and Parks Arrangements for letting of public buildings/parks within control of Council to local and voluntary organisations for occasional use, in accordance with approved scales of charges and Council's general policies.	Assistant Directors, Operations & Leisure/Assets
6.	General management of and authority to authorise bookings for non core activities.	Assistant Directors, Operations & Leisure/Assets
	Concessionary Charges for Public Buildings/Parks	Assistant Directors, Operations & Leisure/Assets
7.	Determination of applications for concessionary charges for use of public buildings/parks within control of Council. Within established policy.	Assistant Directors, Operations & Leisure/Assets

8.	<p><u>Localism Act 2011 – section 30 / 31 dispensation</u></p> <p><u>To determine whether to grant a member or members a dispensation relieving the member(s) from all or any restrictions in Procedure Rule 4.21.6. A written request must be made by the member and the Monitoring Officer may only grant such a dispensation in the following circumstances :</u></p> <ul style="list-style-type: none"> <li>• <u>without the dispensation the number of persons prohibited by Section 31(4) Localism Act 2011 from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business.</u></li> <li>• <u>without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business.</u></li> <li>• <u>granting the dispensation is in the interests of persons living in the authority's area.</u></li> <li>• <u>without the dispensation each member of the Council's Executive would be prohibited by Section 31(4) Localism Act 2011 from participating in any particular business to be transacted by the Council's Executive, or</u></li> <li>• <u>it is otherwise appropriate to grant a dispensation.</u></li> </ul> <p><u>Any dispensation must specify the period for which it is to have effect and can be for no longer than 4 years.</u></p>	<p><u>Monitoring Officer</u></p>

8.	<ul style="list-style-type: none"> <li>• Corporate Complaints</li> <li>• Council Halls and meeting rooms</li> <li>• Hire of Civic Accommodation</li> <li>• Compensation claims associated with complaints made via Tell Us Scheme</li> <li>• Telecommunications Act</li> <li>• Town hall, Carnegie Centre and Phil Dix Centre</li> <li>• Determine the appeals following the refusal of a booking of venue</li> <li>• Opening hours to the public</li> <li>• Access to buildings</li> <li>• Letting of public buildings</li> <li>• Charges applied to hire of public buildings etc</li> <li>• Provide services on behalf of Staffordshire County Council in relation to the administration of - Blue Badges, appointee ships, Concessionary travel, and other services</li> </ul>	Executive Director Organisation & Assistant Director People
9.	<p>Child Protection</p> <p>To exercise the functions of the Council in relation to its duties as necessary to decide whether action should be taken to safeguard or promote the welfare of vulnerable adults.</p>	Assistant Director Partnerships

## ANNEX 5

### PROPER OFFICER APPOINTMENTS

Various Acts of Parliament require certain statutory functions to be performed by an Officer specified by the council. It is open to each Council to decide which of its Officers should be designated as the "Proper Officer" for the particular function in question.

Where functions are delegated to specific named officers, the same powers and duties shall be exercised by any subsequent post which incorporates the relevant powers and duties of the post detailed below.

#### 1. ALL DIRECTORS

Act	Function	Deputy
Local Government Act 1972 – Section 225(1)	Deposit of Documents	Appropriate Authorised Officer
Local Government (Access to Information) Act 1985, Section 100D(1)(a)	Compilation of lists of background papers in reports produced by them and production of the papers themselves.	Appropriate Authorised Officer

#### 2. CHIEF EXECUTIVE

(a) any reference in any enactment passed before or during the 1971/72 session of Parliament other than the Local Government Act 1972 or in any instrument made before 26th October, 1972, to the Clerk of a Council or the Town Clerk of a Borough which, by virtue of any provision of the said Act, is to be construed as a reference to the Proper Officer of the Council;

(b) any reference in any local statutory provision to the Clerk of a specified Council or the Town Clerk of a specified Borough which is to be construed as a reference to the Proper Officer of the Council;

(c) any amendment, re-enactment or statutory substitution of any of the matters detailed in these provisions insofar as an Officer of the Council remains under a duty to perform the same or similar tasks;

(d) the following provisions;

(e) where a "Proper Officer" function has not been specified by the Council to an Officer then in default of such appointment the Chief Executive shall be deemed to be the "Proper Officer".

#### In the Local Government Act 1972:

Section	Function	Authorised Officer
83	Witness and receipt of declarations of acceptance of office within 2 months of the day of election.	Chief Executive
84	Receipt of Resignation of Office.	Chief Executive
88(2)	Convening of meeting of Council to fill casual vacancy in the office of Chair.	Chief Executive

89(1)(b)	Receipt of Notice of casual vacancy from two Local Government Electors.	Chief Executive
100 B (2)	Exclusion of confidential reports from copies of reports made open to inspection by public.	Chief Executive
100 B (2)	Circulation of reports and agenda.	Chief Executive
100 B (7)	Supply of Committee papers to the Press.	Chief Executive
100 C (2)	Production of record of confidential proceedings (Minutes).	Chief Executive
100 F	Members' Right to Papers.	Chief Executive
248 & 249	Keeping of Roll of Honorary Freemen/Women and Aldermen/Women.	Chief Executive
210(6) & (7)	Charity functions of holders of offices with existing authorities transferred to holders of equivalent office with new authorities or, if there is no such office, to the Proper Officer.	Chief Executive
Section 234 (1) and (2)	Authentication of documents.	Chief Executive <del>Head of Legal &amp; Democratic Services</del>
Schedule 12, Paragraph 4(2)(b)	Signature of summonses to attend Council meetings.	Chief Executive

#### The Health and Safety at Work Act 1974

Section	Function	Officer
The Whole Act	Council Operations.	Chief Executive

**In the Representation of the People Act 1983 and 1985**

Section	Function	Officer
The Whole Act	To act as an Electoral Registration Officer	Chief Executive
35	Returning Officer, Acting Returning Officer and Deputy Acting Returning Officer for Parliamentary, European, County, Borough & Parish Elections and National Referenda.	Chief Executive
81	Receipt & Deposit of Election Expenses.	Senior Elections Officer
82	Declarations as to Expenses.	Senior Elections Officer
Schedule 2 Rule 50 Local Elections (Principal Areas)(England & Wales) Rules 2006	Receipt of Notice of Persons Elected.	Senior Elections Officer
Schedule 2 Rules 52 & 54 Local Election (Principal Areas) (England & Wales) Rules 2006	Receipt, retention and disposal of election documents.	Senior Elections Officer

**3. Head of Legal & Democratic Services  
In the Local Government Act 1972:**

Section	Function	Officer
229(5)	Certification of photographic copies of documents in legal proceedings.	<u>Legal Admin &amp; Democratic Services Manager</u> <u>Head of Legal &amp; Democratic Services</u>
236(9)	Sending of copies of Bye-Laws as required	<u>Legal Admin &amp; Democratic Services Manager</u> <u>Head of Legal &amp; Democratic Services</u>
238	Certification of Bye-Laws.	<u>Legal Admin &amp; Democratic Services Manager</u> <u>Head of Legal &amp; Democratic Services</u>
Schedule 14 Para. 25(7)	Certification of Resolution for Legal Proceedings.	<u>Legal Admin &amp; Democratic Services Manager</u> <u>Head of Legal &amp; Democratic Services</u>

**In the Local Land Charges Act 1975:**

Section	Function	Officer
The Whole Act	To act on Local Land Charges Register.	<u>Executive Director</u> <u>Organisation</u> <u>Head of Legal &amp;</u> <u>Democratic Services</u>

#### 4. EXECUTIVE DIRECTOR FINANCE

(a) Any reference in any enactment passed before or during the 1971/72 session of Parliament other than the Local Government Act 1972 or in any instrument made before 26<sup>th</sup> October, 1972, to the Treasurer of a Council or the borough Treasurer of a Borough which, by virtue of any provision of the said Act, is to be construed as a reference to the Executive Director ~~Finance Corporate Services~~ of the Council;

(b) Any reference in any local statutory provision to the Treasurer of a specified Council or the Borough Treasurer of a specified Borough which is to be construed as a reference to the Executive Director ~~Finance Corporate Services~~ of the Council;

(c) Any amendment, re-enactment or statutory substitution of any of the matters detailed in these provisions insofar as an Officer of the Council remains under a duty to perform the same or similar tasks.

(d) The following provisions, namely:-

##### In the Local Government Act 1972:

Section	Function	Officer
115 (2)	Receipt of money due from Officers.	Executive Director Finance
146(1)(a) & (b)	Declaration and Certificates with regard to securities.	Executive Director Finance
151	Administration of the Council's financial affairs.	Executive Director Finance (In the absence of Executive Director Finance - Assistant Director Finance

##### In the Local Government Finance Act 1988:

Section	Function	Officer
6	Officer responsible for financial administration of certain authorities.	Executive Director Finance
114	Reports on financial administration.	Executive Director Finance

#### 5. Public Health

(a) Any reference in any enactment passed before or during the 1971/72 session of Parliament other than the Local Government Act 1972 or in any instrument made before 6th October, 1972, to the Chief Public Health Inspector of a Council or the Chief Public Health Inspector of a Borough which by virtue of any provision of the said Act, is to be construed as a reference to the Proper Officer of the Council.

(b) Any reference in any local statutory provision to the Chief Public Health Inspector of a specified Council or the Chief Public Health Inspector of a specified Borough which is to be construed as a reference to the Proper Officer of the Council.

(c) Any amendment, re-enactment or statutory substitution of any of the matters detailed in these provisions insofar as an Officer of the council remains under a duty to perform the same or similar tasks.

The following provisions, namely:

In the Public Health Act 1936:

Section	Function	Officer
79	Power to require removal of noxious matter.	Assistant Director Growth & Regeneration
84	Cleansing of disinfection of filthy or verminous articles.	Assistant Director Growth & Regeneration
85	Cleansing of verminous persons and their clothing.	Assistant Director Growth & Regeneration
343(1)	Definition – authorisation of officers of the local authority.	Assistant Director Growth & Regeneration

**In the Public Health Act 1961:**

Section	Function	Officer
S.17 (as amended by S.27 of the Local Government (Miscellaneous Provisions) Act 1982	Power to remedy stopped-up drains.	Assistant Director Growth & Regeneration
37	Prohibition of sale of verminous articles.	Assistant Director Growth & Regeneration

**In the Public Health (Control of Diseases) Act 1984:**

Section	Function	Officer
11	Cases of notifiable disease and food poisoning to be reported.	Head of Environmental Health/Assistant Director Growth & Regeneration
18	Information to be furnished by occupier in case of notifiable disease or food poisoning.	Head of Environmental Health/Assistant Director Growth & Regeneration
20	Stopping work to prevent spread of disease.	Head of Environmental Health/Assistant Director Growth & Regeneration
21	Exclusion from school.	Head of Environmental Health/Assistant Director Growth & Regeneration
22	Exclusion of children from places of entertainment or assembly.	Head of Environmental Health/Assistant Director Growth & Regeneration
24	Infected articles.	Assistant Director Growth & Regeneration
29	Letting of house or room.	Assistant Director Growth & Regeneration
31	Disinfection of premises.	Assistant Director Growth & Regeneration
32	Removal of person from infected house.	Assistant Director Growth & Regeneration
59	Authentication of documents.	<del>Legal Admin &amp; Democratic Services Manager</del> <del>Head of Legal and Democratic services</del>

**In the Rent Act 1977:**

Section	Function	Officer
The Whole Act	Exercise of functions under Part IV.	Executive Director Communities

**In the Small Holdings & Allotments Act 1908:**

Section	Function	Officer
28	Making of rules for the regulation of allotments.	Executive Director Communities
30	Recovery of rent and possession of allotments.	Executive Director Communities
1	Determination of tenancies of allotments.	Executive Director Communities

**In the Housing Act 1957:**

Section	Function	Officer
Part V	Service of Notices to Quit where rent is more than four weeks in arrears.	Assistant Director Neighbourhoods

**In the Caravan Sites Act 1968:**

Section	Function	Officer
2	Service of Notices to Quit.	Assistant Director Partnerships

6. OTHER STATUTORY APPOINTMENTS

In the Local Government & Housing Act 1989:

Section	Function	Designation	Deputy
4	Head of Paid Service	Executive Director Organisation	Chief Executive
5	Monitoring Officer	Head of Audit & Governance	<del>Deputy Monitoring Officer/s</del> <del>Head of Legal &amp; Democratic Services</del>

In the Representation of the People Acts 1983 & 1985:

Section	Function	Designation	Deputy
35	Returning Officer	Chief Executive	Head of Audit & Governance <u>and</u> <u>Election Services</u> <u>Manager</u>

a) In the Regulation of Investigatory Powers Act 2000

Section	Function	Designation	Administrator
28 & 29	Authorisation of covert surveillance and/or the use of covert human intelligence source including applications for judicial approval where required	Chief Executive	Assistant Director Partnerships

b) In the Localism Act 2011

Section	Function	Designation	Administrator
Part 5 Chapter 3	Assets of Community Value - processes as per the policy	<del>Executive Director Communities</del> <del>Head of Legal &amp; Democratic Services</del> Appeals in relation to the above Chief Executive	Chief Executive
Part 5 Chapter 2	Community Right to Challenge – processes as per the policy	<del>Executive Director Communities</del> <del>Delegation to Head of Legal &amp; Democratic Services</del> Appeals in relation to the above Chief Executive	Chief Executive
	Town & Country Planning (Brownfields Land Register) Regulations 2007	<del>Assistant Director Growth &amp; Regeneration</del>	Assistant Director Growth & Regeneration

<u>Sec 38 (1)</u>	<u>Prepare Pay Policy Statement</u>	<u>Head of Paid Service</u>	<u>Assistant Director People</u>
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Part 4 - Rules of Procedure

**Rules of Procedure**

**Council Procedure Rules**

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## 4.1 ANNUAL MEETING OF THE COUNCIL

### 4.1.1 Timing and business

In a year when there is an ordinary election of councillors, the annual meeting will take place within 21 days of the retirement of the outgoing councillors. In ~~any other year, every fourth year~~ the annual meeting will take place in March, April or May.

The annual meeting will elect:

1. the Mayor of Council;
2. the Deputy Mayor of Council;
3. the Leader.;

The annual meeting may immediately precede the first ordinary meeting of Council.

### 4.2 ~~Ordinary meetings~~ORDINARY MEETINGS OF COUNCIL

There will be at least three ordinary meetings of the Council which will take place in accordance with a programme decided at the Council's annual meeting.

The first of them will take place within no longer than five working days of the ~~a~~Annual meeting, and may immediately follow the annual meeting.

The First Ordinary Meeting will:

- 4.2.1 receive any announcements from the Mayor, Leader, Members of the Executive or the Chief Executive;
- 4.2.2 receive questions from, and provide answers to, the public and Members of the Council in relation to matters which in the opinion of the person presiding at the meeting are relevant to the business of the Council;
- 4.2.3 receive a report on the appointment of the Executive and allocation of responsibilities;
- 4.2.4 receive a report on the review of the Constitution;
- 4.2.5 receive a report on the review of the Scheme of Delegation;
- 4.2.6 receive a report from the Leader of the Council on the urgent Executive decisions taken under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012~~3~~;
- 4.2.7 decide which committees to establish for the municipal year;
- 4.2.8 decide the size and terms of reference for those committees;
- 4.2.9 decide the allocation of the position of Chairs for those committees
- 4.2.10 decide the allocation of seats to political groups in accordance with the political balance rules;
- 4.2.11 receive nominations of councillors to serve on each committee;
- 4.2.12 receive the calendar of meetings for the forthcoming municipal year; and

- 4.2.13 receive such other matters which the Council receives at other ordinary meetings, as set out below.

Ordinary meetings will:

- 4.2.14 ~~receive nominations to~~ confer the title of Honorary Alderman or Alderwoman on past members who have completed at least three consecutive terms as a councillor of the Borough of Tamworth;
- 4.2.15 elect a person to preside if the Mayor and Deputy Mayor are not present;
- 4.2.16 receive petitions presented by members of the Council and determine the action to be taken in response to each petition, as provided in the Petition Scheme;
- 4.2.17 receive questions from, and provide answers to, the public and Members of the Council in relation to matters which in the opinion of the person presiding at the meeting are relevant to the business of the Council;
- 4.2.18 approve the minutes of the last meeting;
- 4.2.19 receive any declarations of interest from members;
- 4.2.20 receive any announcements from the Chair, Leader, members of the Executive or the Chief Executive;
- 4.2.21 receive any communications which the Mayor, the Leader, or the Chief Executive consider should be laid before the Council; with the permission of the Mayor, members of the Council shall be given the opportunity to ask questions of the Leader and Portfolio Holders, following receipt of communications, if these specifically relate to portfolio areas;
- 4.2.22 the Leader will inform Council of any changes in the membership of the Executive and champions and both the Leader and the Leader of the Opposition in exceptional circumstances will inform Council of any changes in the membership of Committees;
- 4.2.23 deal with any business from the last Council meeting;
- 4.2.24 consider items of business referred by the Chief Executive or another authorised officer;
- 4.2.25 receive authorised reports from the Executive and receive questions and answers on any of those reports;
- 4.2.26 consider matters referred by overview and scrutiny and any referrals from committees or sub committees;
- 4.2.27 receive reports about and receive questions and answers on the business of joint arrangements and external organisations;
- 4.2.28 consider motions;

4.2.29 consider any other business specified in the summons to the meeting, including consideration of proposals from the Executive in relation to the Council's Budget and Policy Framework and reports of the overview and scrutiny committees and receive questions and answers on any of those reports, prior to~~for~~ debate; and

4.2.30 consider annual reports from the Council's Local Authority Trading Company.

#### 4.3 EXTRAORDINARY MEETINGS

##### 4.3.1 Calling extraordinary meetings.

Those listed below may request the Chief Executive to call Council meetings in addition to ordinary meetings:

- (a) the Council by resolution;
- (b) the Mayor;
- (c) the Monitoring Officer; and
- (d) any five members of the Council if they have signed a requisition presented to the Mayor and s/he has refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.

#### 4.4 APPOINTMENT OF SUBSTITUTE MEMBERS OF COMMITTEES AND SUB-COMMITTEES

##### 4.4.1 Allocation by the Council

As well as allocating seats on Committees and Sub-Committees, the Council may if it so decides allocate seats in the same manner for substitute Members.

For each Committee or Sub-Committee, the Council may if it decides appoint one substitute in respect of each political group per Committee or Sub-Committee with the exception of the, Audit & Governance Committee, Executive, Planning Committee and Licensing Committees under the Licensing Act 2003.

Where a substitute has been appointed as above, notice of the attendance at a relevant committee meeting of the substitute is to be given to the Mayor, Chief Executive and Monitoring Officer at least two hours prior to the start of the meeting.

##### 4.4.2 ~~Number~~Substitution by notice

Irrespective of whether or not a substitute has been allocated in accordance with 4.4.1, a Group Leader or Deputy Group Leader may notify the Chief Executive no later than 5.00 p.m. on the working day before the commencement of the meeting of an intended substitution. The following chart sets out the last day for submission of the substitution.

<u>Day of Meeting</u>	
<u>Monday</u>	<u>5pm the previous Friday</u>
<u>Tuesday</u>	<u>5pm the previous Monday</u>
<u>Wednesday</u>	<u>5pm the previous Tuesday</u>

<del>Thursday</del>	<del>5pm the previous Wednesday</del>
<del>Friday</del>	<del>5pm the previous Thursday</del>

~~This rule will be strictly applied to ensure fairness and equality for all notifications of substitution.~~

~~For each Committee or Sub-Committee, the Council may if it decides appoint one substitute in respect of each political group per Committee or Sub-Committee with the exception of the Appointments & Staffing Committee, Audit & Governance Committee, Cabinet, Planning Committee and Licensing Committees under the Licensing Act 2003.~~

**4.4.3 Powers and duties**

Substitute members when acting will have all the powers and duties of any ordinary Member of the Committee but will not be able to exercise any special powers or duties exercisable by the person they are substituting. If the ordinary member named in the notice given in rule 4.4.1 or 4.4.2 ~~4 below~~ <sup>above</sup> is the Chair of the relevant Committee, then the Vice-Chair shall preside, or if absent, the first item of business shall be the appointment of a Chair at the meeting.

**4.4.4 Substitution**

Substitute members may attend meetings in that capacity only:

- i. to take the place of the ordinary member for whom they are the ~~designated~~ substitute and for that meeting only;
- ii. where the ordinary member will be absent for the whole meeting;
- ~~iii. after the respective Group Leader or Deputy Leader has notified the Chief Executive no later than 5.00 p.m. on the working day before the commencement of the meeting of the intended substitution. The following chart sets out the last day for submission of the substitution.~~

<del>Day of Meeting</del>	
<del>Monday</del>	<del>5pm the previous Friday</del>
<del>Tuesday</del>	<del>5pm the previous Monday</del>
<del>Wednesday</del>	<del>5pm the previous Tuesday</del>
<del>Thursday</del>	<del>5pm the previous Wednesday</del>
<del>Friday</del>	<del>5pm the previous Thursday</del>

~~This rule will be strictly applied to ensure fairness and equality for all notifications of substitution.~~

- ~~iiiv.~~ in the event that the permanent Member attends the meeting after a notification of substitution has been received, the permanent ~~m~~Member would be required to leave.

The Substitution scheme shall not apply to ~~Appointments & Staffing Committee, Audit & Governance Committee, Executive, Cabinet Grants Sub-committee, Licensing Committee and Planning Committee.~~

**4.5 TIME AND PLACE OF MEETINGS**

The time and place of meetings will be determined by the Chief Executive and notified in the summons.

#### 4.6 **NOTICE OF AND SUMMONS TO MEETINGS**

The Chief Executive will give notice to the public of the time and place of any meeting in accordance with the Access to Information Rules. At least five clear days before a meeting, the Chief Executive will send a summons signed by him or her to every member of the Council. The summons will give the date, time and place of each meeting and specify the business to be transacted, and will be accompanied by such reports as are available.

#### 4.7 **CHAIR OF MEETING**

The person presiding at the meeting may exercise any power or duty of the Mayor.

#### 4.8 **QUORUM**

The quorum of a meeting will be one quarter of the whole number of members. During any meeting if the Mayor counts the number of members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Mayor. If s/he does not fix a date, the remaining business will be considered at the next ordinary meeting.

#### 4.9 **DURATION OF MEETING**

##### 4.9.1 **Interruption of the meeting**

If the business of the meeting has not been concluded by 8.30 p.m., a bell will be rung and the member speaking must immediately sit down. The Mayor must interrupt the meeting and call for the vote immediately on the item under discussion. The vote will then be taken in the usual way without any further discussion provided no motion under rule 4.13 is passed.

##### 4.9.2 **Motions and recommendations not dealt with**

Subject to 4.9.1 above, if there are other motions or recommendations on the agenda that have not been dealt with by 8.30 p.m., they are deemed formally moved and seconded (together with any amendments). No speeches will be allowed on these items and the vote will be taken in the usual way.

##### 4.9.3 **Recorded vote**

If a recorded vote is called for during this process it will be taken immediately.

##### 4.9.4 **Motions which may be moved**

During the process set out in Rules 4.9.1 – 4.9.2 above, the only other motions which may be moved are that a matter be withdrawn or that a matter be delegated or referred to an appropriate body or individual for decision or report.

##### 4.9.5 **Close of the meeting**

When all motions and recommendations have been dealt with, the Mayor will declare the meeting closed.

4.10 **QUESTIONS BY THE PUBLIC**

4.10.1 **General Questions on notice at Ordinary Meetings of the Council**

Subject to Rule 4.10.3, a member of the public may ask:

(a) any member in receipt of a Special Responsibility Allowance, except the Mayor and Deputy Mayor;

(b) a question on any matter in relation to which the Council has powers or duties or which affects Tamworth.

No member of the public may ask more than two questions at any meeting of the Council.

Questions by members of the public will not be permitted at the Annual Meeting, the State of Tamworth Debate meeting or Extraordinary Meetings.

~~Members of the public may ask questions of members of the executive at ordinary meetings of the Council.~~

4.10.2 **Order of questions**

Questions will be asked in the order notice of them was received, except that the Mayor may group together similar questions and may give preference to questions from members of the public who have asked the least number of questions previously

4.10.3 **Notice of questions**

A question may only be asked if notice has been given by delivering it in writing or by electronic mail to the Chief Executive no later than 5pm two clear working days before the day of the meeting. The following chart sets out the last day for submission of the question. Each question must give the name and address of the questioner and must name the member of the Council to whom it is to be put.

Day of Meeting	
Monday	5pm the previous Wednesday
Tuesday	5pm the previous Thursday
Wednesday	5pm the previous Friday
Thursday	5pm the previous Monday
Friday	5pm the previous Tuesday

This rule will be strictly applied to ensure fairness and equality for all questioners.

4.10.4 **Number of questions**

At any one meeting no person may submit more than two questions and no more than one such question may be asked on behalf of one organisation.

4.10.5 **Scope of questions**

The Chief Executive may reject a question if it:

- is not about a matter for which the local authority has a responsibility or which affects the borough;
- is defamatory, frivolous or offensive;
- is substantially the same as a question which has been put at a meeting of the Council in the past six months; or
- requires the disclosure of confidential or exempt information.

The questioner will be advised of the reasons for rejection.

#### 4.10.6 **Process in relation to questions**

The Chief Executive will immediately send a copy of the accepted question to the member to whom it is to be put.

Copies of all questions will be circulated to all members and will be made available to the public attending the meeting.

#### 4.10.7 **Asking the question at the meeting**

The Mayor will invite the questioner to put the question to the Executive member named in the notice. If a questioner who has submitted a written question is unable to be present, they may ask the Mayor to put the question on their behalf. The Mayor may ask the question on the questioner's behalf. or indicate that a written reply will be given or decide, in the absence of the questioner, that the question will not be dealt with.

#### 4.10.8 **Written answers**

Any question which cannot be dealt with during question time, either because of lack of time or because of the non-attendance of the member to whom it was to be put or for any other reason, will be dealt with by a written answer.

These answers will:

- Be published on the Council website as soon as practicable after the meeting, but in any event before the next ordinary meeting, and
- be attached to the minutes of that meeting.

#### 4.10.9 **Supplementary Questions**

A question asked under Rule 4.10.1 allows the questioner to ask one supplementary question without notice of the member to whom the first question was asked. The supplementary question must arise directly out of the original question or the reply. Rule 4.10.5 applies to the supplementary question.

#### 4.10.10 **Reference of question to the Executive**

Unless the Mayor decides otherwise, no discussion will take place on any question, but any member may move that a matter raised by a question be referred to the Executive or the appropriate committee or sub-committee. Once seconded, such a motion will be voted on without discussion.

#### 4.10.11 **Time limit on questions from members of the public**

The time which the meeting spends upon dealing with questions from members of the public shall be limited to twenty minutes save that the time permitted for dealing with questions may be extended with the approval of the meeting signified without discussion.

#### 4.10.12 **Record of Questions**

As soon as practicable after the meeting, such answers, whether given orally at the meeting or in writing after the meeting, shall be published on the Council website and any written answers provided after the meeting shall be attached to the minutes of that meeting.

### 4.11 **QUESTIONS BY MEMBERS**

#### 4.11.1 **On reports of the Executive**

A member of the Council may ask the Leader any question without notice upon an item of the report of the Executive or a committee when that item is being received or under consideration by the Council.

#### 4.11.2 **Questions on notice at Ordinary Meetings of the Council**

Subject to Rule 4.11.3, a member of the Council may ask:

- (a) any member in receipt of a Special Responsibility Allowance, except the Mayor and Deputy Mayor;
- (b) a question on any matter in relation to which the Council has powers or duties or which affects Tamworth.

No member may ask more than two questions at any meeting of the Council.

Questions by members will not be permitted at the Annual Meeting, the State of Tamworth Debate meeting or Extraordinary Meetings.

#### 4.11.3 **Notice of questions**

A member may only ask a question under Rule 4.11.2 if

- (a) notice has been given by delivering it in writing or by electronic mail to the Chief Executive no later than 5.00 p.m. two clear working days before the day of the meeting. The following chart sets out the last day for submission of the question. Each question must give the name of the member of the Council to whom it is to be put ; or

- (b) the question relates to urgent matters, they have the consent of the member of the Executive or other member in receipt of a Special Responsibility Allowance to whom the question is to be put and the content of the question is given to the Chief Executive by 10.00 a.m. on the day of the meeting.

Day of Meeting	
Monday	5pm the previous Wednesday
Tuesday	5pm the previous Thursday
Wednesday	5pm the previous Friday
Thursday	5pm the previous Monday
Friday	5pm the previous Tuesday

This rule will be strictly applied to ensure fairness and equality for all questioners.

#### 4.11.4 **Scope of questions**

The Chief Executive may reject a question if it:

- is not about a matter for which the local authority has a responsibility or which affects the borough;
- is defamatory, frivolous or offensive;
- is substantially the same as a question which has been put at a meeting of the Council in the past six months; or
- requires the disclosure of confidential or exempt information.

#### 4.11.5 **Response**

An answer may take the form of:

- a) a direct oral answer;
- b) a reference to a publication where the desired information is in a publication of the Council or other published work; or
- c) a written answer circulated later to the member where the reply cannot conveniently be given orally and in the circumstances described in rule 4.11.6.

#### 4.11.6 **Written answers**

Any question which cannot be dealt with during question time, either because of lack of time or because of the non-attendance of the member to whom it was to be put or for any other reason, will be dealt with by a written answer.

These answers will:

- Be published on the Council website as soon as practicable after the meeting, but in any event before the next ordinary meeting, and
- be attached to the minutes of that meeting.

#### 4.11.7 **Supplementary question**

A member asking a question under Rule 4.11.2 may ask one supplementary question without notice of the member to whom the first question was asked. The supplementary question must arise directly out of the original question or the reply. Rule 4.11.4 applies to the supplementary question.

#### 4.11.8 **Record of Questions**

As soon as practicable after the meeting, such answers, whether given orally at the meeting or in writing after the meeting, shall be published on the Council website and any written answers provided after the meeting shall be attached to the minutes of that meeting.

### 4.12 **MOTIONS ON NOTICE**

#### 4.12.1 **Notice**

Except for motions which can be moved without notice under Rule 4.13, written notice of every motion, signed by at least five members, must be delivered to the Chief Executive not later than seven clear working days before the date of the meeting. These will be entered in a book open to public inspection.

#### 4.12.2 **Motion set out in agenda**

Motions for which notice has been given will be listed on the agenda in the order in which notice was received, unless the member giving notice states, in writing, that they propose to move it to a later meeting or withdraw it.

#### 4.12.3 **Scope**

Motions must be about matters for which the Council has a responsibility or which affect Tamworth. Motions must not be defamatory, unlawful, frivolous or offensive; and must not require the likely disclosure of confidential or exempt information. If it appears to the Chief Executive that the motion falls into these categories s/he will refer the matter to the Mayor who will rule on whether or not the motions can be considered.

### 4.13 **MOTIONS WITHOUT NOTICE**

The following motions may be moved without notice:

- (a) to appoint a Chair of the meeting at which the motion is moved, where the Mayor or Deputy Mayor are absent;
- (b) in relation to the accuracy of the minutes;
- (c) to change the order of business in the agenda;
- (d) to refer an item to an appropriate body or individual;
- (e) to appoint a committee or member to deal with any matter arising from an item on the summons for the meeting;
- (f) to receive reports or adoption of recommendations of committees or officers and any resolutions following from them;

- (g) to withdraw a motion;
- (h) to amend a motion;
- (i) to proceed to the next business;
- (j) that the question be now put;
- (k) to adjourn a debate;
- (l) to adjourn a meeting;
- (m) that the meeting continue beyond 8.30 p.m. in duration provided rule 4.9.1 has not been passed;
- (n) to suspend a particular council procedure rule;
- (o) to exclude the public and press in accordance with the Access to Information Rules;
- (p) to not hear further a member named under Rule 4.21.3 or to exclude them from the meeting under Rule 4.21.4; and
- (q) to give the consent of the Council where its consent is required by this Constitution.

#### 4.14 RULES OF DEBATE

##### 4.14.1 **No speeches until motion seconded**

No speeches may be made after the mover has moved a proposal and explained the purpose of it until the motion has been seconded.

##### 4.14.2 **Right to require motion in writing**

Unless notice of the motion has already been given, the Mayor may require it to be written down and handed to him/her before it is discussed.

##### 4.14.3 **Seconders' speech**

When seconding a motion or amendment, a member may reserve their speech until later in the debate.

##### 4.14.4 **Content and length of speeches**

Speeches must be directed to the question under discussion or to a personal explanation or point of order. No speech may exceed ten minutes without the consent of the Mayor.

##### 4.14.5 **When a member may speak again**

A member who has spoken on a motion may not speak again whilst it is the subject of debate, except:

- (a) to speak once on an amendment moved by another member;

- (b) to move a further amendment if the motion has been amended since s/he last spoke;
- (c) if his/her first speech was on an amendment moved by another member, to speak on the main issue (whether or not the amendment on which s/he spoke was carried);
- (d) in exercise of a right of reply;
- (e) on a point of order; and
- (f) by way of personal explanation.

#### 4.14.6 Amendments to motions

An amendment to a motion must be relevant to the motion and will either be:

- (a) to refer the matter to an appropriate body or individual for consideration or reconsideration;
- (b) to leave out words;
- (c) to leave out words and insert or add others; or
- (d) to insert or add words;

as long as the effect of (b) to (d) is not to negate the motion.

Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of.

If an amendment is not carried, other amendments to the original motion may be moved.

If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.

After an amendment has been carried, the Mayor will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.

#### 4.14.7 Alteration of motion

- (a) A member may alter a motion of which s/he has given notice with the consent of the meeting. The meeting's consent will be signified without discussion;
- (b) A member may alter a motion which s/he has moved without notice with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion;
- (c) Only alterations which could be made as an amendment may be made.

#### 4.14.8 Withdrawal of motion

A member may withdraw a motion which s/he has moved with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion. No member may speak on the motion after the mover has asked permission to withdraw it unless permission is refused.

#### 4.14.9 **Right of reply**

- (a) The mover of a motion has a right to reply at the end of the debate on the motion, immediately before it is put to the vote;
- (b) If an amendment is moved, the mover of the original motion has the right of reply at the close of the debate on the amendment, but may not otherwise speak on it;
- (c) The mover of the amendment has no right of reply to the debate on his or her amendment.

#### 4.14.10 **Motions which may be moved during debate**

When a motion is under debate, no other motion may be moved except the following procedural motions:

- (a) to withdraw a motion;
- (b) to amend a motion;
- (c) to proceed to the next business;
- (d) that the question be now put;
- (e) to adjourn a debate;
- (f) to adjourn a meeting;
- (g) to exclude the public and press in accordance with the Access to Information Rules; and
- (h) to not hear further a member named under Rule 4.21.3 or to exclude them from the meeting under Rule 4.21.4.

#### 4.14.11 **Closure motions**

- (a) A member may move, without comment, the following motions at the end of a speech of another member:
  - to proceed to the next business;
  - that the question be now put;
  - to adjourn a debate; or
  - to adjourn a meeting.
- (b) If a motion to proceed to next business is seconded and the Mayor thinks the item has been sufficiently discussed, s/he will give the mover of the original motion a right of reply and then put the procedural motion to the vote.

- (c) If a motion that the question be now put is seconded and the Mayor thinks the item has been sufficiently discussed, s/he will put the procedural motion to the vote. If it is passed s/he will give the mover of the original motion a right of reply before putting his/her motion to the vote.
- (d) If a motion to adjourn the debate or to adjourn the meeting is seconded and the Mayor thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, s/he will put the procedural motion to the vote without giving the mover of the original motion the right of reply.

#### 4.14.12 **Point of order**

A member may raise a point of order at any time. The Mayor will hear them immediately. A point of order may only relate to an alleged breach of these Council Rules of Procedure or the law. The member must indicate the rule or law and the way in which s/he considers it has been broken. The ruling of the Mayor on the matter will be final.

#### 4.14.13 **Personal explanation**

A member may make a personal explanation at any time. A personal explanation may only relate to some material part of an earlier speech by the member which may appear to have been misunderstood in the present debate. The ruling of the Mayor on the admissibility of a personal explanation will be final.

#### 4.14.14 **Single Issue Debate Meetings**

With regard to Single Issue Debate meetings, there will be no more than two of these meetings a year. No member will be allowed to speak for longer than 5 minutes with each group speaking in turn. Once each Member of the minority group has spoken, the order for speech to be determined by each Member indicating to the Mayor.

### 4.15 **STATE OF TAMWORTH DEBATE**

#### 4.15.1 **Calling of debate**

The Leader will call a state of Tamworth debate annually in March in a form to be agreed with the Mayor.

#### 4.15.2 **Form of debate**

The Leader will decide the form of the debate with the aim of enabling the widest possible public involvement and publicity. This may include holding conferences, debating forums, "Question Time", workshops and other events prior to or during the state of Tamworth debate.

#### 4.15.3 **Chairing of debate**

The debate will be chaired by the Mayor.

#### 4.15.4 **Results of debate**

The results of the debate will be:

- (a) disseminated as widely as possible within the community and to agencies and organisations in the area; and
- (b) considered by the Leader in proposing the budget and policy framework to the Council for the coming year.
- (c) used to inform the Overview and Scrutiny committees of suggested areas for their work programme.

#### 4.16 PREVIOUS DECISIONS AND MOTIONS

##### 4.16.1 Motion to rescind a previous decision

A motion or amendment to rescind a decision made at a meeting of Council within the past six months cannot be moved unless the notice of motion is signed by at least two members.

