

Committee: Accounts, Audit and Risk Committee
Date: Wednesday 13 March 2019
Time: 6.30 pm
Venue: Bodicote House, Bodicote, Banbury, OX15 4AA

Membership

Councillor Mike Kerford-Byrnes (Chairman)	Councillor Sean Gaul (Vice-Chairman)
Councillor Hannah Banfield	Councillor Hugo Brown
Councillor Ian Corkin	Councillor Nicholas Mawer
Councillor Tom Wallis	Councillor Sean Woodcock

AGENDA

1. Apologies for Absence and Notification of Substitute Members

2. Declarations of Interest

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

3. Petitions and Requests to Address the Meeting

The Chairman to report on any requests to submit petitions or to address the meeting.

4. Minutes (Pages 1 - 4)

To confirm as a correct record the Minutes of the meeting of the Committee held on 23 January 2019.

5. Chairman's Announcements

To receive communications from the Chairman.

6. Housing Benefit Subsidy (Pages 5 - 10)

Report of the Executive Director: Finance and Governance (Interim)

Purpose of report

To provide members of this Committee with an update on the Housing Benefit subsidy claim audit for the financial year 2017-2018.

Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report.

7. Housing Benefit and Council Tax Reduction Risk Based Verification Policy (Pages 11 - 24)

Report of the Executive Director: Finance and Governance (Interim)

Purpose of report

To provide members of this Committee with an update on the Risk Based Verification (RBV) module which was agreed by members of the Accounts Audit and Risk Committee in June 2017 and was introduced for Housing Benefit and Council Tax Reduction new claims from November 2017, and to seek approval for some minor changes to the RBV policy.

Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report.
- 1.2 To approve changes to the RBV policy for 2019-2020

8. Internal Audit Update 2018/19 (Pages 25 - 34)

Report of the Executive Director: Finance and Governance (Interim)

Purpose of report

To receive CW Audit Services update report for 2018/19.

Recommendations

- 1.1 The meeting is recommended to note the contents of the 2018/19 internal audit progress report from CW Audit Services.

9. Internal Audit Plan 2019/20 (Pages 35 - 48)

Report of the Executive Director: Finance and Governance (Interim)

Purpose of report

To receive the CW Audit Internal audit plan for 2019/20.

Recommendations

- 1.1 The meeting is recommended to note the contents of the 2019/20 Internal Audit Plan from CW Audit.

10. External Audit Progress Update

Verbal update by Executive Director: Finance and Governance (Interim)

11. Monthly Performance, Risk and Finance Monitoring Report - December 2018 (Pages 49 - 94)

Report of Executive Director: Finance and Governance (Interim) and Assistant Director: Performance and Transformation

Purpose of report

This report summarises the Council's Performance, Risk and Finance monitoring position as at the end of each month.

Recommendations

The meeting is recommended:

- 1.1 To note the monthly Performance, Risk and Finance Monitoring Report.
- 1.2 To review the Leadership Risk Register and identify any issues for further consideration.

12. Treasury Management Report - January 2019 (Pages 95 - 102)

Report of the Executive Director: Finance and Governance (Interim)

Purpose of report

To receive information on treasury management performance and compliance with treasury management policy for 2018/19 as required by the Treasury Management Code of Practice.

Recommendations

The meeting is recommended:

- 1.1 To note the contents of the January 2019 Treasury Management report.

13. Work Programme

To receive a verbal update on the Work Programme.

14. Urgent Business

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

15. Exclusion of Press and Public

The following item contains exempt information as defined in the following paragraph of Part 1, Schedule 12A of Local Government Act 1972.

3– Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Members are reminded that whilst the following item has been marked as exempt, it is for the meeting to decide whether or not to consider it in private or in public. In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make a decision in public, they are recommended to resolve as follows:

“That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, Paragraph 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

16. Treasury Management Report - January 2019 - Exempt Appendix (Pages 103 - 104)

Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.

Information about this Meeting

Apologies for Absence

Apologies for absence should be notified to democracy@cherwellandsouthnorthants.gov.uk or 01295 227956 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Evacuation Procedure

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

Access to Meetings

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

Mobile Phones

Please ensure that any device is switched to silent operation or switched off.

Queries Regarding this Agenda

Please contact Aaron Hetherington, Democratic and Elections
aaron.hetherington@cherwellandsouthnorthants.gov.uk, 01295 227956

Yvonne Rees
Chief Executive

Published on Tuesday 5 March 2019

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Cherwell District Council

Accounts, Audit and Risk Committee

Minutes of a meeting of the Accounts, Audit and Risk Committee held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 23 January 2019 at 6.30 pm

Present:

Councillor Sean Gaul (Vice-Chairman)

Councillor Hannah Banfield

Councillor Hugo Brown

Councillor Ian Corkin

Councillor Nicholas Mawer

Councillor Sean Woodcock

Substitute
Members:

Councillor Tony Ilott (In place of Councillor Tom Wallis)

Councillor Barry Wood (In place of Councillor Mike Kerford-Byrnes)

Also
Present:

Anand Persaud, Audit Manager, CW Audit Services

Neil Harris, Associate Partner Ernst Young, External Auditor

Apologies
for
absence:

Councillor Mike Kerford-Byrnes

Councillor Tom Wallis

Officers:

Adele Taylor, Executive Director: Finance and Governance
(Interim) & Section 151 Officer

Kelly Watson, Deputy Section 151 Officer

Aaron Hetherington, Democratic and Elections Officer

51 **Declarations of Interest**

Members made the following general declarations of interest:

Councillor Ian Corkin, declaration, as a Non-Executive Director of Graven Hill Village Development Company.

52 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

53 **Urgent Business**

There were no items of urgent business.

54 **Minutes**

The Minutes of the meeting of the Committee held on 21 November 2018 were agreed as a correct record and signed by the Chairman.

55 **Chairman's Announcements**

The Chairman made the following announcement:

There were two Member training sessions coming up, the first on the Code of Conduct taking place, Thursday 24 January at 6pm, and the second in relation to Safeguarding, taking place on Thursday 7 February at 6pm.

Details on both sessions had been sent out by the Democratic and Elections team and Members were asked to confirm to the team if they planned to attend either session.

56 **Internal Audit Update 2018/19**

The Executive Director: Finance and Governance (Interim) submitted a report which sought consideration of the CW Audit Services, the council's internal auditor, update report for 2018/19.

Resolved

- (1) That the contents of the 2018/19 internal audit progress report from CW Audit Services be noted.

57 **External Audit Progress Update**

The Associate Partner, Ernst Young gave a verbal update on the work of external audit. The Committee was advised of the new areas of focus within Fraud Risk. Members asked questions regarding a number of other areas, including, value for money and re-evaluating assets which were duly responded to by the Deputy Section 151 Officer and the Associate Partner, Ernst Young.

The Associate Partner, Ernst Young highlighted a number of other areas of the 2018/19 audit strategy to the Committee, Materiality, Value for Money and Fees.

Resolved

- (1) That the verbal update on the External Audit progress be noted.

58 **Draft Treasury Management Strategies 2019/20**

The Executive Director: Finance and Governance (Interim) submitted a report which summarised the draft suite of Treasury Management Strategies for 2019/20.

Resolved

- (1) That the draft Treasury Management Strategies 2019/20 be recommended to Council.

59 **Work Programme**

The Committee considered its work programme.

Resolved

- (1) That the work programme be noted

The meeting ended at 7.49 pm

Chairman:

Date:

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Cherwell District Council

Accounts Audit and Risk Committee

13 March 2019

Housing Benefit Subsidy

Report of the Executive Director: Finance and Governance (Interim)

This report is public

Purpose of report

To provide members of this Committee with an update on the Housing Benefit subsidy claim audit for the financial year 2017-2018.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report.

2.0 Introduction

- 2.1 Housing Benefit (HB) is a means tested benefit, administered by local authorities on behalf of the Department for Work and Pensions (DWP). HB is intended to help claimants meet housing costs for rented accommodation both in the private and the social rent sector. The administration of HB is now very complex due to the ever changing regulations. During recent years there have been over 100 changes to the scheme making it increasingly difficult to train officers and to make accurate assessments.
- 2.2 Local authorities reclaim HB that has been paid to claimants by submitting annual subsidy claims to the DWP. The subsidy claim details the HB expenditure which is recorded in various cells on the form. The claim divides the total caseload into various claim types. Within the Cherwell claim one item of data collection accounts for over £35m in HB expenditure.
- 2.3 There are complex subsidy rules that determine how much of the HB expenditure by the Council is recouped from the Government. Where HB has been correctly paid, DWP will normally provide 100% subsidy to the Council. However where HB has been overpaid, DWP provides different rates of subsidy.
 - Claimant error overpayments attract 40% subsidy
 - Local authority error overpayments are more complex and the DWP offers an incentive to encourage local authorities to be pro-active in reducing the level of local authority errors. The level of subsidy that local authorities may claim for local

authority error is determined by thresholds, expressed as a percentage of the value of correct payments made. The thresholds are 0.48% (lower threshold) and 0.54% (upper threshold). Where the local authority error overpayments are less than or equal to the lower threshold local authorities receive 100% subsidy. Where they are more than the lower threshold but less than the upper threshold, local authorities receive 40% subsidy. No subsidy is payable on the value of overpayments that are above the upper threshold.

- 2.4 Each local authority's appointed external auditor is required to certify that the annual claim is fairly stated and to report any errors to the DWP in a covering letter that accompanies the claim. Where there are errors the claim is qualified and the DWP will seek to reduce subsidy payments to the Council. 80% of councils have been qualified on their subsidy claim. Although the value of any errors may be low the DWP method of extrapolation means that the value will be substantially increased. Although it is widely recognised that the extrapolation method is unfair there is no opportunity to challenge this with Government
- 2.5 This report is to provide members with an update on the Housing Benefit subsidy claim and the audit of the claim for 2017-2018.

3.0 Report Details

Background

- 3.1 Cherwell District Council (CDC) outsourced the transactional back office functions of its Revenues and Benefits service in February 2010 to Capita. In September 2015 CDC Executive approved a business case for insourcing the Revenues and Benefits service. To give the resources to undertake this work 8 new officers were recruited to the Benefits team in June 2017 to start a 6 month training period. At the same time it was agreed that the Cherwell Revenues and Benefits data be migrated from the legacy Northgate system to the Capita Academy system so harmonising systems across Cherwell and South Northants Councils. These huge changes had an impact on performance during 2017-2018.

Housing Benefit Subsidy

- 3.2 For the financial year 2017-2018 CDC submitted a Housing Benefit claim with a total value of £35,433,041. The audit of the subsidy claim was undertaken by Ernst and Young using a methodology determined by the DWP.
- 3.3 Initial testing is undertaken and if this testing identifies any error and the auditor is unable to conclude that the error is isolated the DWP methodology requires that an additional sample of 40 cases is tested which is focused on the particular error.
- 3.4 The DWP methodology also requires auditors to extrapolate the results of the initial and additional testing by multiplying the subsidy cell total by the proportion of the sample value that is found to be error. For example: a cell has a total value of £642,134. The cases selected for checking from the cell have a total value of £9,450. Errors are found totalling £574 (6.1% of the sample selected). The adjustment to the claim would be 6.1% of the total cell value so £39,003.