##### 4.16.2 Motion similar to one previously rejected

A motion or amendment in similar terms to one that has been rejected at a meeting of Council in the past six months cannot be moved unless the notice of motion or amendment is signed by at least two members. Once the motion or amendment is dealt with, no one can propose a similar motion or amendment for six months.

#### 4.17 VOTING

##### 4.17.1 Majority

Unless the legislation provides otherwise, any matter will be decided by a simple majority of those members voting and present in the room at the time the question was put.

##### 4.17.2 Mayor's casting vote

If there are equal numbers of votes for and against, the Mayor will have a second or casting vote. There will be no restriction on how the Mayor chooses to exercise a casting vote.

##### 4.17.3 Show of hands

~~Unless this constitution provides otherwise, or a named vote is demanded under 4.17.4 or 14.7.5, the Mayor will take the vote by show of hands, or of there is no dissent, by the affirmation of the meeting. Immediately following a vote taken in public, at a meeting of full Council, which is not unanimous by virtue of votes for and against the motion (not simply by abstention) the names of those members who have voted will be taken down in writing and recorded in the minutes of the meeting.~~

##### 4.17.4 Recorded vote

If five members present at the meeting demand it, the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes.

##### 4.17.5 Right to require individual vote to be recorded

Where any member requests it immediately after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the motion or abstained from voting.

#### 4.17.6 **Voting on appointments**

If there are more than two people nominated for any position, including Chair when relevant, to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person. In a situation where there is an equality of votes for two people the decision on the appointment will be made by the flip of a coin.

#### 4.17.7 **Recorded Votes at Council Budget Decision Meetings**

A recorded vote will be required at a meeting of the Council on motions, amendments or substantive motions relating to the approval of the budget or setting of council tax, whereby there shall be recorded in the minutes the names of the Members who cast a vote for the motion/ amendment or against the motion/amendment or who abstained from voting. As this is a mandatory standing order under the Local Authorities (Standing Orders) Regulations 2001, it cannot be suspended.

### 4.18 **MINUTES**

#### 4.18.1 **Signing the minutes**

The Mayor will sign the minutes of the proceedings at the next suitable meeting. The Mayor will move that the minutes of the previous meeting be signed as a correct record. The only part of the minutes that can be discussed is their accuracy.

#### 4.18.2 **No requirement to sign minutes of previous meeting at extraordinary meeting**

Where in relation to any meeting, the next meeting for the purpose of signing the minutes is a meeting called under paragraph 3 of schedule 12 to the Local Government Act 1972 (an Extraordinary Meeting), then the next following meeting (being a meeting called otherwise than under that paragraph) will be treated as a suitable meeting for the purposes of paragraph 41(1) and (2) of schedule 12 relating to signing of minutes.

#### 4.18.3 **Form of minutes**

Minutes will contain all motions and amendments in the exact form and order the Mayor put them.

### 4.19 **RECORD OF ATTENDANCE**

All members present during the whole or part of a meeting must sign their names on the attendance sheets before the conclusion of every meeting to assist with the record of attendance.

### 4.20 **EXCLUSION OF PUBLIC**

Members of the public and press may only be excluded either in accordance with the Schedule 2 Access to Information Procedure Rules in Part 4 of this Constitution or Rule 4.22 (Disturbance by Public).

#### 4.21 MEMBERS' CONDUCT

##### 4.21.1 Standing to speak

When a member speaks at full Council they must stand – unless disabled from doing so and address the meeting through the Mayor. If more than one member stands, the Mayor will ask one to speak and the others must sit. Other members must remain seated whilst a member is speaking unless they wish to make a point of order or a point of personal explanation.

##### 4.21.2 Mayor standing

When the Mayor stands during a debate, any member speaking at the time must stop and sit down. The meeting must be silent.

##### 4.21.3 Member not to be heard further

If a member persistently disregards the ruling of the Mayor by behaving, in the opinion of the Mayor, improperly or offensively or deliberately obstructs business, the Mayor may move that the member be not heard further. If seconded, the motion will be voted on without discussion.

##### 4.21.4 Member to leave the meeting

If the member continues to behave improperly after such a motion is carried, the Mayor may move that either the member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

##### 4.21.5 General disturbance

If there is a general disturbance making orderly business impossible, the Mayor may adjourn the meeting for as long as s/he thinks necessary.

##### 4.21.6 Disclosable pecuniary interests

A disclosable pecuniary interest is defined by section 30 of the Localism Act 2011.

A member with a disclosable pecuniary interest is prohibited from:-

- participating in any discussion of any matter at a meeting or
- participating in any vote or further vote taken on the matter at the meeting

A member so prohibited shall be excluded from that part of the meeting unless granted a dispensation by the Monitoring Officer.

~~A member with a disclosable pecuniary interest as defined by section 30 of the Localism Act 2011 who is prohibited from participating in any discussion of any matter at a meeting or prohibited from participating in any vote, or further vote taken on the matter at the meeting will be excluded from that part of any meeting at which~~

#### Commented [A5]:

The power to grant a dispensation in respect of pecuniary interest can be removed from the Audit and Governance Committee and delegated to the Monitoring Officer and either whomever else the council determines or to whom the MO wishes to sub-delegate (i.e. in the MO's absence). This amendment must be approved by the Council and if it is, the Scheme of Delegation and this part of the Constitution will need to be amended accordingly.

~~that matter is under consideration unless the member has been granted a dispensation.~~

A member so excluded shall withdraw from the meeting and shall not remain in the room in which the meeting is taking place or remain in any part of the room reserved for members of the public.

#### 4.22 **DISTURBANCE BY PUBLIC**

##### 4.22.1 **Removal of member of the public**

If a member of the public interrupts proceedings, the Mayor will warn the person concerned. If they continue to interrupt, the Mayor will order their removal from the meeting room.

##### 4.22.2 **Clearance of part of meeting room**

If there is a general disturbance in any part of the meeting room open to the public, the Mayor may call for that part to be cleared.

#### 4.23 **SUSPENSION AND AMENDMENT OF COUNCIL PROCEDURE RULES**

##### 4.23.1 **Suspension**

All of these Council Rules of Procedure except Rule 4.17.6 and 4.18.2 may be suspended by motion on notice or without notice if at least one half of the whole number of members of the Council are present. Suspension can only be for the duration of the meeting.

##### 4.23.2 **Amendment**

Any motion to add to, vary or revoke these Council Rules of Procedure will, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.

#### 4.24 **APPLICATION TO REGULATORY COMMITTEES AND SUB-COMMITTEES**

All of the Council Rules of Procedure apply to meetings of full Council and Regulatory Committees. The rules which apply to meetings of the Executive are identified within Schedule 4 - Executive Procedure Rules The rules which apply to meetings of non regulatory Committees and Sub-Committees are identified within Schedule 1 Non Regulatory Committee Procedure Rules.

## SCHEDULE 1 – NON REGULATORY COMMITTEE PROCEDURE RULES

### 1 APPLICATION

These Rules shall apply to non regulatory meetings of Committees and Sub Committees not being full Council, Regulatory Committee Meetings or meetings of the Executive.

### 2 APPOINTMENT OF SUBSTITUTE MEMBERS OF COMMITTEES AND SUB-COMMITTEES

#### 2.1 Allocation by the Council

As well as allocating seats on Committees and Sub-Committees, the Council may if it so decides to allocate seats in the same manner for substitute Members.

For each Committee or Sub-Committee, the Council may if it decides appoint one substitute in respect of each political group per Committee or Sub-Committee.

Where a substitute has been appointed as above, notice of the attendance at a relevant committee meeting of the substitute is to be given to the Mayor, Chief Executive and Monitoring Officer at least two hours prior to the start of the meeting.

#### 2.2 ~~Number~~ Substitution by notice

Irrespective of whether or not a substitute has been allocated in accordance with 2.1, a Group Leader or Deputy Group Leader may notify the Chief Executive no later than 5.00 p.m. on the working day before the commencement of the meeting of an intended substitution. The following chart sets out the last day for submission of the substitution.

<u>Day of Meeting</u>	
<u>Monday</u>	<u>5pm the previous Friday</u>
<u>Tuesday</u>	<u>5pm the previous Monday</u>
<u>Wednesday</u>	<u>5pm the previous Tuesday</u>
<u>Thursday</u>	<u>5pm the previous Wednesday</u>
<u>Friday</u>	<u>5pm the previous Thursday</u>

This rule will be strictly applied to ensure fairness and equality for all notifications of substitution. For each non regulatory Committee or Sub-Committee, the Council may if it decides appoint one substitute in respect of each political group per Committee or Sub-Committee.

#### 2.3 Powers and duties

Substitute members when acting will have all the powers and duties of any ordinary member of the Committee but will not be able to exercise any special powers or duties exercisable by the person they are substituting. If the ordinary member named in the notice given in rule 2.1 or 2.24 is the Chair of the relevant Committee, then the Vice-Chair shall preside, or if absent, the first item of business shall be the appointment of a Chair at the meeting.

#### 2.4 Substitution

Substitute members may attend meetings in that capacity only:

- 2.4.1 to take the place of the ordinary member for whom they are the designated substitute and for that meeting only;

2.4.2 where the ordinary member will be absent for the whole meeting;

~~2.4.3 after the respective Group Leader or Deputy Leader has notified the Chief Executive no later than 5.00 p.m. on the working day before the commencement of the meeting of the intended substitution. The following chart sets out the last day for submission of the substitution.~~

Day of Meeting	
Monday	<del>5pm the previous Friday</del>
Tuesday	<del>5pm the previous Monday</del>
Wednesday	<del>5pm the previous Tuesday</del>
Thursday	<del>5pm the previous Wednesday</del>
Friday	<del>5pm the previous Thursday</del>

~~This rule will be strictly applied to ensure fairness and equality for all notifications of substitution.~~

2.4.42.4.3 in the event that the permanent member attends the meeting after a notification of substitution has been received, the permanent member would be required to leave.

The Substitution scheme shall apply to the Audit & Governance Committee, the Appointments & Staffing Committee, the Infrastructure, Safety and Growth Scrutiny Committee, the Healthier and Wellbeing Scrutiny Committee, the Corporate Scrutiny Committee, Statutory Officers Conduct Committee, Chief Officer Conduct Committee and Nominations Committee.

### 3 TIME AND PLACE OF MEETINGS

The time and place of non regulatory meetings can be determined by the Committee Chair or the Chief Executive and notified in the summons. Regulatory Committees will be determined by the Chief Executive.

### 4 NOTICE OF AND SUMMONS TO MEETINGS

The Chief Executive will give notice to the public of the time and place of any meeting in accordance with the Access to Information Rules. At least five clear days (three days in the case of a Licensing Sub Committee) before a meeting, the Chief Executive will send a summons signed by him or her to every member of the Committee or Sub-Committee. The summons will give the date, time and place of each meeting and specify the business to be transacted, and will be accompanied by such reports as are available.

### 5 CHAIR OF MEETING

The person presiding at the meeting may exercise any power or duty of the Chair. If the Chair is not present the Vice-Chair shall act as Chair. If both the Chair and Vice-Chair are absent the Committee shall appoint a Chair for that meeting as per rule 9.1.1.

### 6 QUORUM

The quorum of a meeting will be one quarter of the whole number of the Committee or Sub Committee members. During any meeting if the Chair counts the number of members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be

considered at a time and date fixed by the Chair. If s/he does not fix a date, the remaining business will be considered at the next ordinary meeting.

## **7 DURATION OF MEETING**

### **7.1 Interruption of the meeting**

If the business of the meeting has not been concluded by 8.30 p.m., except for Regulatory Committee meetings, a bell will be rung and the member speaking must immediately sit down. The Chair must interrupt the meeting and call for any motion under rule 9. If no motions are moved under rule 9 then the Chair calls for a vote immediately on the item under discussion. The vote will then be taken in the usual way without any further discussion.

### **7.2 Motions and recommendations not dealt with**

Subject to 7.1 above, if there are other motions or recommendations on the agenda that have not been dealt with by 8.30 p.m., they are deemed formally moved and seconded (together with any amendments). No speeches will be allowed on these items and the vote will be taken in the usual way.

### **7.3 Recorded vote**

If a recorded vote is called for during this process it will be taken immediately.

### **7.4 Motions which may be moved**

During the process set out in Rules 7.1–7.3 above, the only other motions which may be moved are that a matter be withdrawn or that a matter be delegated or referred to an appropriate body or individual for decision or report.

### **7.5 Close of the meeting**

When all motions and recommendations have been dealt with, the Chair will declare the meeting closed.

## **8 MOTIONS ON NOTICE**

### **8.1 Notice**

Except for motions which can be moved without notice under Rule 9, written notice of every motion, signed by at least five members, must be delivered to the Chief Executive not later than seven clear working days before the date of the meeting. These will be entered in a book open to public inspection.

### **8.2 Motion set out in agenda**

Motions for which notice has been given will be listed on the agenda in the order in which notice was received, unless the member giving notice states, in writing, that they propose to move it to a later meeting or withdraw it.

### **8.3 Scope**

Motions must be about matters for which the Committee or Sub Committee has a responsibility or which affect Tamworth. Motions must not be defamatory, unlawful, frivolous or offensive; and must not require the likely disclosure of confidential or exempt information. If it appears to the Chief Executive that the motion falls into these categories s/he will refer the matter to the Chair who will rule on whether or not the motions can be considered.

#### 8.4 Motion to remove the Chair

A motion to remove the Chair can only be moved by giving written notice. A written notice of a motion to remove the Chair must be signed by at least five members and must be delivered to the Chief Executive not later than seven clear working days before the date of the meeting. These will be entered in a book open to public inspection. Rules 8.2 and 8.3 shall apply to a motion moved under rule 8.4.

## 9 MOTIONS WITHOUT NOTICE

The following motions may be moved without notice:

- 9.1.1 to appoint a Chair of the meeting at which the motion is moved where the existing Chair or Deputy Chair are absent;
- 9.1.2 in relation to the accuracy of the minutes;
- 9.1.3 to change the order of business in the agenda;
- 9.1.4 to refer something to an appropriate body or individual;
- 9.1.5 to appoint a committee or member to carry out a task as designated by the Committee arising from an item on the summons for the meeting;
- 9.1.6 to receive reports or adoption of recommendations of Members, Sub-Committees, officers and Outside Bodies and any resolutions following from them;
- 9.1.7 to withdraw a motion;
- 9.1.8 to amend a motion;
- 9.1.9 to proceed to the next business;
- 9.1.10 that the question be now put;
- 9.1.11 to adjourn a debate;
- 9.1.12 to adjourn a meeting;
- 9.1.13 that the meeting continue beyond 8.30 p.m. in duration provided rule 7.1 has not been passed;
- 9.1.14 to suspend a particular Committee rule of procedure;
- 9.1.15 to exclude the public and press in accordance with the Access to Information Rules;
- 9.1.16 to not hear further a member named under Rule 17.3 or to exclude them from the meeting under Rule 17.4.

## 10 RULES OF DEBATE

### 10.1 No speeches until motion seconded

Questions and speeches may be made on the subject matter before and after a mover has moved a proposal and it has been seconded.

### 10.2 Right to require motion in writing

Unless notice of the motion has already been given, the Chair may require it to be written down and handed to him/her before it is discussed.

### 10.3 Secunder's speech

When seconding a motion or amendment, a member ~~does not require to~~ may reserve their speech until later in the debate.

### 10.4 Content and length of speeches

Speeches must be directed to the question or item under discussion or to a personal explanation or point of order. There is no time limit on speeches (subject to rule 17).

### 10.5 When a member may speak again

A member may speak as many times as he/she considers appropriate, subject to rule 17.

### 10.6 Amendments to motions

An amendment to a motion must be relevant to the motion and will either be:

10.6.1 to refer the matter to an appropriate body or individual for consideration or reconsideration;

10.6.2 to leave out words;

10.6.3 to leave out words and insert or add others; or

10.6.4 to insert or add words.

as long as the effect of (10.6.2) to (10.6.4) is not to negate the motion.

Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of.

If an amendment is not carried, other amendments to the original motion may be moved.

If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.

After an amendment has been carried, the Chair will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.

### 10.7 Alteration of motion

A member may alter a motion of which s/he has given notice with the consent of the meeting. The meeting's consent will be signified without discussion.

A member may alter a motion which s/he has moved without notice with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion.

Only alterations which could be made as an amendment may be made.

#### **10.8 Withdrawal of motion**

A member may withdraw a motion which s/he has moved with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion. No member may speak on the motion after the mover has asked permission to withdraw it unless permission is refused.

#### **10.9 Right of reply**

The mover of a motion has a right to reply at the end of the debate on the motion, immediately before it is put to the vote.

If an amendment is moved, the mover of the original motion has the right of reply at the close of the debate on the amendment, but may not otherwise speak on it.

The mover of the amendment has no right of reply to the debate on his or her amendment.

#### **10.10 Motions which may be moved during debate**

When a motion is under debate, no other motion may be moved except the following procedural motions:

10.10.1 to withdraw a motion;

10.10.2 to amend a motion;

10.10.3 to proceed to the next business;

10.10.4 that the question be now put;

10.10.5 to adjourn a debate;

10.10.6 to adjourn a meeting;

10.10.7 to exclude the public and press in accordance with the Access to Information Rules; and

10.10.8 to not hear further a member named under Rule 17.2 or to exclude them from the meeting under Rule 17.3.

#### **10.11 Closure motions**

A member may move, without comment, the following motions at the end of a speech of another member:

10.11.1 to proceed to the next business;

10.11.2 that the question be now put;

10.11.3 to adjourn a debate; or

10.11.4 to adjourn a meeting.

If a motion to proceed to next business is seconded and the Chair thinks the item has been sufficiently discussed, s/he will give the mover of the original motion a right of reply and then put the procedural motion to the vote.

If a motion that the question be now put is seconded and the Chair thinks the item has been sufficiently discussed, s/he will put the procedural motion to the vote. If it is passed s/he will give the mover of the original motion a right of reply before putting his/her motion to the vote.

If a motion to adjourn the debate or to adjourn the meeting is seconded and the Chair thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, s/he will put the procedural motion to the vote without giving the mover of the original motion the right of reply.

#### 10.12 Point of order

A member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of these Committee Rules of Procedure or the law. The member must indicate the rule or law and the way in which s/he considers it has been broken. The ruling of the Chair on the matter will be final.

#### 10.13 Personal explanation

A member may make a personal explanation at any time. A personal explanation may only relate to some material part of an earlier speech by the member which may appear to have been misunderstood in the present debate. The ruling of the Chair on the admissibility of a personal explanation will be final.

### 11 PREVIOUS DECISIONS AND MOTIONS

#### 11.1 Motion to rescind a previous decision

A motion or amendment to rescind a decision made at a meeting of Committee or Sub - Committee within the past six months cannot be moved unless the notice of motion is signed by at least two members.

#### 11.2 Motion similar to one previously rejected

A motion or amendment in similar terms to one that has been rejected at a meeting of Council in the past six months cannot be moved unless the notice of motion or amendment is signed by at least two members. Once the motion or amendment is dealt with, no one can propose a similar motion or amendment for six months.

### 12 VOTING

#### 12.1 Majority

Unless the legislation provides otherwise, any matter will be decided by a simple majority of those members voting and present in the room at the time the question was put.

## **12.2 Chair's casting vote**

If there are equal numbers of votes for and against, the Chair will have a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote.

## **12.3 Show of hands**

Unless a recorded vote is demanded under Rule 12.4, the Chair will take the vote by show of hands, or if there is no dissent, by the affirmation of the meeting.

## **12.4 Recorded vote**

If five members present at the meeting demand it, the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes.

## **12.5 Right to require individual vote to be recorded**

Where any member requests it immediately after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the motion or abstained from voting.

## **12.6 Voting on appointments**

If there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person. In a situation where there is an equality of votes for two people the decision on the appointment will be made by the flip of a coin.

# **13 MINUTES**

## **13.1 Signing the minutes**

The Chair will sign the minutes of the proceedings at the next suitable meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record. The only part of the minutes that can be discussed is their accuracy.

## **13.2 Form of minutes**

Minutes will contain all motions and amendments in the exact form and order the Chair put them.

# **14 DISTURBANCE BY PUBLIC**

## **14.1 Removal of member of the public**

If a member of the public interrupts proceedings, the Chair will warn the person concerned. If they continue to interrupt, the Chair will order their removal from the meeting room.

## **14.2 Clearance of part of meeting room**

If there is a general disturbance in any part of the meeting room open to the public, the Chair may call for that part to be cleared.

## 15 RECORD OF ATTENDANCE

All members present during the whole or part of a meeting must sign their names on the attendance sheets before the conclusion of every meeting to assist with the record of attendance.

## 16 EXCLUSION OF PUBLIC

Members of the public and press may only be excluded either in accordance with the Schedule 2 Access to Information Rules in Part 4 of this Constitution or Rule 14.1 (Disturbance by Public).

## 17 MEMBERS' CONDUCT

### 17.1 Chair standing

When the Chair stands during a debate, any member speaking at the time must stop and sit down. The meeting must be silent.

### 17.2 Member not to be heard further

If a member persistently disregards the ruling of the Chair by behaving, in the opinion of the Chair, improperly or offensively or deliberately obstructs business, the Chair may move that the member be not heard further. If seconded, the motion will be voted on without discussion.

### 17.3 Member to leave the meeting

If the member continues to behave improperly after such a motion is carried, the Chair may move that either the member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

### 17.4 General disturbance

If there is a general disturbance making orderly business impossible, the Chair may adjourn the meeting for as long as s/he thinks necessary.

### 17.5 Disclosable pecuniary interests

A disclosable pecuniary interest is defined by section 30 of the Localism Act 2011.

A member with a disclosable pecuniary interest is prohibited from:-

- participating in any discussion of any matter at a meeting and
- participating in any vote or further vote taken on the matter at the meeting

A member so prohibited shall be excluded from that part of the meeting unless granted a dispensation by the Monitoring Officer.

~~A member with a disclosable pecuniary interest as defined by section 30 of the Localism Act 2011 who is prohibited from participating in any discussion of any matter at a meeting or prohibited from participating in any vote, or further vote taken on the matter at the meeting will be excluded from that part of any meeting at which that matter is under consideration unless the member has been granted a dispensation.~~

A member so excluded shall withdraw from the meeting and shall not remain in the room in which the meeting is taking place or remain in any part of the room reserved for members of the public.

**18 SUSPENSION AND AMENDMENT OF COMMITTEE PROCEDURE RULES**

**18.1 Suspension**

All of these Committee Rules of Procedure except Rules 12.6 may be suspended by motion on notice or without notice if at least one half of the whole number of members of the Committee are present. Suspension can only be for the duration of the meeting.

**18.2 Amendment**

Any motion to add to, vary or revoke these Committee Rules of Procedure will, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.

## SCHEDULE 2 - ACCESS TO INFORMATION PROCEDURE RULES

These rules implement the requirements of Sections 100 A – K at Schedule 12A of the Local Government Act 1972; Section 9G and 94GA of the Local Government Act 2000, The Local Authorities (Executive Arrangements) (Meeting and Access to Information) (England) Regulations 2012 and The Openness of Local Government Bodies Regulation 2014.

### 1 SCOPE

These rules apply to all meetings of the Council, overview and scrutiny committees and Regulatory Committees (together called meetings). Rules 12 – 16 apply to meetings of the Executive.

### 2 ADDITIONAL RIGHTS TO INFORMATION

These rules do not affect any more specific rights to information contained elsewhere in this Constitution or the law.

### 3 RIGHTS TO ATTEND MEETINGS

Members of the public may attend all meetings subject 3-4 to the exceptions in these rules, Rule 4.20, Rule 4.23 of the Council's Procedure Rules and Rules 14 and 16 of Schedule 1 – non Regulatory Committee Procedure Rules.

### 4 NOTICES OF MEETING

The council will give at least five clear days' notice of any meeting by posting details of the meeting at its main offices and publishing it on the Council's website.

### 5 ACCESS TO AGENDA AND REPORTS BEFORE THE MEETING

- 5.1 The Council will make copies of the agenda and reports open to the public available for inspection at its main offices at least five clear days before the meeting and the Council's website.
- 5.2 If an item is added to the agenda later, the revised agenda (where reports are prepared after the summons has been sent out, the Chief Executive shall make each such report available to the public as soon as the report is completed and sent to councillors) will be open to inspection when the item is added to the agenda.
- 5.3 Where the meeting is convened at shorter notice a copy of the agenda and associated reports will be available for inspection when the meeting is convened.
- 5.4 If the Chief Executive thinks it fit there may be excluded from any report provided the whole or any part of the report which relates only to matters during which in the Chief Executive opinion the meeting is likely to be a private meeting.

### 6 SUPPLY OF COPIES

~~The Council will supply copies of:~~

- 6.1 Except during any part of a meeting during which the public are excluded, the Council will make available for the use of members of the public present at the meeting a reasonable number of copies of the agenda and of the reports for the meeting;

6.2 Subject to any 'Confidential Information' and/or 'Exempt Information' following a request by a member of the public or on behalf of a newspaper and on payment being made of postage, copying or other necessary charge for transmission, the Council will supply to that person or newspaper;

6.2.1 a copy of the agenda for a public meeting and a copy of each of the reports for consideration at the meetings;

6.2.2 Each further statements or particulars, as are necessary to indicate the nature of the items contained in the agenda; and

6.2.3 if the Chief Executive thinks fit in the case of any item a copy of any other documents supplied to Councillors in connection with the item.

## 7 ACCESS TO MINUTES ETC AFTER THE MEETING

As soon as reasonably practicable after any meeting of the ~~Cabinet~~Executive, or its Committees & Joint Committees at which an Executive Decision or delegated decision by an Officer, Monitoring Officer or person writing on their behalf has been made, shalland make available copies of the following for six years after the meeting.

7.1 the minutes of the meeting or records of decisions taken, together with details of any other options considered the reasons for the decision and the rejection of any other options, save for, any part of the minutes or record of proceedings when the meeting was not open to the public ~~or~~ which would disclose exempt or confidential information;

7.2 a record of any conflict of interest relating to the matter decided which is declared by any member or a note of any dispensation granted by the ~~Chief Executive~~Monitoring Officer Audit and Governance Committee;

7.3 a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;

7.4 the agenda for the meeting; and

7.5 reports relating to items when the meeting was open to the public.

**Commented [A6]:** AC commented that this could not be a Chief Exec function but should be A&G or could be delegated to MO and amendments made to Scheme of Delegation etc

## 8 BACKGROUND PAPERS

### 8.1 List of background papers

The Chief Executive will set out in every report a list of those documents (called background papers) relating to the subject matter of the report which in his/her opinion:

8.1.1 disclose any facts or matters on which the report or an important part of the report is based; and

8.1.2 which have been relied on to a material extent in preparing the report but does not include published works or those which disclose exempt or confidential information (as defined in Rule 10).

### 8.2 Public inspection of background papers

The Council will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers, excluding those disclosing exempt or confidential information.

## 9 EXCLUSION OF ACCESS BY THE PUBLIC TO MEETINGS

### 9.1 Confidential information – requirement to exclude public

The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

### 9.2 Exempt information – discretion to exclude public

The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed.

Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

### 9.3 Meaning of confidential information

Confidential information means information given to the Council by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order.

### 9.4 Meaning of exempt information

Exempt information means information falling within the following 10 categories (subject to any condition):

## PART 1 DESCRIPTIONS OF EXEMPT INFORMATION: ENGLAND

1	Information relating to any individual.
2	Information which is likely to reveal the identity of an individual.
3	Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4	Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6	Information which reveals that the authority proposes:

	<p>(a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or</p> <p>(b) to make an order or direction under any enactment.</p>
7	Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

**PART 2  
QUALIFICATIONS: ENGLAND**

8	<p>Information falling within paragraph 3 above is not exempt information by virtue of that paragraph if it is required to be registered under:-</p> <p>(a) the Companies Acts (as defined in section 2 of the Companies Act 2006);</p> <p>(b) the Friendly Societies Act 1974;</p> <p>(c) the Friendly Societies Act 1992;</p> <p>(d) the Industrial and Provident Societies Acts 1965 to 1978;</p> <p>(e) the Building Societies Act 1986; or</p> <p>(f) the Charities Act 1993.</p>
9	Information is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to Regulation 3 of the Town and Country Planning General Regulations 1992.
10	<p>Information which:-</p> <p>(a) falls within any of paragraphs 1 to 7 above;</p> <p>and</p> <p>(b) is not prevented from being exempt by virtue of paragraph 8 or 9 above, is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>

**10 EXCLUSION OF ACCESS BY THE PUBLIC TO REPORTS**

If the Monitoring Officer thinks fit, the Council may exclude access by the public to reports which in his or her opinion relate to items during which, in accordance with Rule 10, the meeting is likely not to be open to the public. Such reports will be marked "Not for publication" together with the category of

information likely to be disclosed. The final decision as to whether or not public access should be refused to such a report rests with members.

## 11 DEFINITIONS

### 11.1 Executive Decisions

An Executive decision is any decision made or to be made in connection with the discharge of a function which is the responsibility of the Executive of the Council but does not include purely administrative decisions.

### 11.2 Key Decisions

A key decision is defined at Article 2.13.3 (C) (i) and (ii) above.

~~means any decision to spend or forego income or raise additional income which is significant having regard to the Council's budget for the service or function to which the decision relates. For the purposes of this paragraph the Council interprets as "significant" any decision to spend or forego income or raise additional income exceeding £100,000 in one financial year.~~

~~or~~

~~any decision that has a significant affect on two or more wards. For the purposes of this paragraph the Council interprets as "significant" any proposal which will make a substantial physical alteration to the appearance of the area of two or more wards, or any proposal which will substantially alter the level of a Council service given to people who live or work in the area.~~

### 11.3 Delegated Decision by an Officer

Is a decision which would otherwise have been taken by the Executive, the Council, or a Committee, sub Committee or joint Committee of the Council, but it has been delegated to a officer at the Council either

11.3.1 under a specific express authorisation; or

11.3.2 under a general authorisation to take such decisions and the effect or the decision is to;

11.3.3 grant a permission or licence; or

11.3.4 affect the rights of an individual; ~~or~~

~~11.3.5 award a contract or views expenditure which fulfils the definition a key decision~~

**Commented [A7]:** Comment from AC – this has been deleted as the award of a contract is not a key decision, it is the implementation of a key decision already made.

## 12 EXECUTIVE MEETINGS

### 12.1 Notice of Private Meetings of the Executive

When the public are to be excluded from a meeting, or part of a meeting of the Executive or its committees a notice of intention to hold a meeting in private will be published on the Council's website at least 28 clear days before the date of the private meeting. The notice will also be made available at the Council offices. The notice will state the reasons why the meeting is to be held in private and how to make representations about holding the meeting in public.

At least five days before the meeting a further notice will be published of the intention to hold a private meeting. This notice will include a statement of the reasons why the meeting is to be

held in private, details of any representations made about holding the meeting in public, and the response to those representations.

#### **12.2 Urgent Private Meetings of the Executive**

If the urgency of a decision makes compliance with rule 11.1 impracticable, the decision maker or decision making body will seek agreement from the Monitoring Officer and Chair of the relevant Overview and Scrutiny Committee that the meeting is urgent and cannot reasonably be deferred. In the absence of the Chair of the Overview and Scrutiny Committee, the Mayor and Monitoring Officer shall be asked for their agreement and, in their absence, his/her appointed Deputy's. If agreement is granted, a notice will be published on the Council's website and made available at the Council offices setting out why the meeting is urgent and cannot reasonably be deferred.

### **13 PROCEDURE BEFORE TAKING KEY DECISIONS**

Subject to Rule 15 (general exception) and Rule 16 (special urgency), a Key Decision may not be taken by the Executive unless:

- 13.1 a Notice (called here a Key Decision Notice) has been published in connection with the matter in question;
- 13.2 at least 28 clear days before the date when the decision is to be taken; and
- 13.3 where the decision is to be taken at a meeting of the Executive or its committees, notice of the meeting has been given in accordance with Rule 47 (notice of and summons to meetings).

### **14 THE FORWARD PLAN**

#### **14.1 Period of forward plan**

Forward plans will be prepared by the Leader to cover a period of four months, beginning with the first day of any month. They will be prepared on a monthly basis and subsequent plans will cover a period beginning with the first day of the second month covered in the preceding plan.

#### **14.2 Content of forward plan**

The forward plan will contain matters which the Leader has reason to believe will be subject of a key decision to be taken by the Executive, a committee of the Executive, individual members of the Executive, officers, area committees or under joint arrangements in the course of the discharge of an Executive function during the period covered by the plan. It will describe the following particulars in so far as the information is available or might reasonably be obtained.

A Key Decision Notice will contain details of:

- 14.2.1 the matter in respect of which a decision is to be made;
- 14.2.2 where the decision taker is an individual, his/her name and, title, if any and where the decision taker is a body, its name and details of membership;
- 14.2.3 the date on which, or the period within which, the decision will be taken;

- (a) the identity of the principal groups whom the decision taker proposes to consult before taking the decision;
- (b) the means by which any such consultation is proposed to be undertaken;

the steps any person might take who wishes to make representations to the Executive or decision taker about the matter in respect of which the decision is to be made, and the date by which those steps must be taken;

- (c) a list of the documents submitted to the decision taker for consideration in relation to the matter. and
- (d) The forward plan will be published at least 7 days before the start of the period covered.

14.2.4 Exempt information need not be included in a forward plan and confidential information cannot be included.

## 15 GENERAL EXCEPTION – URGENT BUSINESS

15.1 Subject to Rule 16, where a matter which is a Key Decision requires an urgent decision and the required 28 days notice has not been given, the decision may still be taken if:

- 15.1.1 the Chair of the Overview and Scrutiny Committee, or, if there is no such person, each member of the Overview and Scrutiny Committee, has been informed by notice in writing of the matter about which the decision is to be made;
- 15.1.2 a Key Decision Notice has been published and made available for inspection by the public; and
- 15.1.3 five clear days have elapsed following the day on which the Key Decision Notice was published and made available.

## 16 SPECIAL URGENCY

If by virtue of the date by which a decision must be taken Rule 15 (general exception) cannot be followed, then the decision can only be taken if the decision taker (if an individual) or the Chair of the body making the decision, obtains the agreement of the Chair of the Overview and Scrutiny Committee that the taking of the decision is urgent and cannot reasonably be deferred. If the Chair of the Overview and Scrutiny Committee is unable to act, then the agreement of the Mayor in conjunction with the Monitoring Officer will suffice, or, in their absence, the agreement of their Deputy's.

## 17 REPORT TO COUNCIL

### 17.1 When an overview and scrutiny committee can require a report

If an overview and scrutiny committee thinks that a key decision has been taken which was not:

- 17.1.1 included in the forward plan; or
- 17.1.2 the subject of the general exception procedure; or
- 17.1.3 the subject of an agreement with a relevant overview and scrutiny committee Chair, or the chair of the body making the decision under Rule 16.

The committee may require the Executive to submit a report to the Council within such reasonable time as the committee specifies. The power to require a report rests with the committee, but is also delegated to the Chief Executive, who shall require such a report on behalf of the committee when so requested by (the Chair or any five members). Alternatively the requirement may be raised by resolution passed at a meeting of the relevant overview and scrutiny committee.

## 17.2 Executive's report to Council

The Executive will prepare a report for submission to the next available meeting of the Council. However, if the next meeting of the Council is within seven days of receipt of the written notice, or the resolution of the committee, then the report may be submitted to the meeting after that. The report to Council will set out particulars of the decision, the individual or body making the decision, and if the Leader is of the opinion that it was not a key decision the reasons for that opinion.

## 17.3 Executive reports on special urgency decisions

In any event the Leader will submit where required a report to the next meeting or the Council on the Executive decisions taken in the circumstances set out in Rule 16 (special urgency). The report will include the number of decisions so taken and a summary of the matters in respect of which those decisions were taken.

17.4 The Leader of the Council is required to submit at least one report under paragraph 17.3 annually.

## 18 RECORD OF DECISIONS

After any meeting of the Executive or any of its committees, whether held in public or private, the Chief Executive or monitoring officer or person acting on their behalf will produce a record of every decision taken at that meeting as soon as practicable. The record will include a statement of the reasons for each decision and any alternative options considered and rejected at that meeting.

### ~~19 EXECUTIVE MEETINGS RELATING TO MATTERS WHICH ARE NOT KEY DECISIONS~~

~~The executive will decide whether meetings relating to matters which are not key decisions will be held in public or private in accordance with the requirements of the legislation.~~

## 2019 NOTICE OF PRIVATE MEETING OF THE EXECUTIVE

Members of the Executive or its committees will be entitled to receive five clear working days notice of a meeting to which they are summoned, unless the meeting is convened at shorter notice as a matter of urgency.

### ~~21.20 ATTENDANCE AT PRIVATE MEETINGS OF THE EXECUTIVE WHERE EXEMPT ITEMS ARE ON THE AGENDA ("PRIVATE MEETINGS")~~

~~21.20.1~~ All members of the Executive will be served notice of all private meetings of committees of the Executive, whether or not they are members of that committee.

~~21.20.2~~ All members of the Executive are entitled to attend a private meeting of an Executive committee although they may not speak unless the ~~members of the committee/sub-committee~~Chair agrees.

#### Commented [A8]:

Arrangements for executive meetings relating to matters which are not key decisions are determined by finance and procurement regulations. Subsequent number altered following the deletion of clause 19.

[21.320.3](#) Notice of private meetings of the Executive and its committees will be served on the chairmen of all overview and scrutiny committees and sub-committees, at the same time as notice is served on members of the Executive. Where an overview and scrutiny committee does not have a Chair, the notice will be served on all the members of that committee.