- 3.5 Testing of the initial sample of 40 claims for CDC identified the following problems: incorrect dates used in the assessment, incorrect earnings calculation, incorrect capital figure, misclassification of overpayment, incorrect rent in assessment, incorrect dependants allowance, Not all the errors had a negative impact on the subsidy claim.
- 3.6 As per DWP methodology an additional sample of claims was selected for each of the problem areas: 40 rent allowance claims with income, 40 rent allowance claims with eligible overpayments, 40 temporary accommodation claims with eligible overpayments and 40 temporary accommodation claims with income. A summary of the errors found is shown below:

Sample	Number of errors	Type of error
40 rent allowance income cases	4	Incorrect calculation of earnings, incorrect pension details,
40 rent allowance claims with eligible overpayments	9	Incorrect classification of overpayment, incorrect dates, conversion error.
40 non housing revenue account with eligible overpayments	5	Incorrect classification of overpayment, incorrect date used,
40 non housing rent account with income	11	Incorrect dates, incorrect average earnings, missing earnings disregards, incorrect average wage

- 3.7 The value of the original errors found were relatively low but the DWP extrapolation process means that the values are much increased. At the time of writing this report we are awaiting the final decision from the Secretary of State but it is likely that the decision will be to recover in full any overpaid subsidy.
- 3.8 When the original subsidy claim was submitted in April 2018 the value of the local authority error overpayments was between the lower threshold and the upper threshold and therefore the 'additional' subsidy incentive of £67,103 was claimed. As a result of the additional testing and the resulting call adjustments it is likely that the value of the local authority error overpayments will increase and it is likely that the additional subsidy will no longer be payable. This decision will be made by the Secretary of State

Future plans.

- 3.9 The overall value of the subsidy claim for 2017-2018 was in excess of £35m. Putting the errors further into context the value of the original errors was £1,766. However the DWP method of extrapolation means that the value increased to around £87,000. Although it is widely recognised that the extrapolation method is unfair there is no opportunity to challenge this with Government and the Council has no choice but to repay the sum.
- 3.10 Every effort will be made to prevent further loss of HB subsidy in the future although it is impossible to accuracy check all HB assessments carried out which total around 23,000 per year for CDC alone. An analysis has been carried out on the errors found during the 17-18 subsidy audit process. Around 60% were found to be legacy issues from officers employed on the Capita contract. The results have been

used to inform training and development plans for Benefit officers who will have feedback on their individual and team performance.

- 3.11 A strong performance, checking and training framework is also in place to support the team to assess claims correctly. A new post will also be introduced from April 2019, Lead Officer for Training and Development, and this post holder will further support the work being undertaken to improve our subsidy position. There are also a number of projects underway including the introduction of the automation of assessment of some of the huge number of data files received from DWP so both improving performance and lessening the risk of error.
- 3.12 Work is also underway to mitigate some of the risk from the 2018-2019 subsidy claim including additional accuracy checking on the recognised problem areas and the correction of any errors found (in advance of end of year)
- 3.13 The subsidy claim for 2018-2019 will be submitted in April 2019. The auditors will then undertake a detailed audit in Summer/Autumn 2019. We have no way of knowing which claims will be reviewed in the auditor's sample and this makes it very difficult to offer any assurances on the level of subsidy that may be payable for 2019-2020.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Members are requested to note the contents of this report.

5.0 Consultation

- 5.1 None.

6.0 Alternative Options and Reasons for Rejection

- 6.1 None

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications directly related to this information report.

Comments checked by:

Kelly Watson, Deputy Section 151 Officer, 0300 003 0206,
kelly.watson@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 There are no legal implications directly related to this information report.

Comments checked by:

Chris Mace, Solicitor, 01327 322125,
Christopher.mace@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

This links to the Council's priorities of a district of opportunity and sound budgets and a customer focused council

Lead Councillor

Councillor Tony Illott Lead Member Financial Management and Governance

Document Information

Appendix No	Title
None	
Background Papers	
None	
Report Author	Belinda Green Operations Director CSN
Contact Information	Belinda.green01327 322182 Belinda.green@csnresources.co.uk

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Cherwell District Council

Accounts Audit and Risk Committee

13 March 2019

<p>Housing Benefit and Council Tax Reduction Risk Based Verification Policy</p>
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Report of the Executive Director: Finance and Governance (Interim)

This report is public

Purpose of report

To provide members of this Committee with an update on the Risk Based Verification (RBV) module which was agreed by members of the Accounts Audit and Risk Committee in June 2017 and was introduced for Housing Benefit and Council Tax Reduction new claims from November 2017, and to seek approval for some minor changes to the RBV policy.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report.
- 1.2 To approve changes to the RBV policy for 2019-2020

2.0 Introduction

- 2.1 Risk Based Verification is a method of applying different checks to new claims for Housing Benefit and Council Tax Reduction according to the risk associated with these claims. The aim is to reduce the burden on customers to provide excessive evidence and enable low risk claims to be assessed and put into payment more quickly. Efforts can then be concentrated on those claims with a high risk category where there is an increased chance of fraud and error.
- 2.2 This report is to provide the committee with an update on RBV and to seek member approval for some small changes to the Policy relating to the way verification can be obtained due to a new work stream received from HMRC called Verification of Earnings and Pensions (VEP). VEP's provide up to date information of earnings and pensions via alerts, identifying changes to the information held by the authority on a Housing Benefit and Council Tax Reduction claim, thus helping to prevent fraud and error.

3.0 Report Details

Risk Based Verification

- 3.1 Historically, the standards of verification applied by Councils to Housing Benefit claims have been governed by the Department for Work and Pensions (DWP) verification framework. This policy recommended that Councils should obtain substantial evidence before determining claims for benefit. Most Councils adopted this framework to ensure that the correct amount of benefit was paid, that subsidy was maximised and that fraud and error was minimised. The verification framework has proved to be costly and there is little scope for local discretion. This one size fits all approach was resource intensive and made even simple and straight forward verification time-consuming for the customer, creating potential delays in administering support to those in need.
- 3.2 Following a number of pilots the DWP now allows local authorities to carry out this verification using a risk based approach for claims. Circular S11/2011 confirms the requirements for local authorities that adopt Risk Based Verification (RBV) including adopting a RBV policy that has been approved by the Section 151 Officer and by members of Accounts Audit and Risk Committee. The Policy must allow officers and external auditors to be clear about the levels of verification required. Circular G1/2016 gives updated advice on the evidence standards required. The policy must be reviewed annually but cannot be amended in-year as this would complicate the subsidy audit process. The DWP is also planning to adopt the RBV approach for administering claims for Universal Credit so, by introducing this now customers will be familiar with the process so easing them into the change to Universal Credit.
- 3.3 The RBV module was available in June 2017 and was introduced in line with an online application form for Housing Benefit and Council Tax Reduction new claims in November 2017. The delay was due to technical difficulties with the online claim form which was not available until November 2017. The online application offers our customers the option of applying for help online and to have immediate confirmation of the verification required to complete their claim. For customers who cannot apply online the Customer Services Team continue to offer hard copy forms and/or appointments to assist with the online application. This has also helped to prepare our customers for Universal Credit which is an online process.
- 3.4 It is anticipated that around 55% of all new claims will be deemed to be low risk and will normally be paid on the information provided by the claimant (subject to verification of identity on the first claim made). 25% are expected to be medium risk and will be subject to normal verification processes. 20% will be high risk and will be subject to much higher levels of verification including a credit check via National Anti-Fraud Network (NAFN).

Impact of RBV

- 3.5 The impact of the introduction of RBV is being monitored to show the impact on performance indicators and service delivery. The table below shows a summary of the number of new claims for Housing Benefit and Council Tax Reduction received in the period 1st April 2018 to 30th November 2018 and the risk scores allocated to each claim. A further 354 new claims were received but due to some technical issues and claims for Council Tax Reduction where a claim for

Housing Benefit has already been received a risk score could not be called. These claims were assessed based on medium risk.

Month	Total number of new claims	% that were High Risk	% that were Medium Risk	% that were Low Risk
April 2018	137	37(27%)	56 (40.90%)	44(32.10%)
May 2018	194	35 (18%)	98 (50.50%)	61 (31.40%)
June 2018	176	26(14.80%)	62(35.20%)	88(50%)
July 2018	146	26(17.80%)	56(38.40%)	64(43.80%)
August 2018	179	45 (22.10%)	57 (31.80%)	77 (43%)
September 2018	202	78 (38.60%)	54 (26.70%)	70 (34.70%)
October 2018	187	40 (21.40%)	57 (30.50%)	90 (48.10%)
November 2018	234	50 (21.40%)	55 (23.50%)	129 (55.10%)

RBV Policy

- 3.6 An RBV policy was approved by both members and the S151 officer in June 2017. This policy must be reviewed each year but cannot be amended in-year as this would complicate the subsidy audit process.
- 3.7 The Policy for Cherwell District Council has now been reviewed (copy at Appendix One of this report) and some minor amendments have been made as follows:
The policy has been updated to reflect that evidence of earnings and pensions can be obtained via a DWP alert called Verification of Earnings and Pensions (VEP). A VEP alert reflects a difference in a customer's earnings or pension based on the information held on a Housing Benefit and or Council Tax Reduction claim.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Risk Based Verification is a new approach to verifying new claims for Housing Benefit and Council Tax Reduction. There is a requirement that the Risk Based Verification Policy be approved by members of Accounts, Audit and Risk Committee.
- 4.2 Members are now requested to note the contents of this report and to endorse some small changes to the RBV policy.

5.0 Consultation

- 5.1 Consultation was carried out with officers and the original policy was agreed by members and S151 Officer. Although no formal consultation took place with members of the public or stakeholders the change was fully communicated and the updated policy will be placed on the website.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: As RBV is a voluntary scheme the alternative would be to not adopt the scheme and for the verification procedure to remain "as is". This has been rejected as it is anticipated that it will become increasingly difficult to meet service demands based on current resources if the verification requirements remain as substantial and costly.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications directly related to this information report.

Comments checked by:

Adele Taylor, Interim Executive Director Finance

adele.taylor@cherwellandsouthnorthants.gov.uk 01295 221634

Legal Implications

- 7.2 There are no legal implications directly related to this information report.

Comments checked by:

Chris Mace, Solicitor, 01327 322125,

Christopher.mace@cherwellandsouthnorthants.gov.uk

Equality Implications

Risk Based Verification Policy will apply to all new claims for Housing Benefit and Council Tax Reduction. The mathematical model used to determine the Risk Score does not take into account any of the protected characteristics within the Equalities Act. As such there should not be any equalities impact. However an equalities impact assessment will be carried out.

Key Decision

Financial Threshold Met: Not applicable

Community Impact Threshold Met: Not applicable

Wards Affected

All

Links to Corporate Plan and Policy Framework

This links to the Council's priorities of a district of opportunity and sound budgets and a customer focused council

Lead Councillor

Councillor Tony Illott Lead member for Financial Management and Governance

Document Information

Appendix No	Title
One	Risk based Verification Policy
Background Papers	
None	
Report Author	Mandy Emery (Team Leader Entitlements)
Contact Information	Mandy Emery 01327 322181 Mandy.emery@csnresources.co.uk

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Appendix 1

Cherwell District Council Risk Based Verification Policy

Background

In 2017 Housing Benefit and Council Tax Reduction schemes nationally cost in the region of £25 billion per annum which is 10% of the welfare budget. Ensuring that the right help is awarded is crucial both to the customers and the taxpayers. Combating fraud and reducing error is a key component of this.

The Verification Framework Policy was introduced by the Department for Work and Pensions (DWP) as guidance, in line with the Social Security Administration Act 1992, for administering Housing and Council Tax Benefit claims. This policy recommended that local authorities should obtain substantial evidence before determining claims for benefit. Although voluntary it was adopted by most Councils (including Cherwell District Council) to ensure that the correct amount of benefit was paid, that subsidy was maximised and that fraud was minimised

In 2011, the Department for Work and Pensions (DWP) allowed a limited number of councils to pilot a scheme to try to reduce the cost of the verification process and, at the same time, reduce fraud and error based on risk based verification principles. It is an approach used by Job Centre Plus and underpins Universal Credit.