[21.420.4](#) Where a matter under consideration at a private meeting of the Executive, or a committee of it, is within the remit of an overview and scrutiny committee/sub-committee, the Chair of that committee or in his/her absence the vice Chair may attend that private meeting with the consent of the person presiding, though not speak unless those present agree.

[21.520.5](#) The Chief Executive, Head of the Paid Service, the Monitoring Officer and the Section 151 Officer, and their nominees are entitled to attend any meeting of the Executive and its committees.

In all of the above examples, the provisions of Rule 18 (recording and publicising decisions) will apply.

## **2221 DECISIONS BY INDIVIDUAL MEMBERS OF THE EXECUTIVE**

### **[22.421.1](#) Reports intended to be taken into account**

Where an individual member of the Executive receives a report which s/he intends to take into account in making any key decision, then s/he will not make the decision until at least three clear days after receipt of that report.

### **[22.221.2](#) Provision of copies of reports to overview and scrutiny committees**

On giving of such a report to an individual decision maker, the person who prepared the report will give a copy of it to the Chair of every relevant overview and scrutiny committee as soon as reasonably practicable, and make it publicly available at the same time.

### **[22.321.3](#) Record of individual decision**

As soon as reasonably practicable after any Executive decision has been taken by an individual Member or after a Key Decision has been taken by an officer he or she will instruct the Chief Executive/Monitoring Officer or person acting on their behalf to prepare a record of the decision, a statement of the reasons for it, any alternative options considered and rejected, a record of any conflict of interest declared by any Executive Member and in respect of any declared conflict of interest, a note of dispensation granted by the Councils Chief Executive.

### **[22.421.4](#) Nature of rights**

These rights of a member are additional to any other right s/he may have.

### **[22.521.5](#) Rights of Members to attend meetings when exempt information is being considered**

All Members are entitled to attend a meeting of the Council or its committees or sub committees, where they are not an ordinary member, when exempt information is being considered. Exceptions to this entitlement will be made at the discretion of the respective Chair and/or the Chief Executive or ~~the Head of Legal & Democratic Services and~~ Monitoring Officer depending on the nature of the exempt information, for example staffing issues, licensing appeals and standards and ethics issues.

## **2322 ADDITIONAL RIGHTS OF ACCESS FOR MEMBERS**

### **23.422.1 Material relating to business to be transacted at a public meeting of the Executive**

All members of the Council will be entitled to inspect any document which is in the possession or under the control of the Executive or its committees and contains material relating to any business to be transacted at a public meeting, and any such document must be available for inspection for at least five clear days before the meeting.

### **23.222.2 Other Material relating to business transacted**

All members of the Council will be entitled to inspect any document which is in the possession or under the control of Executive and contains material relating to any business transacted at a private meeting of Executive, or any decision made by an individual Executive member or an officer, within 24 hours after the meeting concludes or after the decision has been made.

### **23.322.3 Exceptions**

However, a document is not required to be available for inspection under Rule ~~223.1~~ or ~~223.2~~ if it contains exempt information as set out in Schedule 12A of the Local Government Act 1972, unless the information falls within paragraph 4 (except to the extent that the information relates to any terms proposed or to be proposed by or to the Council in the course of contract negotiations), or paragraph 6 of Schedule 12A. A document is not required to be available for inspection if advice provided by a political adviser or assistant would be disclosed.

### **23.422.4 Nature of Rights**

These rights of a member are additional to any other right they may have in statute or at common law.

## **2423 OVERVIEW AND SCRUTINY'S ACCESS TO DOCUMENTS**

~~24.123.1~~ Within 10 working days of so requesting, an Overview and Scrutiny Committee or any member of the Overview and Scrutiny Committees (including task groups) will be entitled to copies of any document which is in the possession or control of the Executive or its committees and which contains material relating to:

~~24.1.123.1.1~~ any business that has been transacted at a meeting of a decision-making body of the Council;

~~24.1.223.1.2~~ any decision that has been made by an individual Executive Member in accordance with Executive arrangements; or

~~24.1.323.1.3~~ any decision that has been made by an officer of the Council in accordance with Executive arrangements except for documents, or parts of documents, which contain:

- (a) advice provided by a political adviser; or
- (b) exempt or confidential information, unless that information is relevant to:
  - (i) any action or decision that the Member is reviewing or scrutinising; or

- (ii) any review contained in the work programme of the Overview and Scrutiny Committee.

Overview and Scrutiny will not be entitled to any document which is in draft form.

Where the Executive determines that a member of an Overview and Scrutiny committee is not entitled to a copy of a document or part of a document for a reason set out in (a) or (b) above, it will provide the Overview and Scrutiny Committee with a written statement setting out its reasons for that decision.

## **SCHEDULE 3 - BUDGET AND POLICY FRAMEWORK PROCEDURE RULES**

### **1 The framework for Executive decisions**

The Council will be responsible for the adoption of its budget and policy framework as set out in Article 4. Once a budget or a policy framework is in place, it will be the responsibility of the Executive to implement it.

### **2 Process for developing the framework**

The process by which the budget and policy framework shall be developed is:

- 2.1 Not less than four months before a plan/strategy/budget forming a constituent element of the budget and policy framework needs to be adopted, the Executive will publish initial proposals for the plan/strategy/budget, having first canvassed the views of local stakeholders as appropriate and in a manner suitable to the matter under consideration. Details of the Executive's consultation process shall be included in relation to each of these matters in the forward plan and made available on the Council's web page. Any representations made to the Executive shall be taken into account in formulating the initial proposals, and shall be reflected in any report dealing with them. If the matter is one where an overview and scrutiny committee has carried out a review of policy, then the outcome of that review will be reported to the Executive and considered in the preparation of initial proposals.
- 2.2 The Executive's initial proposals shall be referred to the relevant overview and scrutiny committee for further advice and consideration. The proposals will be referred by sending a copy to the Chief Executive who will forward them to the Chair of the relevant overview and scrutiny committee. If there is no such Chair, a copy must be sent to every member of that committee. The overview and scrutiny committee shall canvass the views of local stakeholders if it considers it appropriate in accordance with the matter under consideration, and having particular regard not to duplicate any consultation carried out by the Executive. The overview and scrutiny committee shall report to the Executive on the outcome of its deliberations. The overview and scrutiny committee shall have six weeks to respond to the initial proposals of the Executive unless the Executive considers that there are special factors that make this timescale inappropriate. If it does, it will inform the overview and scrutiny committee of the time for response when the proposals are referred to it.
- 2.3 Having considered the report of the overview and scrutiny committee, the Executive, if it considers it appropriate, may amend its proposals before submitting them to the council meeting for consideration. It will also report to Council on how it has taken into account any recommendations from the overview and scrutiny committee.
- 2.4 The Council will consider the proposals of the Executive and may adopt them, amend them, refer them back to the Executive for further consideration, or substitute its own proposals in their place. In considering the matter, the Council shall have before it the Executive's proposals and any report from any relevant overview and scrutiny committee.
- 2.5 The Council's decision will be publicised in accordance with Article 4 and a copy shall be given to the Leader. The notice of decision shall be dated and shall state either that the decision shall be effective immediately if the Council accepts the Executive's proposals without amendment or if the Executive's proposals are not accepted without amendment, that the Council's decision will become effective on the expiry of five working days after the publication of the notice of decision, unless the Leader objects to it in that period.
- 2.6 If the Leader objects to the decision of the Council, s/he shall give written notice to the Chief Executive to that effect prior to the date upon which the decision is to be effective. The written

notification must state the reasons for the objection. Where such notification is received, the Chief Executive shall convene a further meeting of the Council to reconsider its decision and the decision shall not be effective pending that meeting.

- 2.7 The Council meeting must take place within ten working days of the receipt of the Leader's written objection. At that Council meeting, the decision of the Council shall be reconsidered in the light of the objection, which shall be available in writing for the Council.
- 2.8 The Council shall at that meeting make its final decision on the matter on the basis of a simple majority. The decision shall be made public in accordance with Article 4, and shall be implemented immediately.
- 2.9 In approving the budget and policy framework, the Council will also specify the extent of virement within the budget and degree of in-year changes to the policy framework which may be undertaken by the Executive, in accordance with paragraphs 5 and 6 of these Rules (virement and in-year adjustments). Any other changes to the budget and policy framework are reserved to the Council.

### **3 Decisions outside the budget or policy framework**

Subject to the provisions of paragraph 5 (virement) the Executive, committees of the Executive, individual members of the Executive and any officers, or joint arrangements discharging Executive functions may only take decisions which are in line with the budget and policy framework. If any of these bodies or persons wishes to make a decision which is contrary to the policy framework, or contrary to or not wholly in accordance with the budget approved by full council, then that decision may only be taken by the Council, subject to 4 below.

If the Executive, committees of the Executive, individual members of the Executive and any officers, or joint arrangements discharging Executive functions want to make such a decision, they shall take advice from the monitoring officer and the chief financial officer as to whether the decision they want to make would be contrary to the policy framework, or contrary to or not wholly in accordance with the budget. If the advice of either of those officers is that the decision would not be in line with the existing budget and/or policy framework, then the decision must be referred by that body or person to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph 4 (urgent decisions outside the budget and policy framework) shall apply.

### **4 Urgent decisions outside the budget or policy framework**

The Executive, a committee of the Executive, an individual member of the Executive or officers, or joint arrangements discharging Executive functions may take a decision which is contrary to the Council's policy framework or contrary to or not wholly in accordance with the budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken:

- 4.1 if it is not practical to convene a quorate meeting of the full Council; and
- 4.2 if the Chair of a relevant overview and scrutiny committee agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of full Council and the Chair of the relevant overview and scrutiny committees' consent to the decision being taken as a matter of urgency must be noted on the record of the decision. In the absence of the Chair of a relevant overview and scrutiny committee the consent of the Mayor in conjunction with the Monitoring Officer will suffice, or in their absence, agreement of both their Deputy's.

Following the decision, the decision taker will provide a full report to the next available Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

## 5 Virement

Steps taken by the Executive, a committee of the Executive an individual member of the Executive or officers, or joint arrangements discharging Executive functions to implement Council policy shall not exceed those budgets allocated to each budget head as determined by the Council. The cumulative value of virements between individual budget heads shall not exceed £100,000. Beyond that limit, approval for any virement between budget heads shall require the approval of the Cabinet Executive. Income may be received above the budget level in a number of circumstances – budget adjustments for excess income are limited to £100,000 for each separate occasion. Beyond that limit, approval for any adjustment shall require the approval of the Cabinet Executive.

## 6 In-year changes to policy framework

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Executive, a committee of the Executive an individual member of the Executive or officers, or joint arrangements discharging Executive functions must be in line with it. No changes to any policy and strategy which make up the policy framework may be made by those bodies or individuals except those changes:

- 6.1 necessary to ensure compliance with the law, ministerial direction or government guidance;
- 6.2 in relation to the policy framework in respect of a policy which would normally be agreed annually by the Council following consultation, but where the existing policy document is silent on the matter under consideration.

## 7 Call-in of decisions outside the budget or policy framework

Where an overview and scrutiny committee or the Chief Executive is of the opinion that an Executive decision is, or if made would be, contrary to the policy framework, or contrary to the Council's budget, then it shall seek advice from the Monitoring Officer and Section 151 Officer. However, the Chief Executive shall not determine whether or not the decision is, or if made would be, contrary to the policy framework, or contrary to the Council's budget.

In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and Section 151 Officer's report shall be presented to the Executive with a copy to every member of the Council. Regardless of whether the decision is delegated or not, the Executive must meet to decide what action to take in respect of the Monitoring Officer's or Section 151 Officer report and to prepare a report to Council in the event that the Monitoring Officer or the Section 151 Officer conclude that the decision was a departure, and to the overview and scrutiny committee if the Monitoring Officer or the Section 151 Officer conclude that the decision was not a departure.

If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Monitoring Officer and the Section 151 Officer is that the decision is or would be contrary to the policy framework or contrary to or not wholly in accordance with the budget, the overview and scrutiny committee may refer the matter to Council. In such cases, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter. The Council shall make arrangements for a meeting within ten days of the request by the overview and scrutiny committee. At the meeting it will receive a report of the decision or proposals and the advice of the monitoring officer and the chief financial officer.

The Council may either:

7.1 endorse a decision or proposal of the Executive decision taken as falling within the existing budget and policy framework;

or

7.2 amend the council's budget or policy framework to encompass the decision or proposal of the body or individual responsible for that Executive function and agree to the decision with immediate effect.;

or

7.3 where the Council accepts that the decision or proposal is contrary to the policy framework or contrary to the budget, and does not amend the existing framework to accommodate it, require the Executive to reconsider the matter.

## SCHEDULE 4 - EXECUTIVE PROCEDURE RULES

### 1 Persons making Executive decisions

The arrangements for the discharge of Executive functions may be set out in the Executive arrangements ~~adopted by the Council~~decided by the Leader and approved by this Council as part of set out in this Constitution. If they are not set out there, then the Leader may decide how they are to be exercised. In either case, the arrangements or the Leader may provide for Executive functions to be discharged by:

- 1.1 the Executive as a whole;
- 1.2 a committee of the Executive;
- 1.3 an individual member of the Executive;
- 1.4 an officer;
- 1.5 an area committee;
- 1.6 joint arrangements; or
- 1.7 another local authority.

### 2 Delegation by the Leader

At the annual meeting of the Council, the Leader will present to the Council a written record of delegations made by him/her for inclusion in the Council's scheme of delegation at Part 3 to this Constitution. The document presented by the Leader will contain the following information about Executive functions in relation to the coming municipal year:

- 2.1 the names, addresses (unless withheld at the request of the member) and wards of the ~~people~~members appointed to the Executive by the Leader;
- 2.2 the name of the Executive member who will serve as Deputy Leader;
- 2.3 the nature of the position to be held by each Executive Member;
- 2.4 the extent of any authority delegated to Executive members individually, including details of the limitation on their authority;
- 2.5 the terms of reference and constitution of such Executive committees as the Leader appoints and the names of Executive members appointed to them;
- 2.6 the nature and extent of any delegation of Executive functions to any other authority or any joint arrangements and the names of those Executive members appointed to any joint committee for the coming year;
- 2.7 the nature and extent of any delegation to officers with details of any limitation on that delegation, and the title of the officer to whom the delegation is made; and
- 2.8 In an election year the document referral to paragraph 1.2 may be presented by the member to the ~~high~~ Council meeting following the Annual Meeting, which may be a special meeting convened for that purpose.

### 3 Sub-delegation of Executive functions

Where the Executive, a committee of the Executive or an individual member of the Executive is responsible for an Executive function, they may delegate further to joint arrangements or an officer.

Unless the Council directs otherwise, if the Leader delegates functions to the Executive, then the Executive may delegate further to a committee of the Executive or to an officer.

Unless the Leader directs otherwise, a committee of the Executive to whom functions have been delegated by the Leader may delegate further to an officer.

Even where Executive functions have been delegated, that fact does not prevent the discharge of delegated functions by the person or body who delegated.

### 4 The Council's scheme of delegation and Executive functions

(a) Subject to (b) below the Council's scheme of delegation will be subject to adoption by the Council and may only be amended by the Council. It will contain the details required in Article 7 and set out in Part 3 of this Constitution.

(b) If the Leader is able to decide whether to delegate Executive functions and s/he may amend the scheme of delegation relating to Executive functions at any time during the year. To do so, the Leader must give written notice to the Chief Executive and to the person, body or committee concerned. The notice must set out the extent of the amendment to the scheme of delegation, and whether it entails the withdrawal of delegation from any person, body, committee or the Executive as a whole. The Chief Executive will present a report to the next ordinary meeting of the Council setting out the changes made by the Leader.

Where the Leader seeks to withdraw delegation from a committee, notice will be deemed to be served on that committee when s/he has served it on its Chair.

### 5 Conflicts of Interest

Where the Leader has a conflict of interest this should be dealt with as set out in the Council's Code of Conduct for Members in Part 5 of this Constitution.

If every member of the Executive has a conflict of interest this should be dealt with as set out in the Council's Code of Conduct for Members in Part 5 of this Constitution.

If the exercise of an Executive function has been delegated to a committee of the Executive, an individual member or an officer, and should a conflict of interest arise, then the function will be exercised in the first instance by the person or body by whom the delegation was made and otherwise as set out in the Council's Code of Conduct for Members in Part 5 of this Constitution.

### 6 Executive meetings

The Executive will meet every three weeks commencing at 6.00 p.m. at Marmion House or at such other times and place as it shall from time to time agree.

## 7 Quorum

~~The quorum for a meeting of an Executive committee or sub-committee shall be one quarter of the total number of members of the Executive (including the Leader), or two as a minimum (as one member does not constitute a Committee) and must otherwise comply with Schedule 12 of the Local Government Act 1972.~~

~~The quorum for a meeting of the executive shall be one quarter of the total number of members of the executive (including the Leader), or three for the purposes of which the Leader will be included, whichever is the larger.~~

~~The quorum for a meeting of an executive sub-committee shall be one quarter of the total number of members of the executive (including the Leader), or two as a minimum (as one member does not constitute a Committee).~~

## 8 Decisions to be taken by the Executive

Executive decisions which have been delegated to the Executive as a whole will be taken at a meeting convened in accordance with the Access to Information Rules in Part 4 of the Constitution.

Where Executive decisions are delegated to a committee of the Executive, the rules applying to Executive decisions taken by them shall be the same as those applying to those taken by the Executive as a whole.

The Executive are to reply to recommendations accepted from Full Council or the Scrutiny Committees within a ~~23~~ month period ~~from receiving the report or recommendations.~~

**Commented [A9]:** 2 month period aligns with the Local Government Act 2000

## 9 Person presiding

If the Leader is present s/he will preside. In his/her absence, then a person appointed to do so by those present shall preside.

## 10 Business

At each meeting of the Executive the following business will be conducted:

- 10.1 consideration of the minutes of the last meeting;
- 10.2 declarations of interest, if any;
- 10.3 questions from members of the public;
- 10.4 matters referred to the Executive (whether by an overview and scrutiny committee or by the Council) for reconsideration by the Executive in accordance with the provisions contained in the Overview and Scrutiny Procedure Rules or the Budget and Policy Framework Procedure Rules set out in Part 4 of this Constitution;
- 10.5 consideration of reports from overview and scrutiny committees; and
- 10.6 matters set out in the agenda for the meeting, and which shall indicate which are key decisions and which are not in accordance with the Access to Information Procedure rules set out in Part 4 of this Constitution.

## 11 Consultation

All reports to the Executive from any member of the Executive or an officer on proposals relating to the budget and policy framework must contain details of the nature and extent of consultation with stakeholders and relevant overview and scrutiny committees, and the outcome of that consultation. Reports about other matters will set out the details and outcome of consultation as appropriate. The level of consultation required will be appropriate to the nature of the matter under consideration.

## **12 Placing items on the Executive agenda**

The Leader may put on the agenda of any Executive meeting any matter which s/he wishes, whether or not authority has been delegated to the Executive, a committee of it or any member or officer in respect of that matter. The Chief Executive will comply with the Leader's requests in this respect.

Any member of the Executive may require the Chief Executive to make sure that an item is placed on the agenda of the next available meeting of the Executive for consideration. If s/he receives such a request the Chief Executive will comply.

The Chief Executive will make sure that an item is placed on the agenda of the next available meeting of the Executive where a relevant overview and scrutiny committee or the full Council have resolved that an item be considered by the Executive. However, there may only be up to two such items on any one agenda.

There will be a standing item on the agenda of each meeting of the Executive for matters referred by overview and scrutiny committees. However there may only be up to two such items per Executive meeting save for any statutory requirement to the contrary or unless the Executive are required to respond to a report or recommendation from the scrutiny committee.

Any member of the Council may ask the Leader to put an item on the agenda of an Executive meeting for consideration, and if the Leader agrees the item will be considered at the next available meeting of the Executive. The notice of the meeting will give the name of the Councillor who asked for the item to be considered. This individual will be invited to attend and may be invited to speak at the meeting, whether or not it is a public meeting. However, there may only be up to two such items per Executive meeting.

The Monitoring Officer and/or the Section 151 Officer may include an item for consideration on the agenda of an Executive meeting and may require the Chief Executive to call such a meeting in pursuance of their statutory duties. In other circumstances, where any two of the Chief Executive, Head of Paid Service, Monitoring Officer and Section 151 Officer are of the opinion that a meeting of the Executive needs to be called to consider a matter that requires a decision, they may jointly include an item on the agenda of an Executive meeting. If there is no meeting of the Executive soon enough to deal with the issue in question, then the person(s) entitled to include an item on the agenda may also require that a meeting be convened at which the matter will be considered.

## **13 Questions by the public**

### **13.1 General**

Members of the public may ask questions of members of the Executive at every ordinary meeting of the Executive.

### **13.2 Order of questions**

Questions will be asked in the order notice of them was received, except that the Leader may group together similar questions and may give preference to questions from members of the public who have asked the least number of questions previously.

### 13.3 Notice of questions

A question may only be asked if notice has been given by delivering it in writing or by electronic mail to the Chief Executive no later than 5.00 p.m. two clear working days before the day of the meeting. The following chart sets out the last day for submission of the question. Each question must give the name and address of the questioner.

Day of Meeting	
Monday	5pm the previous Wednesday
Tuesday	5pm the previous Thursday
Wednesday	5pm the previous Friday
Thursday	5pm the previous Monday
Friday	5pm the previous Tuesday

This rule will be strictly applied to ensure fairness and equality for all questioners.

### 13.4 Number of questions

At any one meeting no person may submit more than one question and only one question may be asked on behalf of one organisation.

### 13.5 Scope of questions

The Chief Executive may reject a question if it:

- (a) is not about a matter for which the local authority has a responsibility or which affects the borough;
- (b) is defamatory, frivolous or offensive;
- (c) is substantially the same as a question which has been put at a meeting of the Executive in the past six months; or
- (d) requires the disclosure of confidential or exempt information.

### 13.6 Process in relation to questions

The Chief Executive will immediately send a copy of the accepted question to the member to whom it is to be put.

Copies of all questions will be circulated to all members and will be made available to the public attending the meeting.

### 13.7 Asking the question at the meeting

The Leader will invite the questioner to put the question to the Executive.

### 13.8 Supplementary Question

A question asked under Rule 13.4 allows the questioner to ask one supplementary question without notice of the member to whom the first question was asked. The supplementary question must arise directly out of the original question or the reply. Rule 4.10.5 and Rule 13.5 applies to the supplementary question.

### **13.9 Written answers**

Any question which cannot be dealt with during question time, either because of lack of time or because of the non-attendance of the member to whom it was to be put or for any other reason, will be dealt with by a written answer.

These answers will:

- Be published on the Council website as soon as practicable after the meeting, but in any event before the next ordinary meeting, ~~and~~
- be attached to the minutes of that meeting.

### **13.10 Record of Questions**

As soon as practicable after the meeting, such answers, whether given orally at the meeting or in writing after the meeting, shall be published on the Council website and any written answers provided after the meeting shall be attached to the minutes of that meeting.

## SCHEDULE 5 - OVERVIEW AND SCRUTINY PROCEDURE RULES

- 1 The Council will operate overview and scrutiny committees as set out in Article 6 and will appoint to them as it considers appropriate from time to time. Such committees may appoint sub-committees. Overview and Scrutiny committees may also be appointed for a fixed period, on the expiry of which they shall cease to exist.
- 2 The terms of reference of the overview and scrutiny committees and sub-committees will be as set out in Article 6.
- 3 All councillors except members of the Executive may be members of an overview and scrutiny committee or sub-committee. However, no member may be involved in scrutinising a decision which s/he has been directly involved.
- 4 Each overview and scrutiny committee shall be entitled to recommend to Council the appointment of a number of people as non-voting co-optees.

### 5 Meetings of the overview and scrutiny committees

There shall be at least four ordinary meetings of each overview and scrutiny committee in each municipal year. In addition, extraordinary meetings may be called from time to time as and when appropriate. An overview and scrutiny committee or sub-committee meeting may be called by the Chair of the relevant overview and scrutiny committee or sub-committee, by any three members of the committee or by the Chief Executive if s/he considers it necessary or appropriate.

### 6 Quorum

The quorum for an overview and scrutiny committee or sub-committee shall be as set out for committees in the Non Regulatory Committee Procedure Rules in Part 4 of this Constitution.

### 7 Chairmen of Scrutiny Committees

Chairmen of overview and scrutiny committees/sub-committees will be drawn from among the councillors sitting on the committee/sub-committee and appointed at the first ordinary meeting of the Council.

### 8 Work programme

- a) The overview and scrutiny committees/sub-committees will be responsible for setting            their own work programme and in doing so they shall take into account —wishes        of            members on that committee who are not members of the largest political -group on the            Council.
- b) Proposals for inclusion on the work programmes will require to be submitted in the form of by a Work Programme Proposal Form through the Chair at a properly constituted meeting of the Committee and contain specific details of the subject proposed for scrutiny review along with the reasons for the proposal, the purpose of the proposal, the objectives of the proposal and officer support required. The Work Programme Proposal Form will be attached to the agenda for each overview and scrutiny committee.
- c) The Committee will consider the proposal at paragraph b) above at the next —properly            constituted meeting of the Scrutiny Committee and decide whether the —proposal        — is            suitable for inclusion on the work programme.

**Commented [A10]:** AC state the localism act 2011 provides for co-optees to have voting rights – the council may wish to consider whether or not to grant voting rights to the council's co-optees. If yes amend clause accordingly.

d) The Committee will decide on the terms of reference of the scrutiny review that is to be undertaken arising from any proposal accepted for inclusion on the work programme.

## **9 Agenda items**

Any member of an overview and scrutiny committee or sub-committee shall be entitled to give notice to the Chief Executive that s/he wishes an item relevant to the functions of the committee to be included on the agenda for the next available meeting of the committee. On receipt of such a request the Chief Executive will ensure that it is included on the next available agenda.

The overview and scrutiny committees and sub-committees shall also respond, within two calendar months, to requests from the Council, and if it considers it appropriate the Executive, to review particular areas of Council activity. Where they do so, the overview and scrutiny committee or sub-committees shall report their findings and any recommendations back to the Executive and/or Council. The Council and/or the Executive shall consider the report of the overview and scrutiny committee or sub-committee within one calendar month of receiving it.

## **10 Policy review and development**

The role of the overview and scrutiny committees and sub-committees in relation to the development of the Council's budget and policy framework is set out in detail in Schedule 3 the Budget and Policy Framework Procedure Rules.

In relation to the development of the Council's approach to other matters not forming part of its policy and budget framework, overview and scrutiny committees and sub-committees may make proposals to the Executive for developments in so far as they relate to matters within their terms of reference.

Overview and scrutiny committees and sub-committees may hold enquiries and investigate the available options for future direction in policy development and may appoint advisers and assessors to assist them in this process. They may go on site visits, conduct public surveys, hold public meetings, commission research and do all other things that they reasonably consider necessary to inform their deliberations. They may ask witnesses to attend to address them on any matter under consideration.

## **11 Reports from overview and scrutiny committee**

Once it has formed recommendations on proposals for development, overview and scrutiny committees and sub-committees will prepare a formal report and submit it to the Executive for consideration (if the proposals are consistent with the existing budgetary and policy framework), or to the Council as appropriate (e.g. if the recommendation would require a departure from or a change to the agreed budget and policy framework).

If an overview and scrutiny committee or sub-committee cannot agree on a single final report to the Council or Executive as appropriate, then a minority report may be prepared and submitted for consideration by the Council or Executive with the majority report.

The Council or Executive shall consider the report of the overview and scrutiny committee or sub-committee at the next meeting of the Council or of the Executive or within one month of it being submitted, whichever is the soonest.

## **12 Meetings of Executive**

The agenda for Executive meetings shall include a standing item entitled 'Issues arising from overview and scrutiny'. The reports of overview and scrutiny committees and sub-committees

referred to the Executive shall be included at this point in the agenda (unless they have been considered in the context of the Executive's deliberations on a substantive item on the agenda) within one calendar month of the overview and scrutiny committee or sub-committee completing its report/recommendations.

Overview and scrutiny committees and sub-committees will in any event have access to the forward plan and timetable for decisions and intentions for consultation. Even where an item is not the subject of detailed proposals from an overview and scrutiny committee or sub-committee following a consideration of possible policy/service developments, the committee or sub-committee will be able to respond in the course of the Executive's consultation process in relation to any key decision.

### 13 Rights of overview and scrutiny committee and sub-committee members to documents

In addition to their rights as councillors, members of overview and scrutiny committees and sub-committees have the additional right to documents, and to notice of meetings as set out in Schedule 2 Access to Information Procedure Rules in Part 4 of this Constitution.

Nothing in this paragraph prevents more detailed liaison between the Executive and overview and scrutiny committee and sub-committees as appropriate depending on the particular matter under consideration.

### 14 Members and officers giving account

Any overview and scrutiny committee or sub-committee may scrutinise and review decisions made or actions taken in connection with the discharge of any Council functions. As well as reviewing documentation, in fulfilling the scrutiny role, it may require any member of the Executive, the Chief Executive/Head of Paid Service to attend before it following consultation with Chief Executive/Head of Paid Service and relevant Executive Director:

1. any particular decision or series of decisions;
2. the extent to which the actions taken implement Council policy; and/or
3. ~~their performance~~ the delivery of the actions.

and it is the duty of those persons to attend if so required.

Where any member or officer is required to attend an overview and scrutiny committee or sub-committee under this provision, the Chair of that committee or sub-committee will provide 30 days written notice by email to the said member or officer. All such notices are to be copied to the Chief Executive/Head of Paid Service at the time it is sent to the member or officer. The notice will state the nature of the item on which s/he is required to attend to give account and whether any papers or reports are required to be produced for the committee or sub-committee.

Where, in exceptional circumstances, the member or officer is unable to attend on the required date, then the overview and scrutiny committee or sub-committee shall in consultation with the member or officer arrange an alternative date for attendance.

### 15 Power to co-opt members

Overview and Scrutiny committees may co-opt members to its meetings to provide advice and information on specific points as required. No such co-opted members will be able to vote on any matter.

**Commented [A11]:** AC comment - The O&S Committee must not drift into matters of disciplinary proceedings – to do so may have serious consequences, including claims under employment law

**Commented [A12]:** AC comment see above re co-optees having voting rights – if we want to do this we amend the para accordingly

## 16 Attendance by others

An overview and scrutiny committee or sub-committee may invite people other than those people referred to in paragraphs 14 and 15 above to address it, discuss issues of local concern and/or answer questions. It may for example wish to hear from residents, stakeholders and members and officers in other parts of the public sector and shall invite such people to attend.

## 17 Call-in

17.1 Call-in should only be used in exceptional circumstances. In particular Call-in should only be used where members of the appropriate Overview & Scrutiny committee or sub-committee have evidence which suggest that the Executive did not take the decision in accordance with the principles set out in Article 14 (Decision Making).

17.2 When a decision is made by the Executive, an individual member of the Executive or a committee of the Executive, or a key decision is made by an officer with delegated authority from the Executive, or under joint arrangements, the decision shall be published, by electronic means, and shall be available on the website and at the main offices of the Council normally within five working days of being made. All Members will be sent copies of the records of all such decisions within the same timescale, by the person responsible for publishing the decision.

17.3 That notice will bear the date on which it is published and will specify that the decision will come into force, and may then be implemented, on the expiry of seven working days after the publication of the decision, unless an overview and scrutiny committee or sub-committee calls it in.

17.4 During that period, should the Chief Executive receive in writing or by email by the Chair or any two members of an Overview & Scrutiny committee or sub-committee, s/he shall Call in a decision for Scrutiny by the relevant Overview and Scrutiny committee and shall then notify the decision-taker of the Call-in. Each request must provide:

- (1) specific details for the reason for Call-in; and
- (2) the areas requested to be examined.

The Chief Executive in consultation with the ~~Head of Legal & Democratic Services & Monitoring Officer~~ shall have the right to reject such requests if they are frivolous, unsubstantial or repetitious.

17.5 The Chief Executive shall within ten (10) working days of the request for Call-in make arrangements for a meeting of the Overview & Scrutiny committee or sub-committee on such date as the Chief Executive may determine (where possible in consultation with the Chair of the relevant Overview & Scrutiny Committee or sub-committee). The relevant Portfolio Holder from the Executive shall be invited to attend the Overview & Scrutiny committee or sub-committee to assist the consideration of the Call-in item.

17.6 The Overview & Scrutiny Committee or sub-committee convened to consider the Call-in can take one of three steps:

1. Take no further action. The Call-in item shall then take effect on the date of the said Overview & Scrutiny committee or sub-committee meeting;
2. Refer the Call-in item back to the decision making body or person for full reconsideration. The Overview & Scrutiny committee or sub-committee; that takes this step must set out in

**Commented [A13]:** AC comment in practice yes, but as a matter of law if a decision is called in, its called in

writing the nature of the concerns that it wishes the decision making body or person to be considered;

3. Refer the Call-in item to Council.

- 17.7 Should the meeting specially convened for the purpose of consideration of a Call-in item not take place then in that event the decision subject to Call-in shall take effect on the date of the said Overview & Scrutiny committee or sub-committee meeting.
- 17.8 Call-in items at steps 2 and 3 above shall be subject to the Chief Executive making arrangements for a further meeting of the decision making body or Council within ten (10) working days of the Call-in meeting.
- 17.9 Where the Call-in item is referred back to the original decision making body it shall at the meeting consider the nature of the concerns referred to it from the specially convened Overview & Scrutiny committee. The decision making body shall decide whether to either:
- (i) Amend the earlier decision, or
  - (ii) Uphold the earlier decision

It shall then adopt the final decision with immediate effect.

- 17.10 Should the Call-in matter arranged under paragraph 17.9 not take place then in that event the Call-in item shall take effect on the date of the meeting arranged for the decision making body.
- 17.11 Where the Call-in item was a decision made by an individual member of the Executive or by an officer with delegated authority from the Executive s/he shall consider the matter with (10) ten working days of the Overview & Scrutiny meeting. In such an event the decision maker shall consider the nature of the concerns referred to him/her from the specially convened Overview & Scrutiny committee.
- 17.12 The individual member or officer shall decide whether to
- (a) Amend the earlier decision or
  - (b) Uphold the earlier decision

S/he shall then adopt the final decision with immediate effect.

- 17.13 Where the Call-in item is referred to Council. It shall at the meeting consider the nature of the concerns referred to it from the specially convened Overview & Scrutiny committee.
- 17.14 Should the Council decide to uphold the earlier decision this shall result in the matter referred to for Call-in taking effect on the date of the Council meeting.
- 17.15 Should the Call-in matter not be considered by Council or the meeting arranged under paragraph 17.13 then in that event the Call-in item shall take effect on the date of the meeting arranged for Council.
- 17.16 ~~Full Council has no locus to make~~ cannot amend decisions ~~made by of an the~~ Executive ~~nature~~ unless it is contrary to the policy framework or contrary to or not wholly consistent with the budget. Where Council proposes to amend the original decision it must refer the matter

back to the original decision making body or person, together with the Council's views in writing on the decision.

17.17 In such circumstances the Chief Executive will make arrangements within ten (10) working days of the Council meeting for a further meeting of the decision making body. That meeting shall follow the procedure outlined in paragraph 17.9 and should the meeting not take place 17.10.

## **18 Exceptions to Call-In and Urgency**

The call-in procedure set out above shall not apply where the decision being taken by the Executive is urgent. A decision will be urgent if any delay likely to be caused by the call in process would for example – seriously prejudice the Council's or the public's interests. The record of the decision, and notice by which it is made public shall state whether in the opinion of the decision making person or body, the decision is an urgent one, and therefore not subject to call-in. The Monitoring Officer in consultation with the Mayor must agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. In the absence of the Monitoring Officer and/or Mayor the appropriate his/her Deputy's consent shall be required. Decisions taken as a matter of urgency must be reported to the next available meeting of the Council, together with the reasons for urgency.

The operation of the provisions relating to call-in and urgency shall be monitored annually, and a report submitted to Council with proposals for review if necessary.

## **19 The party whip**

~~The party whip shall not apply to meetings of overview and scrutiny committee or sub-committees.~~ When considering any matter in respect of which a member of an overview and scrutiny committee or sub-committee is subject to a party whip in respect of that particular item, the member must declare the existence of the whip, and the nature of it before the commencement of the committee's deliberations on the matter. The declaration, and the detail of the whipping arrangements, shall be recorded in the minutes of the meeting.

## **20 Procedure at overview and scrutiny committee and sub-committee meetings**

Overview and scrutiny committees and sub-committees shall consider the following business:

- 20.1 minutes of the last meeting;
- 20.2 declarations of interest (including whipping declarations);
- 20.3 forward plan;
- 20.4 consideration of any matter referred to the committee or sub-committee for a decision in relation to call in of a decision;
- 20.5 responses of the Executive to reports of the overview and scrutiny committee or sub-committee; and
- 20.6 the business otherwise set out on the agenda for the meeting.

## **21 Investigations by overview and scrutiny committees**

Where the overview and scrutiny committee or sub-committee conducts investigations (e.g. with a view to policy development), the committee or sub-committee may also ask people to attend to give evidence at committee meetings which are to be conducted in accordance with the following principles:

21.1 that the investigation be conducted fairly and all members of the committee or sub-committee be given the opportunity to ask questions of attendees, and to contribute and speak;

21.2 that those assisting the committee or sub-committee by giving evidence be treated with respect and courtesy; and

21.3 that the investigation be conducted so as to maximise the efficiency of the investigation or analysis.