The pilots were successful and the DWP have confirmed that Councils can now adopt this approach for Housing Benefit and Council Tax Reduction claims. This is summarised in circular S11/2011.

Cherwell District Council currently administers 7,503 claims for Housing Benefit and Council Tax Reduction. This Risk Based Verification policy has been developed to underpin a regime of preventing fraud and error from entering the system whilst continuing with live caseload intervention.

The policy takes into account that Cherwell District Council must adhere to Housing Benefit and local Council Tax Reduction legislation. The regulations do not specify what information and evidence the Council should obtain from a customer. However, it does require an authority to have information which allows an accurate assessment of a claimant's entitlement, both when a claim is made and renewed because of a change in circumstances.

The Councils legal obligation to verify information for Housing Benefit claims is defined in Housing Benefit Regulation 86 which states;

“a person who makes a claim, or a person to whom housing benefit has been awarded, shall furnish such certificates, documents, information and evidence in connection with the claim or the award, or any question arising out of the claim or the award, as may reasonably be required by the relevant authority in order to determine that person's entitlement to, or continuing entitlement to housing benefit and shall do so within one month of being required to do so or such longer period as the relevant authority may consider reasonable.”

Risk Based Verification was implemented for new Housing Benefit and Council Tax Reduction claims with effect from November 2017.

What is Risk Based Verification (RBV)

RBV is a method of applying different levels of checks to new claims for Housing Benefit and Council Tax Reduction dependent upon a complex risk profile given to each customer. The profile is determined by specific software using statistical information and experience about what type of claim represents what type of risk. The higher the risk, the greater the checks used to establish that the claim is genuine.

This approach allows the targeting of resources and is very effective in identifying higher levels of fraud and error, reducing the overall cost of verifying claims and improving processing times for some low risk claims.

In adopting RBV there is still an obligation to get all the facts and make an accurate assessment but there is not the need to gather documentary evidence in all cases.

Implementing Risk Based Verification at Cherwell District Council

Pursuant to DWP circular S11/2011 Cherwell District Council (hereafter referred to as 'the Council') will apply RBV to new claims for Housing Benefit and Council Tax Reduction with effect from November 2017. The Council uses an on line application form offered by Capita and a solution offered by Xantura to carry out the risk scoring. Customers may also apply on a hard copy form. The software is integrated into the Academy Revenues and Benefits system to produce risk scores in real time.

Each new claim will be allocated a risk score – Low, Medium or High. The evidence requirements will differ based on the risk score assigned. The evidence requirements are contained at Appendix A of this policy. Circular S11/2011 confirms that local authorities have discretion to determine their own risk groups. Circular G1/2016 gives updated advice on the evidence standards required.

It should be noted that original documentation of a National Insurance Number and confirmation of identity must be provided in all cases regardless of the risk score, in order to comply with legislation. This verification is only required on the first claim and will not be requested again in support of any future claims.

Low Risk

The claimant's identity will be verified in accordance with sections 1(1a) and 1(1b) of the Social Security Administration Act 1992. The evidence required will be original documents to prove identity and National Insurance Number and photocopies or original evidence of self-employed earnings and student income and status. A LAREV1 is also required for any other properties.

Medium Risk

Cases in this group must have the same checks as low risk plus copies (emails will be accepted as copies), scans or original documentation to prove all declared income and capital. Wider Use of Real Time Information (WuRTI), Real Time Information (RTI) and Verification of Earnings and Pensions (VEP) can also be used to obtain evidence of earnings. Please note: all evidence for identity must be original documentation.

High Risk

All high risk cases must have the same checks as low and medium groups but the documentation must be original or obtained from WuRTI, RTI file or VEP alert. In addition further checks will be carried out including a credit check via the National Anti-Fraud Network (NAFN)

Monitoring RBV

DWP suggest that around 55% of cases will be low risk, 25% medium risk and 20% high risk. For Cherwell District Council for the period 1st April 2018 to 30th November 2018 43% were low risk, 35% were medium risk and 22% were high risk. Xantura were contacted in October 2018 to recalibrate the risk model as the cases were not averaging within the risk groups suggested by DWP, following recalibration the cases have averaged 55% for low risk, 25% for medium and 20% for high risk for the months of October 2018 and November 2018 which is more representative of the

suggested percentages by DWP. This is being monitored monthly to ensure further recalibration is not required.

Once a risk group has been allocated, individual claims cannot be downgraded by an officer to a lower risk group. They can, however, be upgraded to a higher risk group with approval from a Senior Officer or a Team leader, if the officer has good reason to think this is appropriate. All cases which are upgraded will be recorded along with the reason for doing so.

All risk scores are recorded by the RBV software and will show on the customer's account within the Academy system or within the notes if the score is taken from e-store. This will enable the Auditors to check the level of verification needed to support the assessment of each claim type for the purposes of subsidy so protecting the Council from financial risk.

Failure to apply the verification standards as stipulated in the RBV policy may have an impact on the subsidy claimed and could result in a loss of revenue for the council.

As suggested by the DWP a robust baseline should be used against which to record the impact of RBV. The Council did not have an available baseline figure prior to the introduction of RBV in November 2017 due to the Council previously using a different software system to deliver its Benefits service. This resulted in the information not being available. The management information received from Xantura for the period November 2017 (when RBV was introduced fully) to 28th February 2018 showed a baseline figure of 35%, this has been used to compare the baseline figure for the current financial year. Following the introduction of RBV, the level of fraud and error identified is expected to increase as the resources are focussed on the high risk group cases. The current baseline figure for the period 1st April 2018 to 30th November 2018 is 46%.

Xantura record all risk score requests and an audit log of requests is generated which the Council will use to ensure that the new claims process is being followed and reduced verification applied. There will be a blind sample of cases by Xantura where the risk group will be adjusted and level of verification applied will be checked.

Xantura will provide monthly reports detailing the percentage of cases falling into each risk group, the fraud and error identified in each risk group and the level of fraud and error detected in the sample of blind cases.

Review of the policy

The RBV policy will be reviewed annually and any changes will be referred to the members of Accounts Audit and Risk Committee for approval. In accordance with DWP guidance changes will not be made in-year as this would complicate the audit process.

Training and awareness

Training will be provided to all staff within the Entitlements Team and the Customer Services Team on the use of RBV, including refresher training and training for new entrants. This will ensure that the processes and procedures are agreed and understood. Discussions will take place with all internal and external stakeholders.

Business Continuity

The Capita RBV solution is web-based and the ability to obtain a risk group in real time is dependent on an internet connection. In the event of the officers being unable to generate a risk score for any claim, the claim will be treated as medium risk and the appropriate level of verification will be applied.

Audit requirements

External audit have been consulted on the implementation of RBV and on this policy. Auditors will carry out their duties against the terms of the RBV policy and, provided cases have been assessed correctly against the requirements of the policy, this shall meet audit requirements.

Policy approval

This Policy has been produced in line with Department for Work and Pensions guidance on the use of Risk-Based Verification as detailed in HB/CTS circular S11/2011 and G1/2016.

This policy is approved by:

Account Audit and Risk Committee

Date:27.02.2019

(Interim Executive Director of Finance)

Name: Adele Taylor

Signed

Cherwell District Council RBV Evidence Checklist

Evidence Type	Subcategory	Low Risk	Medium Risk	High Risk
Identity & NINO	Claimant's ID/NINO	> Originals. CIS Check where identity has been verified for a qualifying benefit	> Originals, CIS Check where identity has been verified for a qualifying benefit	> Originals Required, CIS Check
Residency & Rent	> Private Tenants		> Originals or Photocopies;	> Originals Required
	> Social Landlords		> Originals, Photocopies or electronic file from Social Landlord	> Originals Required or electronic file from Social Landlord
	> Registered		> Originals, Photocopies	> Originals Required
Household Page 22	> Partner's ID/ NINO	> Originals or CIS check where identity has been verified for a qualifying benefit	> Originals or Photocopies CIS check	> Originals Required or CIS check
	> Dependents (responsibility for, not ID of dependants)		> Originals or Photocopies CIS check	> Originals Required or CIS check
	> Non-Dependent Working		> Originals or Photocopies or WuRTI, RTI file or VEP alert	> Originals Required or WuRTI, RTI file or VEP alert
	> Non-Dependent (PB) Non Dependent no income	>	> CIS Check P45 or statement	> CIS Check P45 or statement
	> Non-Dependent Student	>	> Originals or Photocopies	> Originals Required
	> Non-Dependent Not Working			> Originals Required
	> 2AR: Non-Dependents Not Working			> Originals Required
Income	> State Benefits	>	> CIS Check or Originals or Photocopies	> CIS Check or Originals or Photocopies
	> Earnings, SSP, SMP & SPP	>	> Originals, Photocopies or Cert of Earnings or WuRTI, RTI file or VEP alert	> Originals Required or WuRTI, RTI file or VEP alert
	> Self Employed	> SE Pro-Forma	> Originals, Photocopies, SE form or audited accounts	> Originals Required – Receipts and Invoices
Child Care Costs			> Originals or Photocopies	> Originals Required

Cherwell District Council RBV Evidence Checklist

Students	>	(Income + Status Required)	>	Photocopies	>	Originals or Photocopies	>	Originals Required
Capital	>	Working Age						Originals Required; must include last 2 months' transactions
	>	Working Age & > £6,000				Originals or Photocopies		Originals Required; must include last 2 months' transactions
	>	Elderly						Originals Required; must include last 2 months' transactions
	>	Elderly & > £10,000				Originals or Photocopies		Originals Required; must include last 2 months' transactions
	>	Property	>	LAREV1	>	Originals, Photocopies and LAREV1	>	Originals Required and LAREV1

Cases in High Risk Group will also be subject to a credit check via NAFN within one month of the date of the claim unless the claim has ended prior to the check being conducted.

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Cherwell District Council

Accounts, Audit and Risk Committee

13 March 2019

Internal Audit Update 2018/19

Report of the Executive Director: Finance and Governance (Interim)

This report is public

Purpose of report

To receive CW Audit Services update report for 2018/19.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Note the contents of the 2018/19 internal audit progress report from CW Audit Services.

2.0 Introduction

- 2.1 Internal Audit undertakes a programme of work each year which is produced in consultation with senior management. The plan will be monitored for progress during the year and regular reports and updates will be provided to the Committee.

3.0 Report Details

- 3.1 Internal Audit is on track to deliver its planned programme of work for the 2018/19 year see Appendix 1.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The Annual plan sets out the work programme for Internal Audit 2018/19 and provides the framework for assessing the internal control framework in place. This work programme will assist the Committee is gaining further assurance on the Councils internal controls.

5.0 Consultation

- 5.1 None

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Members may choose to seek additional information from CW audit services and officers.

7.0 Implications

Financial and Resource Implications

7.1 There are no financial implications arising directly from this report.

Comments checked by:

Kelly Watson, Deputy Section 151 officer, 0300 003 0206

Kelly.watson@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 There are no legal implications arising directly from any outcome of this report.

Comments checked by:

Chris Mace, Solicitor, 01327 322125

Christopher.mace@cherwellandsouthnorthants.gov.uk

Risk Management Implications

7.3 There are no risk management implications arising directly from this report. The work of Internal Audit is key to ensuring the Council has effective governance and processes in place to manage risks across the organisation.

Comments checked by:

Hedd Vaughan-Evans, Assistant Director – Performance and Transformation, 0300 003 0111, Hedd.vaughanevans@cherwell-dc.gov.uk

8.0 Decision Information

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

None

Document Information

Appendix No	Title
Appendix 1	CW Audit Services Update Report 2018-19
Background Papers	
None	
Report Author	Leanne Lock, Group Accountant
Contact Information	leanne.lock@Cherwellandsouthnorthants.gov.uk 01295 227098

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Cherwell and South Northamptonshire Councils

Internal Audit
Progress Report 2018/19

March 2019



1. Introduction

This report updates the committee on progress made in delivering the 2018/19 audit plan to the end of February 2019. Appendix A provides details of the audit assignments included in the 2018/19 year, and an update on progress where assignments have commenced.

2. Summary of reviews completed

Review	Key issues arising from audit	Level of assurance				
Human Resources – Recruitment	<ul style="list-style-type: none"> The shortlisting form, containing the records of all applicants and demonstrating those selected for interview, should be completed for all appointments and saved in the HR folder. All interviews should be clearly scored and interview notes for all candidates and scoring matrixes should be completed and filed so it is possible to demonstrate that the successful candidate was appropriately selected using a transparent process. Standard contract of employment should be reviewed and amended to provide greater clarity on terms and conditions and move to compliance with best practice by referencing / producing other standard policies. A training programme should be devised and delivered to ensure that recruitment managers can appropriately undertake their recruitment and selection duties. 	Moderate				
System control objective		Level of Assurance				
		Full	Significant	Moderate	Limited	No
There is a suitable Recruitment Policy and procedure in place.				✓		
There is an establishment control process in place to ensure that when a post becomes vacant it is reviewed and appropriately authorised prior to re-appointment.			✓			
The preparation and agreement of job descriptions and personal specifications is undertaken by appropriate officers.			✓			
Advertising of vacancies is undertaken in line with the Councils' policy and procedures.			✓			
Recruitment processes (including shortlisting, interviews, assessments and selection decisions) are undertaken in line with the policies and procedures and are appropriately documented.					✓	
Appropriate pre-employment and vetting checks are carried out to obtain proof of identity, qualifications, disclosure of convictions and references				✓		
Recruiting managers undertake appropriate recruitment and selection training.				✓		

Review	Key issues arising from audit	Level of assurance				
Budget Management & MTFP/ Financial Resilience	<ul style="list-style-type: none"> Ensure that the ability of any new finance system to provide comprehensive self-service budget holder reports is a key deliverable within the procurement process. 	Significant				
System control objective		Level of Assurance				
		Full	Significant	Moderate	Limited	No
The Medium Term Revenue Plan (MTRP) demonstrably links to and supports strategic priorities and aims to ensure financial resilience.		✓				
Budgets are set in a structured, comprehensive and robust manner in accordance with the organisations' plans and objectives, the MTRP and any foreseeable significant risks to income and expenditure levels.		✓				
Responsibility for controlling budgets is delegated to trained and clearly defined budget holders who receive appropriate support from the finance department.		✓				
Changes to the startpoint budget are appropriately authorised, recorded and reported (including virement and supplementary budgets).		✓				
Accurate and complete budget and outturn information is produced in a timely manner to all budget holders and executive committees for inspection, analysis and control of budget performance.			✓			
Significant budget variations are promptly highlighted and acted upon.		✓				
Regular and robust forecasts are undertaken to project outturn against budget.		✓				
Any savings plans established to ensure a balanced budget are robust, and are reported upon and monitored at Cabinet/Executive and Council level.		✓				

Review	Key issues arising from audit	Level of assurance
Capital Programme & Project Management	<ul style="list-style-type: none"> Continue to monitor and challenge projects that are delayed in order to further reduce the number of capital projects being re-profiled into future years and improve the timely delivery of the capital programme. Review and take action on the ongoing trend for the accumulation and carry forward of unspent DFG budget at both CDC and SNC. Finance team and CDC DFG team should liaise to review differences in their respective DFG budget figures. Provide clear management trail to demonstrate that work awarded to contractors in respect of CDC DFG awards is subject to competitive quotation, or clearly documented and approved reasons why competitive quotation was not sought. 	Significant

System control objective	Level of Assurance				
	Full	Significant	Moderate	Limited	No
There is a robust capital programme in place that has been agreed by Members and is adequately funded and accounted for.		✓			
Expenditure on capital projects is subject to appropriate business planning and optional appraisal processes prior to being formally approved for inclusion on the capital programme.		✓			
Contracts for capital projects are awarded in accordance with Financial Regulations/Contract Procedure Rules, with any necessary approvals from management and members.		✓			
Capital projects are effectively managed to ensure delivery in accordance with agreed contract terms, timescales and costs.		✓			
Accurate and complete budget and outturn information is produced in a timely manner to all budget holders and executive committees for inspection, analysis and control of budget performance.		✓			

3. Recommendation tracking

The current status of all recommendations due for implementation by the 28th February 2019, including recommendations raised by the Councils' previous internal auditors, PWC, is summarised as follows:

Recommendations due for implementation by 28 th February 2019				
Priority*	Number	Implemented or Closed	Ongoing	Pending
1	0	0	0	0
2	25	23	1	1
3	57	46	5	6
4	36	36	0	0
Totals	118	105	6	7

*Level 1 is the highest level of risk we attach to a recommendation.

Ongoing Level 2 Recommendations			
Subject	Original target date	Revised target	Latest update
GDPR Action Plan	9/12/18	31/01/19	Creating a new integrated work plan including the findings from the previously received consultant report, the internal audit report and other findings.
HR Recruitment – improved retention and documentation of interview records	31/01/19		

Appendix A - 2018/19 Internal audit plan

Area	Audit Assignment	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Current Status	Assurance Level
Corporate Governance & Systems	Cybersecurity		✓			Final report	Significant
	Information Governance - GDPR		✓			Final report	Moderate
	Information Technology - IT Disaster Recovery				✓	Fieldwork ongoing	
	Business Continuity Management		✓			Draft report	
	Corporate Health & Safety		✓			Final report	Significant
	Procurement & Contract Management			✓	✓	Fieldwork ongoing	
	Human Resources – Recruitment		✓	✓		Final report	Moderate
	Legal Compliance	✓	✓			Final report	Significant
Financial Assurance	Budget Management & MTFP/ Financial Resilience			✓	✓	Final report	Significant
	Capital Programme & Project Management		✓			Final report	Significant
	Payroll				✓	Fieldwork ongoing	
	General Ledger			✓		Final report	Significant
	Creditor Payments			✓		Final report	Moderate
	Treasury Management			✓		Final report	Significant
	Council Tax			✓	✓	Fieldwork complete	
	Business Rates			✓	✓	Fieldwork complete	
	Debtors			✓	✓	Fieldwork complete	
	Benefits			✓	✓	Fieldwork complete	
	Homes England Grant Certification*		✓			Audit Compliance Checklist submitted.	N/A
	DFG certification – CDC and SNC		✓			Certifications provided for both Councils	N/A

*Funded from contingency days

Cherwell District Council

Accounts Audit and Risk Committee

13 March 2019

Internal Audit Plan 2019/20

Report of the Executive Director: Finance and Governance (Interim)

This report is public

Purpose of report

To receive the CW Audit Internal audit plan for 2019/20.

1.0 Recommendations

The meeting is recommended:

- 1.1 to note the contents of the 2019/20 Internal Audit Plan from CW Audit.

2.0 Introduction

- 2.1 CW Audit provides the Council's Internal Audit Service and undertake their work in line with their Audit Plan.

3.0 Report Details

- 3.1 The Internal Audit Plan for 2019/20 is in Appendix 1.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The report details internal audit's work planned for 2019/20.
- 4.2 The Internal Audit Plan and Audit are designed to ensure that the Council receives an independent and objective opinion on arrangements for risk management, internal control and governance.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: No alternative options have been identified as this report is for information only, however, members may wish to request further information from the Chief Internal Auditor.

7.0 Implications

Financial and Resource Implications

7.1 There are no financial implications arising directly from this report.

Comments checked by:

Kelly Watson, Deputy S151 Officer, 0300 003 0206

Kelly.watson@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 There are no legal implications arising directly from any outcome of this report.

Comments checked by:

Chris Mace, Solicitor, 01327 322 125

christopher.mace@cherwellandsouthnorthants.gov.uk

Risk Management Implications

7.3 There are no risk management implications arising directly from this report.

Comments checked by:

Louise Tustian, Team Leader – Strategic Intelligence and Insight, 01295 221786

louise.tustian@Cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

Councillor Tony Illott – Lead Member for Financial Management and Governance.

Document Information

Appendix No	Title
Appendix 1	CDC Audit Plan 19/20
Background Papers	
None	
Report Author	Leanne Lock – Group Accountant
Contact Information	leanne.lock@Cherwellandsouthnorthants.gov.uk 01295 227098

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Cherwell District Council

Internal Audit Plan 2019/20

February 2019

Page 39



cw audit
audit and assurance services

Contents

1. Risk assessment
2. The Team
3. Conclusion

Appendix 1: Internal Audit Plan 2019/20

Appendix 2: Internal Audit Charter

1. Risk Assessment

The internal audit plan for 2019/20 has been prepared as follows:

- Review of risks recorded in the Leadership Risk Register as at December 2018;
- Assessment of any risk areas emanating from Internal Audit reviews conducted in the 2018/19 financial year.
- Discussions with the Assistant Director - Finance, Procurement and Property and subsequent circulation of the draft plan for comment at CEDR.
- Recognition of the fact that the split from South Northamptonshire is likely to create a range of emerging risks during the 2019/20 year. The audit plan will therefore need to be flexible enough to allow management to direct audit resources accordingly and for this reason a block of days has been included to cover emerging risks during the 2019/20 year.
- The provision of sufficient audit days to allow for separate audit plans to be created from the joint two year CDC and SNC Strategic Audit Plan that was agreed before the start of the 2018/19 year.
- Recognition of the need to provide separate individual audit assignment reports, progress reports and annual reports (including Head of Audit Opinion) to each Council for the 2019/20 year.
- Recognition of the need to ensure that key revenue and expenditure systems continue to function effectively during a time of significant change and potential for staff seek employment elsewhere and/or difficulties in recruiting to vacant posts.

The plan is attached at Appendix One. Detailed scopes for each audit will be agreed with the Council during the year to ensure topical risks and assurance needs are addressed as effectively as possible.

2. The Team

The Head of Internal Audit will be confirmed and be supported by Anand Persaud, FCA as your nominated Audit Manager, who will in turn direct the work of a core team of local government specialist auditors.

3. Conclusion

This internal audit plan has been designed to meet your requirements and fulfil the requirements of the Public Sector Internal Audit Standards. The draft plan is presented to the Committee for final consideration and approval.

Appendix One: Internal Audit Workplan 2019/20

Area	Audit Assignment	Links to Leadership Risk Register	2019/20	Planned Timing
Governance & Risk	Risk Management	Links to all risks	10	Quarter 2
	Emerging risks and governance issues	L13a Local Government Re-organisation (CDC) - work to support separation work from SNC.	50	Ongoing
Financial Assurance	Budget management and reporting	L01 Financial Resilience	10	Quarter 3
	Payroll	L01 Financial Resilience	10	Quarter 3
	Finance Systems	L01 Financial Resilience	20	Quarter 3
	Revenues & Benefits	L01 Financial Resilience	15	Quarter 3
	Anti-Fraud & Corruption	L01 Financial Resilience	10	Quarter 1
Follow-Up	Follow-Up & Recommendation Tracking		13	Ongoing
Management & advice	Planning & Annual Report		5	Quarter 1 and 4
	'Audit Committee'/External Audit/Senior Team meetings		10	Ongoing
	Contract Management & ad hoc advice		10	Ongoing
Total audit days			163	

N.B. Audits completed during 2017/18 and 2018/19 have covered a number of other risks recorded on the Leadership Risk Register, such as L05 Business Continuity, L08 Health & Safety and L09 Cyber Security. Audits delivered under the 'emerging risks and and governance issues' heading will also address risks as and when they are recorded on the 2019/20 Leadership Risk Register.