Following any investigation or review, the committee or sub-committee shall prepare a report, for submission to the Executive and/or Council as appropriate and shall make its report and findings public.

## **22 Matters within the remit of more than one overview and scrutiny committee**

Where a matter for consideration by an overview and scrutiny committee also falls within the remit of one or more other overview and scrutiny committee(s), the decision as to which overview and scrutiny committee will consider it will be resolved by agreement between the Chairs of the overview and scrutiny committee. If the Chairs cannot agree -the Mayor will decide.

## SCHEDULE 6 - FINANCIAL PROCEDURE RULES

1. All employees and all Members must at all times when engaged on Council activities act in the interests of the Council as a whole.
2. All employees and all Members must comply at all times with these regulations wherever they apply.
3. All employees and all Members must act reasonably and within the spirit of the financial regulation framework.
4. All relevant financial interests must be declared to the Monitoring Officer.
5. All activities must be in accordance with:
  - 5.1 Legislation;
  - 5.2 Approved service plans or corporate plans;
  - 5.3 Approved service net revenue budgets or capital programmes;
  - 5.4 Relevant Council policies and adopted codes of practice.

Any material departures (actual or potential) must be reported formally to Members as soon as practicable.

6. Where practicable all activities should be in accordance with accepted best practice.
7. Best value and value for money must be sought in all activities, including the procurement of goods and services
8. Budgets at an appropriate level of detail must be prepared by the start of each financial year for all activities and units of the Council.
9. Material changes to financial policy or the distribution of resources must be referred to the Cabinet Executive for approval.
10. Service managers have primary responsibility for the control and management of all resources of all kinds made available to them.
11. All managers must ensure and regularly check that there is a full set of controls in every system under their management, including an adequate segregation of duties and an assessment of risk in all activities and decisions.
12. All employees must consider the need to seek appropriate views, advice and guidance before embarking on a course of action and particularly on a new course of action. This includes seeking advice from managers in other services, for example consulting the Assistant Director - People on the procurement of information technology or the Executive Director - Finance on the arrangement of leases, rentals or agreements involving the use of assets to or from the authority.
13. All managers must ensure that all assets and personnel must be adequately secured or protected and appropriate insurance arranged where necessary.
14. Adequate records must be maintained of all transactions in all systems (a complete audit trail) and unrestricted access must be allowed to all assets and records for:
  - a) the Chief Executive
  - b) the Section 151 Officer
  - c) the Head of Audit & Governance (Monitoring Officer)

- d) ~~the Monitoring Officer~~
- ~~e) External Auditors and other Statutory Inspectors~~
- ~~e) Officers Designated by any of the above.~~

Employees must supply information to those officers on request.

15. Managers must routinely monitor all activities under their control and report on any significant variations from expected standards.
16. Managers must report at regular intervals on performance on planned activities and on financial performance against approved budgets.
17. All employees and all Members must report any suspected:
  - a) failure in any system;
  - b) failure to comply with financial regulations;
  - c) suspected criminal act, including fraud or corruption.

The report should normally be made to the line manager. Full guidance is provided in the Council's [Counter Fraud & Corruption Policy Statement, Strategy & Guidance Notes](#), ~~confidential reporting policy~~.

Any manager who suspects such an occurrence must take any immediate action necessary to rectify any failure in a control system and report the position to a relevant senior manager, who may include the Chief Executive, Section 151 Officer, Monitoring Officer or Head of Audit & Governance.

18. The Section 151 Officer shall, with the agreement of the Chief Executive and Monitoring Officer, issue detailed guidance on procedures to be followed in compliance with these regulations.
19. All employees must comply with any applicable instructions or responsibilities specified in the guidance. In other respects all employees must act reasonably, having regard to the guidance and within the spirit of the guidance.

## SCHEDULE 7 - CONTRACTS PROCEDURE RULES

- 1 All employees must comply with these standing orders, the Public Contracts Regulations 2015 and with financial regulations when procuring goods and services.
  - 5.2.1 All Directors have primary responsibility for ensuring compliance within their service areas.
  - 5.2.2 Best value and value for money must be sought in all procurement activities. Competition must be sought in accordance with issued guidance.
  - 5.2.3 ~~The financial limits as set out within financial guidance for the procurement of goods and services should be followed. The only exceptions to these requirements shall be where the Cabinet Executive has given authority in order to achieve best value. Where the value of the goods and services is likely to be £50,000 or more the following requirements apply:~~
    - ~~5.2.3.1 tenders must be sought from three suitably qualified suppliers;~~
    - ~~5.2.3.2 the supply must be governed by a written contract.~~

~~The only exception to these requirements shall be where the Cabinet Executive has given authority in order to achieve best value.~~
  - 5.2.4 Reasonable steps must be taken to manage risk throughout the procurement process and employees must have regard to the guidance that is issued for this purpose.
  - 5.2.5 All potential suppliers of goods and services must be treated ~~equitably, equally and without discrimination. The Council shall act in a transparent and proportionate manner.~~
  - 5.2.6 In all procurement activities, arrangements must be clear regarding:
    - 5.2.6.1 the goods or services to be supplied and the supply mechanisms;
    - 5.2.6.2 the amount to be paid and the payment mechanisms;
    - 5.2.6.3 the rights and responsibilities of all parties.
  - 5.2.7 Employees must consider the need to seek appropriate views, advice and guidance before making a decision or embarking on a course of action related to procurement.
  - 5.2.8 The Section 151 Officer shall, with the agreement of the Chief Executive and Monitoring Officer, issue detailed guidance on procedures to be followed in compliance with these standing orders. Such guidance shall include procedures for securing competition, for regulating the manner in which tenders are invited and for managing risk.
  - 5.2.9 Employees must comply with any applicable instructions or responsibilities specified in the guidance. In other respects employees must act reasonably, having regard to the guidance and within the spirit of the guidance.

## SCHEDULE 8 - OFFICER EMPLOYMENT PROCEDURE RULES

### 1 Recruitment and appointment

#### Declarations

- 1.1 The Council will ~~draw up a statement~~ requiring any candidate for appointment as an officer to state in writing whether they are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing councillor, or officer of the Council; or of the partner of such persons.
- 1.2 No candidate so related to a councillor or an officer will be appointed without the authority of the Chief Executive/Head of Paid Service or an officer nominated by him/her.

#### Seeking support for appointment

- 1.3 The Council will disqualify any applicant who directly or indirectly seeks the support of any councillor for any appointment with the Council. The content of this paragraph will be included in any recruitment information.
- 1.4 No councillor will seek support for any person for any appointment with the Council.

### 2 Recruitment of Head of Paid Service and Chief Officers

Where the Council proposes to appoint a Head of Paid Service or a Chief Officer and it is not proposed that the appointment be made exclusively from among their existing officers, the Council will:

- 2.1 draw up a statement specifying;
  - 2.1.1 the duties of the officer concerned; and
  - 2.1.2 any qualifications or qualities to be sought in the person to be appointed.
- 2.2 make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and
- 2.3 make arrangements for a copy of the statement mentioned in paragraph ~~(a) (i) 2.1~~ to be sent to any person on request.

### 3 Appointment of Chief Executive and Head of Paid Service

The full council will approve the appointment of the Chief Executive and Head of Paid Service following the recommendation of such an appointment by the Appointments and Staffing committee of the Council consisting of five members appointed at the annual meeting. That committee must include at least one member of the Executive.

The full Council may only approve the appointment of the Chief Executive and Head of Paid Service where no material and/or well-founded objection has been made by any member of the Executive.

### 4 Appointment of ~~Oether~~ Statutory/Chief Officers

The Appointments & Staffing Committee will recommend the appointment of the following Statutory Officers – Chief Executive/Head of Paid Service, Monitoring Officer and Section 151 Officer to Council for confirmationapproval.

An offer of employment as a chief officer shall only be made where no material and/or well-founded objection from any member of the Executive has been received.

## 5 Other appointments

**Officers below Chief Officer.** Appointment of officers below chief officer (other than assistants to political groups) is the responsibility of the Chief Executive/Head of Paid Service or his/her nominee, and may not be made by councillors.

**Assistants to political groups.** Appointment of an assistant to a political group shall be made in accordance with the wishes of that political group.

## 6 Disciplinary action

**6.1 Suspension.** The Chief Executive, Head of Paid Service, Monitoring Officer, Section 151 Officer (a Relevant Officer) may be suspended whilst an investigation takes place into alleged misconduct. That suspension will be on full pay and will last no longer than two months.

**6.2** No other disciplinary action may be taken in respect of any Relevant Officer except in accordance with a recommendation in a report made by the Chief Officers Conduct Committee

## 7. CHIEF OFFICERS CONDUCT COMMITTEE

**7.1** Where it appears to the Council that an allegation of misconduct by a Relevant Officer requires to be investigated, the Chief Officers Conduct Committee will arrange for an investigation into the allegation to be carried out on its behalf

**7.2.** In the course of the investigation the Chief Officers Conduct Committee may recommenndirect:

7.2.1 that the Council terminate any suspension of the relevant officer and that they are reinstated;

7.2.2 that any such suspension must continue beyond the two month period in 6.1;

7.2.3 that the terms on which any such suspension has taken place must be varied in accordance with the direction; or

7.2.4 that no steps (whether by the Council or any Committee, Sub-committee or officer acting on behalf of the Council) towards disciplinary action or further disciplinary action against the relevant officer are to be taken before a report is made under 7.5 below.

**7.3** The Chief Officers Conduct Committee or a person acting on their behalf may inspect any documents relating to the conduct of the relevant officer which are in the possession of the Council or which the Council has the power to authorise them to inspect.

**7.4** The Chief Officers Conduct Committee or a person acting on their behalf may require any member of the Council's staff to answer questions concerning the conduct of the Relevant Officer.

**7.5** The Chief Officers Conduct Committee must make a report to the Council:

- 7.5.1 stating the committee's opinion as to whether (and if so, the extent to which) the evidence the committee has obtained supports any allegation of misconduct against the relevant officer; and
- 7.5.2 recommending any disciplinary action which appears to the committee to be appropriate for the Council to take against the relevant officer.

unless they have previously directed that the suspension be terminated and ~~the~~ the officer reinstated.

**7.6** The Chief Officers Conduct Committee must, no later than the time at which they make a report under 7.5 above to the Council, send a copy of the report to the relevant officer.

**7.7** Before the taking of a vote at a meeting to consider whether or not to approve a proposal to dismiss a relevant officer the Council must take into account, in particular;

- a) any advice, views or recommendations of the Chief Officers Conduct Committee
- b) the conclusions of any investigation into the proposed dismissal; and
- c) any representations from the relevant officer;
- d) the requirement of the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended).

**7.8** Members of the Council will not be involved in disciplinary action against any officer below ~~deputy~~ Chief Officer except where such involvement is necessary for any investigation or inquiry into alleged misconduct, through the Council's disciplinary, capability and related procedures, as adopted from time to time which may allow a right of appeal to members in respect of disciplinary action. Which will be subject to the current Joint Negotiating Committee for Local Authority Chief Offices Conditions of Service Handbook.

## **8 Settlement Agreements and Termination Payments**

**8.1** Where any officer leaves the employment of the Council any sums payable to the officer, whether under a settlement agreement, or otherwise by the Council shall be determined in accordance with the Council's Annual Pay Policy Statement.

**8.2** Where any termination payment including pensions provision exceeds £100,000 in total then the payment must be approved by full Council.

**PART 5 - CODES AND PROTOCOLS**

**Member Code of Conduct**

**[The Council's Arrangements for Making Complaints Against a Councillor for an Alleged Breach of the Code of Conduct](#)**

**Officer Code of Conduct**

**Protocol of Member/Officer relations**

**Pre Election Protocol**

**Protocol on Member Involvement in Commercial Transactions**

**Protocol on the use of Council Facilities, Printing and Postage**

**Gifts and Hospitality**

**Local Protocol for Officers and Members dealing with Planning Matters**

**Monitoring Officer Protocol**

**Guidance notes to complete the Register of Interests**

## SCHEDULE 9 - MEMBERS' CODE OF CONDUCT

Commented [A14]: Awaiting outcome of LGA's Model Code of Conduct Consultation

### Tamworth Borough Council Members' Code of Conduct

As a member or co-opted member of Tamworth Borough Council I have a responsibility to represent the community and work constructively with our staff and partner organisations to secure better social, economic and environmental outcomes for all.

In accordance with the Localism Act provisions, when acting in this capacity I am committed to behaving in a manner that is consistent with the following principles to achieve best value for our residents and maintain public confidence in this authority.

**SELFLESSNESS:** Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

**INTEGRITY:** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

**OBJECTIVITY:** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

**ACCOUNTABILITY:** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

**OPENNESS:** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

**HONESTY:** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

**LEADERSHIP:** Holders of public office should promote and support these principles by leadership and example.

As a member or co-opted member of Tamworth Borough Council, my conduct will in particular address the statutory principles of the code of conduct by:

- 1 Championing the needs of residents – the whole community and ~~in a special way~~ particularly my constituents, including those who did not vote for me - and putting their interests first.
- 2 Dealing with representations or enquiries from residents, members of our communities and visitors fairly, appropriately and impartially.
- 3 Maintaining and fulfilling the rights and obligations imposed by the requirements of Data Protection legislation.
- 4 Not allowing other pressures, including the financial interests of myself or others connected to me, to deter me from pursuing constituents' casework, the interests of the Borough of Tamworth or the good governance of the authority in a proper manner.

- 5 Exercising independent judgement and not compromising my position by placing myself under obligations to outside individuals or organisations who might seek to influence the way I perform my duties as a member/co-opted member of this authority.
- 6 Listening to the interests of all parties, including relevant advice from statutory and other professional officers, taking all relevant information into consideration, remaining objective and making decisions on merit.
- 7 Being accountable for my decisions and co-operating when scrutinised internally and externally, including by local residents.
- 8 Contributing to making this authority's decision-making processes as open and transparent as possible to enable residents to understand the reasoning behind those decisions and to be informed when holding me and other members to account but restricting access to information when the wider public interest or the law requires it.
- 9 Behaving in accordance with all our legal obligations, alongside any requirements contained within this authority's policies, protocols and procedures, including on the use of the Authority's resources.
- 10 Valuing my colleagues and staff and engaging with them in an appropriate manner and one that underpins the mutual respect between us that is essential to good local government.
- 11 Always treating people with respect, including the organisations and public I engage with and those I work alongside.
- 12 Providing leadership through behaving in accordance with these principles when championing the interests of the community with other organisations as well as within this authority.
- 13 Keeping confidential any confidential information I receive in my role as a Councillor.
- 14 Co-operating and assisting with any investigation into a breach of the Code of Conduct or the decision making of a sub-committee.
- 15 Not attempting to interfere with any investigation by any means, including the attempted intimidation or pressuring of witnesses.

### Registration of Interests

The Localism Act further provides for registration and disclosure of interests and this will be done as follows:

The Monitoring Officer will maintain a register of members' interests in accordance with section 29 of the Localism Act 2011. The register of interests is a public document which must be published on the Council's web site.

#### The requirement to register interests

Members and co-opted members shall on the adoption of this code of conduct register any disclosable pecuniary interests as specified by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. A copy of the statutory provisions and the regulations is set out in the schedule to this code.

A member or co-opted member must before the end of 28 days beginning with the day on which the person becomes a member or co-opted member of the Council notify the Monitoring Officer of any disclosable pecuniary interest which a person has at the time when notification is given or in the case of re-election or re-appointment any interests which have not been the subject of notification. Any new interests should also be notified within 28 days. A form will be provided for the convenience of members and co-opted members.

All interests declared whether or not disclosable pecuniary interests shall be entered on the register.  
The interests to be registered

**13.16** Disclosable pecuniary interests as set out in the regulations<sup>1</sup> being the interest of:-

- 13.16.1** the member or co-opted member.
- 13.16.2** the spouse or partner of the member or co-opted member.
- 13.16.3** a person with whom the member or co-opted member is living as husband and wife or as if they were civil partners.
- 13.16.4** and the member or co-opted member is aware that the other person has an interest.

**14.17** Disclosable pecuniary interests<sup>2</sup> are:-

- 14.17.1** Employment, office, trade profession or vocation.
- 14.17.2** Sponsorship.
- 14.17.3** Contracts with the Council.
- 14.17.4** Any interest in land in the Borough.
- 14.17.5** Any licence to occupy land in the Borough.
- 14.17.6** Corporate tenancies where the Council is the landlord and the tenant is a body in which any of the persons in paragraphs ~~(a)~~, ~~(b)~~ and ~~(c)~~ 13.1 to 13.3 above have a beneficial interest.
- 14.17.7** Securities such as shares in a body having a place of business in the Borough and the nominal value exceeds £25,000 or 1% of the issued share capital of that body or the class of shares held.

Obligations in respect of matters considered at meetings or by a single member exercising ~~executive~~ Executive functions

If a member or co-opted member is present at a meeting of the Council, the ~~Cabinet~~ Executive, or any committee, sub-committee, joint committee or joint sub-committee of the Council or of the ~~executive~~ Executive has a disclosable pecuniary interest of which they are aware and the interest is not entered in the register of interests, the member or co-opted member must disclose the interest to the meeting unless the interest is a sensitive interest (see below) in which case only the fact that there is an interest need be disclosed.

Notice of the interest must be given to the Monitoring Officer within 28 days of disclosing it, unless the interest has already been registered or notice has already been given.

**If you have a ~~pecuniary disclosable~~ pecuniary interest in any business you cannot participate, or participate further, in any discussion of the matter at the meeting or participate in any vote, or further vote taken on the matter at the meeting unless you have obtained a dispensation from the Audit and Governance Committee.**

Standing order 21.6 provides that a member with a disclosable pecuniary interest must withdraw from the room in which the meeting is being held.

Where a single member exercising Executive decisions has a disclosable pecuniary interest in any matter being dealt with by that member in discharging that function, notice of the interest must be given to the Monitoring Officer –within 28 days of disclosing it, unless the interest has already been registered or notice has already been given and the member must not take any further steps in relation to the matter except for enabling the matter to be dealt with by another member.

<sup>1</sup> The Relevant Authorities (Disclosable Pecuniary Interest) Regulation 2012.

<sup>2</sup> See the regulations for the full definition.

Voluntary registration and declaration of interests – guidance

If a member or co-opted member has other interests which do not constitute a disclosable pecuniary interest, it would be good practice and in accordance with principle of openness to consider whether in all the circumstances such interests should be notified to the Monitoring Officer for inclusion in the register of interests.

Members and co-opted members should also consider whether such interests might be viewed by other people as prejudicing the proper consideration of business in the public interest and whether such interests should be disclosed to the meeting. Members and co-opted members should also decide whether or not to take part in the discussion and any vote where an interest is disclosed. Particular consideration should be given to other interests in the case of planning and licensing decisions.

The Monitoring Officer will be available to provide general guidance to members and co-opted members.

Sensitive interests

If a member or co-opted member considers that disclosure of an interest could result in that person or a connected person being subject to violence or intimidation an application should be made to the Monitoring Officer for details of that interest to be excluded from the register.

Dispensations

If the number of members prohibited from participating in any business would be so great a proportion of the number of members transacting the business as to impede the transaction of the business, the Council, acting by the Audit and Governance Committee may grant a dispensation in appropriate terms for a period not exceeding four years. An application for dispensation should be made to the Monitoring Officer to put before the Audit & Governance Committee.

Criminal offences

Failure, without reasonable excuse to comply with the statutory provisions relating to disclosable pecuniary interests is a criminal offence which on summary conviction carries a maximum fine of £5,000 and may lead to disqualification for a maximum period of five years for being or becoming a member or co-opted member of a local authority.

Section 34 of the Localism Act (see the schedule) sets out the offences.

Gifts and Hospitality

This Code and Schedule 15 of the Constitution (Gifts and Hospitality) require to be followed in conjunction with each other.

I .....

being a member or co-opted member of Tamworth Borough Council agree to be bound by the provisions of this code of conduct.

Dated.....

# The Council's Arrangements for Making Complaints Against a Councillor for an Alleged Breach of the Code of Conduct

**Commented [A15]:** This is the version of the current Procedure from our website.

## 1. Introduction and Context

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- 1.1 These procedures set out how you may make a complaint that an elected or co-opted member of this Council has failed to comply with the Members' Code of Conduct. The procedures set out how the Council will deal with any allegations of a failure to comply with the Members' Code of Conduct.
- 1.2 Under Section 28(6) and (7) of the Localism Act 2011, the Council must have in place "arrangements" under which allegations that a Member or co-opted Member of the Council or of a Committee or Sub-Committee of the Council, has failed to comply with their Code of Conduct, can be investigated and decisions made on such allegations.
- 1.3 Such arrangements must provide for the Council to appoint at least one Independent Person, whose views must be sought by the Council before it takes a decision on an allegation which it has decided shall be investigated, and whose views can be sought by the Council at any other stage, or by a member against whom an allegation has been made.

## 2. The Code of Conduct

- 2.1 The Council has adopted a Code of Conduct for Members, which is available for inspection on the Council's website - [www.tamworth.gov.uk](http://www.tamworth.gov.uk) and on request from Democratic Services at Marmion House, Lichfield Street, Tamworth, B79 7BZ.

## 3. Making a Complaint

- 3.1 If you wish to make a complaint, please write to:

The Monitoring Officer, Marmion House, Lichfield Street, Tamworth, B79 7BZ and a Member Complaint form will be sent to you. Alternatively, you may download a Word version of the form from [this page on Council's website](#):

**Commented [A16]:** Amend to simply refer to website

You may either return the form by post to the Monitoring Officer or email it to [Members-complaints@tamworth.gov.uk](mailto:Members-complaints@tamworth.gov.uk).

- 3.2 The Monitoring Officer is the senior officer of the Council who has statutory responsibility for maintaining the register of members' interests and who is responsible for administering the system in respect of complaints of Member misconduct. In the Monitoring Officer's absence the Deputy Monitoring Officer has the same powers and responsibilities for the

purposes of these procedures.

- 3.3 In order to ensure that we have all the information which we need to be able to process your complaint, please complete and send us the complaint form. If you need help in completing the form please contact Legal and Democratic Services on tel: 01827 709264.
- 3.4 Please provide us with your name and a contact address or email address, so that we can acknowledge receipt of your complaint and keep you informed of its progress. If you want to keep your name and address confidential, please indicate this in the space provided on the complaint form. Only in exceptional circumstances will your address be kept confidential. Therefore it is important that you give clear reasons for your request for confidentiality. The Monitoring Officer will consider your request and if granted we will not disclose your name and address to the member against whom you make the complaint, without your prior consent.
- 3.5 The Council does not normally investigate anonymous complaints, unless there is clear evidence of a potential breach of the Code and it is in the public interest to investigate the matter.
- 3.6 The Monitoring Officer will acknowledge receipt of your complaint within five working days of receiving it. We will keep you informed of the progress of your complaint at the appropriate stages.
- 3.7 The Complaints Procedure Flowchart is annexed at **Appendix 1** for your assistance.

#### **4. Will your Complaint be Investigated?**

- 4.1 If the complaint is from one Member against another Member or from an Officer of the Council against a Member, then the Monitoring Officer will seek to resolve the issue without resorting to this complaints procedure. The Monitoring Officer will seek a mutually agreed outcome in such circumstances and if this is not possible then the procedure set out below will be followed.
- 4.2 The Monitoring Officer will review every complaint received from a Member of the public and may consult with the Independent Person before taking a decision as to whether it:
- a) Merits no further investigation
  - b) Merits further investigation
  - c) Should be referred to Audit & Governance Committee
- 4.3 This decision will normally be taken within 28 working days of receipt of your complaint. Your complaint will be considered in accordance with the Assessment Criteria annexed at **Appendix 2**. Where the Monitoring Officer has taken a decision, she will inform you of her decision and the reasons for that decision. Where the Monitoring Officer requires additional

information in order to come to a decision, she may come back to you for such information, and may request information from the member against whom your complaint is directed.

4.4 If your complaint identifies criminal conduct or breach of other regulation by a member, the Monitoring Officer has the power to call in the Police or other regulatory agencies.

## **5. How is the Investigation Conducted?**

5.1 The Council has adopted a procedure for the investigation of misconduct complaints, which is attached as **Appendix 3** to these arrangements.

5.2 If the Monitoring Officer decides that a complaint merits further investigation, she may appoint an Investigating Officer, who may be another senior officer of the Council, an officer of another authority or an external investigator. The Investigating Officer or Monitoring Officer will decide whether she needs to meet or speak to you to understand the nature of your complaint and so that you can explain your understanding of events and suggest what documents need to be seen, and who needs to be interviewed.

5.3 The Investigating Officer or Monitoring Officer will normally write to the member against whom you have complained and provide him/her with a copy of your complaint, ask the member to provide his/her explanation of events and identify what documents he/ needs to see and who he/she needs to interview. In exceptional cases, where it is appropriate to keep your identity confidential or disclosure of details of the complaint to the member might prejudice the investigation, the Monitoring Officer can delete your name and address from the papers given to the member, or delay notifying the Member until the investigation has progressed sufficiently.

5.4 At the end of his/her investigation, the Investigating Officer or Monitoring Officer will produce a draft report ("the Investigation Report") and will send copies of that draft report, in confidence, to you and to the Member concerned, to give you both an opportunity to identify any matters in that draft report which you disagree with or which you consider require more consideration.

5.5 Having received and taken account of any comments which you may make, the draft Investigation Report will be finalised. Where an Investigating Officer has been appointed the Investigating Officer will send their final report to the Monitoring Officer.

## **6. What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?**

6.1 If an Investigating Officer has been appointed, the Monitoring Officer will review the Investigating Officer's report and, if she is satisfied that the Investigating Officer's report is sufficient, the Monitoring Officer will write to

you and to the Member concerned notifying you that she is satisfied that no further action is required, and give you both a copy of the Final Investigation Report.

6.2 If an Investigating Officer has been appointed and if the Monitoring Officer is not satisfied that the investigation has been conducted properly, she may ask the Investigating Officer to reconsider his/her report.

**7. What happens if the Investigating Officer concludes that there is evidence of a failure to comply with the Code of Conduct?**

7.1 If an Investigating Officer has been appointed the Monitoring Officer will review the Investigating Officer's report and will then either send the matter for a hearing before the Committee or, in consultation with the Independent Person, seek an informal resolution.

**a) Informal Resolution**

7.2 The Monitoring Officer may consider that the matter can reasonably be resolved without the need for a hearing. In such a case, she will consult with the Independent Person and with you as complainant and seek to agree what you consider to be a fair resolution which also helps to ensure higher standards of conduct for the future. Such resolution may include the member accepting that his/her conduct was unacceptable and offering an apology, and/or other remedial action by the Council. If the Member complies with the suggested resolution, the Monitoring Officer will report the matter to the Audit & Governance Committee for information, and no further action will be taken.

**b) Hearing**

7.3 If the Monitoring Officer considers that informal resolution is not appropriate, or the member concerned is not prepared to undertake any proposed remedial action, such as giving an apology, then the Monitoring Officer will present the Investigation Report to the Hearing Sub-Committee which will conduct a hearing before deciding whether the Member has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the Member.

7.4 The Council has agreed a procedure for hearing complaints, which is attached as **Appendix 4** to these arrangements.

7.5 At the hearing, the Investigating Officer or the Monitoring Officer will present their report, call such witnesses as he/she considers necessary and make representations to substantiate his/her conclusion that the member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer or Monitoring Officer may ask you as the complainant to attend and give evidence to the Sub-Committee. The member will then have an opportunity to give his/her evidence, to call

witnesses and to make representations to the Sub-Committee as to why he/she considers that he/she did not fail to comply with the Code of Conduct.

7.6 The Sub-Committee, with the benefit of any advice from the Independent Person, may conclude that the member did not fail to comply with the Code of Conduct, and dismiss the complaint.

7.7 If the Sub-Committee concludes that the member did fail to comply with the Code of Conduct, the Chair will inform the member of this finding and the Sub-Committee will then consider what action, if any, the Sub-Committee should take as a result of the member's failure to comply with the Code of Conduct. In doing this, the Sub-Committee will give the member an opportunity to make representations and will consult the Independent Person, and will then decide what action, if any, to take in respect of the matter.

**8. What action can the Hearing Sub-Committee take where a Member has failed to comply with the Code of Conduct?**

8.1 The Hearing Sub-Committee has been delegated by the Council such of its powers to take action in respect of individual Members as may be necessary to promote and maintain high standards of conduct. Accordingly the Sub-Committee may:

- a) Publish its findings in respect of the member's conduct.
- b) Report its findings to Council for information.
- c) Recommend to Council that the member be issued with a formal censure or be reprimanded.
- d) Recommend to the Member's Group Leader (or in the case of ungrouped Members, recommend to Council or to Committees) that he/she be removed from any or all Committees or Sub-Committees of the Council.
- e) Recommend to the Leader of the Council that the Member be removed from the Cabinet/Executive, or removed from particular Portfolio responsibilities. Recommend to Council that the Member be replaced as Executive/Executive Leader.
- f) Instruct the Monitoring Officer to arrange training for the member.
- g) Remove the member from all outside appointments to which he/she has been appointed or nominated by the Council.
- h) Withdraw facilities provided to the Member by the Council, such as a computer, website and/or email and internet access.

i) Exclude the Member for up to a maximum of six months from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee meetings.

8.2 The Sub-Committee has no power to suspend or disqualify the Member or to withdraw Members' or special responsibility allowances.

## **9. What happens at the end of the Hearing?**

9.1 At the end of the hearing, the Chair will state the decision of the Audit & Governance Sub-Committee as to whether the member failed to comply with the Code of Conduct and any actions which the Sub-Committee resolves to take.

9.2 As soon as reasonably practicable thereafter, the Monitoring Officer will prepare a formal decision notice in consultation with the Chair of the Sub-Committee, and send a copy to you, to the Member, make that decision notice available for public inspection and report the decision to the next convenient meeting of the Assembly (Council).

## **10. Who are the Hearing Sub-Committee Members?**

10.1 It is a Sub-Committee comprising Councillors sitting on the Authority's Hearing Committee.

10.2 It will comprise of three elected members appointed from Members of the Hearing Committee who will have been drawn from all political groups.

10.3 The Independent Person is invited to attend all meetings of the Sub-Committee and their views are sought and taken into consideration before the Sub-Committee takes any decision on whether the Member's conduct constitutes a failure to comply with the Code of Conduct and as to any action to be taken following a finding of failure to comply with the Code of Conduct.

## **11. Who is the Independent Person?**

11.1 The Independent Person is a person who has applied for the post following advertisement of a vacancy for the post, whose appointment will be ratified by the Council.

11.2 A person cannot be "independent" if he/she:

a) is, or has been within the past 5 years, a Member, co-opted Member or Officer of the Authority;

b) is a relative or close friend, of the complainant or the Member(s) against whom the complaint has been made.

11.3 For the above purpose “relative” means:-

11.3.1 Spouse or civil partner

11.3.2 Living with the other person as husband or wife or as if they were civil partners

11.3.3 Grandparent of the other person

11.3.4 A lineal descendent of a grandparent of the other person

11.3.5 A parent, sibling or a child of a person within paragraphs 11.3.1 or 11.3.2

11.3.6 A spouse or civil partner of a person within paragraphs 11.3.3, 11.3.4 or 11.3.5 or

11.3.7 Living with a person within paragraphs 11.3.3, 11.3.4 or 11.3.5 as husband and wife or as if they were civil partners

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## **12. Revision of these Arrangements**

The Council may by resolution agree to amend these arrangements, and has delegated to the Chair of the Sub-Committee the right to depart from these arrangements where he/she considers that it is expedient to do so in order to secure the effective and fair consideration of any matter, the details of which can be found on the Council's website.

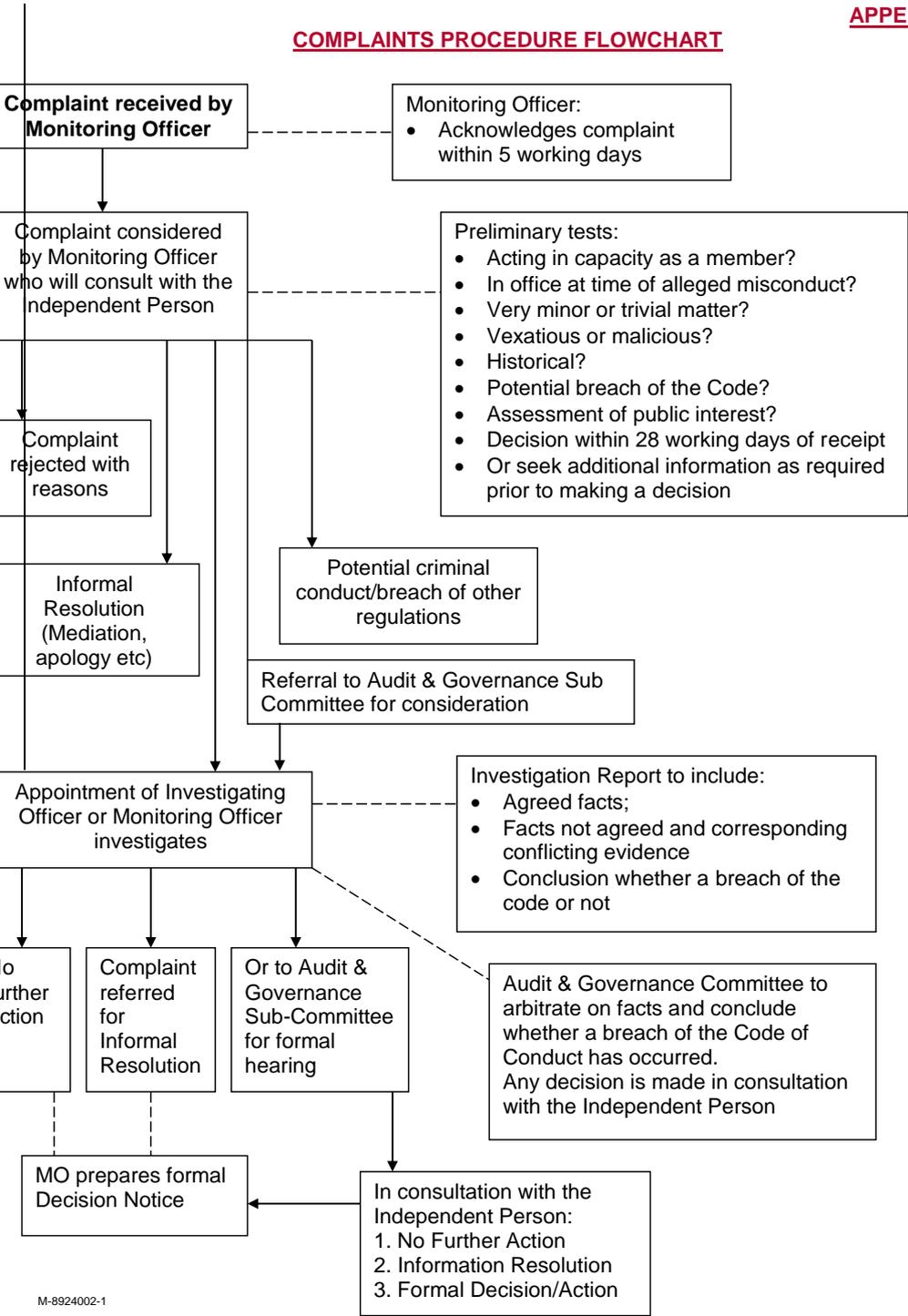
## **13. Appeals**

13.1 There is no right of appeal for you as complainant or for the member against a decision of the Monitoring Officer or of the Sub-Committee.

13.2 If you feel that the Council has failed to deal with your complaint properly, you may make a complaint to the Local Government Ombudsman whose details are as follows:

[www.lgo.gov.uk](http://www.lgo.gov.uk)  
Local Government Ombudsman, PO Box 4771,  
Coventry, CV4 0EH  
Tele: Advice Team – 0300 061 0614  
Text to 'call back' 0762 480 3014

COMPLAINTS PROCEDURE FLOWCHART



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## APPENDIX 2

### COMPLAINTS ASSESSMENT CRITERIA

#### Complaints which would not normally be referred for investigation

1. The complaint is not considered sufficiently serious to warrant investigation; or
2. The complaint appears to be simply motivated by malice or is "tit-for-tat"; or
3. The complaint appears to be politically motivated; or
4. It appears that there can be no breach of the Code of Conduct; for example, that it relates to the member's private life or is about dissatisfaction with a Council decision or service; or
5. It is about someone who is no longer a member of the Council; or
6. There is insufficient information available for a referral; or
7. The complaint has not been received within 3 months of the alleged misconduct, unless there are exceptional circumstances, e.g. allegation of bullying, harassment etc; or
8. The matter occurred so long ago that it would be difficult for a fair investigation to be carried out; or
9. The same, or similar, complaint has already been investigated and there is nothing further to be gained by seeking the sanctions available to the Hearing Committee; or
10. It is an anonymous complaint, unless it includes sufficient documentary evidence to show a significant breach of the Code of Conduct; or
11. Where the member complained of has apologised and/or admitted making an error and the matter would not warrant a more serious sanction.