INTERNAL AUDIT CHARTER

The Internal Audit Charter set out below complies with the requirements of the Public Sector Internal Audit Standards:

1. Definition

Internal Audit is an independent and objective appraisal service within the organisation:

- Internal Audit primarily provides an independent and objective opinion to the Accountable Officer and the Audit Committee on the degree to which risk management, internal control and governance arrangements support the achievement of the Council's agreed objectives. In addition, Internal Audit's findings and recommendations are beneficial to senior management in the audited areas. Senior management is defined as any manager with responsibility for the system under review by Internal Audit. Risk management, internal control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the organisation.
- Internal Audit also provides an independent and objective consultancy service specifically to help senior management improve the organisation's risk management, control and governance arrangements. The service applies the professional skills of Internal Audit through a systematic and disciplined evaluation of the policies, procedures and operations that management have put in place to ensure the achievement of the organisation's objectives, and through recommendations for improvement. Such consultancy work contributes to the opinion, which Internal Audit provides on risk management, control and governance. Approval for any significant additional consulting services not already included in the audit plan will be sought from the Audit Committee prior to accepting the engagement.

Please see note at the end of this Charter for further definitions.

2. Standards and Ethics

Internal Audit acknowledges the mandatory nature of the Definition of Internal Audit, the Code of Ethics and the Standards contained in the Public Sector Internal Audit Standards. Internal Audit shall also work in accordance with any performance measures agreed with the Audit Committee.

3. Independence, Objectivity and Conflicts of Interest

All internal audit activities shall remain free of influence by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports. CW Audit does not accept any roles that involve executive or direct operational responsibility or authority over any of the activities it reviews. The internal audit activity may provide assurance services where it had previously performed consulting services, provided the nature of the consulting does not impair objectivity and provided individual objectivity is managed when assigning resources to the engagement.

Individual auditors will have an impartial, unbiased attitude, characterised by integrity and an objective approach to work, and should avoid conflicts of interest. Individual auditors must declare any conflict of interest to the Head of Internal Audit. Any conflicts of interest encountered by the Head of Internal Audit must be declared to the Executive Director for Finance. Internal Auditors will have regard to the Committee on Standards of Public Life's Seven Principles of Public Life.

4. Authority & Accountability

Internal Audit derives its authority from the Accountable Officer and Audit Committee. The Head of Internal Audit reports on a functional basis via the Audit Committee. For administrative purposes, the Head of Internal Audit reports to the Assistant Director – Finance, Procurement & Property. The Head of Internal Audit has a direct right of access to the Chair of the Audit Committee if deemed necessary. The Audit Committee shall have regular private meetings with the Head of Internal Audit. The Audit Committee approves all Internal Audit plans and may review any aspect of its work.

5. Internal Audit Team

The Head of Internal Audit is responsible for ensuring the team is adequately staffed and that there is access to the full range of knowledge, skills, qualifications and experience to deliver the Internal Audit Plan in line with the PSIAS. The team will undertake regular assessments of professional competence through an on-going appraisal and development programme (i.e. Personal Development Plans and Continuing Professional Development) with training provided where necessary. Auditors also have responsibilities for applying due professional care when performing their duties. The Head of Internal Audit must hold a professional qualification.

If the Head of Internal Audit, Chief Executive, Executive Director for Finance or the Audit Committee consider that the level of Internal Audit resources or the terms of reference in any way limit the scope of Internal Audit, or prejudice the ability of Internal Audit to deliver a service consistent with the definition of internal auditing, they should advise the Councils accordingly.

6. Scope

The Head of Internal Audit is responsible for developing and maintaining an Internal Audit Strategy for providing the Chief Executive, economically and efficiently, with objective evaluation of, and opinions on, the effectiveness of the organisation's risk management, control and governance arrangements. The Head of Internal Audit's opinion is a key element of the framework of assurance the Chief Executive needs to inform the completion of the Annual Governance Statement. This strategy will be realised through the delivery of a considered and approved annual risk based plan. To develop the risk based plan, the Head of Internal Audit consults with senior management and the Audit Committee and obtains an understanding of the Council's strategies, key business objectives, associated risks and risk management processes. The Head of Internal Audit reviews and adjusts the plan as necessary, in response to changes in the Council's business, risks, operations, programmes, systems, and controls.

The audit plan will systematically review the policies, procedures and operations in place to:

- Establish, and monitor the achievement of, the Council's objectives.
- Identify, assess and manage the risks to achieving the Council's objectives.
- Ensure the economical, effective and efficient use of resources.
- Ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations.
- Safeguard the Council's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.
- Ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

7. Approach

To ensure delivery of its objectives, Internal Audit will develop and implement an Audit Strategy. This will be prepared each year and will describe arrangements for the delivery of the internal audit service based upon knowledge of the organisation's objectives, risk assessment, and appropriate management consultation.

The allocation of resources between assurance and consultative work will be set out. A detailed Annual Operational Plan will be prepared designed to implement the audit strategy. The audit strategy and annual plans shall be prepared to support the audit opinion to the Accountable Officer on the risk management, internal control and governance arrangements within the organisation. Both the strategy and annual plans will be approved by the Audit Committee.

8. Reporting

Internal Audit will report formally to the Audit Committee through the following:

An annual report will be presented to confirm completion of the audit plan and will include the Head of Internal Audit opinion provided for the Accountable Officer that will support the Annual Governance Statement. The opinion must take into account the strategies, objectives and risks of the organisations and the expectations of senior management, the Audit Committee and other stakeholders. The Head of Internal Audit opinion will:

- a)** State the overall adequacy and effectiveness of the Council's risk management, control and governance processes;
- b)** Disclose any qualification to that opinion, together with the reasons for the qualification;
- c)** Present a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies;
- d)** Draw attention to any issues internal audit judge as being particularly relevant to the preparation of the Annual Governance Statement;
- e)** Compare work actually undertaken with the work which was planned and summarise performance of the internal audit function against its performance measures criteria; and
- f)** Comment where necessary on compliance with the Public Sector Internal Audit Standards and internal quality assurance arrangements.

For each Audit Committee meeting a progress report will be presented to summarise progress against the plan. The findings arising from individual audit reviews will be reported in accordance with Audit Committee requirements. The Audit Committee members will be provided with copies of individual audit reports for each assignment undertaken unless the Head of Internal Audit is advised otherwise. The reports will include an action plan with target dates for completion.

Following the closure of fieldwork, Internal Audit will discuss findings with operational/local managers. Operational/Local management will receive draft reports which will include the action plans they have agreed following the discussion of findings. A copy of the draft report will also be provided to the relevant Executive Director. The draft report will give an "assurance" opinion on the area reviewed. The draft report will also indicate action ratings for individual report findings and recommendations.

Operational management will be required to respond to the draft report, stating their agreement or otherwise to the content of the report, identifying action, staff with responsibility for implementation and the dates by which action will be taken. Final reports inclusive of management comments will be issued by Internal Audit to the relevant Executive Director within 5 working days of management responses being received. The final report will be placed on the agenda for the next available Audit Committee.

Internal Audit will make provision to review the implementation of agreed action within the agreed timescales. However, where there are issues of particular concern provision may be made for follow up review within the same financial year. Issue and clearance of follow up reports shall be as for other assignments referred to above.

9. Irregularities, Fraud and Corruption

It is the responsibility of management to maintain systems that ensure organisation's resources are utilised in the manner and on activities intended. This includes the responsibility for the prevention and detection of fraud and other illegal acts.

Internal Audit shall not be relied upon to detect fraud or other irregularities. However, Internal Audit will give due regard to the possibility of fraud and other irregularities in work undertaken. Additionally, Internal Audit shall seek to identify weaknesses in control that could permit fraud or irregularity.

If Internal Audit discovers suspicion or evidence of fraud or irregularity, this will immediately be reported to the organisation's Counter Fraud Specialist (or other equivalent officer) in accordance with the organisation's Counter Fraud Policy & Fraud Response Plan.

10. Relationships

In order to maximise its contribution to the Council's overall framework of assurance, Internal Audit will work closely with the Council's Executive Director for Finance in planning its work programme. Co-operative relationships with senior and line management enhance the ability of internal audit to achieve its objectives effectively. Audit work will be planned in conjunction with management as far as possible, particularly in respect of the timing of audit work.

Internal Audit will meet regularly with the external auditor to consult on audit plans, discuss matters of mutual interest, discuss common understanding of audit techniques, method and terminology, and to see opportunities for co-operation in the conduct of audit work. In particular, internal audit make available their working files to the external auditor for them to place reliance upon the work of Internal Audit where appropriate

The Head of Internal Audit will establish a means to gain an overview of other assurance providers' approaches and output as part of the establishment of an integrated assurance framework. In addition the Head of Internal Audit shall make provision to form an opinion where key systems are being operated by organisation's outside of the remit of the Accountable Officer, or through a shared or joint arrangement.

11. Access

Internal Audit shall have the authority to access all the organisation's information, documents, records, assets, personnel and premises that it considers necessary to fulfil its role. This shall extend to the resources of the third parties that provide services on behalf of the organisation. All information obtained during the course of a review will be regarded as strictly confidential to the organisation and shall not be divulged to any third party without the prior permission of the Accountable Officer.

12. Quality Assurance

The work of internal audit is controlled at each level of operation to ensure that a continuously effective level of performance, compliant with the Public Sector Internal Audit Standards is being achieved. The Head of Internal Audit will establish a quality assurance programme designed to give assurance through internal and external review that the work of internal audit is compliant with the PSIAS and to achieve its objectives. A commentary on compliance against the Standards will be provided in the annual audit report to Audit Committee.

13. Approval, Review and Interpretation of the Charter

This Internal Audit Charter shall be reviewed annually and approved by the Audit Committee*.

* The Public Sector Internal Audit Standards require the Charter to be approved by the Board, however, for the Public Sector the following definition of Board is provided: *Audit Committees – the governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.*

Cherwell District Council

Accounts, Audit and Risk Committee

13 March 2019

<p>Monthly Performance, Risk and Finance Monitoring Report – December 2018</p>

Report of Executive Director: Finance and Governance (Interim) and Assistant Director: Performance and Transformation

This report is public

Purpose of report

This report summarises the Council's Performance, Risk and Finance monitoring position as at the end of each month.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the monthly Performance, Risk and Finance Monitoring Report.
- 1.2 To review the Leadership Risk Register and identify any issues for further consideration.

2.0 Introduction

- 2.1 The Council is committed to performance, risk and budget management and reviews progress against its corporate priorities on a monthly basis.
- 2.2 This report provides an update on progress made so far in 2018-19 to deliver the Council's priorities through reporting on performance, the Leadership Risk Register and providing an update on the financial position.
- 2.3 The Council's performance management framework sets out the key actions, projects and programmes of work that contribute to the delivery of the 2018-19 business plan and the priorities of the Council. These measures and key performance indicators are reported on a monthly basis to highlight progress, identify areas of good performance and actions that have been taken to address underperformance or delays.
- 2.4 The Council maintains a Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register at the date this report is published is included in this report.
- 2.5 The Report details section is split into three parts:
 - Performance Update
 - Leadership Risk Register Update

- Finance Update

2.6 There are four appendices to this report:

- Appendix 1 - 2018/19 Business Plan
- Appendix 2 – Monthly Performance Report
- Appendix 3 – Leadership Risk Register
- Appendix 4 – Capital Programme

3.0 Report Details




Performance Update

3.1 The Council’s performance management framework sets out the key actions, projects and programmes of work that contribute to the delivery of the 2018-19 business plan (see Appendix 1) and the priorities of the Council.

3.2 The 2018-19 business plan set out three strategic priorities:

- Protected, Green and Clean;
- Thriving Communities and Wellbeing;
- District of Opportunity and Growth.

3.3 This report provides a summary of the Council’s performance in delivering against each strategic priority. To measure performance a ‘traffic light’ system is used. Where performance is on or ahead of target it is rated green, where performance is slightly behind the target it is rated amber. A red rating indicated performance is off target.

Colour	Symbol	Meaning for Joint Business Plan Measures	Meaning for Joint Key Performance Measures (KPIs)
Red		Significantly behind schedule	Worse than target by more than 10%.
Amber		Slightly behind schedule	Worse than target by up to 10%.
Green		Delivering to plan	Delivering to target or ahead of it.

Priority: Protected, Green and Clean

3.4 The Council is committed to protecting the natural environment and ensuring the character of the district is preserved and enhanced. Our commitment included working to ensure the district has high standards of environmental cleanliness and greater waste and recycling services. Maintaining the district as a low crime area is another key part of this priority and the Council is committed to working in partnership to deliver against this objective.

3.5 Overview of our performance against this strategic priority:

- Council Fleet turns a greener leaf** The Thorpe Lane waste and recycling depot in Banbury is welcoming the latest generation of electric vehicles. Cutting both carbon and costs, the zero-emission vans are largely charged by solar panels at the depot, meaning their use involves only minimal carbon dioxide (Co2) emissions. With lower maintenance and tax costs, the vehicles are expected to pay for themselves in less than five years.

The three electric vans will save around 6.5 tonnes of Co2 per year and emit no particulates or nitrogen dioxides. Unlike previous generations of electric vehicles, the new vans have a range of up to 187 miles. Simultaneously, the council is seeking improvements to its traditional vehicles by using telematics which feedback on how efficiently their operator is driving to cut fuel usage.



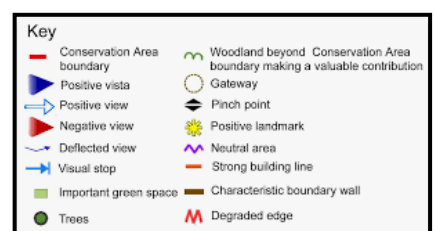
It is expected that the three electric vehicles added to the fleet this week will be successfully trialled over the coming months, allowing for the acquisition of more battery-powered vehicles in the near future.

- Air Quality monitoring locations have moved.** The location of the diffusion tubes is reviewed in December each year. Across CDC two diffusion tubes have been relocated; one in Bicester from the Causeway to the A41 Oxford Road at the junction with Haydock Road, and the second in Bloxham from the High Street to the A361/Barford Road junction. The tubes have been moved from locations where the nitrogen dioxide levels have been consistently low and below the objective level to areas of potential concern.

- Cabbies spot checked for compliance** People travelling by taxi in the run-up to Christmas were advised that we would be spot-checking drivers for compliance. Cherwell District Council licensing officers and Thames Valley Police traffic officers stopped 38 cars in Banbury and Bicester on the nights of Friday, 7 and Saturday, 8 December. They were pleased to find that 85 per cent of drivers were properly following the conditions of their licences. However, three drivers had their licences suspended. The suspensions were for: a non-roadworthy tyre, incorrect display of a licence plate and a missing roof light.

The operation was run as part of the Departure Zone campaign, which focusses on keeping members of the public safe on festive nights out, and in support of the National Police Chiefs' Council Christmas and New Year Drink Drive Campaign.

- Protecting the Built Heritage** is slightly behind schedule due to the Ardley conservation review being delayed until the end of Quarter four. Research and reporting is complete for Stratton Audley and Somerton.



3.6 The Council is committed to supporting our communities to thrive and to promoting the wellbeing of our residents. This priority includes supporting health and wellbeing, improving leisure facilities and delivering leisure activities and working in partnership with voluntary organisations to deliver services in a manner that safeguards children, young people and vulnerable adults. Another key aspect of this priority is preventing homelessness, the delivery of affordable housing and improving the condition of residential properties.

3.7 Overview of our performance against this strategic priority:

- **Way to wellbeing mapped out on website** - Discovering new activities in north Oxfordshire just got easier, thanks to the council's new Wellbeing Activity Map.

Gardening, yoga and youth theatre are among the affordable activities featured on the online map, which has been developed by Cherwell District Council's community services team. People can



search for activities near where they live by entering their postcode on the website. Lots of the activities are free of charge and none cost more than £5 per session.

They include opportunities for sports, arts, learning and socialising. The diverse range of groups on the map includes: Banbury Star Cyclists' Club, Bicester Green Gym, Cropredy Judo Club, Kidlington Community Singers and Langford Community Orchard.

Tristan, who helps run Cherwell Community Theatre, said: "Cherwell District Council's wellbeing map is a fantastic resource for families. At Cherwell Theatre Company in Banbury we always accept new members aged 11-plus and no experience is necessary, with no need to audition. "Our activities encourage creativity and teamwork and are accessible to all. Drama is such a wonderful activity for feeling good and CDC's wellbeing map helps us highlight this vital service for young people in our locality."



- **Safeguarding Section 11 self-assessment** has been completed and submitted. A training session aimed at Councillor's has been coordinated in February 2019 to provide general safeguarding awareness.

- **Community Safety partnerships** have been working closely together reviewing actions and priorities. During this period of year Burglary increases partly due to the earlier dark nights. In line with the national trend Cherwell has seen an increase in this crime at the end of the calendar year. We are working with partners including the police to explore how we can work more closely to address and raise awareness of this, both at the current time and in future years.



Cherwell has seen an increase in general reported crime in line with the national trend. We will be doing some work to look at the reasons for this at a local level. Particular increases of note in both Council areas are public disorder offences, violent crime and burglary of residential and commercial. However it is important to note that the local increases in these areas reflect similar national trends. At a local level both Community Safety Partnerships are reviewing their priorities and action plans to reflect reported crime issues and concerns.

Priority: District of Opportunity and Growth

3.8 The Council is committed to developing the local economy, promoting inward investment and delivering sustainable growth. This priority also contributes towards making great places to live, work, visit and invest through economic development and working in partnership to deliver strategic transport infrastructure projects.

3.9 Overview of our performance against this strategic priority:

- **Gardner’s Close** - During December the first 3 new owners moved into Gardeners Close in Bicester with another 12 due to complete in January. As anticipated sales have slowed down during this month but we do expect them to pick up after New Year.
- **The Hill Youth and Community Centre** Hill Edgar Taylor started the excavation work on the foundations ready to start filling with concrete during the first week in January 2019. We expect the steel frame to be delivered in January with completion early February. Our work with the community in December included attending the Winter Wishes event to talk about the plans and also, through our weekly Project Management Group meetings, working together with our colleagues from the communications and communities teams to link key stages of the construction process with publicity events and community involvement. The weekly updates to members, CEDR and The Hill Stakeholders Reference Group have continued and are well received.

Summary of Performance

3.10 The Council reports on performance against 20 joint business plan measures and 13 key performance indicators on a monthly basis. Performance for this month is summarised in the table below. The full details, including commentary against each measure and key performance indicator can be found in Appendix 2.

Business Plan Measures and Key Performance Indicators					
Status	Description	December	%	YTD	%
Green	On target	29	88%	28	85%
Amber	Slightly off target	2	6%	5	15%
Red	Off target	2	6%	0	0%

3.11 **Spotlight On: Property, Investment and Contract Management**

Facilities Management Team - Success Stories 2018/19

The Facilities Management (FM) Team manages a significant proportion of the properties which Cherwell District Council own. The primary focus for the team in 2018 has been to ensure that our 'Statutory' and 'Good Practice' compliance obligations, which we have as a 'Responsible' landlord and/or Building Operator, were fully met in both a timely and a cost effective manner. This was achieved through good management of our contactors and associated budgets, combined with a robust and appropriate repairs & maintenance regime, which, in turn, produced tangible savings against the annual budget provision for these works and services.



Facilities Managers across both Councils have been implementing measures to improve the security of our key buildings and associated assets, examples of this include, at CDC, tighter access and controls in and around the Reception Area of Bodicote House.

The FM team were asked to take on the interim management of CDC's ECO Business Centre, a vibrant new co-working structure in North West Bicester built to achieve the Passivhaus Plus energy efficiency standard, following its completion in September 2018 until the building is formally occupied by an Operator early in 2019. This we have done, giving us the chance to test its operational capabilities, address any apparent snags/defects and prepare it for handover to the Operator in January/February 2019.

Given that Facilities Management is a fundamental function for the safe and effective running of a building, the Team has played a crucial role in both Council's preparations for 'Business Continuity' it has representation on the Business Continuity Steering Group which has been set up to take an overview of all the departmental Business Continuity Plans across both Councils giving appropriate guidance where required, ensuring that there is cohesion and consistency.

The Team is keen, in conjunction with other teams within the wider PICM department, to procure a suitable property management system which will enable property data, maintenance records, works orders and financial data to be held in one, easily accessible location.

Health and Safety Update 2018 - The Myth, Key Successes and OUR Future Journey!

What a remarkable year, full of our great accomplishments over the last 12 months, not only for CDC but also for SNC through our shared relationship and joint Councils ambition, strong determination in looking after the Safety and Wellbeing of our employees, contractors and members of the public whom we serve on a daily basis. It's been a remarkable and rewarding year for us all in the Health and Safety team and our community.

What Myth?

Health and Safety is sometimes blamed for preventing or being used as an excuse for preventing activities or works that are vital for the services that we deliver or for supporting the Health, Safety and Wellbeing of employees and residents within our community. OUR moto is, KEEP IT SIMPLE, BALANCED, AND PROPORTIONATE!

Health and Safety should be seen as a supporting mechanism and not a hindrance. Next time someone blames Health and Safety for stopping work or an activity, when delivering our key services or creates an hindrance, come and ask the specialists who will find the solution and work with you in delivering all our goals.

Key Successes

- ✓ Launched a brand new intranet page that promotes safety across the Councils
- ✓ Implemented Safety and Workplace hazard identification inspections across key sites
- ✓ Worked with stakeholders in delivering a new H&S Policy and framework that promotes safety and wellbeing with key deliverables and accountably at all levels
- ✓ Full review of Health and Safety training requirements that will support future training needs
- ✓ Improved reporting culture and improved accident and near miss investigation process
- ✓ Dedicated points of contacts for each department supporting each team
- ✓ Implementation of a brand new and exciting management system (HSG65) Stripping out the burdensome previous system and saved the Councils money.
- ✓ Creation of a new audit framework for ensuring the Council is delivering safety, quality, and value for money across all directorates.
- ✓ Improved Manual Handling training within our high risk areas, such as Environmental Services, using a model created by an Olympian Athlete!

And so, much more we could go on!

Special Projects Management – Good News

The overview of the Special Projects Manager is to deliver capital projects so that the Councils properties are maintained, so that returns i.e. rent is maximised. Often this means working closely and in cooperation with the departments Senior Valuer and Estates Officer's ensuring that capital works are directed to those properties with the greatest potential for investment.



Pioneer Square Bicester – Separation of Retail Business Unit into Two

Unit 4 Pioneer Square Bicester is a large retail unit located in Bicester Town Centre. Due to the large size of the unit has not attracted any local retailers to occupy the unit which has remained empty for a number of years.

For the retail unit to become more attractive to smaller retail businesses the Property Team have secured capital funding to divide the unit into two retail spaces.

The Property Team has worked with a number of retailers and has now successfully let both retail units, securing income for the council for a number of years.

The works will significantly enhance the capital value of the council's assets, its let ability and improving the facilities for the local community.