#### Complaints which may be referred to the Standards Committee

1. It is serious enough, if proven, to justify the range of actions available to the Standards Committee; or
2. There are individual acts of minor misconduct which appear to be a part of a continuing pattern of behaviour that is unreasonably disrupting the business of the Council and there is no other avenue left to deal with it other than by way of an investigation; or
3. When the complaint comes from a senior officer of the Council, such as

the Chief Executive or the Monitoring Officer and it would be difficult for the Monitoring Officer to investigate; or

4. The complaint is about a high profile member such as the Leader of the Council and it would be difficult for the Monitoring Officer to investigate; or

5. Such other complaints as the Monitoring Officer considers would not be appropriate for him/her to investigate.

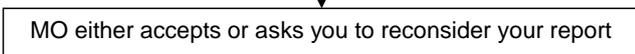
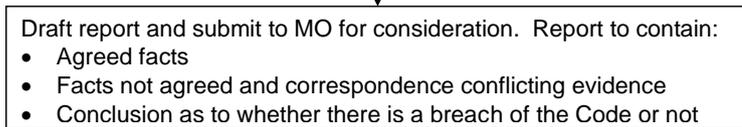
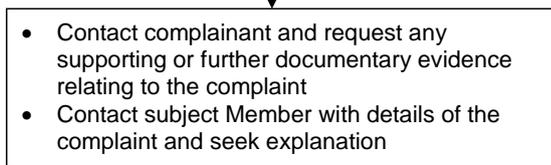
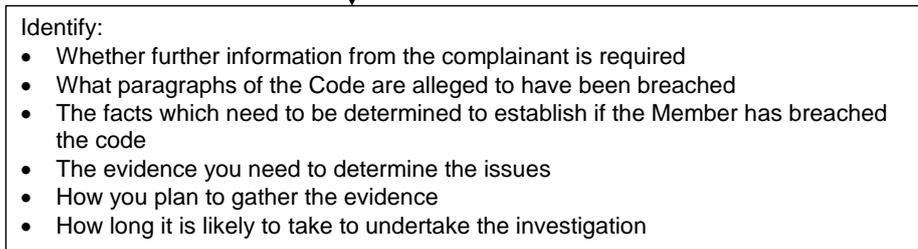
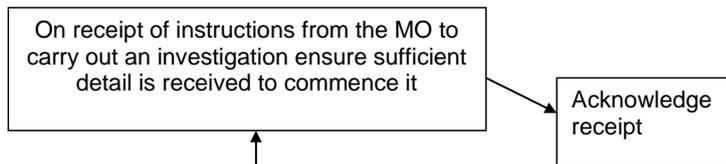
**Whilst complainants must be confident that complaints are taken seriously and dealt with appropriately, deciding to investigate a complaint or to take further action will cost both public money and officers' and members' time. This is an important consideration where the complaint is relatively minor.**

**APPENDIX 3**

**COMPLAINTS INVESTIGATION PROCEDURE**

You should maintain a written record to demonstrate what was considered at the start of the investigation and plan how you intend to carry out the investigation, the paragraphs of the code that may have been breached, the facts you need to determine to establish, the evidence you will need, how you plan to gather the evidence and how long it will take to conclude your investigation. Remember there is no provision in the Localism Act 2011 compelling Members or witnesses to co-operate with your investigation.

A written Investigation Report will need to be prepared for consideration by the Council's Monitoring Officer (MO).



**APPENDIX 4**

**Complaints Sub-Committee Procedure**

<b><u>Item No</u></b>	<b><u>Procedure</u></b>
1	<p align="center"><b><u>Quorum</u></b></p> <p>1.1 <u>Three Members must be present throughout the hearing to form a quorum</u></p> <p>1.2 <u>The Sub-Committee shall nominate a Chair for the meeting</u></p>
2	<p align="center"><b><u>Opening</u></b></p> <p>2.1 <u>The Chair explains the procedure for the hearing and reminds all parties to turn off mobile phones, audible alarms and pagers etc</u></p> <p>2.2 <u>The Chair asks all present to introduce themselves</u></p> <p>2.3 <u>The Councillor will be asked whether they wish to briefly outline their position</u></p>
3	<p align="center"><b><u>The Complaint</u></b></p> <p>3.1 <u>The Investigating Officer shall be invited to present their —report including any documentary evidence or other material (and to call witnesses as required by the —Investigating Officer). This report and documentary —evidence must be based on the complaint made to the —Council – no new points will be allowed</u></p> <p>3.2 <u>The Councillor against whom the complaint has been made (or their representative) may question the Investigating Officer upon the content of their report and any witnesses called by the Investigating Officer. (This is the Councillor's —opportunity to ask questions rising from the Investigator's —report and not to make a statement)</u></p> <p>3.3 <u>Members of the Sub-Committee may question the —Investigating Officer upon the content of their report and/or - any witnesses called by the Investigating Officer.</u></p>

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<u>4</u>	<b><u>The Councillor's Case</u></b>  <u>4.1 The Councillor against whom the complaint has been made (or their representative) may present their case (and call any witnesses as required by the Councillor or their representative).</u>  <u>4.2 The Investigating Officer may question the Councillor and/or any witnesses.</u>  <u>4.3 Members of the Sub-Committee may question the Member and/or any witnesses.</u>
<u>5</u>	<b><u>Summing Up</u></b>  <u>5.1 The Investigating Officer may sum up the complaint.</u>  <u>5.2 The Member (or their representative) may sum up their case</u>
<u>6</u>	<b><u>Decision</u></b>  <u>6.1 Members of the Sub-Committee will deliberate to consider the complaint in consultation with the Independent Person - prior to reaching a decision.</u>  <u>6.2 Upon the Sub-Committee's return the Chair will announce the Sub-Committee's decision in the following terms:-</u>  <u>6.2.1 The Sub-Committee decides that the Member has failed to follow the Code of Conduct or</u> <u>6.2.2 The Sub-Committee decides that the Member has not failed to follow the Code of Conduct</u> <u>6.2.3 The Sub-Committee will give reasons for their decision</u>  <u>6.3 If the Sub-Committee decides that the Member has failed to follow the Code of Conduct the Sub-Committee will consider any representations from the Investigator and/or the Member as to:</u>  <u>6.3.1 whether any action should be taken, and</u> <u>6.3.2 what form any action should take</u>

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- 6.4 The Sub-Committee will then deliberate to consider what —action if any should be taken in consultation with the —Independent Person
- 6.5 On the Sub-Committee's return the Chair will announce the Sub-Committee's decision
- 6.6 The Sub-Committee will consider whether it should make any recommendations to the Council with a view to promoting high standards of conduct among Members
- 6.7 The Chair will confirm that a full written decision shall be issued within seven working days following the hearing and that the Sub-Committee's findings will be published.

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## CODE OF CONDUCT FOR EMPLOYEES

### 1. INTRODUCTION

- 1.1 The public is entitled to expect the highest standards of conduct from all local government employees.
- 1.2 This Code is based on a model produced, after consultation, by the local authority associations and the Local Government Management Board. It has been developed to take into account Tamworth Borough Council corporate policies. Consultations have also taken place locally with the Trade Unions. A copy is issued to every employee. 1.3 This Code takes into account "The Seven Principles of Public Life" which are included in the Nolan Committee's report on "Standards in Public Life". These are; selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- 1.3 The Code also reflects updated guidance in relation to the acceptance of any fee or reward other than proper remuneration and the provisions of the Bribery Act 2012 which require all gifts, hospitality or benefits to be declared.
- 1.4 The Code also reflects updated guidance in relation to the acceptance of any fee or reward other than proper remuneration and the provisions of the Bribery Act 2012 which require all gifts, hospitality or benefits to be declared.

### 2. STATUS OF THE CODE

- 2.1 The Council has chosen to adopt the Code of Conduct. The Code sets out minimum standards that employees should observe. It lays down guidelines for employees to help maintain and improve standards and protect employees from misunderstanding or criticism.

### 3. SCOPE OF THE CODE

- 3.1 The Code applies to all employees, casuals, and volunteers of Tamworth Borough Council. Where appropriate our partners and contractors are also expected to be aware of our code and comply with the minimum standards.
- 3.2 Activities carried out by Council employees acting as members of companies or voluntary organisations are subject to the minimum standards within this Code.

### 4. STANDARDS

- 4.1 As a Tamworth Borough Council employee you are expected to give the highest possible standard of service to the public. You have the following duties;
- (i) A duty of service - to work in accordance with your contract of employment; e.g. - not to be absent or late without permission.
- (ii) A duty to carry out reasonable instructions, procedures and regulations.
- (iii) A duty to care - to be competent and capable and not to be negligent in work.

(iv) A duty of good faith - to be honest and not accept a fee or commission or gifts from those who do business with the Council or to divulge confidential information about the Council.

#### **Personal Standards**

4.2 As a Tamworth Borough Council employee you are expected to:

(i) Be positive, helpful and co-operative in dealing with colleagues, Members and the public.

(ii) Provide impartial advice to councillors and colleagues.

(iii) Remember that as a Council employee your primary responsibility is to the community as expressed by the corporate policies of the Council. You should not allow departmental or sectional or other interests to take precedence over corporate policies. Within these policies you should respect the defined roles of departments, service centres and colleagues and avoid conflict and disharmony within the organisation.

(iv) Remember that you are accountable for your actions and decisions and be prepared to submit yourself to whatever scrutiny is appropriate to your office.

(v) Ensure that your personal appearance is consistent with public expectations, bearing in mind the work you do.

(vi) Bring to the attention of the appropriate level of management any deficiency in the provision of service.

(vii) Report to the appropriate manager any serious impropriety or breach of procedure. (see Whistleblowing Policy and the Counter Fraud & Corruption Strategy).

#### **Competence Standards**

4.3 As an employee you are expected to perform your duties with:

(i) due care;

(ii) competence;

(iii) diligence, and continue to maintain such standards.

4.4 If you hold a specific technical and professional qualification you should:

(i) carry out your duties in accordance with the standards set by your professional body;

(ii) conform with any guidelines on ethics produced by your professional body.

#### **Council Policies, etc.**

4.5 The Council has a Constitution, Financial ~~Regulations~~ rules and a number of corporate policies which you should familiarise yourself with. The Scheme of Delegation will set out the responsibility for certain decisions and care should be taken to ensure you have the correct authorisation to carry out tasks you are undertaking.

4.6 Your section or directorate will have specific rules, procedures and codes of practice which apply to the particular department workplace and type of work in which you are engaged. These rules are

communicated by management in various ways, including oral instructions, procedure manuals, notices, information sheets the Councils website and intranet and e-mail.

- 4.7 You are expected to comply with these rules and policies in carrying out your duties.

## 5. DISCLOSURE OF INFORMATION

- 5.1 The law requires certain types of information to be available to councillors, auditors, government departments, and the public. This 'access' legislation has ~~three~~ two main Acts, the first and second being the Freedom of Information Act 2000 (FOI) and the Environmental Information Regulations 2004 (EIR) that provides a right to request access from the general public for information the council holds. The ~~second~~ third is the Data Protection Act 2018 (DPA) that provides a right of access by a person of which we may hold your personal information.

With regard to FOI/EIR regularly requested information should be available on the Council's Publication Scheme. Copies are available from your Manager or on the Council's website.

- 5.2 Employees are expected to be open, informative and truthful in dealing with colleagues, members and the public and to provide the information under any entitlement to FOI/EIR, GDPR and in accordance with any Data Sharing Protocols. If you are not sure what should be made available, you should find out from your manager or the designated manager dealing with this access legislation.
- 5.3 There is a balance between the right of access and the right to withhold information, this is laid down in exemptions to the Acts, where by disclosure of such information would be unfair to any individual or cause harm to the council and its business partners both financially or reputation. Care must be taken by employees not to disclose information that could be seen to create these situations.
- 5.4 Any information obtained in the course of your employment should not be used for your personal gain or benefit, and you should not pass it on to anyone else who could use it for his or her benefit. Do not divulge any personal information about a fellow employee, member of the public or a Councillor without permission unless disclosure is required by law.
- 5.5 Under the Data Protection Act 2018 it may be an offence to obtain, hold or disclose personal data on others in a way which exceeds the normal completion of your duties.

The Council has rules concerning personal data and other confidential information set out overleaf and certain areas of the Council also have more specific rules or procedures concerning personal data. Breach of these may lead to action under the Council's Conduct and Capability Policy. If you are in doubt whether it is legal or appropriate to procure, keep or disclose information relating to any individual(s) you should refer to your manager for guidance.

Under the scheme of delegation only employees authorised to do so may talk to the press or otherwise make personal statements on behalf of your service, directorate or the Council.

- 5.6 Employees should not bring the council into disrepute by placing on record personal opinions about the council; recording footage not conducive with council business whilst on the premises or engaged in council business on social media sites. Employees are urged to be cautious when using social media sites and understand that anything posted on such sites are available to a wide audience and will reflect on the Council, even if they are your personal views. Care should be taken to ensure any comments should not undermine your position as a professional, trusted and responsible person. Employees should be aware that any disrespectful comments - including bullying and harassment will be dealt with under our Grievance Policy and may result in disciplinary action.

## **6. POLITICAL NEUTRALITY**

- 6.1 Employees serve the authority as a whole. You must ensure that the individual rights of all Councillors are respected.
- 6.2 You may be invited to advise political groups. Do so in a way that does not compromise your political neutrality. If you are in a politically restricted post you must ensure that you comply with the requirements of such posts.
- 6.3 All employees whether or not politically restricted must follow all lawful policies of the Council and must not let your own personal or political opinions interfere with your work.

## **7. RELATIONSHIPS WITH: -**

### ***Councillors***

- 7.1 You are responsible to the Council through your senior managers. Mutual respect between you and Councillors is essential for good local government. Avoid over familiarity with individual councillors, which could damage your relationship with and/or prove embarrassing to other employees and councillors. This can include socialising with councillors outside of work, accepting gifts or carrying out work on behalf of individual councillors (where this is not within their duties as a committee member or other office) within your working time. Where you have an existing relationship with a councillor, this should be declared to your line manager upon appointment.

### ***The Local Community and Service Users***

- 7.2 Always remember the Council's responsibility is to the community and give a courteous, efficient and impartial service to all groups and individuals within the Council's policies. Try to be positive, constructive and inclusive. When necessary make extra efforts to communicate with people with disabilities in accordance with Council policies.

### ***Contractors***

- 7.3 All relationships of a business or private nature with external contractors, or potential contractors, should be declared to your Director (see paragraph 10.1 below). If employees engage or supervise contractors or deal with suppliers on behalf of the Council then you must record any past or present business/private relationships with those organisations with the Monitoring Officer and keep your Director informed.
- 7.4 Orders and contracts must be awarded on merit, by fair competition against other tenders, in accordance with the Council's procedures and no special favour should be shown to businesses run by, for example, friends, partners or relatives in the tendering process. No part of the local community should be discriminated against.

## **8. APPOINTMENT AND OTHER EMPLOYMENT MATTERS**

- 8.1 If employees are involved in the appointment of staff you must follow the Council's Recruitment & Selection Policy. If you are related to an applicant, or have a close personal relationship with one outside work, you must declare it to the Human Resources.
- 8.2 You should not be involved in decisions about discipline, promotion or pay adjustments for someone with whom you have a close personal relationship.

## 9. OUTSIDE COMMITMENTS

- 9.1 Employees should not take outside employment which conflicts with your Council's interests. You are required to obtain consent from your Director (see paragraph 10.1 below) before taking any outside employment (paid or unpaid) or business. A secondary employment form (Appendix 1) should be completed and submitted to your Director and then to the Monitoring Officer via HR.
- 9.2 You should comply with any Council rules about the ownership of intellectual property and copyright in work done by you during your employment with the Council. If in doubt you must consult your Head of Service, ~~the Head of Legal & Democratic or the~~ Assistant Director - People.

## 10. PERSONAL INTERESTS

- 10.1 Employees must declare to your Director (\*see table below) any financial or non-financial interests that you consider could conflict with the Council's interests, or could cause your conduct to be questioned. Such interests must be registered with the Head of ~~Legal & Democratic Services~~HR & Organisational Development and Monitoring Officer.

### Reporting hierarchy for financial and non-financial interests

Officer:	Reports to:
Chief <del>Executive</del> Executive Director	Monitoring Officer
Assistant Director/Head of Service	Chief <del>Executive</del> Executive Director
All other employees	<del>Executive</del> Executive Director

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- 10.2 Employees must declare to your Director membership of any organisation not open to the public without formal membership and commitment of allegiance, and which has secrecy about rules, membership or conduct. If you are a member of an organisation of this type you must register this with the Monitoring Officer.
- 10.3 When attending meetings of the Council or its Committees you should declare any financial interest in any item and withdraw from the meeting while the matter is under consideration unless authorised to remain in the meeting by the Members present.

## 11. EQUALITY ISSUES

- 11.1 Employees must comply with and promote the Council's equality policies and other corporate policies. The public and employees have a right to be treated with fairness and equity.

## 12. SEPARATION OF ROLES DURING TENDERING

- 12.1 If employees are involved in the tendering for Council contracts or dealing with contractors you should be clear about the separation of client and contractor roles within the authority. You must comply with the Council's Contract Procedure Rules and Financial Regulations. You must be aware of the need for accountability and openness but also respect the need for commercial confidentiality.
- 12.2 If employees are in a contractor or client unit you must deal with customers, suppliers, other contractors and sub-contractors fairly and impartially.
- 12.3 If employees see confidential information on tenders or costs for either internal or external contractors you must not disclose that information to any unauthorised person.

12.4 If employees intend to participate in a management or employee buyout you must inform the Chief ~~Executive~~Executive or your ~~Executive~~Executive Director and record this with the Monitoring Officer, you must withdraw from the contract awarding processes immediately.

12.5 Employees must not treat current or former employees or your partners, close relatives or associates more or less favourably than other people when considering the award of contracts to businesses run by them or employing them.

### 13. BRIBERY

13.1 It is a serious criminal offence to receive or give any gift, loan, fee, reward or advantage. If an allegation is made you may have to demonstrate that any such rewards have not been obtained that would be seen as a bribe. The definition of Bribery (as per the Bribery Act 2010) is detailed in the Counter Fraud & Corruption Policy Statement, Strategy & Guidance Notes.

### 14. USE OF FINANCIAL RESOURCES

14.1 Employees must ensure that you use public funds entrusted to them in a responsible and lawful way. You should try to obtain value for money to the local community and avoid legal challenge to the authority. You must comply with the Council's Financial Regulations.

### 15. HOSPITALITY AND GIFTS

#### 15.1 *Introduction*

As public service employees, Council staff must act, and be seen to act, with the highest standards of integrity. In the course of your work you may encounter situations, which, if not handled properly, could call your integrity into question. Examples of such situations include being offered tokens of appreciation or opportunities to meet socially with contractors or suppliers to the Council. This Guidance aims to help them to deal with such situations.

The over-riding principle is that all employees, your family, your friends or any organisation of which you are a member or with which you are closely associated should not accept any gift, consideration or hospitality that would call into question:

- your honesty;
- your ability to deal impartially and equitably with all service users, potential or actual contractors or suppliers;
- your commitment and ability to pursue the best interests of the Council.

If you would feel uncomfortable giving an account of your actions to management or reading an account of your actions on the front page of the local newspaper – don't take the action.

To protect you and the Council there is a Register of Disclosures and Interests and a Register of Gifts and Hospitality held by the Monitoring Officer

This Guidance should help all employees understand what to register. If you need any guidance or advice on matters raised in this document, you can speak to your manager or to the Monitoring Officer.

#### 15.2 *Gifts*

Employees must not seek gifts, additional payments or any other personal advantage (such as discounts or free services) from any service user, potential or actual contractor or supplier.

You must not accept payments or any other form of personal advantage from any service user, potential or actual contractor or supplier. The only exception to this is that some service users like to "tip" employees, particularly at Christmas. Small tokens of appreciation may be accepted in such circumstances but a record must be kept of tips received. The record should be given to the most senior employee at the work place who will then pass it to your 'off-site' manager.

You may accept gifts of token value such as pens, diaries, etc. from potential or actual contractors or suppliers. Such gifts may be kept for your personal or business use. You should, however, be aware of the adverse impression that may be created for competitors seeking to do business with the Council.

You may accept gifts with nominal value from visitors to the Council when the gifts are proffered as tokens of friendship between Tamworth Borough and the visitors' hometown or country.

If employees receive a gift of more than token or nominal value and it would cause offence or be impracticable to return it, you should register the gift (see below) and inform your manager. Such gifts will normally either be donated to a charity or may, if suitable, be kept for use on Council premises.

If you are offered a gift and you believe or suspect that the offer is made with the intention of influencing you to give favourable treatment to a service user, potential or actual contractor or supplier, you must inform your Director, [Assistant Director](#), or the Monitoring Officer.

### 15.3 **Hospitality**

You must not solicit hospitality (for example meals, tickets to sporting or cultural events) from any service user, potential or actual contractor or supplier.

You must not accept offers of hospitality unless you have the permission of your Director or the Monitoring Officer. Hospitality, which you have permission to accept, must be registered in the Register of Gifts and Hospitality. Permission will not normally be granted for hospitality that requires overnight accommodation at the host's expense.

You should not allow a potential or actual contractor or supplier to pay for them to visit your sites or premises to inspect your goods or services. If such visits are necessary, the Council will meet the costs involved. When visiting potential or actual contractors or suppliers you may accept refreshments appropriate to a work situation.

You do not need prior permission to accept a meal which is offered in work-related circumstances and which would enable your work to be expedited, provided that the costs are reasonable in the circumstances.

You do not need prior permission to accept modest hospitality offered at conferences and courses provided that the hospitality is offered to a number of people in similar roles (i.e. is corporate) rather than personal.

If you are offered hospitality and you believe or suspect that the offer is made with the intention of influencing them to give favourable treatment to a service user, potential or actual contractor or supplier, you must inform your Director, or the Monitoring Officer.

### 15.4 **Prizes**

If you enter competitions or prize draws associated with your work (i.e. a prize draw during a training course or for completing feedback/survey). These prizes should be declared but you will be eligible to claim them for personal use.

#### 15.5 **Registers of Disclosures and Interests and Gifts and Hospitality**

The Council's Register of Disclosures and Interests and Register of Gifts and Hospitality are held by the Monitoring Officer

Electronic copies of forms for registering interests, gifts, hospitality etc. can be obtained from on-line forms on the Intranet. Completed forms should be e-mailed to the Solicitor/Monitoring Officer or, if in hard copy format, sent to Marmion House in an envelope clearly marked as Confidential

#### 15.6 **Confidential Reporting or Whistleblowing**

If employees believe or suspect that a colleague in the Council or any service user, potential or actual contractor or supplier is involved in corrupt or questionable practices, you should refer to the Counter Fraud and Corruption Strategy and/or the Whistleblowing Policy. These policies detail the relevant reporting procedures.

### 16. **SPONSORSHIP - GIVING AND RECEIVING**

16.1 Where an outside organisation wishes to sponsor or is seeking to sponsor a Council activity, whether by invitation, tender, negotiation or voluntarily, the basic conventions concerning acceptance of gifts or hospitality apply. Particular care must be taken when dealing with contractors or potential contractors.

16.2 When the Council sponsors an event or service neither you nor your partner, any relative or personal friends must benefit from the sponsorship in a direct way without there being full disclosure to your Director.

You must register any such interest with the Monitoring Officer.

16.3 Where the Council through sponsorship, grant aid, financial or other means is giving support in the community, and you are giving advice ensure that it is impartial and that there is no conflict of interest involved.

### 17. **DISCIPLINARY RULES**

17.1 This Code forms part of the Council's Conduct Rules. The rules applied are those of normal good conduct. The rules are expressed in the Council's Conduct & Capability Policy, which has the aims of establishing and maintaining a fair and equitable standard of discipline throughout the Council and encouraging improvements in conduct.

17.2 All employees should have a copy of the Council's Conduct & Capability. If you do not have one please contact your Manager or Human Resources.

Appendix 1

**Secondary Employment Request Form**

*Please complete in full and forward to the Human Resources Department where the information will be kept on your personal file.*

The Council will permit you to undertake additional work providing the Council is satisfied that this does not conflict with the following:

- The interests of the Council
- The performance of your normal duties
- The requirements of the Working Time Regulations

**Your Personal Information**

<b>Name:</b>	<b>Service:</b>
<b>Position:</b>	<b>Grade:</b>
<b>Line Manager:</b>	

**Secondary Employment Information**

Please note that ALL employment voluntary/paid or unpaid MUST be declared.

<b>Name of Employer/Business:</b>		<b>Position:</b>
<b>Line Manager:</b>		<b>Contact No:</b>
<b>Total working hours:</b>	<b>Days and hours of work</b>	
Nature of work (description of duties and responsibilities)		

**Additional Information**

There will/will not be instances where my Secondary Employment will conflict with my work at Tamworth Borough Council (this could mean conflict in time or where the performance of your duties at Tamworth Borough Council is affected)

Please circle as appropriate: YES                      NO

If yes, please give details:

I confirm that the above information is correct and that my secondary employment in this instance will not have a conflict of interest with, or have a detrimental effect on, my work at Tamworth Borough Council. I will inform my Director in writing if there are any changes to the above. I understand and accept that false information given with regard to this secondary employment could be investigated under the Council's capability and conduct policy.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
(Employee's signature)

Printed Name: \_\_\_\_\_

I agree to the employee taking on Secondary Employment in accordance with the above information:

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
(Director)

Printed Name \_\_\_\_\_

## SCHEDULE 11 - PROTOCOL FOR MEMBER/OFFICER RELATIONS

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## 1 Underlying Principles

Members and officers are bound by their respective Codes of Conduct which seek to promote the highest ethical standards. This protocol supports those codes and is intended to promote mutual respect between members and officers with regard to their respective roles as set out below and in the Council's Constitution.

## 2 The role of Members

- 2.1 To promote the social, economic and environmental well-being of the community.
- 2.2 Collectively be the ultimate policy makers and decision makers and carry out a number of strategic and corporate functions.
- 2.3 Represent their communities and bring their views into the Council's decision-making process, i.e. become the advocate of and for their communities.
- 2.4 Deal with individual casework and act as an advocate for constituents in resolving particular concerns or grievances.
- 2.5 Balance different interests identified within the ward and represent the ward as a whole.
- 2.6 Be involved in decision making.
- 2.7 Be available to represent the Council on other bodies.
- 2.8 To promote the highest standards of conduct and ethics.
- 2.9 To act collectively as the employer of the staff.
- 2.10 To act in a specific capacity listed below where appointed so to do by the Council in accordance with the Constitution.

Chair of the Council  
Leader of the ~~Executive~~Executive  
~~Executive~~Executive member  
Portfolio holder (with or without delegated authority)  
Chair of a Scrutiny Committee  
Member of a Scrutiny Committee  
Chair of a committee other than Scrutiny  
Representing the Council on outside bodies

## 3 The role of officers

- 3.1 To initiate and to implement the policies set and the decisions made by members.
- 3.2 To provide professional and technical advice to members.
- 3.3 To carry out those functions delegated to officers.
- 3.4 To provide reasonable help, support and advice to all members.
- 3.5 To represent the Council on outside bodies.
- 3.6 To act in a specific capacity listed below where appointed so to do by the Council.

The Head of Paid Service (as defined by the Local Government and Housing Act 1989 section 4) has the following functions and duties:

to prepare proposals for the consideration of the Council as to the co-ordination of the discharge of the Council's functions; the number and grades of staff that are required to discharge those functions; the organisation of the Council's staff; and the appointment and proper management of the Council's staff.

The Monitoring Officer (as defined by the Local Government and Housing Act 1989 section 5) has the following functions and duties:

to prepare reports for the consideration of the Council where it appears to her/him that any proposal, decision or omission by the Council, a committee, sub-committee, or officer has given rise or is likely to give rise to a contravention of any statute or maladministration or injustice as mentioned in Part III of the Local Government Act 1974.

The Chief Financial Officer (as defined by the Local Government Act 1972 section 151) has the following functions and duties:

to prepare reports for the consideration of the Council where it appears to him that any committee, sub-committee, or officer has or is about to make a decision which involves or would involve the Council incurring expenditure which is unlawful; or has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and is likely to cause a loss deficiency to the Council; or is about to enter an item of account, the entry of which would be unlawful.

#### **4 The Relationship between officers and members**

- 4.1 The relationship between officers and members should be characterised by mutual respect which is essential to good local government.
- 4.2 Close personal familiarity between individual members and officers can damage professional relationships and prove embarrassing to other members and officers. Situations should be avoided that could give rise to suspicion and any appearance of improper conduct. This includes excessive socialising between members and officers.
- 4.3 Any dealing between members and officers should be conducted with courtesy and respect and neither party should seek to take unfair advantage of their position. In particular, members should recognise and pay due regard to their role as an employer in their dealings with officers.
- 4.4 The Council has statutory duties with regard to equalities issues to positively promote equality. Members and officers shall not by their behaviour or speech be discriminatory with regard to a person's age, disability, gender reassignment, marriage or civil partnership, race, religion or belief, sex or sexual orientation, ethnicity, gender, disability or sexual orientation. Such principles shall apply to the implementation of all personnel policies, recruitment and promotion as they apply to day to day operations.
- 4.5 Members should not raise matters relating to the conduct or capability of a Council employee or of the employees collectively at meetings held in public or the Press. Employees have no means of responding to criticism like this in public. (If members feel they have not been treated with proper respect, courtesy or have any concern about the conduct or capability of a Council employee they should raise the matter with the Chief Officer of the department concerned if they fail to resolve it through direct discussion with the employee.)

- 4.6 Members should not require any officers to change their professional advice nor to take any action which the officer considers unlawful or illegal or which would amount to maladministration or breach of a statutory code of conduct.
- 4.7 Members should consult with the Monitoring Officer and the Section 151 Officer about legality, maladministration, financial impropriety and probity or where they have any doubt as to whether the particular decisions were or are likely to be contrary to the policy framework or budget.
- 4.8 In seeking advice and support members should have due regard to the seniority of the officer with whom they are dealing and the fact that, while those officers owe duties to the Council as their employer such duties are first expressed to their respective manager and the Chief Executive and not to any individual member. For this reason members should not give direct instructions to staff unless authorised so to do by the Constitution. If so authorised instructions shall be given to the relevant Chief Officer rather than a more junior member of staff.

## **5 The relationship between the Overview and Scrutiny Committees and officers (when Executive decisions are being scrutinised)**

- 5.1 The Council's Overview and Scrutiny Committees shall seek the advice of the Monitoring Officer where they consider there is doubt about the legality of Executive decisions or the Monitoring Officer and other appropriate officers where they consider a decision of the Executive might be contrary to the policy framework.
- 5.2 When considering calling officers to give evidence the Committee shall not normally, without the consent of the relevant Chief Officer, request the attendance of a junior officer to ensure that more junior officers are not put under undue pressure.
- 5.3 When asking officers to give evidence before the Committee questions should be confined, so far as possible, to questions of fact and explanation and professional opinion relating to policies and decisions.
- 5.4 Where they consider it appropriate the Committee may ask officers to explain advice given to members (of the Executive) prior to decisions being taken and explain decisions they themselves have taken under the Scheme of Delegation.
- 5.5 The Committee shall not question officers in such a manner whereby the nature and frequency of the questions or tone or language used could be considered by a reasonable person to be harassment, discriminatory or otherwise unacceptable nor deal with matters which are of a possible disciplinary/capability nature.
- 5.6 The Committee shall, at all times, respect the political impartiality of the officers and must not expect officers to give a political view.

## **6 Officer relationships with party groups**

- 6.1 It must be recognised by all officers and members that in discharging their duties officers serve the Council as a whole and not exclusively any political group, combination of groups, or any individual members.
- 6.2 Officers may properly be called upon to support and contribute to the deliberations of political groups but must at all times maintain political neutrality. All officers must, in their dealings with political groups and individual members, treat them in a fair and even-handed manner.

- 6.3 The support provided by officers can take many forms, ranging from a briefing with the Leader of the Executive, the leaders of other political groups, or chairmen of committees, to a presentation to a full party group meeting.
- 6.4 Any request for advice given to a political group or member will be treated with strict confidence by the officers concerned and will not be accessible to any other political groups. Factual information upon which any advice is based will, if requested, be available to all political groups.
- 6.5 When attendance is requested for political group meetings
  - 6.5.1 the request to attend a group meeting must be made through a member of the Corporate Management Team;
  - 6.5.2 unless otherwise agreed by the Chief Executive, officers will not attend party group meetings which include persons who are not members of the Council or be present at purely party political discussions;
  - 6.5.3 such a request can only be made in relation to Council business;
  - 6.5.4 officers must respect the confidentiality of any party group discussions at which they are present.

## 7 Members in their ward role

- 7.1 When acting in their ward role members:
  - 7.1.1 need to be mindful of their competing roles, i.e. acting for the Council and acting for constituents, and the possible conflicts of interest that can arise and the pressure this can bring on officer time;
  - 7.1.2 recognise the officer's right to suggest that senior officers, the Executive (Council) or a committee should authorise additional work requested by individual members.

## 8 Member access to documents and information

- 8.1 Save as provided below every member of a committee, sub-committee or the Executive (Council) has a right to inspect documents about the business of that committee, sub-committee or the Executive (Council).
- 8.2 A member who is not a member of a specific committee, sub-committee (or the Executive) may have access to any documents of that part of the Council if they satisfy the Council's Monitoring Officer that they reasonably need to see the documents to perform their duties.
- 8.3 A member is not entitled to inspect any document or have access to any information about a matter in which they have a disclosable interest or where to do so would be in breach of any statutory provision.

## 9 ~~Press releases~~ Media, social media comments/postings and correspondence (including e-mails)

- 9.1 Press releases and other media must operate within the limits of the Local Government Act 1986 which prohibits the Council from publishing material which appears to be designed to affect public support for a political party.
- 9.2 Council press releases are drafted by officers and may contain quotations from the Leader of the Executive, a relevant portfolio holder or Chair, or local member. Press releases about ceremonial events may contain a quotation from the Mayor or Deputy Mayor of the Council. Quotations will generally be made by members rather than officers ( except when this would be inappropriate for example because of the subject matter or if it were in a pre election period).
- 9.3 All correspondence written on behalf of the Council must be written on the relevant headed paper.
- 9.4 When members are writing they must make it clear whether they are writing on behalf of the Council or as the ward member.
- 9.5 All correspondence should be open to the inspection of the public and in accordance with the Council's adopted policies. This does not apply to correspondence written in connection with legal proceedings, contractual matters or any other matter where papers can remain "exempt" within the meaning of Schedule 12A to the Local Government Act 1972, as amended or if it is in conflict with the data protection legislation.

## 10 Enforcement

- 10.1 Any complaint that an officer has breached the terms of this protocol shall be referred to the Head of Paid Service for appropriate action under the Council's employment procedures.
- 10.2 Any complaint that a member has breached the terms of this protocol shall be treated as a breach of the Code of Conduct and referred to the Monitoring Officer for referral to the Audit & Governance Committee ~~if the conduct would otherwise amount to a breach of the Council's Code of Conduct.~~
- 10.3 Where a complaint against a member involves conduct that would not otherwise breach the Council's Code of Conduct it will be referred to the ~~Head of Paid Service~~ Chief Executive for discussion with the Leader of the relevant political group. Where it is not possible to resolve a complaint by this means the Head of Paid Service may refer it to the Audit & Governance Committee for consideration.

## SCHEDULE 12 - PRE-ELECTION PROTOCOL

The Local Government Act 1986 – S2 states that:-

“Local Authorities shall not publish material which, in whole or in part, appears to be designed to affect public support for a political party.”

This is interpreted to include that the Council must not give financial or other assistance to a person for publication of such material, and applies at all times.

The Local Government Act 1986 – S4:-

Allows for a code of practice on publicity.

The revised wording on elections is:-

“The period between the notice of an election and the election itself should preclude proactive publicity in all its forms of candidates and other politicians involved directly in the election. Publicity should not deal with controversial issues or report views, proposals or recommendations in such a way that identifies them with individual members or groups of members. However, it is acceptable for the authority to respond in appropriate circumstances to events and legitimate service enquiries provided their answers are factual and not party political. Members holding key political or civic positions should be able to comment in an emergency or where there is a genuine need for a member level response to an important event outside the authority's control. Proactive events arranged in this period should not involve members likely to be standing for election.”

This means that the Council's resources must not be or even appear to an observer to be used for party political ends, including publicity, in this period of heightened political sensitivity.

Members should take especial care with electronic media such as blogs and twitter accounts and remember that the rules in the Code of Practice on Publicity very clearly apply to these types of communication.

In order to comply with this:-

- 1 Press releases about any policy matter, service delivery, service developments or scrutiny should not include quotes from or mentions of individual councillors or party groups.
- 2 No press releases should be issued on local or other issues promoted by or involving individual members.
- 3 Enquiries from the media will be directed towards appropriate officers only.
- 4 No links be added from the Council's web site to any site which may be construed as political

EXCEPT that

Where absolutely necessary for the purpose of responding to outside events or to a crisis, the appropriate Councillor, committee Chair or Leader of the Council can be quoted, speaking on behalf of the Council.

At all times the following points must be considered:

Is there a valid reason for the Councillor concerned to represent the Council on this issue/at this event?

Is there a good reason why the event/announcement should be happening now, rather than after the elections?

This does not mean that party groups or individual members themselves may not issue press releases, as long as they are clearly identified as coming from them and not from the Council. It should be noted, though, that this is subject to the rules governing election expenses.

### Use of Council property for public meetings

There is provision within the Representation of the People Act 1983 for candidates in an election to have free use of certain rooms for holding public meetings, in the electoral division in which they are standing. This entitlement is from the last day for the publication of the notice of elections until the day ~~pre~~ceeding the day of elections.

- 5 A candidate is entitled – for purpose of holding public meetings in furtherance of her/his candidature – to the free use at reasonable times of a room in a school or other Council building. The person using the room must pay the costs of preparing the room, heating, lighting and cleaning.
- 6 Permitting the use of these facilities does not breach this protocol provided the local authority does not publicise the meeting.
- 7 This provision does not allow a candidate to hold surgery-type meetings or to use such rooms as his/her committee rooms, which is illegal.
- 8 If any clarification is required or difficulties encountered, advice should be sought from Democratic Services.
- 9 ~~This guidance can be varied by the Returning Officer in consultation with the Monitoring Officer, according to circumstances.~~

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## SCHEDULE 13 - PROTOCOL ON MEMBER INVOLVEMENT IN COMMERCIAL TRANSACTIONS

### 1 Background

This protocol is designed to support members in their work within the community which is an invaluable part of explaining the intentions of the Council at a local level and which assists in maintaining the Council's responsiveness to legitimate interest groups.

### 2 Principles

The protocol will be based upon the following principles.

- 2.1 Protecting the personal integrity of Council members and officers.
- 2.2 Ensuring the financial and probity interests of the Council are protected.
- 2.3 Ensuring decisions are based on complete and sound information and advice from appropriate professional staff.
- 2.4 Ensuring decisions are in accordance with the Council's agreed processes and standards.
- 2.5 Protecting the Council, its members and officers from undue pressure or inappropriate contact from contractors and parties with a commercial interest in a transaction.

### 3 Protocol

The Council is engaged at any one time in a large number of commercial transactions, which range from such matters as the procurement of goods, services and works, the purchase or sale of land or the disposal of surplus property to such matters as the provision of advice and/or grant aid to companies, partnerships or individuals, the negotiation of partnership and joint venture arrangements and the management of such commercial relationships.

Councillors frequently have a substantial and very constructive involvement in such commercial transactions. That involvement is not limited to taking the decision in Council and Committee as to whether to enter into such contracts and arrangements and in exercising their scrutiny functions to ensure that such arrangements complied with the Council's requirements in terms of propriety and are designed and managed so as to provide the Council with the best possible value for money. Such involvement also extends to their role within the community in making the public aware of the services which the Council can make available, and in effecting introductions between such interested parties and the officers who are responsible for administering and delivering those services. Because of their very close involvement with the community which the Council serves, Councillors may also become aware of opportunities for the Council to act to benefit that community, opportunities to buy land, or commercial or voluntary organisations who could expand their activities if the Council were able to secure the opportunity for them to extend their premises, or local businesses who provide high quality goods or services of a sort which the Council requires, and who might benefit from an opportunity to compete to supply the Council. In addition, the political leadership of the Council provides an overall direction for the officers of the Council in their administration and delivery of such commercial services, and provides an opportunity for officers to seek informal, and confidential, guidance at an exploratory stage of a transaction, before the matter is sufficiently advanced for the relevant officers to report the matter to the Council or the appropriate Committee as a formal proposal for authorisation to proceed.

However, such commercial transactions also carry significant responsibilities. These include:

- 3.1 the obligation to secure the best possible value for money for the Council;
- 3.2 the legal obligation on the Council to secure "best consideration" on the disposal of its land, unless it obtains the consent of the Secretary of State or falls within the General Disposal consent;

- 3.3 the Best Value obligations to secure the continuous improvement in all Council services, whether delivered directly or externally procured;
- 3.4 the need to comply with relevant law, and in particular with:
  - 3.4.1 Public Contract Regulations 2015
  - 3.4.2 the Human Rights Act 1998
  - 3.4.3 the Local Government (Contracts) Act 1997
  - ~~3.4.4~~ the Contracts (Rights of Third Parties) Act 1999
    - ~~3.4.4~~ 3.4.5 the law relating to sState aid
    - ~~3.4.4~~ 3.4.6 the Ceouncil's financial procedure rules
    - ~~3.4.4~~ 3.4.7 the Ceouncil's contract procedure rules
- 3.5 the need to ensure that a commercial transaction is drafted and documented in such a manner that it can be enforced, for example if the other party defaults or under-performs, or if the goods supplied or the work carried out subsequently prove to be defective;
- 3.6 the requirement that the transaction and all matters leading up to the final transaction, should be fully and clearly recorded, so that it can be audited both by the Council's internal auditors and by the external auditors, and other inspectorates, to ensure propriety in the procurement process; and
- 3.7 compliance with the requirements of the Council's ~~Local~~ Code of Conduct for Councillors and the ~~code~~ of conduct for officers.

In addition, there is the danger that an individual Councillor or officer will be misrepresented by the advocates or opponents of a particular proposal who may, innocently or otherwise, claim that the Councillor or officer has given incorrect information or advice or misrepresented the proposal.

Failure to comply with these requirements can result in serious penalties for the Council, for individual Councillors involved in the transaction and for officers. Such penalties include:

- 3.8 For the Council:
  - 3.8.1 direct financial loss from entering into contracts which are not good value for money for the Council, for example as a result of commitment to buy goods which are not of an appropriate standard, or to buy land where we have failed to establish that there are large liabilities for repairs or for clearing contamination;
  - 3.8.2 inability to enforce the contract or to recover damages for breach;
  - 3.8.3 liability to third parties, for example if the Council were to enter contracts for road-works or construction without appropriate nuisance and contamination conditions, or without securing appropriate indemnities from the contractor against damage to third parties;
  - 3.8.4 liabilities where a decision made by or on behalf of the Council is overturned on judicial review because it is held to have been unlawful or unreasonable, or in breach of the Human Rights Act;
  - 3.8.5 Adverse Court judgements, findings of maladministration, or Public Interest reports from the Council's Auditor;

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3.8.6 the continuing cost of carrying out maintenance and repairs which could have been made the responsibility of the contractor, or of higher insurance premiums; and

3.8.7 the loss of the Council's reputation as an organisation dedicated to the interests of the community which it serves.

3.9 For individual Councillors:

3.9.1 Investigation under the Members Code of Conduct;

3.9.2 personal liability, in the event of a Councillor's negligence or reckless or deliberate misconduct causing loss to the Council. There is a duty, upon the Council to seek to recover loss from individual Councillors in the event that the loss is caused by their negligence or reckless or deliberate misconduct); and

3.9.3 prosecution under the Bribery Act –or for Misconduct in Public Office. (Note that it is for the recipient of any gift or hospitality from a tenderer or contractor with the Council to prove that it was not an inducement or reward for anything which the recipient has done in their public position).

3.10 For an officer:

3.10.1 disciplinary proceedings by the Council, possibly leading to dismissal;

3.10.2 personal liability to the Council for any loss caused by their negligence or reckless or deliberate misconduct. (Note that the Council chooses to insure itself against such losses, but such insurance will not cover fraud or deliberate misconduct, and the Council, or its insurers, can still seek to recover the loss from the individual in appropriate cases);

3.10.3 prosecution for bribery or for Misconduct in Public Office.

It is therefore particularly relevant to set out the following ground-rules, for the protection of the Council, of Councillors and of officers.

## 4 Declaration and Registration of Interests

### 4.1 Councillors

The legal position or the declaration of Councillors' interests is set out in the Council's Code of Conduct for Members. Every member will have given a written undertaking that in performing their functions they will observe the code. It is the responsibility of each Councillor to identify when they have a declarable interest and to declare it. Where officers are aware of matters which suggest that a Councillor is likely to have a declarable interest, they will prompt the Councillor to consider the point, but Councillors should not rely upon being prompted. A failure by one or more Councillors to declare an interest can lead to a finding of Maladministration, to a standards complaint against the Councillor, and to the decision of the Council being invalidated.

A declarable interest can arise not only because the Councillor, or a member of their family, stands to gain or lose from the Council's decision on the matter (as where a member of the Councillor's family is employed by the applicant for a grant from the Council) but also where the circumstances are such that the Councillor cannot consider the matter impartially (for example where they have already publicly committed themselves to supporting or opposing

the application) or where a reasonable member of the public in possession of the facts might reasonably believe that the Councillor's involvement could affect the way in which the Councillor might speak or vote on the matter. If a Councillor is in any doubt about whether they have a declarable interest, they should seek the advice of the Monitoring Officer or, in their absence, the Chief Executive before taking any part in the consideration of the matter.

Where a Councillor has declared an interest, they must withdraw entirely from any part of a meeting at which that matter is under consideration and take no part in that consideration unless the matter falls within a dispensation which they have obtained or the declarable interest is non-pecuniary, is not significant in its scope, and the Committee has been advised of the interest and invited the Councillor to remain.

These requirements for declaration and withdrawal apply to informal meetings and contacts just as much as they apply to formal meetings of the Council and its Committees. A Councillor who has a declarable interest in a proposed development matter should therefore not attend any meeting between the developer or his agents and officers or Councillors.

#### 4.2 Officers

Section 117 of the Local Government Act 1972 requires an officer to declare any pecuniary interest in any contract or proposed contract, and failure to do so is a criminal offence. In addition, his/her conditions of employment require declaration of any other conflict of interest.

### 5 Lobbying

It is a natural part of a political process that those who may be affected by a proposed decision of a local authority should seek to influence that decision. In many cases they will approach their local Councillor, as the interface between the Council and the local community, ~~or~~ the Chair of the relevant Committee, or more likely the Leader or relevant Executive Member as the person who is seen as being responsible for the processing of the decision, or a relevant officer. The Council wishes to be an authority which is responsive to the community which it serves, and therefore wishes there to be clear and accessible channels for such approaches, but also to ensure that this process of lobbying does not imperil the decision-making process or the decision-takers.

Councillors must be seen to determine matters on their merits and not make their mind up before they have all the facts. A Councillor or officer who has given a personal commitment to support or oppose a particular proposal will have committed themselves before the full issues have been explored, which exploration occurs from discussion of the officer's report and recommendation in the Council or Committee meeting. Accordingly, when approached by an advocate or opponent of a particular proposal, a Councillor has to decide whether:

- 5.1 They will remain impartial, in which case they must limit themselves to listening politely to the arguments put forward, declining to state a personal position and advising the person making the approach of the proper channel for making such representations. When they attend any Council, Committee or other meeting at which the proposal is considered, they should report to the meeting that they have received such representations.
- 5.2 They will take sides on the issue by declaring their support or opposition to the proposal. In that case, they are either an advocate or an opponent of the proposal and are no longer impartial. As a result, they should declare an interest and withdraw from any such meeting at which the matter is under consideration. The only exception to this rule is that, where a local Councillor has received and supports strong representations from local residents in his/her ward, that Councillor may be allowed to report those representations to the Committee or

**Executive** in declaring an interest at the commencement of discussion of the matter and immediately before withdrawing from the meeting.

No officer should meet and hear advocates or opponents of a proposal on his/her own, but should wherever possible arrange that another officer is present and make a contemporaneous record of the meeting, which should be kept on the matter file and included as a background document, and should report the meeting to the Council or Committee meeting where any matter which is material to the determination of the proposal has arisen.

Where a Councillor is of the opinion that a person or organisation have legitimate representations to make, he/she should advise them that they may make those representations in writing to the relevant officer, and the officer should ensure that any relevant representations which he/she receives are fairly reported to the meeting of the Council or Committee at which the matter is considered.

In some cases, it will be appropriate for the advocate or opponent to have a face-to-face meeting with the Council. Where a Councillor is of the view that such a meeting is appropriate, he/she should request the relevant officer to arrange such a meeting. The officer will consider, in consultation with the relevant Committee Chair as appropriate, whether such a meeting will be constructive and whether it should be at officer or at member level. Where it is at member level, the officer will agree the appropriate Councillor representation and ensure that the relevant Councillors are invited to attend by the Executive Director ~~Corporate Services~~ Finance. All such meetings will be attended by the officer of the Council who is responsible for the matter, or his/her representative, and the officers attending shall make a contemporaneous note of the course of the meeting and ensure that the fact of the meeting and any material issues which came out of it are reported to the meeting of the Council or Committee at which the matter is considered.

## 6 Gifts and Hospitality

Gifts and hospitality provide a particularly difficult area where local government rules are sharply at odds with private sector business practice. Recent events in national politics illustrate how careful local government Councillors and officers have to be to avoid the suspicion of impropriety, for their own protection as much as for the protection of their authority.

The Bribery Act provides that it is a serious criminal offence for anyone who has or seeks a contract with a local authority to offer, and for any Councillor or officer to receive, any gift or consideration as an inducement to, or reward for, doing anything or declining to do anything in respect of any matter before the Council. What is more, where any Councillor or officer has received any gift or consideration, the legal presumption is that it was given and received corruptly unless the contrary is proved. So, while modest gifts and hospitality may form a normal part of private sector commercial practice, in local government it is up to the Councillor or officer to prove that the gift or consideration was entirely innocent. It is also an offence for an officer to receive anything beyond the proper recompense for doing his/her job.

The best way to demonstrate such innocence is to be totally open about the matter, and it is for this reason that every local authority maintains a register of gifts and hospitality for Councillors and officers, ~~and the National Code of Local Government Conduct stresses the need to declare not only the receipt but also the offer of any such gift or hospitality.~~

That is not to say that Councillors and officers should never receive modest gifts or hospitality. A working lunch may be the most efficient way of transacting in a busy schedule. Equally, a contractor may reasonably wish to celebrate the completion of a project with a formal launch, and may wish to include some hospitality in such a launch. Whilst it is important not to offend by ungraciously refusing such an invitation, if innocently offered, it is more important to ensure that the Council's

reputation is protected and not to give the impression that a Councillor's or officer might be swayed in the performance of his/her public duties by such an offer.

The simple ground rules are as follows:

- 6.1 always declare to the Monitoring Officer at the earliest opportunity any offer or receipt of a gift or hospitality from any person or organisation which has, or seeks to have, any commercial relationship with the Council, even if the offer is refused;
- 6.2 if you have any suspicion that the offer of a gift or hospitality might have been made from improper motive, to influence you in, or to reward you for the performance of, your public duties you should politely but firmly decline the offer and advise the Monitoring Officer of your suspicions;
- 6.3 any gift or hospitality offered should be appropriate in scale and nature to the occasion. In particular, any offer which is made at a time when an issue relating to the person offering the gift or hospitality is before the Council for determination should be viewed with particular care;
- 6.4 where you accept a gift or hospitality which has a commercial value, such as an invitation to a commercial sports event, you should always ensure that you pay the full commercial price (and not just the face value of the ticket) to the person providing the gift or hospitality, and that you declare this to the Monitoring Officer;
- 6.5 whenever possible, you should put any invitation on an official footing by advising the Monitoring Officer of the offer and requesting her/him to accept or decline the offer on your behalf;

## **7 Professional Advice**

Councillors are elected to act as community representatives, to give political and strategic direction to the Council and its services, to take critical decisions in the best interests of the community which they serve and to ensure that proper standards of conduct are maintained by officers and Councillors alike in the performance of their duties. Individual Councillors may have very considerable experience and expertise in particular fields, and the knowledge and experience which they have gained from their lives outside the Council can add a valuable extra dimension to the discharge of Council functions and help to keep the Council in touch with the reality of the community which it serves, as well as being able to articulate the political will of the Council.

The Council is a very big and complex business which operates within a legal and regulatory framework which is significantly more complex than that which applies in most of the private sector. It employs specialist officers whose job it is to ensure that the Council secures the best possible value for money in the discharge of its functions. These officers are trained professionals in their specialist fields.

It is therefore important that the Council should ensure that it obtains the advice of the relevant officers, including the advice of the three statutory officers (Head of Paid Service in terms of the co-ordination and direction of the Council's staff and resources, the Monitoring Officer in respect of legality and ethical probity and the Section 151 Officer with regard to financial probity and administration) before taking decisions which affect the community. This is so whether the decision is being taken at Councillor or at officer level.

One area of special sensitivity relates to commercial negotiations, where the Council's public service objectives may conflict with the profit motivation of the other party to the negotiation, and where it is accordingly essential to ensure that the end result of the negotiation secures value for money for the

Council and does not leave it exposed to excessive liability or risk. There will be occasions when Councillors can play an invaluable part in such negotiations, not least in expressing to the other party the commitment of the Council to a particular project, or the political constraints within which the transaction occurs. However, given the risks to Councillors from involvement in such negotiations, it must be the general rule that Councillors should never undertake any commercial negotiation without appropriate officers present, and should only undertake such negotiations, even with officers present, where there are clear reasons to conclude that their involvement in the negotiation, rather than in setting the political framework and approving or disapproving the final deal, will add real value to the process.

The Local Government Act 2000 provides for the delegation of decision making and by way of this Constitution, enables individual members of a Council's Executive to make decisions which will bind the authority, and ~~when this~~ when this provision is used it will be especially important to ensure, before concluding any such negotiation, ~~ensure~~ that the appropriate officers are satisfied that the transaction is lawful and represents value for money for the authority, by means of consideration of a written report and recommendation from the relevant officers.

## **8 Proper Authority**

The Council operates within a strict legal regulatory framework and can only do those things which it has statutory authority to do. Equally the law prescribes the decision-making process within the Council, and a decision which is outside the Council's powers or which is taken without following the due process can be invalid and can give rise to substantial liabilities. It is therefore important, before entering into any commercial negotiation, to ensure that the Council has the legal power to enter into the transaction and that the process will lead to a formal decision by a decision-taker who has authority to take that decision and is within the relevant policies and budget of the Council.

## **9 Confidentiality**

Commercial transactions, by their nature, involve the commercial activities of one or more party other than the Council. They will involve the disclosure to the Council of matters of commercial confidentiality, such as the business plans, performance standards or pricing structures of commercial organisations, disclosure of which to a competitor or to the market could be very detrimental. This is all the more so as Best Value encourages the development of Partnership and Open Book transactions. The maintenance of confidentiality is essential both to maintain the integrity of a competitive procurement process and to ensure that those who have commercial dealings with the Council know that they can rely upon the Council to protect their commercial secrets, and are therefore able to be open with the Council.

It is important that Councillors should have access to the information necessary to enable them to understand the business of the Council and to ensure that it is being conducted in accordance with the policies and budgets of the Council and to the highest standards of propriety. The Council will ensure that all Councillors have the information necessary to enable them to perform their duties, but the corollary to that is that Councillors should only request access to confidential information where there are clear reasons why they need access to that information for the performance of their obligations, and should ensure that they do not disclose confidential information to unauthorised persons or organisations. Officers are instructed that if they are concerned that a Councillor's request for access to confidential information may be inappropriate, they are to seek the advice of the Monitoring Officer or the Chief Executive before releasing the information. Councillors must comply with the confidentiality provisions of the Code of Conduct.

[N.B. References to the Monitoring Officer in this document should in the post holders absence be referred to the Deputy Monitoring Officer.]

## SCHEDULE 14 - PROTOCOL ON THE USE OF COUNCIL FACILITIES, PRINTING AND PHOTOCOPYING

### 1 INTRODUCTION

The Council only has power to provide facilities that assist Members in discharging their role as Members of the Council. Such services can therefore only be used on Council business and never in connection with party political or electoral campaigning activity or for private purposes.

This Protocol covers the use of such facilities provided under the Members' Services budget and has been approved.

#### ~~1.1 PRINTING AND PHOTOCOPYING~~

##### ~~1.1.1 Basis of Provision~~

~~Printing facilities are available to Members of the Council (1) in their capacity as Ward Councillors for the purpose of the provision of information to constituents in their Wards and (2) in relation to their Special Responsibility for the purpose of the provision of information to residents, elected representatives or public service/third sector partners about:~~

- ~~(a) the work of the Council, its Committees and Sub Committees~~
- ~~(b) services in the area provided by the Council or joint authorities [e.g. health]~~
- ~~(c) how to contact their local Councillors or MP and raise issues~~
- ~~(d) meetings, consultation and local initiatives for the area organised by or on behalf of the Council.~~

~~The facilities are not available for the production of material which in whole or in part appears to be designed to affect public support for or to promote:~~

- ~~(a) a political party~~
- ~~(b) a candidate or group of candidates in an election~~
- ~~(c) an electoral or party political campaign~~
- ~~(d) the policies or beliefs of any individual group or councillor~~
- ~~(e) third party campaigns~~

##### ~~1.1.2 Detailed Arrangements~~

~~Layout — There is no prescribed format for the layout.~~

~~Logos — Material produced should include an indication that it has been printed by the Council under the arrangements for members printing. This can be by use of the Coat of Arms or Logo or the acknowledgement 'Printed by Tamworth Borough Council'~~

~~Names — In addition to the names of Members of the Council printed material can contain the name of the MP or MEP for the area and the names of relevant officers of the Council shall not be included, only job titles will be permitted with prior consent of the Officer.~~

~~Photos — These can be incorporated on the same basis as that which applies to the inclusion of names.~~

## ~~1.2 — MULTI-FUNCTIONAL DEVICES~~

~~Members have use of all Multi-Functional Device's (MFD's) in Marmion House on a self service basis. Member's pass number is the login for all MFD's. Members require to undertake their own printing and photocopying at any of the devices in connection with Council business only. Short run printing facilities connected to a networked PC also are provided in Member's Lounge in connection with Council business only.~~

~~Members use will be monitored on an individual and overall basis, in line with the monthly entitlement.~~

### ~~1.31.1~~ COAT OF ARMS

The Coat of Arms and the Council's logo are only available for use in connection with Council business, which includes when Members are communicating on legitimate Council business and Members' correspondence with constituents concerning Council business.

The Coat of Arms and the Council's logo must not be used for party political or election campaigning, or for private purposes, and must not be used in conjunction with any political party logo or branding. For clarity this is when an elected member writes directly to a constituent on a matter they are corresponding on.

Use by members of the Council is only acceptable on material produced under the arrangements for Members printing, or on Members personalised stationery.

### ~~1.41.2~~ PERSONALISED LETTERHEAD AND BUSINESS CARDS

A template is available for Members to print direct from their laptops. A colour printer is available in the Members' Room.

Personalised business cards can include details of advice bureau or reference to other representative roles undertaken where that role arises from being a Member of Tamworth Borough Council.

**Commented [A19]:** Complete removal of members paper allowance as previously requested

## SCHEDULE 15 - GIFTS AND HOSPITALITY

The acceptance of gifts and hospitality by Councillors is not merely an administrative issue. It reflects directly upon the perception of Councillors and of the authority as acting in the public interest or as acting for the personal advantage of friends and for what personal benefit Councillors can get out of their position.

The law on the acceptance of gifts and hospitality for members is set out in this Schedule and in the Bribery Act. These requirements are supplemented by the procedures which have been adopted by this authority, to provide a clear set of rules for the protection of both Councillors and the authority. Acceptance of a gift or hospitality in breach of the Code of Conduct for Members, or failure to declare receipt of such a gift or hospitality, could lead to disqualification from holding any public office. Corrupt acceptance, under the Bribery Act, of a gift or hospitality can lead to a heavy fine or up to 10 years' imprisonment.

This Protocol of Conduct sets out:

- (a) the principles which you should apply whenever you have to decide whether it would be proper to accept any gift or hospitality
- (b) a procedure for obtaining consent to accept a gift or hospitality, when you consider that it would be proper to accept it
- (c) a procedure for declaring any gift or hospitality which you receive and for accounting for any gift to the authority

This Protocol does not apply to the acceptance of any facilities or hospitality which may be provided to you by this authority.

### 1 General Principles

In deciding whether it is proper to accept any gift or hospitality, you should apply the following principles. Even if the gift or hospitality comes within one of the general consents set out below, you should not accept it if to do would be in breach of one or more of these principles:

#### 1.1 **Never accept a gift or hospitality as an inducement or reward for anything you do as a Councillor**

As a Councillor, you must act in the public interest and must not be swayed in the discharge of your duties by the offer, prospect of an offer, or the non-offer of any inducement or reward for discharging those duties in a particular manner.

The Bribery Act 2010 provides that if you accept any gift, loan, fee, reward or advantage whatsoever as an inducement to or reward for doing or forbearing to do anything in respect of any matter or transaction in which the authority is concerned, you commit a criminal offence carrying a maximum term of imprisonment of 7 years.

Further, the authority's Code of Conduct for Members provides that you must act in the public interest, serving the authority and the whole community, rather than acting in the interests of any particular individual or section of the community, and that it is a breach of the Code improperly to confer any advantage or disadvantage on any person, including yourself.

#### 1.2 **You should only accept a gift or hospitality if there is a commensurate benefit to the authority**

The only proper reason for accepting any gift or hospitality is that there is a commensurate benefit for the authority which would not have been available but for acceptance of that gift or hospitality.

Acceptance of hospitality can confer an advantage on the authority, such as an opportunity to progress the business of the authority expeditiously through a working lunch, or to canvass the interest of the authority and its area at a meeting. Acceptance of a gift is much less likely to confer such an advantage.

But unless the benefit to the authority is clear, and is commensurate with the value of the gift or hospitality, the presumption must be that the gift or hospitality is purely for your personal benefit.

As set out above, the authority's code provides that you must not improperly confer any advantage on anyone, including yourself. Acceptance as a Councillor of a gift or hospitality for your own benefit or advantage, rather than for the benefit to the authority, would be a breach of the Code.

### **1.3 Never accept a gift or hospitality if acceptance might be open to misinterpretation.**

The appearance of impropriety can be just as damaging to the authority and to you as a Councillor as actual impropriety. The authority's ability to govern rests upon its reputation for acting fairly and in the public interest. You must therefore consider whether the acceptance of the gift or hospitality is capable of being interpreted as a sign that you or the authority favours any particular person, company or section of the community or as placing you under any improper obligation to any person or organisation. If there is any possibility that it might be so interpreted, you must either refuse the gift or hospitality or take appropriate steps to ensure that such a misunderstanding cannot arise.

Certain occasions are particularly sensitive, and require the avoidance of any opportunity for such misunderstanding. These include:

occasions when the authority is going through a competitive procurement process, in respect of any indication of favour for a particular tenderer;

determinations of planning applications or planning policy, in respect of any person or organisation which stands to gain or lose from the determination;

funding decisions, when the authority is determining a grant application by any person or organisation.

### **1.4 Never accept a gift or hospitality which puts you under an improper obligation**

Recognise that some commercial organisations and private individuals see the provision of gifts and hospitality as a means of buying influence. If you accept a gift or hospitality improperly, it is possible that they may seek to use this fact to persuade you to determine an issue in their favour. Equally, if others note that you have been prepared to accept a gift or hospitality improperly, they may feel that they will no longer be able to secure impartial consideration from the authority.

### **1.5 Never solicit a gift or hospitality**

You must never solicit or invite an offer of a gift or hospitality in connection with your position as a Councillor unless the acceptance of that gift or hospitality would be permitted under this

protocol. You should also take care to avoid giving any indication that you might be open to such any improper offer.

## 2 Consent Regimes

### 2.1 General consent provisions

For clarity, the authority has agreed that you may accept gifts and hospitality in the following circumstances:

#### 2.1.1 civic hospitality provided by another public authority

- (a) modest refreshment in connection with any meeting in the ordinary course of your work, such as tea, coffee, soft drinks and biscuits;
- (b) tickets for sporting, cultural and entertainment events which are sponsored by the authority;
- (c) small gifts of low intrinsic value below £25, branded with the name of the company or organisation making the gift such as pens, pencils, mouse pads, calendars and diaries. However, you should take care not to display any such branded items when this might be taken as an indication of favour to a particular supplier or contractor, for example in the course of a procurement exercise;
- (d) a modest alcoholic or soft drink on the occasion of an accidental social meeting, such as a pint of beer from an employee of a contractor or party with whom you have done business on behalf of the authority if you meet accidentally in a public house, café or bar. In such cases, you should make reasonable efforts to return the offer where this is practicable;
- (e) a modest working lunch not exceeding £10 a head in the course of a meeting in the offices of a party with whom the authority has an existing business connection where this is required in order to facilitate the conduct of that business. Councillors should not make such arrangements themselves, but request officers to settle the detailed arrangements, and officers are under instruction, when arranging any such meeting, to make it clear to the other party that such a lunch must not exceed a value of £10 a head;
- (f) modest souvenir gifts with a value below £25 from another public authority given on the occasion of a visit by or to the authority;
- (g) hospitality received in the course of an external visit or meeting which has been duly authorised by the authority. Councillors should not make such arrangements themselves, but request officers to settle the detailed arrangements, and officers are under instruction to make it clear that any such hospitality for Councillors and officers is to be no more than commensurate with the nature of the visit;
- (h) other unsolicited gifts, where it is impractical to return them to the person or organisation making the gift, provided that the Councillor deals with the gift strictly in accordance with the following procedure.

The Councillor must, as soon as practicable after the receipt of the gift, pass it to the Civic Officer together with a written statement identifying the information set out in Paragraphs 2(b) below. The Civic Officer will then write to the person or organisation making the gift thanking them on your behalf for the gift and informing them that you have donated the gift to the Mayor's Charity Fund, on whose behalf it will be raffled or otherwise disposed of in due course, the proceeds being devoted to a charitable cause chosen by the Mayor.

## 2.2 **Special consent provisions**

If you wish to accept any gift or hospitality which is in accordance with the General Principles set out in Paragraph 1, but is not within any of the general consents set out in Paragraph 2 (a), you may also do so if you have previously obtained specific consent in accordance with the following procedure:

2.2.1 You must make an application in writing to the Monitoring Officer, setting out:

- (a) the nature and the estimate of the market value of the gift or hospitality;
- (b) who the invitation or offer has been made by or on behalf of;
- (c) the connection which you have with the person or organisation making the offer or invitation, such as work which you have undertaken for the authority in which they have been involved;
- (d) any work, permission, concession or facility which you are aware that the person or organisation making the offer or invitation may seek from the authority;
- (e) any special circumstances which lead you to believe that acceptance of the gift or hospitality will not be improper.

You must not accept the gift or hospitality until you have received the appropriate consent.

2.2.2 The Monitoring Officer will enter details of any approval in a register which will be available for public inspection on the occasion of the public inspection of the authority's accounts for the relevant year. But note that this does not relieve you of the obligation to register the receipt of gifts and hospitality in accordance with Paragraph 3, below.

### 2.3 Reporting

Where you accept any gift or hospitality which you estimate to have a market value or cost or provision of £25 or greater, you must, as soon as possible after receipt of the gift or hospitality, make a declaration in writing to the Monitoring Officer, setting out the information set out in Paragraph 2 (b) above. A form for this purpose is attached to this Protocol, but you can send the same information by any convenient means. The Monitoring Officer will retain a copy of any such declaration in a register which will be available for public inspection until the approval of the authority's accounts for the year in question.

Even if the value of the gift or hospitality is less than £25, if you are concerned that its acceptance might be misinterpreted, and particularly where it comes from a contractor or tenderer, you may make a voluntary declaration in the same manner to ensure that there is nothing secret or underhand about the gift or hospitality.

### 2.4 Gifts to the authority

Gifts to the authority may take the form of the provision of land, goods or services, either to keep or to test with a view to future acquisition, an offer to carry out works or sponsorship of a function which is organised or supported by the authority. You should not solicit any such gift on behalf of the authority except where the authority has formally identified the opportunity for participation by an external party and how that participation is to be secured, for example in relation to sponsorship of public musical and theatrical performances and developers' contributions under Section 106 Agreements. If you receive such an offer on behalf of the authority, you must first consider whether it is appropriate for the authority to accept the offer (in terms of whether the acceptance of the gift might be seen as putting the authority under any improper obligation, whether there is a real benefit to the authority which would outweigh any dis-benefits). If you do not have delegated authority to accept the gift, you should report the offer directly to the Monitoring Officer who has such delegated authority, together with your recommendation. The Monitoring Officer will then write back to the person or organisation making the offer to record the acceptance or non-acceptance of the gift, record the gift for audit purposes and ensure that the gift is properly applied for the benefit of the authority. If you have any concerns about the motives of the person or organisation making the offer, or whether it would be proper for the authority to accept the gift, you should consult the Monitoring Officer directly.

### 2.5 Definitions

2.5.1 "Gift or hospitality" includes any:

- (a) the free gift of any goods or services;
- (b) the opportunity to acquire any goods or services at a discount or on terms which are more advantageous than those which are available to the general public;
- (c) the opportunity to obtain any goods or services which are not available to the general public;
- (d) the offer of food, drink, accommodation or entertainment, or the opportunity to attend any cultural, sporting or entertainment event.

2.5.2 References to the "value" or "cost" of any gift or hospitality are references to the higher of:

- (a) your estimate of the cost to the person or organisation of providing the gift or consideration;
- (b) the open market price which a member of the public would have to pay for the gift or hospitality, if it were made available commercially to the public, less the cash sum of any contribution which you would be required to make toward that price to the person or organisation providing or offering the gift or hospitality.

To: Monitoring Officer

**Members Declaration of Receipt of Gifts or Hospitality**

Name	
Address:	
What was the gift or hospitality?	
What is your best estimate of its Market value or cost?	
Who provided it?	
When and where did you receive it?	
Does it come within one of the general consents set out in the protocol of Conduct? If so, which? Gift or Hospitality	
Did you get the consent of any officer Before accepting it? If so, who?	
Were there any special circumstances Justifying acceptance of this gift or Hospitality?	
Do you have any contact in your job with the person or organisation providing the gift or hospitality	
Signed	Date

## **SCHEDULE 16 - LOCAL PROTOCOL FOR COUNCILLORS AND OFFICERS DEALING WITH PLANNING MATTERS**

### **1 INTRODUCTION**

1.1 This protocol has been prepared to guide members and officers in the discharge of the Borough Council's statutory planning functions. This protocol will also inform potential developers and the public generally of the high standards of ethical conduct adopted by the Council in the exercise of its planning powers.

1.2 For the avoidance of doubt, when an Executive Member attends and participates in the decision-making of the Planning Committee, s/he does so as a Member of the Committee and not as a Member of the Executive. Accordingly, s/he must, along with other Members of the Committee, exercise an independent mind on issues before the Committee.

1.3 The provisions of this protocol are designed to ensure that planning decisions are taken on proper planning grounds, are applied in a consistent and open manner and that Members and officers making such decisions are held accountable for those decisions. The protocol is also designed to assist Members and officers in dealing with approaches from property owners.

1.4 If you have any doubts about the application of this protocol, you should seek early advice, preferably well before any meeting takes place from the Head of Managed Growth, Regeneration & Development and/or the Monitoring Officer.

1.5 Members should always appreciate that when the Council is dealing with planning matters (especially when determining a planning application at Planning Committee) it must act fairly because it is exercising the Council's discretion as local planning authority. As such, the Committee and each individual member of it should avoid the appearance (as well as the substance) of having pre determined an issue or having a fixed opinion about it, or being biased about the outcome.

1.6 Members should always appreciate that the appearance of what they do is just as important as the substance of it.

1.7 This advice applies, with necessary modification, to Officers as well as Members. In the case of delegated decisions there is a risk of accusations of impropriety because of the lack of any public meeting to discuss applications. If a Member would have to declare an interest and take no part in the processing of or decision on an application, then an Officer in the same position must take no part in it, either directly or in a management/ supervisory capacity.

1.8 This advice does not prevent contact between applicant and case officer, nor does it rule out the case officer tendering advice to an applicant or officer, but it does mean that it must be clear on the appropriate file that the ultimate decision on an application was made or verified by another, unconnected officer. In rare circumstances it may be appropriate for the delegation to be declined and an otherwise delegated item put before Committee.

1.9 Make sure that you always comply with the statutory requirements in respect of Disclosable Pecuniary Interests, and apply the rules in the Members' Code of Conduct. Then apply the rules in this protocol.

### **2. CONTEXT**

2.1 Planning is not an exact science. Rather it relies on informed judgement within a firm policy context. It is often highly contentious because its decisions affect the daily lives of everyone and the private lives of individuals, landowners and developers. This is heightened by the openness of the system (it actively invites public opinion before taking decisions). This is reinforced by the legal status of development plans

and decision notices. It is essential, therefore, that the planning process is characterised by open and transparent decision-making.

2.2 One of the key purposes of the planning system is to ensure development takes place through a framework whereby the public interest is well represented at every point from the preparation of Development Plans and policies, the determination of planning applications and in undertaking enforcement action. In performing this role, planning necessarily affects land and property interests, particularly the financial value of landholdings and the quality of their settings. It is important, therefore, that planning authorities should make planning decisions affecting these interests openly, impartially, with sound judgement and for justifiable planning reasons. The process should leave no grounds for suggesting that a decision has been partial, biased or not well-founded in any way.

2.3 This protocol applies to both Councillors and planning officers who become involved in operating the planning system – it is not therefore restricted to professional town planners and Planning Committee members. The successful operation of the planning system relies on mutual trust and understanding of each other's role. It also relies on both Members and Officers ensuring that they act in a way which is not only fair and impartial but is also clearly seen to be so.

2.4 The Human Rights Act provides additional safeguards for citizens, and encourages the application of best practice. Article 6 is concerned with guaranteeing a right to procedural fairness, transparency and accountability in the determination of civil rights and obligations.

### 3. GENERAL PLANNING CONSIDERATIONS

3.1 The Council's ~~Cabinet-Executive~~ is responsible for preparing and recommending to Council the adoption of the Statutory Development Plan, Development Briefs and other forms of Supplementary Planning Guidance. Members of the Planning Committee, when determining planning applications, must have regard to the Council's policies contained in the Development Plan and Supplementary Planning Guidance adopted by the Borough Council together with Government Guidance contained in the National Planning Policy Framework and other material considerations. Where this is relevant, applications must be determined in accordance with the Plan unless material considerations indicate otherwise.

3.2 Tamworth Borough Council's Code of Conduct for Members must be complied with throughout the decision making process, which includes mandatory requirements with regard to member interests.

3.3 The responsibility for declaring an interest rests with individual Members and Officers of the Council. This protocol outlines further rules applicable to the planning process in Tamworth.