Property, Investment and Contract Management 2018 overview

2018 got off to a terrific start with completion of CDC's acquisition of the Castle Quay Shopping Centre which with over 80 stores dominates retailing in Banbury and affords the Council a unique opportunity to shape the future vitality of the town centre. The acquisition came with planning consent for 80,000 sq.ft leisure and retail led development adjoining the centre which the Council have progressed through the course of the year in the capacity of landlord developer. In the last few months construction has started on site and we are in active discussions with several tenants for the remaining units who will join those who have already signed on the dotted line.

Since buying Castle Quay the Council have made two additional acquisitions both of which will generate income for CDC and in the longer term prove strategically important in delivering the Council's long-term objective of regenerating Banbury town centre. They are the Antelope Garage which is opposite the Morrison superstore and the Tramway Industrial Estate. The first of these was bought as a vacant petrol filling station which the Council has refurbished and subsequently let to three tenants. The second, which exchanged in the last days of 2018, is a ten-unit industrial estate of 81,000 sq.ft which is fully let and prominently positioned in the Canalside regeneration area, close to the railway station.

These initiatives have not distracted the team from looking after the Council's operational portfolio and its pre-Castle Quay investment assets. At one point in early / mid 2018 the historic investment portfolio was 100% let which is an unusual and enviable situation for any substantial investor to find themselves. Achieving this and maintaining close to full occupancy is a relentless task and during the year the team have welcomed ten new tenants to the estate from sectors as diverse as Hotels, Health and Wellbeing, Serviced Offices, Vehicle Maintenance and Organic Food. We have also agreed terms with a similar number of existing tenants to renew their leases and have numerous live discussions ongoing with other occupiers keen to remain in Council owned property.

In tandem with this Property Investment and Contract Management also conducts rent reviews, lease restructuring and during 2018 our management portfolio expanded to include a redundant library, disused swimming pool and a dovecote. Whilst maintaining this level of activity we have also been fortunate in being able to assist other departments within the Council in taking on newly developed assets such as the Kingsmere Community Centre and the market leading Eco Business

Centre in Bicester, the first commercial building in the UK to achieve the internationally recognised Passivhaus Plus accreditation.

And looking to next year? Well, there will doubtless be more of the same, and we're already aware that CDC will be acquiring a new arts venue, extending a community centre and investing substantially in maintaining and enhancing properties across the Council's portfolio.

Risk Update

- 3.12 The Council maintains a Joint Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register at the date this report is published is included in this report.
- 3.13 The heat map below shows the overall position of all risks contained within the Leadership Risk Register.

Risk Scorecard – Residual Risks						
		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic					
	4 - Major		L04, L10, L12			
	3 - Moderate			L01, L02, L05, L14	L03, L06, L07, L08, L11	L09, L13
	2 - Minor					
	1 - Insignificant					

- 3.14 The table below provides an overview of changes made to the Leadership Risk Register during the past month. Any significant changes since the publication of the report will be reported verbally at the meeting.

Leadership Risk	Score	Direction	Latest Update
L01 Financial Resilience	9 Low risk	↔	Reviewed, Mitigating actions and comments updated.
L02 Statutory functions	9 Low risk	↔	Reviewed, comments updated.
L03 Lack of management Capacity	12 Medium risk	↔	Reviewed, comments updated.
L04 Local Plan	8 Low risk	↔	Full review, all areas updated.
L05 Business Continuity	9 Low risk	↔	Reviewed, control assessment and mitigating actions updated.
L06 Partnering	12 Medium risk	↔	Reviewed, questions raised.
L07 Emergency Planning	12 Medium risk	↔	Reviewed, mitigating actions & comments updated.
L08 Health & Safety	12 Medium risk	↔	Reviewed, no changes.
L09 Cyber Security	15 Medium risk	↔	Reviewed, control Assessment and Mitigating Actions updated.
L10 Safeguarding the Vulnerable	8 Low risk	↔	Reviewed, questions raised.
L11 Income generation through council owned companies	12 Medium risk	↔	Reviewed, mitigating actions and comments updated.
L12 Financial sustainability of third	8 Low risk	↔	Reviewed, no changes.

party third party suppliers			
L13 Local Government Reorganisation	15 Medium risk	↔	Full review, all areas updated.
L14 Corporate Governance	9 Low risk	↔	Reviewed, no change.

Finance Update

- 3.15 We are continuing to develop the way we report and the ease of access and understanding of information we provide to ensure Members, and the public, are fully aware of the financial position of the Council.

In previous years financial reporting has been on a quarterly basis. This frequency of information is being improved during 2018/19. We have introduced monthly monitoring and reporting across the organisation. This improvement in reporting is providing budget managers, senior leadership and members with more up to date information regarding the financial position and outlook for the Council.

The finance team has aligned itself with the business areas to provide better support and consistency and continuity of advice moving forward across both revenue and capital budget areas in addition to monitoring any over funding levels.

The risk based monitoring undertaken to date has highlighted areas of risk at this stage. The variances to date are set out below. All services are reviewing their forecasts to identify savings and efficiencies which may mitigate some of the risks being identified. Further risks to this position will be highlighted and detailed in future reports.

3.16 Revenue Position

The Council's forecast financial position is set out in the table below.

Revenue Monitoring (Brackets denotes an Underspend)	Budget £000	Forecast £000	Current Month Variances £000	Prior Month Variances £000
Corporate Services	258	272	14	14
CORPORATE SERVICES TOTAL	258	272	14	14
<i>Corporate Services £14k Additional Supplies and Service Cost.</i>				
Communities	2,647	2,679	32	46
Leisure & Sport	2,674	2,760	86	84
Housing	1,676	1,580	(96)	(92)
WELLBEING TOTAL	6,997	7,019	22	38
<i>Communities £32k consist of additional £21k for Executive Director post; and £11k additional Employee cost.</i>				
<i>Leisure & Sport £86k consist of additional £30k for Assistant Director post; and budget realignment cost of £56k for the Parkwood contract fees.</i>				
<i>Housing (£96k), income of (£4k) due to new legislation on Houses with Multiple Occupancy "HMO", underspends on supplies and services has resulted in additional savings of (£92K).</i>				

Planning Policy & Development	1,414	1,738	324	324
Economy & Regeneration	555	555	-	-
PLACE & GROWTH TOTAL	1,969	2,293	324	324

Planning Policy & Development £324k comprises £170k under recovery of planning income due to the volatility in the number of expected planning applications; however, there is an earmarked reserve to assist with managing this risk, additional £79k cost for the Executive Director post of Place and Growth, and £75k on Building Control due to continued reliance on agency staff caused by shortage of skilled personnel to fill the vacant roles. Currently under review for potential savings.

Environmental Services	5,163	5,219	56	48
Environmental Health & Licensing	(49)	(49)	-	-
ENVIRONMENT TOTAL	5,114	5,170	56	48

Environmental Services £56k made up of £147k due to increase in the price charge per tonne (Gate Fees) for dry goods recycling. Officers are keeping the market under close review. There has also been an additional income (mainly from the car parks) of (£125k) and additional staffing cost of £34k.

Law & Governance	1,424	1,445	21	71
Finance & Procurement	1,715	1,935	220	220
Property Investment & Contract Management	(3,041)	(2,738)	303	303
FINANCE & GOVERNANCE TOTAL	98	642	544	594

Law and Governance £21k to allow for the additional cost further to outsourcing the Corporate Fraud Team to OCC. Local Land Charges £50k now reduced to £25k and reported in Customer & IT Services: Performance & Transformation.

Finance & Procurement £220k forecast overspend arising from interim staff costs required to support the Council in meeting financial reporting deadlines and implementing financial management improvements.

Property Investment Contract Management £303k mainly due to the delay in the project completion date of Crown House, hence the expected income from Crown House Property Investment Contract Management will be lower by £289k in 2018/19 and £14k NDR Budget realignment cost.

Customers & IT services	2,713	2,713	-	-
Strategic Marketing & Communications	334	370	36	36
HR, OD & Payroll	756	786	30	30
Performance & Transformation	387	344	(43)	(68)
CUSTOMERS & IT SERVICES TOTAL	4,190	4,213	23	(2)

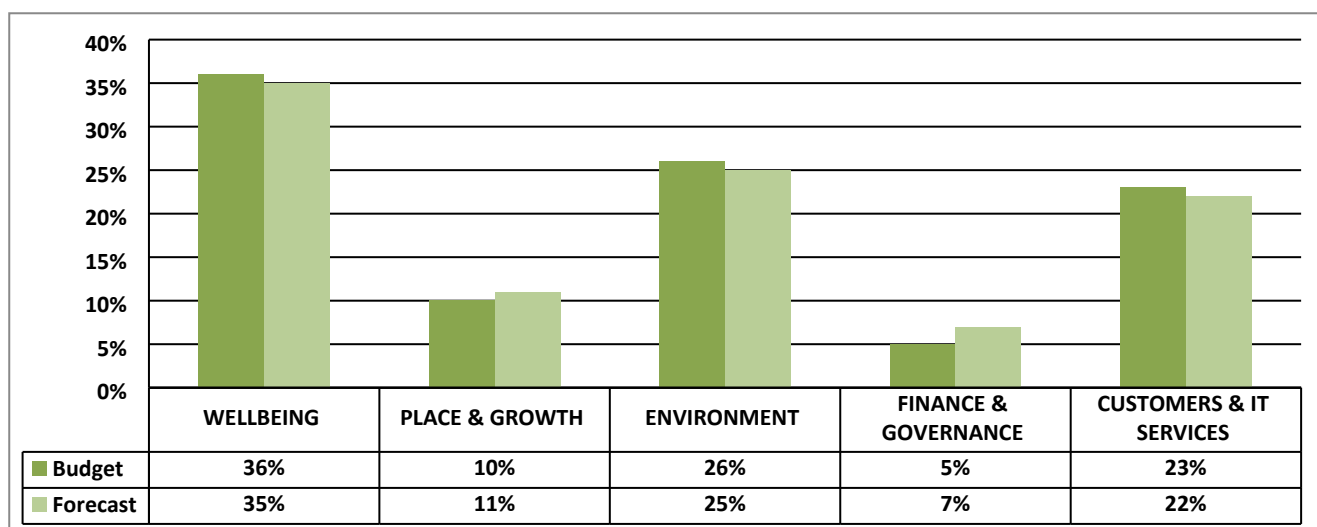
Strategic Marketing and Communications £36k overspend due to use of interim resources, pending opportunities for increased joint working with OCC in this area.

HR, OD and Payroll £30k Additional HR related legal cost.

Performance and Transformation (£43K) made up of (£68k) savings due to budget realignment and a £25k under recovery in Land Charges income.

TOTAL DIRECTORATES	18,626	19,609	983	1,016
	Budget £000	Forecast £000	Current Month Variances £000	Prior Month Variances £000
Revenue Monitoring				
Use of Reserves	5,345	5,345	-	-
Investment Costs	2,074	2,074	-	-
Investment Interest & Income	(2,937)	(3,337)	(400)	(400)
Pension Costs	257	240	(17)	(17)
Capital Charges	(4,002)	(4,002)	-	-
EXECUTIVE MATTERS TOTAL	737	320	(417)	(417)
Interest on Investment (£400k) increase in interest income and reduction in interest payable for Treasury Management.				
Pension Costs (£17k) reduction in pension cost.				
COST OF SERVICES	19,363	19,929	566	599

Funding	Budget £000	Forecast £000	Current Period Variances £000	Prior Period Variances £000
<i>(Brackets denotes an Increase in Funding)</i>				
Business Rates Baseline	(3,673)	(3,673)	-	-
Revenue Support Grant	(637)	(637)	-	-
FORMULA GRANT EQUIVALENT	(4,310)	(4,310)	-	-
Transfer to Parish Councils for CTRS	349	349	-	-
New Homes Bonus	(4,009)	(4,009)	-	-
GRANTS AWARDED TOTAL	(3,660)	(3,660)	-	-
BUSINESS RATES GROWTH TOTAL	(4,829)	(5,629)	(800)	(800)
BUSINESS RATES GROWTH (£800k) Increase is due to growth in new businesses in the Cherwell District and an increase in pooling income from growth in new businesses in the Oxfordshire Districts.				
Council Tax	(6,506)	(6,506)	-	-
Collection Fund	(58)	(58)	-	-
COUNCIL TAX INCOME TOTAL	(6,564)	(6,564)	-	-
TOTAL INCOME	(19,363)	(20,163)	(800)	(800)
Reserve management			(170)	(170)
(Surplus)/Deficit			(404)	(371)



The Council is forecasting some variance with its overall expectations. The graph above shows that the forecast overspends do not significantly impact upon the overall profile of spend for the Council.