3.4 Councillors and Officers have different but complementary roles. Both serve the public but Councillors are responsible to the electorate, whilst Officers are responsible to the Council as a whole. This applies equally to traditional forms of political management based on committees and to models based on forms of Executives or elected mayors. Officers advise Councillors and the Council and carry out the Council's work. They are employed by the Council, not by individual Councillors, and it follows that instructions may only be given to Officers through a decision of the Council, the Executive or a committee. A successful relationship between Councillors and officers can only be based upon mutual trust, respect, courtesy and understanding of each others positions. This relationship, and the trust which underpins it, should never be abused or compromised.

3.5 Both Councillors and Officers are guided by codes of conduct. Tamworth's Code of Conduct for Members, provides standards and guidance for Councillors. Employees are subject to the Employees' Code of Conduct. In addition to these codes, a Council's standing orders set down rules which govern the conduct of Council business.

3.6 Tamworth's Code of Conduct for Members sets out the requirements on Councillors in relation to their conduct. It covers issues central to the preservation of an ethical approach to Council business, including

the need to register and declare interests, also appropriate relationships with other Members, staff and the public, which will impact on the way in which Councillors participate in the planning process. Of particular relevance to Councillors serving on the Planning Committee or Executive, or who become involved in making a planning decision is the requirement that a Member should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

3.7 The basis of the planning system is the consideration of private proposals against wider public interests. Much is often at stake in this process, and opposing views are often strongly held by those involved.

3.8 From time to time applicants may submit confidential information for example a financial appraisal in support of an application. Such appraisals will be taken into account in relation to determination of the application but such information due to its confidential nature should not be disclosed to third parties and members of the public.

#### **4 LOBBYING AND ATTENDANCE AT PUBLIC MEETINGS**

4.1 As a Member of the local planning authority (LPA), and particularly if you are a Member of TBC, you are likely to be approached by members of the public in connection with planning policies or individual planning applications which have been or are about to be made to the Council. The approach may come from an applicant (or his/her agents), or from an objector, or indeed from an amenity society or similar grouping. Ideally, such approaches should be discouraged, or redirected to planning officers, but realistically they cannot be avoided. You should deal with those approaches having careful regard to the advice in this guidance note.

4.2 Especially with the smaller applications, applicants will frequently wish to seek advice on making or promoting their proposals. If an applicant, or potential applicant, approaches you asking for such advice that person should immediately be directed to the appropriate planning officer in the Directorate of Growth Assets and Environment. Officers will happily assist applicants who are unsure of what to do.

4.3 Approaches may be by way of letter, e-mail or personally either over the telephone or perhaps at a surgery. If the approach is by letter, or e-mail, the advice is that the letter should be copied to or handed to a planning officer. The views expressed can then be taken into account by the case officer. As a courtesy to the writer, the letter, or e-mail, can be simply acknowledged, together with confirmation that it has been passed to the Planning Officer and will be taken into account.

4.4 Personal approaches to Members are more difficult. You may feel that you are "put on the spot" by the person concerned and in such cases the response must be carefully considered.

4.5 In such cases, you may listen to the views being expressed, you may also ask questions by way of clarification. In some cases it might even be appropriate to identify aspects of the proposal which might cause you concern or to suggest possible contrary views to the person making the approach to assess their reaction or simply to make sure that the views they are expressing are in the full knowledge of all the arguments.

4.6 However, you should NEVER:-

4.6.1 state unequivocally that you are opposed to or in favour of a particular outcome to an application;

4.6.2 promise to or actually campaign for or lobby other Members for a particular result of an application;

4.6.3 promise to take a particular stand or vote in a particular way when an application is presented for decision.

4.7 You may express an understanding of, and sympathy with or opposition to particular aspects of the proposal, but you must (rarely) sympathy for a particular view. You may even express a preliminary view on an application, but you must make it clear that:

4.7.1 you are expressing a view before the meeting and you will only make a final decision at the meeting itself;

4.7.2 that you are reaching your current view on the basis of the facts you know at that time and that it does not preclude you from reaching a different decision in the future if further or new circumstances come to light; and

4.7.3 when at the meeting making the decision you state that you are not bound by previous decisions or comments that you have made but that you are considering the application on the information before the meeting and with an open mind.

4.8 It would be most unwise to advise any applicant of the likely outcome of an application, even where you are fully aware that the planning policies for the particular area would be very likely to support or conflict with the proposal. You should also always tell a constituent that you can give no promises on how you will speak or vote at a meeting and that you will listen to all the arguments before coming to your own personal decision.

4.9 It should go without saying that it is highly inappropriate to negotiate in respect of a planning application directly with an applicant or with the planning officer on behalf of an applicant or objector. Although it may be tempting to suggest to an applicant that their scheme might be improved by their addressing certain factors, such views should only be expressed via the case officer. That way, any promises made by the applicant can be properly noted and incorporated into planning conditions or any Section 106 agreement.

4.10 If you are unwittingly drawn into doing this, as unfortunate as it may be, you should consider whether you are compromised. If you are now effectively committed to vote for or against the application, can no longer consider the application purely on its merits, or are likely to be perceived as committed to acting as an advocate for either the applicant or the objectors, you should take no further part in its processing and absent yourself from the discussion at the meeting when it comes up for decision.

4.11 You must not put pressure on officers to put forward a particular recommendation. You may ask questions and submit written views, and provide the officers with any local knowledge which you consider to be material. However, outside a meeting, you should only discuss a matter with that officer who is authorised by the Corporate Director Growth & Regeneration or Head of Service to discuss such issues with Members. Officers must act in accordance with the Council's Code of Conduct for Officers and their own professional codes of conduct and their recommendations will be presented on the basis of professional expertise and independence. You must accept that, on occasions, this may be at odds with the views and opinions of individual Members and at times, the decision of the Planning Committee.

4.12 You may certainly help members of the public with procedural advice. Many members of the public come into contact with planning perhaps only once or twice in their lifetimes and so may not be familiar with such things as:

4.12.1 how to submit a planning application;

4.12.2 how to inspect a planning application and to make representations in support of to object to an application;

4.12.3 how to find out the relevant planning policies;

4.12.4 which planning applications are determined by officers under delegated powers and which come before the Planning Committee;

4.12.5 whether they can attend the meeting of the Planning Committee and make verbal representations.

You can happily help constituents with this sort of information, but it is a matter of judgement where simple help stops and 'professional advice' begins.

4.13 If you feel that despite having taken all the necessary precautions, you could reasonably be perceived as having pre-determined an application or to have been unduly influenced by your involvement, then you should explain at the meeting that you do not intend to speak and vote because of this and leave the meeting room. This can then be recorded in the minutes.

4.14 Whilst Members involved in making decisions on planning applications may begin to form a view as more information and opinions become available, a decision can only be taken by the Planning Committee after all available information is to hand and has been duly considered. In this regard, any political group meetings prior to the Committee meeting should not be used to determine how Councillors should vote. Decisions can only be taken after full consideration of the Director's report and any public speaking at the Planning Committee.

4.15 The Chair and vice Chair of the Planning Committee should attend a briefing with Officers prior to a Committee, to help give an effective lead in the Committee.

## **5 SITE VISITS**

5.1 Except in accordance with the following provisions of this part of the protocol, you should avoid entering any premises which are the subject of a planning application.

5.2 Whilst the Council has right to enter property on notice to inspect, individual Councillors have no such rights of entry. You should not enter any neighbouring premises unless there is general public access to those premises or if, for instance, they are crossed by a public footpath. Even where the public normally have access to the premises, as in the case of a shop, that invitation is for the purpose of shopping and not for inspection. It may be appropriate for you to view the site from public vantage points, but you should be extremely wary of any situation where you need to gain permission to view a site.

5.3 Where you feel that you need to inspect the site before you can make up your mind on the application, the same is probably true for all members of the Planning Committee. If you genuinely feel that you cannot make up your mind about an application until you have seen the site then the correct course is to attend the appropriate deciding meeting and request or move a site visit stating the reasons. On an official site visit you will attend the site with other Members, with senior Planning Officers in attendance and therefore with professional advice to hand to assist you in interpreting the proposal and what you see, and ensure that any information gained in the site visit is reported back to all members of the Planning Committee.

5.4 Members and Officers are obligated not to waste Council resources and, as such, a site visit is only likely to be necessary if:

5.4.1 the impact of the proposed development is difficult to visualise from the plans and any supporting material, including photographs taken by officers (although if that is the case, additional illustrative material should have been requested in advance); or

5.4.2 there is good reason why the comments of the applicant and objectors cannot be expressed adequately in writing, or the proposal is particularly contentious.

5.5 The site visit shall take place in accordance with strict guidelines as follows:

5.5.1 Under the Chair's guidance the role of the Planning Officer attending the site visit will be to brief Members on the planning applications(s) the subject of the visit and explain the reasons why the application was deferred for a visit;

5.5.2 The Chair (or Member chairing the visit) shall explain the purpose of the visit and how it will be conducted to all persons present at the site visit;

5.5.3 Members of the Planning Committee should inspect the site as a group. They must ensure that they see or inspect all relevant matters so they can fully assess the planning merits of the proposal;

5.5.4 Members may ask questions, through the Chair, of the applicant or any third parties on the site;

5.5.5 Members should not enter into discussions of the merits of the proposal with the applicant, third parties or other Councillors during the site visit;

5.5.6 Members shall be seen to be perfectly scrupulous and fair to both the applicant and third parties at all site visits;

5.5.7 Members should not leave the site visit until the Chair has indicated the meeting has ended;

5.5.8 Officers shall ensure, where practical, that applicants, Members and interested parties are invited to attend the visit and that they are able to view all key parts within or adjoining the site.

5.6 The purpose of a site visit conducted by Members and officers is to gain information relating to the land or buildings which are the subject of the planning application and which would not be apparent from the planning application to be considered by the Planning Committee. A site visit may also assist Members in matters relating to the context of the application in relation to the characteristics of the surrounding area. Discussions on site visits shall be confined to the application as currently submitted. A Member of Planning Committee who has a personal and prejudicial interest in a planning application, or who has acted in a way that amounts to predetermination, cannot attend the site visit in his or her capacity as a Member of Planning Committee. However, the Member concerned would be entitled to attend the site visit in his or her personal capacity as a member of the public.

5.7 Results of the site visit will be reported to the next available meeting of the Planning Committee and should any new material considerations have been identified the application will be deferred for a further report.

5.8 Once the results of a site visit have been reported back to Planning Committee, Members of the Planning Committee who were not present at the site visit can ask questions, offer opinions, take part in discussions and vote in relation to that planning application.

5.9 If you do attend an official site visit, or otherwise visit a site, this should not be considered to be an opportunity to discuss the matter with either the applicant or any objectors. You may suggest questions to be put to the applicant or objectors, but any discussion of the merits of the application should be reserved to the Planning Committee meeting.

5.10 If you are invited onto land, either by a constituent or applicant, you should have careful regard to the advice in part 2 and (if appropriate) part 9. Remember that such activities are very much open to misinterpretation by the public at large. If you have been invited onto a site it would be as well to announce that when speaking on the application at the Planning Committee meeting.

5.11 Ward Councillors, Councillors whose Ward could be impacted by proposals on a site near to a Ward boundary and MPs may attend and participate in site visits putting forward their point of view. However, the determination of planning applications rests solely with the Planning Committee and no indication should be given by Members of the Committee of the likely decision during the course of the site visit.

5.12 Prospective election candidates who are not already Members of the Council are welcome to attend a site visit on the same basis as members of the public.

## **6 MEETINGS OF THE PLANNING COMMITTEE**

6.1 A clear distinction has to be drawn between a Member and an Officer attending a Public Meeting and their roles when they attend meetings of the Planning Committee.

6.2 No material revision to any planning application which might lead to a change in the recommendation of the Director shall be considered at Planning Committee unless it has been submitted at least 14 clear days before the relevant Planning Committee meeting, and has been the subject of a written report prepared by the Director of Communities Planning and Partnerships.

6.3 Chairship – The chair should ensure:

6.3.1 Members' comments at Committee only relate to the planning merits of the application before them;

6.3.2 Reference at Committee to non-planning issues by the public/Members are discouraged;

6.3.3 The cross-questioning of speakers should only take place if there is need for clarification of what a speaker has already outlined; and

6.3.4 Late evidence from public speakers – Members and the public should be made aware that the late submission of evidence will not be permitted at Committee as late submission can lead to allegations of unfairness.

6.4 Voting –

6.4.1 A decision is made by simple majority of those members voting and present in the meeting at the time the motion is put;

6.4.2 if there are equal numbers of votes for and against the Chair has a second or casting vote. There is no restriction on how the Chair of the meeting chooses to exercise this vote

6.5 Training

6.5.1 Members dealing with planning issues will be required to attend training sessions each year to receive guidance in relation to planning regulations and procedures and on declarations of personal or prejudicial interests. This training should include a balance of the following:-

- Organised visits to review permissions granted, with evaluation and lessons learned presented as a paper;
- Short (half day) sessions on special topics of interest or where overturns have indicated problems with planning policy;
- Special topic groups to consider difficult and challenging issues in depth;
- Formal training by internal and external speakers;
- Visits to other authorities who have received good inspection / audit feedback;
- Quick presentations by officers on hot topics, e.g. new legislation, white papers and their impact, followed by a brief question and answer session;

- Attendance at inquiries where officers have identified that there is something specific to learn which will benefit members.

6.5.2 The report of the Audit Commission 'Building in Quality' recommend that Councillors should revisit a sample of implemented planning permissions to assess the quality of the decisions. Such a review should improve the quality and consistency of decision making, thereby strengthening public, confidence in the planning system, and can help with reviews of planning policies. Such reviews are best undertaken at least annually. They should include examples from a broad range of categories such as major and minor development; permitted departures; upheld appeals; listed building works and enforcement cases. Briefing notes should be prepared on each case. The Planning Committee should formally consider the review and decide whether it gives rise to the need to reconsider any policies or practices. The Corporate Director Growth, Assets and Environment will take responsibility for organising the training and the reviews.

6.5.3 The guidance emphasises the potential minefield that could result as a breach of the rules. For that reason, you may not participate in the decision making process on planning matters until you have attended the mandatory ~~training~~ prescribed by the Council. These are run at regular intervals and cover planning law, regulations, procedures, codes of practice and the Development Framework that will assist you to carry out your role properly and effectively.

## 7 OUTSIDE BODIES

7.1 Many Members are also members of outside bodies. In some cases you may have been nominated for membership by the Council. In other cases you may simply have joined because of an empathy with that body's view or because of a feeling of civic duty to assist. In some cases you may have been invited to join by the body itself. The advice in this paragraph applies equally to Parish and County Council Members.

7.2 It may well be that the body on which you sit is called on to respond to a consultation on a planning application. There is no absolute bar on your attending that meeting, but if you do you may find it difficult to avoid the problems set out above. You might find it appropriate to avoid taking part in the discussion if you know you are likely to be part of the meeting which makes the ultimate decision on an application. If you do take part in the meeting of the consultative body, it would be advisable for you to declare at the start that you are going to listen to the views expressed by the body but that you cannot be bound by any decision of that body, neither are you bound to take the same line at the Borough Council meeting deciding the application.

7.3 If you are an employee of, hold paid office in, or have a significant shareholding in a body which has submitted a planning application, you will have a Disclosable Pecuniary Interest in the application and must not participate in the discussion or vote on the application unless you have obtained a dispensation from the Monitoring Officer. Unpaid directorships or membership of the Management Committee of an organisation is likely to amount to bias and so preclude your participation on this matter at Planning Committee. Ordinary membership of that organisation may not amount to bias, but you should still consider carefully whether an applicant or objectors might perceive you as being biased as a result of your membership, in which case you should not participate in this matter.

7.4 As a County Councillor, it may be appropriate for you to take part in a meeting even though that meeting is deciding an application made by the County or is considering a response to an application which is made to the County Council. However, if you took the decision within the County Council to submit the planning application, or if you are likely to be part of the County Council meeting that decides the application (as appropriate) you might consider it appropriate not to take part in the Borough Council meeting that considers the matter.

7.5 Similarly, if you took part in the decision within the Borough Council to submit the planning application, it would not be appropriate for you to take part in the planning meeting which considers planning consent for that scheme. A Member who feels obliged to support a Council scheme at the Borough Council because he or she supported the scheme when it was initiated at the meeting prompting it might have difficulty

demonstrating that all the proper planning considerations were taken into account when considering the grant of consent.

## **8 POLITICAL PARTIES**

8.1 As a general rule, party politics should have no place in the consideration of individual planning applications. The views of your party may be a material consideration, but should never dictate the outcome or replace your personal judgement on an application.

## **9 DISCLOSABLE PECUNIARY INTERESTS**

9.1 The Disclosable Pecuniary Interests which members are required to register are now defined by The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, the list of definitions is appended to this Guidance Note.

9.2 Where you have a Disclosable Pecuniary interest in an item of business, you should disclose that interest to the meeting before or at the start of the consideration on that matter, or as soon as it is apparent and you should not participate in the discussion of, or vote on, the item of business. Failure to comply with these requirements may constitute a criminal offence. The Council's Standing Orders also require you to withdraw from the room in which the meeting is being held for the duration of consideration of the item of business.

9.3 Where you have not previously registered a Disclosable Pecuniary interest in a matter, you are now required to do so within 28 days of becoming aware of the interest, or of the date when the agenda for the meeting was sent out to members, whichever is the earlier.

## **10 OTHER MEMBERS' INTERESTS**

10.1 The Council has adopted a Members' Code of Conduct which requires members to register and disclose 'Non-Disclosable Pecuniary Interests and Non-Pecuniary Interests' as defined in that Code (the full requirements of the Members' Code of Conduct are set out in Part 5 of the Council's Constitution). For ease of reference, these interests are referred to as "Other Interests" in this Guidance Note.

10.2 A member will have an "other interest" in an item of business where:

10.2.1 A decision in relation to that business might reasonably be regarded as affecting the well-being or financial standing of the member, or of a member of that member's family or a person with whom they have a close association to a greater extent than it would have on the majority if the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which the member has been elected or otherwise of the authority's administrative area; or

10.2.2 it relates to or is likely to affect any of the interests listed in the Appendix to the Code (appended to this Guidance Note), but in respect of a member of family or a person with whom the member has a close association, and that interest is not a Disclosable Pecuniary Interest.

10.3 Where you attend a meeting at which you have an "other interest" in an item of business, you must make a verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent.

10.4 The Ombudsman has previously advised that the Council is at risk of a finding of maladministration if a Member who has an interest in an application exercises any of the powers or privileges accorded to Members in respect of that application. There may be a general perception that calling-in a delegated item

to Planning Committee ensures that the public will conclude that everything is 'above board'. The Ombudsman does not share that view, so a member who has a Disclosable Pecuniary Interest or an "other interest" in a planning application should not exercise powers of call-in in respect of that application.

10.5 In some cases you may not become aware of your potential interest until after you have submitted comments as local Member or taken some other action. If this happens, you should contact the case officer urgently as soon as you realise the situation so that Officers can take the appropriate action. You should also register this interest with the Monitoring Officer.

10.6 If you do find yourself having to disassociate yourself from an application, you may well feel that your constituents have been disenfranchised. This does not entitle you to set aside this advice. In these cases it is the Ombudsman's view that:

10.6.1 You should invite a Member from the same ward or from a neighbouring ward to take an interest in the matter;

10.6.2 Constituents who approach you should be invited to contact that other Member or any other Member of the deciding body;

10.6.3 You should avoid expressing any view about the application to other Members (save as set out below) and you must never communicate to other Members of the deciding meeting what you would have said had you been able to do so.

10.7 Having said this, in some circumstances it may be appropriate to comment on a planning application in your private capacity. If this is the case your comments can be reported simply, as third party comments rather than as local/ward Member comments, but to ensure that your comments are treated properly only write in on plain, notepaper, never headed Councillor note paper, and try to avoid contact with the case officer. If you do need to contact the case officer, please remember to advise him/her that you do have an interest and are calling/visiting purely as an ordinary resident.

## **11 APPLICATIONS BY MEMBERS AND OFFICERS**

11.1 Nothing in this Guidance Note should be taken to prevent a member or an officer of the Council from making an application for planning permission in their personal capacity. Where a member or an officer does make such a planning application, it will be dealt with in accordance with these provisions, which follow the recommendations of the Local Government Association.

11.2 If you are making an application, or if a close relative or business partner is making one, you or the agent should make this clear in a covering letter with the application. A copy of the letter will be lodged with the Monitoring Officer. Equally, if you act professionally as agent for an applicant or objector this should be declared in the same way.

11.3 If the application is one which would normally be dealt with under delegated powers the Head of Growth & Regeneration may decline the delegation and the matter submitted to Planning Committee for determination.

11.4 Prior to the matter being included on a Planning Committee agenda the file and draft report will be submitted to the Monitoring Officer. The Monitoring Officer will certify that the application has been properly dealt with and the report will show this. If it cannot be so certified, the matter will be the subject of a Monitoring Officer's report to full Council prior to any decision being made. You will be asked to consent to the eight week determination period being extended to allow for this extra procedure to take place.

11.5 This guidance applies equally to applications submitted through or which affect companies which are owned by a Councillor or Officer. This includes companies in which a Member or Officer has a controlling or

significant interest. You are reminded of the rules regarding pecuniary interests as well. Nothing in this guidance overrides or alters that position.

11.6 Applications which affect an Officer (as opposed to a Member) will be dealt with in the usual manner. Any letter of representation should identify you as an Officer of the Council or, if submitted by a close family member or on behalf of a company in which you or your family are interested, identify that relationship. The file may be referred to the Monitoring Officer before a decision is made if there is a real potential for an allegation of improper influence. In such cases the Monitoring Officer will be asked to certify that the correct procedures have been followed and that all other matters have been dealt with properly. If the Monitoring Officer considers it appropriate, an otherwise delegated item may be submitted to Planning Committee for decision. This will be the norm when applications affect any Officer whose duties include direct involvement in the planning process. As set out above, this review procedure might result in a Monitoring Officer's report being submitted to Council depending on the application submitted.

11.7 It should go without saying that any attempt by an Officer to improperly influence the outcome of a planning application in which there is a personal interest, other than strictly in accordance with normal procedures and the above guidance, would be looked on as a matter of the gravest misconduct and is likely to result in immediate suspension and dismissal.

11.8 Applications by or which affect Directors or the Monitoring Officer may be the subject of external review if the Chief Executive (after consultation with the Mayor, Chair of Planning Committee and all Group Leaders) considers it appropriate.

## **12 PUBLIC SPEAKING**

12.1 Public speaking as currently constituted allows an objector to an application which is recommended for approval the opportunity to address the Planning Committee. The Ombudsman has made it clear that if you have declared an interest as a Member it is highly inappropriate for you then to attempt to exercise your right as an objector to address the Committee. The Ombudsman has made it clear that his view is that this completely defeats the object of the declaration of interest.

12.2 Even more so, under no circumstances should you exercise a right of reply if you are an applicant or act (professionally or as a friend) on behalf of an applicant.

12.3 At no time during a meeting should you allow a member of the public to communicate with you (either orally or in writing) other than through the scheme for public speaking, as this may give the appearance of bias.

## **13 APPLICANT/OBJECTOR MEETINGS**

13.1 For the larger applications it is not unusual for Members to be invited to "presentations" by both promoters and opposers of the scheme. You are advised to be extremely cautious about accepting such invitations. If, for instance, the invitation is to attend a presentation at a smart hotel where a lavish buffet is laid on for those attending it would be highly inappropriate for you to attend.

13.2 In some limited circumstances it may be appropriate for you to attend such presentations, but you should always seek advice from the Assistant Director Growth & Regeneration/~~Head of Legal & Democratic Services~~ before attending. It would also be wise to check whether the invitation to attend has been extended to Planning Officers, and if it has not, or more importantly if the organiser has intimated that Planning Officers are definitely not welcome, then it would be less appropriate for you to attend.

13.3 If having weighed the above advice you decide that you do wish to attend, you should be careful not to express any views at the presentation, should decline to express a view if called on to do so, and should be careful in the way you phrase any questions that you ask. You should make it clear to the organisers that

their presentation material should be copied to the case officer so that he/she may take it into account and advise on it.

13.4 Any hospitality offered to a Member over the value of £25 (this excludes reasonable and normal meeting refreshments such as tea, coffee and light snacks), whether or not accepted, should be notified to the Monitoring Officer who will record it in accordance with paragraph 5 of the Members' Code of Conduct.

#### **14 DECISIONS CONTRARY TO OFFICER RECOMMENDATION AND/OR THE DEVELOPMENT PLAN**

14.1 Legislation requires that where the Development Plan is relevant, decisions should be taken in accordance with it unless material considerations indicate otherwise (Section 38 (6), Planning & Compulsory Purchase Act 2004). Local members may be well placed to identify circumstances in which it might be justified to determine a particular application as a departure from the policies set out in the Development Plan.

14.2 If the Council wants to approve an application which is not in accordance with the Development Plan, the material considerations which lead to this conclusion must be clearly identified by Members and they must also clearly justify why they are overriding the Development Plan. The personal circumstances of an applicant will rarely provide such grounds. The officer should be given opportunity to explain the implications of the contrary decision.

14.3 If the officer's report recommends approval of an application which conflicts with the Development Plan, the report will include full justification for this.

14.4 Where the Committee has concerns about the validity of reasons for approving or refusing an application, consideration should be given to deferring the application to the subsequent meeting to another meeting to have the putative reasons tested and an updated report produced for consideration at the next meeting at which a decision will be made.

14.5 When a planning application has been deferred following a resolution of "minded to approve" or "minded to refuse", contrary to the officer's recommendation, the Chair shall put to the meeting a proposed statement of why the Assistant Director Growth & Regeneration recommendation for refusal or approval is not considered acceptable to the Committee, which, when agreed by the Committee, will be formally recorded in the Minutes.

14.6 When a planning application has been deferred following a resolution of "minded to approve" "or minded to refuse", contrary to the officer's recommendation, then at the subsequent meeting the Assistant Director Growth & Regeneration shall have the opportunity to respond both in a further written report and orally to the reasons formulated by the Committee for granting or refusing permission. If the Planning Committee is still of the same view, then it shall again consider its reasons for granting or refusing permission, and a minute of the Committee's reasons should be made. Such reasons should be clear and justified. Councillors should be prepared to explain in full their planning reasons for not agreeing with the officer's recommendation. Pressure should never be put on officers to 'go away and sort out the planning reasons'. The officer should also be given an opportunity to explain the implications of the contrary decision, including an assessment of a likely appeal outcome, and chances of a successful award of costs against the council, should one be made.

14.7 If a councillor is concerned about an officer recommendation they should discuss their areas of difference and the reasons for that with officers in advance of the committee meeting.

If the Planning Committee makes a decision contrary to the Executive Director Place recommendation, the officer should be given an opportunity to explain the implications of the contrary decision. The Courts have expressed the view that reasons for the contrary decision should be clear and convincing. The personal circumstances of an applicant will rarely provide such grounds.

14.8 A senior legal officer should always attend meetings of the Planning Committee to ensure the probity and propriety of the planning and decision-making processes. Whilst authorities make extensive use of standard wordings for conditions, in the case of any conditions which Members may wish to add or amend, an officer should be asked to draft any such conditions and bring them back for approval at the subsequent meeting of the Planning Committee.

14.9 Where there is any doubt as to the voting or of the actual counting of votes in relation to any particular application, clarification should be immediately sought by the Chair prior to dealing with the next agenda item, by requesting from each member as to how they have voted, noting this and the member's name.

## **15 CONCLUSION**

15.1 At all times you must appreciate that as a Member of the Council in general and as a Member of Planning Committee that you take on an onerous duty. As the Code of Conduct points out, your duty is to the whole community and not to any one section of it. By the same token, the whole community has a right to look to you and to the Council as a whole to consider matters dispassionately, having regard only to the relevant factors and disregarding irrelevant ones.

## **16 GUIDELINES ON PRE-DECISION DISCUSSIONS**

16.1 It should always be made clear at the outset that the discussions will not bind the Council to making a particular decision and that any views expressed are personal and provisional. By the very nature of such meetings not all relevant information will be to hand, neither will formal consultations with interested parties have taken place.

16.2 Advice should be consistent and based upon the Development Plan and material considerations. There should be no significant difference of interpretation of planning policies between planning officers.

16.3 A written note should be made of the meeting. If it is known beforehand that a meeting is likely to be contentious arrangements should be made for at least two officers to be present. What was discussed or concluded should be confirmed in a follow up letter, and the receipt of any written material also confirmed. If the other parties produce a meeting note it should always be carefully scrutinised, compared against the notes taken by Council Officers and any discrepancies challenged in writing. Care must be taken to ensure that advice is not partial (nor seen to be) otherwise a subsequent report could appear to be advocacy.

16.4 To maintain impartiality, as well as the appearance of impartiality, it is preferable that Councillors do not take part in such discussions. However, should there be occasions when Councillors are involved they should always be advised by appropriate professional officers from the Council (which must always include a senior Planning Officer) and be authorised on a case by case basis.

16.5 The involvement of Councillors in such discussions should be recorded in the relevant Panel or Committee minutes.

16.6 A senior legal officer always attends the meeting to ensure that procedures have been properly followed. Whilst the Council makes extensive use of standard wording for conditions, in the case of any conditions which councillors may wish to add to or amend, officers have delegated powers to draft such conditions which need to be reasonable and relevant to the permission.

## SCHEDULE 17 - TAMWORTH BOROUGH COUNCIL MONITORING OFFICER PROTOCOL

### 1 GENERAL INTRODUCTION TO STATUTORY RESPONSIBILITIES

- 1.1 The Monitoring Officer is a statutory appointment pursuant to section 5 of the Local Government and Housing Act 1989. This Protocol provides some general information on how those statutory requirements will be discharged in Tamworth Borough Council.
- 1.2 The current responsibilities of the Monitoring Officer role rest with the Head of Audit & Governance, who undertakes to discharge his statutory responsibilities with a positive determination and in a manner that enhances the overall reputation of the Council. In doing so, he will also safeguard, so far as is possible, Members and Officers, whilst acting in their official capacities, from legal difficulties and/or criminal sanctions.
- 1.3 A summary list of the statutory responsibilities appears in the table annexed to this document. In general terms, the Monitoring Officer's ability to discharge these duties and responsibilities will depend, to a large extent, on Members and Officers:-
- 1.3.1 complying with the law of the land (including any relevant Codes of Conduct);
  - 1.3.2 complying with any General Guidance issued, from time to time, by the Audit & Governance Committee and the Monitoring Officer;
  - 1.3.3 making lawful and proportionate decisions; and
  - 1.3.4 generally not taking action that would bring the Council, their offices or professions into disrepute.
- 1.4 In the absence of the Monitoring Officer this Protocol shall apply to the Deputy Monitoring Officer.

### 2 WORKING ARRANGEMENTS

- 2.1 Having good working relations with Members and Officers will assist in the discharge of the statutory responsibilities on the Monitoring Officer and keep the Council out of trouble. Equally, a speedy flow of relevant information and access to debate (particularly at the **early stages** of any decision-making by the Council) will assist in fulfilling those responsibilities. Members and Officers must, therefore, work with the Monitoring Officer (and his staff) to discharge the Council's statutory and discretionary responsibilities.
- 2.2 The following arrangements and understandings between the Monitoring Officer, Members and Chief Officers are designed to ensure the effective discharge of the Council's business and functions. The Monitoring Officer will:-
- 2.2.1 be alerted by Members and Officers to any issue(s) that may become of concern to the Council, including, in particular issues around legal powers to do something or not, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;
  - 2.2.2 have advance notice (including receiving Agendas, Minutes, Reports and related papers) of all relevant meetings of the Council at which a binding decision of the Council may be made (including a failure to take a decision where one should have been taken) at or before the Council, ~~Cabinet~~Executive, ~~Executive~~Cabinet Member, Committee meetings and/or Corporate Management Team (or equivalent arrangements);

- 2.2.3 have the right to attend any meeting of the Council (including the right to be heard) before any binding decision is taken by the Council (including a failure to take a decision where one should have been taken) at or before the Council, ~~Cabinet Executive~~, ~~Cabinet – Executive~~ Member, Committee meetings and/or Corporate Management Team (or equivalent arrangements);
- 2.2.4 in carrying out any investigation(s) have unqualified access to any information held by the Council and to any Officer who can assist in the discharge of his functions;
- 2.2.5 ensure the other statutory officers (Head of Paid Service, and Section 151 Officer) are kept up-to-date with relevant information regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;
- 2.2.6 meet regularly with the Head of Paid Service and the Section 151 Officer to consider and recommend action in connection with Corporate Governance issues and other matters of concern regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;
- 2.2.7 report to the Council, from time to time, on the Constitution and any necessary or desirable changes following consultation, in particular, with the Head of Paid Service, Section 151 Officer and the Audit & Governance Committee;
- 2.2.8 as per the statutory requirements, make a report to the Council, as necessary on the staff, accommodation and resources he requires to discharge his statutory functions;
- 2.2.9 have a special relationship of respect and trust with the Leader, Deputy Leader and the Chairmen of the ~~Cabinet Executive~~, Audit & Governance, Licensing, Planning and Overview and Scrutiny Committees with a view to ensuring the effective and efficient discharge of Council business;
- 2.2.10 develop effective working liaison and relationship with the Councils external Auditors and the Local Government Ombudsman (including having the authority, on behalf of the Council, to complain to the same, refer any breaches to the same or give and receive any relevant information, whether confidential or otherwise, through appropriate protocols, if necessary) and settle any compensation payments for alleged or actual maladministration found against the Council;
- 2.2.11 maintain and keep up-to-date relevant statutory registers for the declaration of members' interests, gifts and hospitality;
- 2.2.12 give informal advice and undertake relevant enquiries into allegations of misconduct and, if appropriate, make a written report to the Audit & Governance Committee (unless the Chair of Audit & Governance Committee agrees a report is not necessary);
- 2.2.13 have sufficient resources to enable him to address any matters concerning his Monitoring Officer functions;
- 2.2.14 subject to the approval of the Audit & Governance Committee, be responsible for preparing any training programme for members on ethical standards and Code of Conduct issues; and

2.2.15 appoint a deputy and keep him or her briefed on any relevant issues that s/he may be required to deal with in the absence of the Monitoring Officer.

2.3 To ensure the effective and efficient discharge of the arrangements set out in paragraph 5 above, Members and Officers will report any breaches of statutory duty or Council policies or procedures and other vices or constitutional concerns to the Monitoring Officer, as soon as practicable.

2.4 The Monitoring Officer is also available for Members and Officers to consult on any issues of the Council's legal powers, possible maladministration, impropriety and probity issues, or general advice on the constitutional arrangements (e.g. Standing Orders, policy framework, terms of reference, scheme of delegations etc.).

2.5 To ensure the effective and efficient discharge of this Protocol, the Chief Financial Officer will ensure adequate insurance and indemnity arrangements are in place for the same to protect and safeguard the interests of the Council and the proper discharge of the Monitoring Officer role.

### **3 SANCTIONS FOR BREACH OF TAMWORTH'S CODE OF CONDUCT FOR MEMBERS AND THIS PROTOCOL**

3.1 Complaints against any breach of Tamworth's Code of Conduct for Members must be referred to the Monitoring Officer. Complaints against any breach of this Protocol by a Member will be referred to the Audit & Governance Committee and to the relevant Leader and/or Chief Whip of the Political Party Group. Complaints against any breach of this Protocol by an Officer may be referred to the relevant Chief Officer and/or the Chief Executive.

## SCHEDULE 18 - GUIDANCE NOTES IN COMPLETING THE REGISTER OF MEMBERS' INTERESTS FORM

Guidance is given below on the specific paragraphs and information required in the statutory Register of Members' Interests form.

### 1 Section A – Financial Interests

#### 1.1 Employment and/or business details carried on by me:

(You should include under this heading every employment, trade, profession, occupation or vocation which you have to declared for income tax purposes, i.e. that is carried on for profit or gain.

Give a short description of the activity concerned, e.g. "Computer Operator", "Farmer" or "Accountant". For these purposes being a Councillor need not be declared as an occupation. Equally ~~Cabinet-Executive~~ members do not need to declare their ~~Cabinet Executive~~ responsibilities or the amount of responsibility allowance that they are in receipt of from the Borough Council for carrying out those duties. That information is available to the public through other means.)

#### 1.2 The name of the person who employs or has appointed me:

(You should include under this heading the name of any individual, company, partnership, public body etc who employs you or who has appointed you. If employed by a company, give the name of the company paying your wages or salary, not that of any ultimate holding company).

#### 1.3 The name of the firm of which I am a partner:

(You should include the name of the firm(s) in which you have a business interest (or interests) as a partner.)

#### 1.4 The name of the company to which I am a remunerated director:

(You should list under this heading the names of all companies in which you are remunerated as a director.)

#### 1.5 The name of any person (other than the relevant authority) who has made a payment to me in respect of my election or any expenses incurred by me in carrying out my duties:

(You should include under this heading any names of any person or political parties who have made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties, e.g. a member is expected to register the name of any person, or political party, who helped to fund his/her election campaign. There is however no need to register the payment of legitimate expenses by the Borough Council.)

#### 1.6 The name of any corporate body which has a place of business or land in the authority's area, and in which I have a beneficial interest in a class of securities of that body that exceeds the nominal value of £25,000 or one hundredth of the total issues share capital of that body:

(Give the names of any companies, industrial and provident societies, co-operative societies or other corporate bodies which have any business or land in Tamworth Borough and in

which your beneficial interest exceeds £25,000 or 1/100th of the total issued share capital. The key point is that the nominal value of the shares is taken account, not the market value of such shares. Classes of securities include shares, bonds and future/options dealing. The nominal value of shares is the face value of those shares (i.e. the value recorded on the share certificate).

The registration of any PEPs, ISAs or pensions which a member has is not necessary unless, given the above criteria, the member knows the companies in which his/her PEP, ISA or pension fund was invested and that:

- 13 those companies have a place of business or land in the authority's area; and
- 14 the member's beneficial interest in the investment was greater than the levels indicated above.

You are only required to register interests which are known to you. The Code does not require you to investigate the investment portfolio of any PEP, ISA or pension scheme to which you may belong.)

**1.7 A description of any contract for goods, services or works made between the authority and myself or a firm of which I am a partner, a company of which I am a remunerated director, or a body of the description specified in sub-paragraph 1.4) above:**

(You should include under this heading all relevant contracts entered into with the Borough Council. If you have been awarded a contract but no financial agreement has, as yet, been signed, it is good practice to declare the same and to advise the Monitoring Officer of any amendment to the Register as and when the contract has been formally signed. Equally, if the contract is terminated (for whatever reason) or comes to an end, the member should notify the Monitoring Officer in writing of the change to the Register within 28 days of such event.)

**1.8 The address or other description (sufficient to identify the location) of any land in which I have a beneficial interest and which is in the area of the authority:**

(If you live within the Borough of Tamworth, your home property address should be included under this heading. Beneficial interest includes a mortgage interest in a property, including a tenanted interest, whether as a landlord or tenant. All relevant interests in the Borough must also be declared in addition to your home address.)

**1.9 The address or other description (sufficient to identify the location) of any land where the landlord is the authority and the tenant is a firm in which I am a partner, a company of which I am a remunerated director, or a body of the description specified in sub-paragraph 1.4) above:**

(You will need to include details of any tenanted land that you hold from the Borough Council. You may hold such land in your personal capacity or as a partner of a firm, a company of which you are a remunerated director or of any other legal body. Sufficient details of any such land need to be given to identify the same.)

**1.10 The address or other description (sufficient to identify the location) of any land in the authority's area in which I have a licence (alone or jointly with others) to occupy for 28 days or longer:**

(You will need to include details of any licence to occupy land or premises in the Borough Council's area for 28 days or longer. Temporary occupations of less than 28 days do not

therefore, need to be declared on the form. It is also important to recognise that the occupation by you may be in joint or several names.)

## 2 Section B – Other Interests

In accordance with the Local Government Act 2000, I hereby give written notification to Tamworth Borough Council's Monitoring Officer of my membership of or position of general control or management of any of the following:

### 2.1 **A body to which I have been appointed or nominated by the authority as its representative:**

(You should declare membership of, a position of general control or management in, any bodies to which you have been appointed by the Borough Council. This will not include Committees which are part of the Borough Council. You must however include any company directorship or other representation if you have been appointed or nominated by the Borough Council as its representative on such company.)

### 2.2 **Public Authority or body exercising functions of a public nature:**

(It will be necessary for you to include your membership or position of general control of such organisations as (inter alia) health authorities, police authorities, housing associations, statutory undertakers, magistrates, County Council, Parish Council(s); and the Local Government Association (including WMLGA).

### 2.3 **Company, industrial and provident society, charity or body directed to charitable purposes:**

(Membership of or position of general control or management of any company, industrial and provident society, charity or body directed to charitable purposes need to be inserted here. These bodies are those on which you serve in your own capacity as opposed to being appointed or nominated by the Borough Council as its representative. The latter needs to be included within section B a) as indicated earlier. Equally, charitable purposes include educational establishments and, as such, school governorships need to be declared.)

### 2.4 **Body whose principal purposes include the influence of public opinion or policy:**

(You should mention here membership of any relevant political parties and other relevant public opinion or policy/pressure groups.)

### 2.5 **Trade union or professional association:**

(You need to include on the form your membership of any trade union or professional association, e.g. National Union of Teachers; the Law Society or the British Medical Association.)

### 2.6 **Private club or society such as freemasons, recreational club, working men's club or private investment club:**

(You should include on the form your membership of any private club or society such as freemasons, recreational club, working men's club or private investment club.)

## NOTES

Societies registered under the Industrial and Provident Societies Act 1965 are bodies corporate with limited liability and are known as "industrial and provident societies". To qualify as such a society, its membership

should not be less than three. A society with any withdrawable share capital shall not carry on the business of banking. Otherwise a society for carrying on any industry, business or trade, whether wholesale or retail, is regarded as an industrial or provident society if that society is a bona fide co-operative society, or if the society is or is intended to be conducted for the benefit of the community. A society's rules must contain provision in respect of matters mentioned in schedule 1 of the above Act, and the society's registered office must be in Great Britain or the Channel Islands. Examples, some leisure trusts, some working men's clubs and some housing associations.

A trade union means an organisation, whether temporary or permanent, which consists wholly or mainly of workers of one or more descriptions and whose principal purposes include the regulation of relations between workers of that description or those descriptions and employers or employers' associations. A trade union can also mean an organisation, whether temporary or permanent, which consists wholly or mainly of constituent or affiliated organisations which fulfil the conditions mentioned in the previous sentence, or themselves consist wholly or mainly of constituent or affiliated organisations which fulfil those conditions or representatives of such constituent or affiliated organisations, and whose principal purposes include the regulation of relations between workers and employers, or between workers and employers' associations, or the regulation of relations between its constituent or affiliated organisations.

If a legal body to which you have been appointed or nominated by the Borough Council subsequently appoints or nominates you to another company, industrial and provident society, charity or body directed to charitable purposes, then that other body must also be declared in Section B c).

Members must inform the Monitoring Office in writing, and within 28 days, of any changes or additions which should be made to their entries in the Register of Members' Interests.

Declaring an interest in the Statutory Register of Members' Interests form does not remove the duty on the member to declare the interest at any relevant meeting of the Borough Council, the [Executive Cabinet](#), Committees etc.

## **6 PART 6 - MEMBERS' ALLOWANCES SCHEME**

The Tamworth Borough Council, in exercise of the powers conferred by the Local Authorities (Members' Allowances) (England) Regulations 2003, hereby makes the following scheme:-

This scheme may be cited as the Tamworth Borough Council Members' Allowances Scheme, and shall have effect for the year commencing on 1st April 1999 and subsequent years.

In this scheme:

"Councillor" means a Member of the Tamworth Borough Council who is a Councillor;

"Year" means the 12 months ending with 31st March.

### **6.1 Basic Allowance**

Subject to Paragraph 6, for each year a basic allowance of £5,171 shall be paid to each Councillor.

### **6.2 Special Responsibility Allowances**

6.2.1 For each year a special responsibility allowance shall be paid to those Councillors who hold the special responsibilities in relation to the Authority that are specified in Schedule 1 to this Scheme subject to a discount of 10% for any Member who attends less than 75% of the scheduled meeting of the Committees that they are appointed to.

6.2.2 Subject to paragraph 8, the amount of each such allowance shall be the amount specified against that special responsibility in that Schedule subject to a discount of 10% for any Member who attends less than 75% of the scheduled meeting of the Committees that they are appointed to.

6.2.3 A Councillor shall be entitled to claim only one special responsibility allowance.

### **6.3 Fees**

Each year Tamworth Borough Council will pay for each Member the Information Commissioners Office annual subscription (currently £35) in relation to the individual cost of registration for Data Protection purposes.

### **6.4 Renunciation**

A Councillor may by notice in writing given to the –Chief Executive elect to forego any part of his/her entitlement to an allowance under this scheme.

### **6.5 Part-year Entitlements**

6.5.1 The provisions of this paragraph shall have effect to regulate the entitlements of a Councillor to basic and special responsibility allowances where, in the course of a year, this scheme is amended or that Councillor becomes, or ceases to be, a Councillor, or accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable.

6.5.2 If an amendment to this scheme changes that amount to which a Councillor is entitled by way of a basic allowance or a special responsibility allowance, then in relation to each of the periods:

- (a) beginning with the year and ending with the day before that on which the first amendment in that year takes effect; or
- (b) beginning with the day on which amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year;
- (c) the entitlement to such an allowance shall be to the payment of such part of the amount of the allowance under this scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of days in the period bears to the number of days in the year.

6.5.3 Where the term of office of a Councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that Councillor to a basic allowance shall be to the payment to such part of the basic allowance as bears to the whole the same proportion as the number of days during which his term of office subsists bears to the number of days in that year.

6.5.4 Where this scheme is amended as mentioned in sub-paragraph (2) and the term of office of a Councillor does not subsist throughout the period mentioned in sub-paragraph (2) (a), the entitlement of any such part of the basic allowance shall be to the payment of such part of the basic allowance referable to each such period (ascertained in accordance with the sub-paragraph) as bears to the whole the same proportion as the number of days during which his term of office as a Councillor subsists bears to the number of days in that period.

6.5.5 Where a Councillor has during part of, but not throughout, a year such special responsibilities as entitle him or her to a special responsibility allowance, that Councillor's entitlement shall be to payment of such part of that allowance as bears to the whole the same proportion as the number of days during which he has such special responsibilities bears to the number of days in that year.

6.5.6 Where this scheme is amended as mentioned in sub-paragraph (2) and a Councillor has during part, but does not have throughout the whole, or any period mentioned in sub-paragraph (2) (a) of that paragraph any such special responsibilities as entitle him or her to a special responsibility allowance, that Councillor's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.

## 6.6 Payments

6.6.1 Payment shall be made in respect of basic and special responsibility allowances, subject to sub-paragraph (2), in instalments of one-twelfth of 90% of the amount specified in this scheme on the 20th day of each month. The remaining 10% paid as a lump sum at the end of the municipal year where Members have attended 75% of the scheduled meetings of the Committees that they are appointed to;

6.6.2 Where a payment of one-twelfth of the amount specified in this scheme in respect of a basic allowance or a special responsibility allowance would result in the Councillor receiving more than the amount to which, by virtue of Paragraph 8 he or she is entitled, the payment shall be restricted to such amount as will ensure that no more is paid than the amount to which he or she is entitled.

#### 6.7 Approved Duties

An "approved duty" means a meeting of the authority or of any Committee or sub-Committee or of any other body to which the authority makes nomination or any other duty approved by the ~~Head of Legal & Democratic Chief Executive~~ Executive, ~~Head of Paid Service or Monitoring Officer Services~~ after consultation if necessary with the ~~Executive Cabinet~~, for the purpose of or in connection with the discharge of the functions of the Committee, or any of its Committees or sub-Committees or any duty of a class so approved.

Commented [A20]: Check this

#### 6.8 Travelling

Payment to Councillors and Co-optees for travelling and subsistence will be made in accordance with HMRC rates where expenditure is incurred for the purpose of performing any approved duty.

#### 6.9 Subsistence

**Payment to Councillors and Co-optees for travelling and subsistence will be made in accordance with rates paid to staff in terms of the Corporate Travel and Subsistence Policy.**

#### 6.10 Attendance at Conferences and Training Events

The Chief Executive, after consultation with the ~~Executive Cabinet~~ if necessary, may approve the payment of the cost of attendance at Conferences and Training Events and the payment of travelling, subsistence and attendance allowance(s) in accordance with the rates prescribed by the Secretary of State.

#### 6.11 Childcare and Dependent Relatives Allowance

Payment for childcare and dependent relatives' allowance will be in accordance with Schedule 2.

#### 6.12 Claims Payment

Claims for travelling, subsistence and attendance allowance(s) should be submitted to Democratic Services in writing on a form approved by the Executive Director Finance.

#### 6.13 Variation

This Scheme shall be varied from 1st April 2000 and on the 1st April in each subsequent year by the amounts payable by way of basic or special responsibility allowance being increased by an amount equivalent to the increase in the preceding period of twelve months of the earnings of all Local Authority employees.

#### ~~6.14 Local Government Superannuation Scheme~~

~~All Members of the Council shall be entitled to pensions in accordance with the scheme made under Section 7 of the Superannuation Act 1972. Both the Basic Allowance and~~

Commented [A21]: Pursuant to changes to the rules this provision is no longer required

~~Special Responsibility Allowances shall be treated as amounts in respect of which such pensions are payable in accordance with the said superannuation scheme.~~

## SCHEDULE 1

The Council determined a Basic Allowance per annum of £5,338.

The Council determined an allowance of £45 per meeting under four hours duration and £90 for each meeting over four hours duration for Chairs of Licensing Sub-Committees and Co-optees.

For Members with special responsibilities the following Special Responsibility Allowances (SRA) per annum were determined as follows:-

### MEMBERS ALLOWANCES INCLUDING 1% INCREASE FOR 2018/19

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Basic Allowance	<del>£5,391.20</del> <u>£5,609.00</u>
Leader of the Council	<del>£13,492.80</del> <u>£14,037.91</u>
Deputy Leader of the Council	<del>£10,119.34</del> <u>£10,528.16</u>
Member of <del>Executive Cabinet</del> (other than Leader & Deputy)	<del>£8,769.91</del> <u>£9,124.22</u>
Chairs of Scrutiny Committees	<del>£6,070.66</del> <u>£6,315.91</u>
Chair of Planning Committee	<del>£6,070.66</del> <u>£6,315.91</u>
Chair of Audit & Governance Committee	<del>£3,372.39</del> <u>£3,508.64</u>
Chair of Licensing Committee	<del>£1,348.35</del> <u>£1,402.83</u>
Leader of Larger Opposition Group	<del>£6,070.66</del> <u>£6,315.91</u>
Deputy Leader of Larger Opposition Group	<del>£3,372.39</del> <u>£3,508.64</u>
Deputy Leader of Larger Opposition Group (7 or less members)	<del>£2,024.04</del> <u>£2,105.81</u>
Leader of Minor Opposition Group (4 or more members)	<del>£1,348.35</del> <u>£1,402.83</u>

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## SCHEDULE 2

### CHILDCARE AND DEPENDENT RELATIVES ALLOWANCE

A Childcare and Dependent Relatives Allowance shall be paid to those Councillors incurring costs for the care of a dependent relative or child in the course of, or to permit, the undertaking of his or her duties as a councillor when attending official Council meetings.

Dependants are defined as:

- children under the age of 14 for whom the councillor is normally responsible;
- elderly, ill or disabled dependants who require full time care and for whose care the councillor is normally responsible.

[The claim for payment must be for actual expenses incurred, for carers over-aged between 21 - 24 at a rate of £67.570 per hour and carers aged 18-20 at a rate of £56.135 per hour and carers aged 16-17 at a rate of £34.7935 per hour. Apprentices under 19 or in the first year of their apprenticeship £3.90. Rates are revised annually in October. Claims shall also be indexed to the minimum wage. All claims shall be made on the attached form, Annex 1.]

The Council has discretion to consider payment of an amount exceeding the amount specified in 3. above if special circumstances apply.

**ANNEX 1**

(a) TAMWORTH BOROUGH COUNCIL

APPLICATION FOR PAYMENT OF CHILDCARE AND DEPENDENT RELATIVES ALLOWANCE

COUNCILLOR.....

DESCRIPTION OF APPROVED DUTY (INCLUDING HOURS) EG: COMMITTEE TIMES, DATES ETC

.....

.....

DATE OF APPROVED DUTY.....

AMOUNT CLAIMED.....

AGE OF CARER.....

I declare that to enable me to perform an approved duty I have necessarily incurred expenditure to provide care for a child aged 14 or under/\*a dependant with a disability/\*an elderly relative requiring care/\*a dependant who is ill.

Signature of Councillor.....

Date.....

Signature of Authorised Officer .....

Name of Authorised Officer .....

Date.....

\*Delete as appropriate

Please attach copy receipt of the payment to carer

Please return this form to Democratic Services

## TAMWORTH BOROUGH COUNCIL; JOB DESCRIPTIONS FOR MEMBER ROLES

### COUNCILLORS

#### Purpose

1. To participate constructively in the good governance of the Borough of Tamworth.
2. To contribute actively to the formation and scrutiny of the authority's policies, budget, strategies and service delivery.
3. To represent effectively the interests of the Ward for which the councillor was elected, and deal with constituents' enquiries and representations.
5. To represent the council effectively, when appointed to an outside body.
6. To act at all times with probity and propriety and in the best interests of the Council.

#### Duties and Responsibilities

1. To fulfil the statutory and locally determined requirements of an elected member of a local authority and the authority itself, including compliance with all relevant codes of conduct, and participation in those decisions and activities reserved to the full Council
2. To participate effectively as a member of any Committee when so appointed
3. To participate in the activities of any outside body when so appointed
4. To participate in the scrutiny or performance review of the services of the authority including, where the authority so decides, the scrutiny of policies and budget, and their effectiveness in achieving the strategic objectives of the Council5To participate, as appointed, in consultative processes with the community and other organisations and to provide a link between the authority to the community
6. To maintain and fulfil the duties required under Data Protection legislation and ensure compliance with their personal obligations in this matter.
- 7 To develop and maintain a working knowledge of the authority's services, management arrangements, powers/duties, and constraints, and to develop good working relationships with relevant officers
8. To develop and maintain a working knowledge of other organisations and services which serve the Borough of Tamworth
9. To participate in the activities of any political group of which the councillor is a member
10. To maintain confidentiality in all relevant Council business

## **LEADER**

### **Purpose**

1. To provide effective political leadership and strategic direction for the Council.
2. To ensure effective Corporate Governance.
3. To provide effective stewardship of the Council.
4. To chair the Executive and ensure that it achieves its terms of reference.
5. To provide the policy framework and direction necessary to ensure that the Council delivers high quality, value for money services

### **Duties and Responsibilities**

1. To provide political leadership to the Council, take appropriate Executive action and propose the policy framework within which the Council will operate
2. To ensure effective Corporate Governance including working with opposition groups to seek to achieve where possible cross party cooperation
3. To appoint and lead the Executive and be responsible for the Council's corporate and resource strategy
4. To ensure that the Executive achieves its terms of reference both collectively and as individual portfolio holders
5. To ensure the effective integration of roles, responsibilities and functions within the Executive membership
6. To maintain and fulfil the duties required under Data Protection legislation and ensure compliance with their personal obligations in this matter.
7. To appoint Member Champions where considered appropriate in accordance with the Constitution
8. To provide reports to Council in accordance with the Constitution
9. As Leader, to be the key contact for outside organisations and the Council's Chief Executive and other Senior Officers
10. To be the voice of the Council and to positively promote the Council in the media.
11. To act as the political spokesperson for the Council
12. To promote the long term financial, business and economic stability and growth of the Borough
13. To encourage the highest standards of probity and corporate governance

### **Skills desired**

1. Good communication and interpersonal skills
2. The ability to analyse and grasp complex issues
3. A good understanding of how local, national and European government operates,
4. An understanding of the operation of the Council and the economic and social situation within Tamworth
5. Business and financial acumen, with the ability to understand and manage the Council's budget
6. Effective leadership skills
7. Excellent political knowledge and awareness
8. The ability to chair meetings and facilitate open discussion
9. The ability to work effectively with Council officers, the public, the media and outside organisations

## **DEPUTY LEADER**

### **Purpose**

1. To assist and work with the Leader to provide effective political leadership and strategic direction for the Council.
2. To assist the Leader with his other responsibilities such as ensuring effective Corporate Governance and Stewardship of the Council and to provide the policy framework and direction necessary to ensure the Council delivers high quality, value for money services.
3. To act in the absence of the Leader as appropriate.

### **Duties and Responsibilities**

1. To assist and work with the Leader in delivering his responsibilities to the Council
2. To deputise for the Leader in his absence from Council meetings and to deputise in the Leader's absence at Executive meetings
3. In the Leader's absence to carry out the requirements of his job profile so far as legally possible and permissible.
4. To carry out such other duties and undertake portfolio responsibility as delegated by the Leader
5. To maintain and fulfil the duties required under Data Protection legislation and ensure compliance with their personal obligations in this matter.

### **Skills desired**

1. Good communication and interpersonal skills
2. To have the ability to analyse and grasp complex issues
3. A good understanding of how local, national and European government operates,
4. A clear understanding of the operation of the Council, and the economic and social situation within Tamworth
5. Business and financial acumen, including the ability to understand and manage the Council's budget
6. Effective leadership skills
7. Excellent political knowledge and awareness
8. The ability to chair meetings and facilitate open discussion
9. The ability to work effectively with Council officers, the public, the media and outside organisations

## **EXECUTIVE MEMBERS**

### **Purpose**

1. To provide collective and individual leadership as part of the Executive.
2. To undertake lead responsibility for allocated portfolios.
3. To contribute effectively towards the strategic direction of the Council.

### **Duties and Responsibilities**

1. To participate effectively as a Member of the Executive; taking joint responsibility with other Executive Members for all actions.
2. To exercise appropriately any delegated powers from the Leader
3. To participate in shaping and developing the policy and vision of the Council,
4. To act as the Lead Member for a particular portfolio as may be determined by the Leader, and in doing so, have regard to the overall collective responsibilities of the Executive and the Council's corporate policy objectives and championing the portfolio concerned within that strategic context, being aware of key budgetary issues relating to the portfolio
5. To build good working relationships with appropriate officers and work with them in developing policy or strategic issues prior to formal reporting.
6. To maintain and fulfil the duties required under Data Protection legislation and ensure compliance with their personal obligations in this matter.
7. To keep abreast of related developments and policies at national, regional and local level
8. To represent the Executive where appropriate at an Overview & Scrutiny Committee in connection with any matter that may be called in; and to attend O&S at their request in connection with any issues associated with the Executive Member portfolio that are being scrutinised.
9. To be aware of issues of importance to the community and other stakeholders concerning the portfolio are
10. To represent the Council on external bodies, as appointed, and feedback to the Executive any issues of relevance/importance.
11. To be available as appropriate for other Members to discuss any queries or matters of concern.
12. To positively promote the portfolio and where appropriate to act as the spokesperson with the media for the portfolio area.

### **Skills desired**

1. Good communication and interpersonal skills
2. Ability to analyse and grasp complex issues
3. An understanding of national and local government statutory and financial frameworks
4. An understanding of the Council, including the economic and social situation within Tamworth
5. The ability to understand the Council's budget especially in respect of the relevant portfolio
6. Leadership skills
7. Political knowledge and awareness
8. Ability to work effectively with Council officers, the public, the media and outside organisations
9. Ability to work as part of a team



## **CHAIR OF A COMMITTEE**

**General- to include Audit and Governance Committee and Governance Committee**

### **Purpose**

1. To provide leadership of and direction to the Committee.
2. To chair Committee meetings and ensure the Committee achieves its terms of reference.

### **Duties and responsibilities**

1. To encourage Committee members to obtain the necessary skills to contribute effectively to the work of the Committee and to work with officers to ensure the provision of necessary training
2. To endeavour to engage all members of the Committee in its work
3. To lead the Committee, in consultation with officers, to most effectively prioritise its Work load
4. To develop a constructive relationship with the relevant senior officers and their staff and with relevant portfolio holders
5. To be willing to learn about the professional disciplines and services relevant to the work of the Committee
6. To maintain and fulfil the duties required under Data Protection legislation and ensure compliance with their personal obligations in this matter.
7. To be available to Chair meetings and carry out other duties as Chair, allowing sufficient time to support the work of the Committee outside meetings
8. To Chair the committee in a fair, open and balanced manner in accordance with the procedures of the committee
9. To guide, with the assistance of officers, the committee to reach legally sound decisions based on the information presented to it
10. To provide and present a report concerning the Committees activities to Council at the council meeting in April each year or at any other time as may be requested

### **Skills desired**

1. Good communication and interpersonal skills
2. Leadership and Chairship skills
3. Project and time management skills
4. Ability to influence and work constructively with members, officers, the public, external advisors and outside organisations
5. Ability to work as part of a team

## **CHAIR OF A REGULATORY COMMITTEE**

### **Purpose**

1. To provide leadership and direction to the Committee.
2. To demonstrate to the public and to any applicants and objectors that there is fair and open decision making by or on behalf of the Committee.
4. To chair and manage Committee meetings and ensure the Committee achieves its terms of reference.

### **Duties and responsibilities**

1. To lead the Committee, in consultation with officers, in prioritising its work
2. To be available to chair meetings and carry out other Chair duties, allowing sufficient time to support the work of the Committee outside meetings
3. To encourage Committee members to obtain the skills to contribute the work of the Committee and to work with officers to ensure the provision of necessary training to members
4. To endeavour to engage all members of the Committee in Committee activities
5. To develop a constructive and effective relationship with relevant Chief Officers and their staff
6. To maintain and fulfil the duties required under Data Protection legislation and ensure compliance with their personal obligations in this matter.
7. To be willing to learn about the professional disciplines and services relevant to the work of the Committee
8. To Chair the committee in a fair, open and balanced manner in accordance with the procedures of the committee; and ensuring an appropriate and fair hearing to applicants and objectors
9. To guide, with the assistance of officers, the committee to reach legally sound decisions based on the information presented to it
10. To work with the Officers of the Council to ensure that the Council policies and procedures in relation to the Committees activities are up to date and applied correctly
11. To provide and present a report concerning the Committees activities to Council at the Council meeting in April each year or at any other time as may be requested

### **Skills desired**

1. Good communication and interpersonal skills
2. Leadership and excellent Chairship skills
3. Project and time management skills
4. Ability to influence and work constructively with members, officers, the public, external advisors and outside organisations
5. Ability to work as part of a team

## **OVERVIEW AND SCRUTINY COMMITTEE CHAIR**

### **Purpose**

1. To provide leadership of and direction to the Committee.
2. To chair Committee meetings and ensure the Committee achieves its terms of reference.

### **Duties and responsibilities**

1. To encourage Committee members to obtain the necessary skills to contribute effectively to the work of the Committee in carrying out the Scrutiny Role and to work with officers to ensure the provision of necessary training
2. To endeavour to engage all members of the Committee with the scrutiny process
3. To lead the Committee, in consultation with officers, to most effectively prioritise its Work load so as to ensure effective scrutiny, paying particular regard to the Forward Plan
4. To co-ordinate work with the other Overview and Scrutiny Committees, so as to ensure that the scrutiny and review work of the Committees is not duplicated by them; and to share learning
5. To develop a constructive relationship with the Executive, especially with relevant portfolio holders
6. To maintain and fulfil the duties required under Data Protection legislation and ensure compliance with their personal obligations in this matter.
7. To develop a constructive relationship with the Chief Officers and other senior officers in the areas that the Committee scrutinises
8. To develop a constructive relationship with the relevant senior officers and their staff and with relevant portfolio holders
9. To be available to Chair meetings and carry out other duties as Chair allowing sufficient time to support the work of the Committee outside meetings
10. To Chair the committee in a fair, open and balanced manner in accordance with the procedures of the committee
11. To provide and present a report concerning the Committees activities to Council at the Council meeting in April each year or at any other time as may be requested

### **Skills desired**

1. Good communication and interpersonal skills
2. Leadership and Chairship skills
3. Project and time management skills
4. Ability to influence and work constructively with members, officers, the public and outside organisations
5. Ability to work as part of a team

## **LEADER OF THE OPPOSITION**

### **Purpose**

1. To provide strong, clear political leadership for the main Opposition Group on the Council and act as main opposition spokesperson.
2. To promote good governance, member development, and discipline within the main Opposition Group and manage the work of members in the group.
3. To co-ordinate the participation of the Opposition Group in the business of the Council.

### **Duties and Responsibilities**

1. To provide constructive challenge of and comment upon the Council's vision, policies, strategies and the delivery of services
2. To provide strong, clear leadership in the development and co-ordination of credible alternative policies, strategies and service delivery; providing new ideas and alternative viewpoints to the council
3. To promote and support good governance of the Council and its affairs and the adherence by Opposition Group members to the Code of Conduct
4. To establish and represent the views of the Opposition Group on matters of council policy and priorities
5. To represent the Opposition Group on working parties and informal working groups
6. To maintain and fulfil the duties required under Data Protection legislation and ensure compliance with their personal obligations in this matter.
7. To play an effective part in the work of the Councils Scrutiny and Overview Committees, liaising with Committee Chair as appropriate
8. To liaise with officers and other political groups as appropriate.

### **Skills desired**

1. Good communication and interpersonal skills
2. Ability to analyse and grasp complex issues
3. An understanding of national and local government statutory and financial frameworks
4. An understanding of the Council, including the economic and social situation within Tamworth
5. The ability to understand the Council's budget
6. Leadership skills
7. Political knowledge and awareness
8. Ability to work effectively with Council officers, the public, the media and outside organisations
9. Ability to work as part of a team

## **DEPUTY LEADER OF THE OPPOSITION**

### **Purpose**

To deputise for the Leader of the Opposition Group in his absence.

### **Duties and Responsibilities**

1. To assist and work with the Leader of the main Opposition Group
2. To act in the absence of the Leader of the main Opposition Group as appropriate
3. To fulfil the duties of the Leader of the Opposition in his or her absence
4. To assist the Leader of the Opposition in specific duties as required.
5. To maintain and fulfil the duties required under Data Protection legislation and ensure compliance with their personal obligations in this matter.

### **Skills desired**

1. Good communication and interpersonal skills
2. Ability to analyse and grasp complex issues
3. An understanding of national and local government statutory and financial frameworks
4. An understanding of the Council, including the economic and social situation within Tamworth
5. The ability to understand the Council's budget
6. Leadership skills
7. Political knowledge and awareness
8. Ability to work effectively with Council officers, the public, the media and outside organisations
9. Ability to work as part of a team

PART 7 - MANAGEMENT STRUCTURE



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## PLANNED REPORTS TO AUDIT AND GOVERNANCE COMMITTEE 2020-2021

	Report	Committee Date	Report Of	Comments
1	Audit Committee update	<b>26 March 2020*</b>  *26 March 2020 meeting did not take place due to Covid-19 restrictions	Grant Thornton	Circulated to the Committee 22 May 2020
2	Informing the Audit Risk Assessment	<b>26 March 2020*</b>	Grant Thornton	Circulated to the Committee 22 May 2020
3	Update on Audit Matters from Public Sector Audit Appointments Limited	<b>26 March 2020*</b>	Joint Report of Grant Thornton and the Executive Director Finance	Circulated to the Committee 22 May 2020
4	Cipfa Section 151 Update and Review of the Financial Resilience Index	<b>26 March 2020*</b>	Executive Director Finance	Circulated to the Committee 22 May 2020
5	Review of the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement and the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report	<b>26 March 2020*</b>	Executive Director Finance	Presented to Council Dec 19 / Feb 20. Circulated to the Committee 22 May 2020
6	Final Accounts – Accounting Policies and Action Plan	<b>26 March 2020*</b>	Assistant Director of Finance	Circulated to the Committee 22 May 2020

7	Risk Based Verification – exempt item	<b>26 March 2020*</b>	Assistant Director of Finance	Circulated to the Committee 22 May 2020
8	Internal Audit Charter and Audit Plan	<b>26 March 2020*</b>	Head of Audit & Governance	Circulated to Committee 23 June 2020
9	Review of the Constitution and Scheme of Delegation for Officers	<b>26 March 2020*</b>	Head of Audit & Governance	Deferred to October 2020 meeting
10	Review of Financial Guidance	<b>26 March 2020*</b>	Head of Audit & Governance	Circulated to Committee 12 June 2020
11	Pros & cons of Independent Members	<b>26 March 2020*</b>	Head of Audit & Governance	Deferred to July 2020 Committee
	Private meeting of Internal and External Auditors and Committee members	<b>Deferred to July 2020 meeting</b>		
1	Role of the Audit Committee	<b>4 June 2020 **</b>	Grant Thornton	Presentation/training – postpone to later in the year
2	Audit Committee update	<b>4 June 2020</b>	Grant Thornton	Deferred to July 2020 Committee
3	RIPA Quarterly Report	<b>4 June 2020</b>	Assistant Director - Partnerships	Deferred to July 2020 Committee
4	Internal Audit Annual and Quarterly Update	<b>4 June 2020</b>	Head of Audit & Governance	Deferred to July 2020 Committee

5	Public Sector Internal Audit Standards/Quality Assurance and Improvement Programme	<b>4 June 2020</b>	Head of Audit & Governance	Report circulated 3 June 2020
6	Annual Governance Statement and Code of Corporate Governance	<b>4 June 2020</b>	Head of Audit & Governance	Requires approval defer to October 2020 to accompany statement of accounts
7	Counter Fraud Update	<b>4 June 2020</b>	Head of Audit & Governance	Defer to October 2020 Committee
8	Chair of Audit & Governance Committee's Annual Report	<b>4 June 2020</b>	Head of Audit & Governance	Report circulated 12 June 2020
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1	Audit Committee update	<b>23 July 2020</b> (Meeting programme commences remotely)	Grant Thornton	Regular item
2	<del>Audit Findings Report</del>	<del>23 July 2020</del>	<del>Grant Thornton</del>	Deferred to October 2020 Committee
3	<del>Management Representation Letter</del>	<del>23 July 2020</del>	<del>Grant Thornton</del>	Deferred to October 2020 Committee
4	<del>Annual Statement of Accounts</del>	<del>23 July 2020</del>	<del>Executive Director Finance</del>	Deferred to October 2020 Committee
5	Risk Management Quarterly Update	<b>23 July 2020</b>	Assistant Director – Finance	

6	RIPA Quarterly Report and Policy	<b>23 July 2020</b>	Assistant Director - Partnerships	Deferred from June 2020 Committee
7	Internal Audit Annual Report and Update	<b>23 July 2020</b>	Head of Audit & Governance	Deferred from June 2020 Committee
8	Pros and Cons of Independent Members	<b>23 July 2020</b>	Head of Audit & Governance	Deferred from June 2020 Committee
9	<del>Modern Slavery and Human Trafficking Statement</del>	<b>23 July 2020</b>	Assistant Director - Partnerships	To be circulated to Committee for comment in advance of submission to Cabinet for approval.
1	Audit Findings Report	<b>29 October 2020</b>	Grant Thornton	Deferred from July 2020 Committee
2	Management Representation Letter	<b>29 October 2020</b>	Grant Thornton	Deferred from July 2020 Committee
3	Annual Statement of Accounts	<b>29 October 2020</b>	Executive Director Finance	Deferred from July 2020 Committee
4	Annual Governance Statement and Code of Corporate Governance	<b>29 October 2020</b>	Head of Audit & Governance	Deferred from June 2020 Committee

5	Review of the Constitution and Scheme of Delegation for Officers	<b>29 October 2020</b>	Head of Audit & Governance	Deferred to October 2020 meeting
6	Internal Audit Quarterly Update	<b>29 October 2020</b>	Head of Audit & Governance	
7	Risk Management Quarterly Update	<b>29 October 2020</b>	Assistant Director – Finance	
8	Annual Treasury Outturn	<b>29 October 2020</b>	Executive Director Finance	
9	Local Government Ombudsman’s Annual Review and Report 2018/19	<b>29 October 2020</b>	Assistant Director - People	
10	Counter Fraud Update	<b>29 October 2020</b>	Head of Audit & Governance	Deferred from July 2020 Committee
11	Review of the Proposed Investment in Property Funds	<b>29 October 2020</b>	Executive Director Finance	Referred from Corporate Scrutiny Committee
	Private meeting of Internal and External Auditors and Committee members	<b>29 October 2020</b>		
1	Annual Audit Letter	<b>11 February 2021</b>	Grant Thornton	
2	Audit Committee update	<b>11 February 2021</b>	Grant Thornton	Regular item
3	Fee Increase Letter	<b>11 February 2021</b>	Grant Thornton	
4	Audit Plan	<b>11 February 2021</b>	Grant Thornton	

5	Internal Audit Quarterly Update	<b>11 February 2021</b>	Head of Audit & Governance	
6	Risk Management Quarterly Update	<b>11 February 2021</b>	Assistant Director – Finance	
7	Audit Committee Effectiveness	<b>11 February 2021</b>	Head of Audit & Governance	
1	Audit Committee update	<b>23 March 2021</b>	Grant Thornton	Regular Update
2	Informing the Audit Risk Assessment	<b>23 March 2021</b>	Grant Thornton	
3	Review of the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement and the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report	<b>23 March 2021</b>	Executive Director Finance	
4	Final Accounts – Accounting Policies and Action Plan	<b>23 March 2021</b>	Assistant Director of Finance	
5	Risk Based Verification – exempt item	<b>23 March 2021</b>	Assistant Director of Finance	
6	Internal Audit Charter and Audit Plan	<b>23 March 2021</b>	Head of Audit & Governance	
7	Review of the Constitution and Scheme of Delegation for Officers	<b>23 March 2021</b>	Head of Audit & Governance	
	Private meeting of Internal and External			

Auditors and Committee members			
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List of reports pre-circulated to the Committee during lockdown restrictions as only noting and endorsement are required, not approval:

ITEM	MEETING DATE OF ENDORSEMENT / NOTING CONFIRMATION
INTERNAL AUDIT	
Internal Audit Charter and Audit Plan	23 July 2020
Review of Financial Guidance	23 July 2020
Public Sector Internal Audit Standards/Quality Assurance and Improvement Programme	23 July 2020
Chair of the Audit Committee's Annual Report to Council	23 July 2020
FINANCE	
Audit Committee Update (Grant Thornton)	23 July 2020
Informing the Audit Risk Assessment	23 July 2020
Update on Audit Matters from Public Sector Audit Appointments Limited	23 July 2020
CIPFA Section 151 Update and Review of the Financial Resilience Index	23 July 2020
Review of the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement and the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report	23 July 2020
Final Accounts – Accounting Policies and Action Plan	23 July 2020
Risk Based Verification – exempt item	23 July 2020

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