3.17 Capital Programme

A summary of the capital programme forecast is set out in the table below. The detailed Capital programme is shown in the appendices to this report.

Directorate	Budget £000	Forecast £000	Re-profiled into 2019/20 £000	Re-profiled beyond 2019/20 £000	Current Period Variances £000	Prior Period Variances £000
Wellbeing	3,747	1,998	1,763	0	14	-
Place & Growth	14,626	13,382	1,244	0	-	-
Environment	1,830	1,121	619	0	(90)	(90)
Finance & Governance	91,854	23,817	43,318	24,667	(52)	(45)
Customers & IT Services	943	943	0	0	-	-
Total	113,000	41,261	46,944	24,667	(128)	(135)

Budget Update:

The Budget change from **£103,500k (Reported Nov-18)** to **£113,000k (Reporting Dec-18)**, an increase of **£9,500k** funding approved for the purchase of Tramway Industrial Estate, Banbury.

Re-Profiled into 2019/20 and Beyond 2019/20:

Wellbeing £1,763k Comprises **£375k** budget for the Sunshine Centre project which is not expected in 2018/19, **£14k** budget to cover Biomass Heating Bicester Leisure centre which is currently under investigation to ascertain the validity of this work the investigation is not expected to complete in 2018/19, **£80k** budget to cover solar PV component replacement at the sports centre which is not expected in 2018/19; and **£30k** Spiceball Leisure centre bridge resurfacing works to be determined post completion of the CQ2 new bridge connection in 2018. Re-profiled into 2019/20. And a **£65k** work on the Cooper sports Facility Floodlight, will not be completed in 2018/19 due to access issue, hence re-profiled to 2019/20 and **£265k** project cost for Football Development Plan in Banbury; North Oxfordshire Academy AstroTurf; Corporate Booking System and Woodgreen - Condition Survey Works; project not required for this year due to the outcome of further investigation / completion date in 2019/20, hence reprofiled to 2019/20. **£934k** Discretionary Grants Domestic Properties & Disabled Facilities Grant not required in 2018/19 but envisaged to be utilised in 2019/20.

Place & Growth £1,244k comprises of **£1,160k** for East West Railways where 5 years of scheduled capital contributions to 2019/20 have not yet been requested. Re-profiled to 2019/20; and **£84k** spending linked to the

delivery of "The Hill youth and community centre".

Environment £619k made up of **£200k** budget for the replacement of parking equipment, Off road parking facilities and depot electric charging point, **£50k** planned changes to the "Public Conveniences", **£322k** deferred due to the useful life of some vehicles longer than estimated, **£32k** Work on the "Charging point for Depot electric vehicles & proposed Bay Marking" projects; will not be required in 2018/19, but next budget year, hence reprofiled to 2019/20 and **£15k** Work on the "Urban Centre Electricity Installations"; will not be required in 2018/19, but next budget year, hence re-profiled to 2019/20.

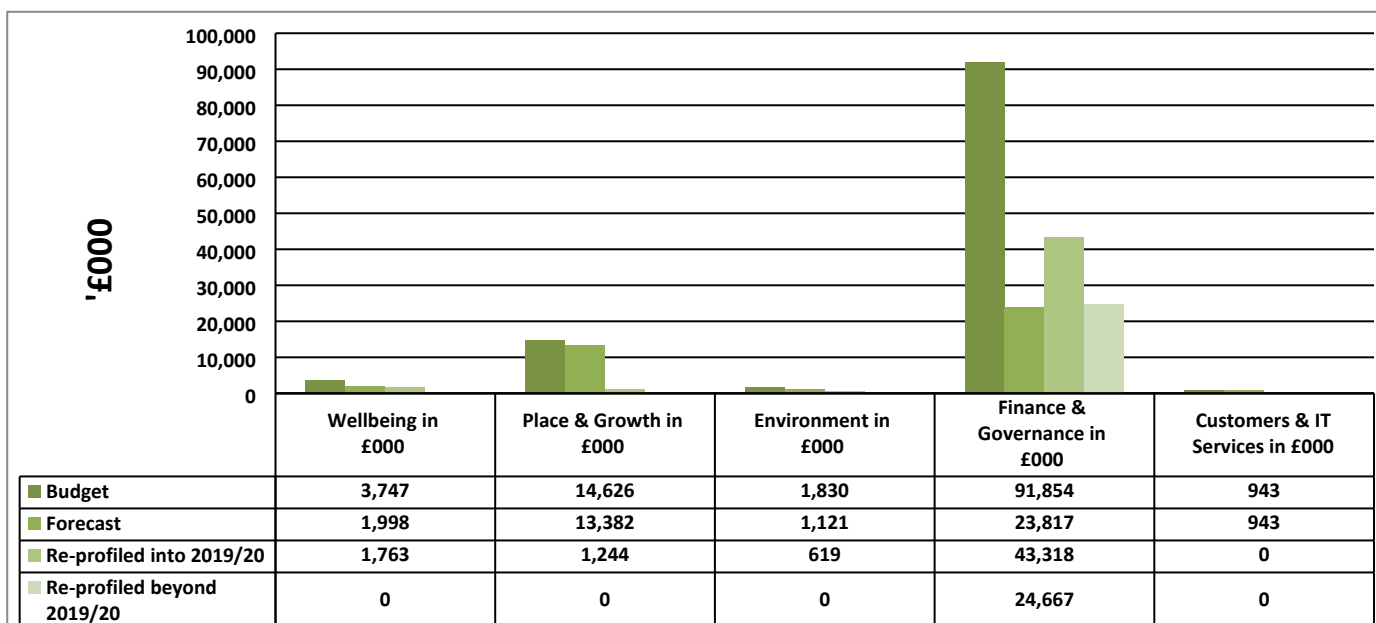
Finance & Governance £67,985k comprises **£674k** for work on; Academy Harmonisation; Spiceball Riverbank Reinstatement; Banbury Health Centre - Refurbishment of Ventilation, Heating & Cooling Systems; Retained Land; Thorpe Place Industrial Units; Thorpe Way Industrial Units; Thorpe Lane Depot - Tarmac / drainage; EPC certification & compliance works are all planned for completion in 2019/20, **£42,644k** work on CQ2 planned for next year. Re-profiled into 2019/20. And an additional cost of **£24,667k** work on CQ2 planned for completion beyond 2019/20.

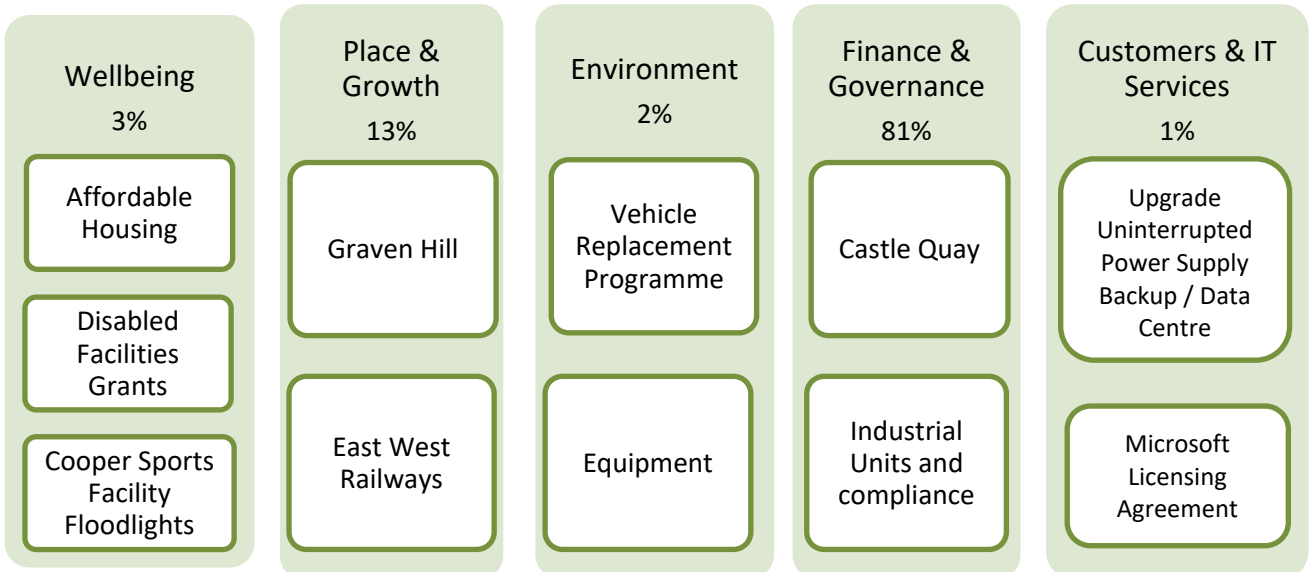
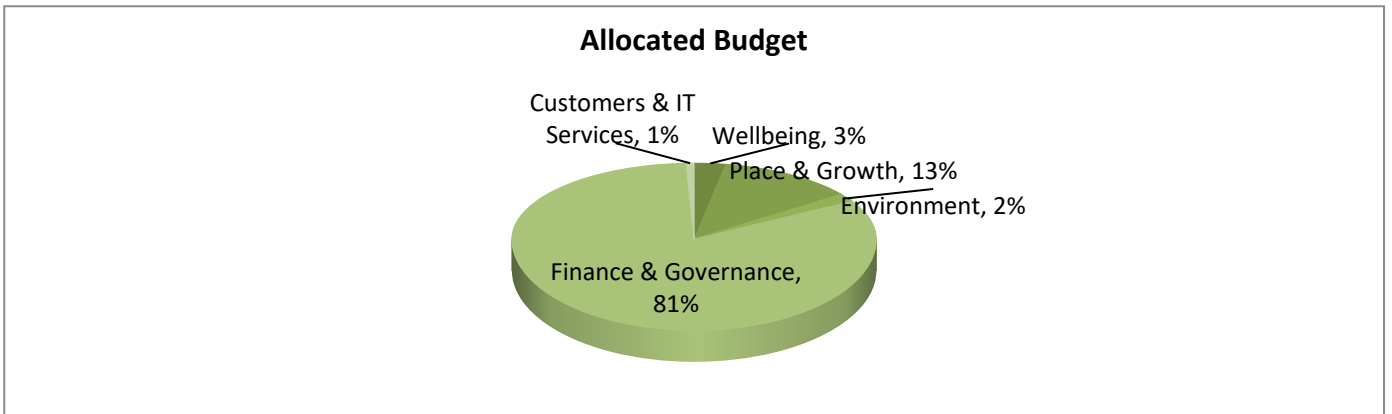
Current Period Variances:

Wellbeing £14k additional spend on the "Sports Centre Modernisation Programme", this cost is currently under review.

Environment (£90k) Budget no longer required.

Finance & Governance (£52k) is made up of, (**£7k**) savings on completed projects, (**£74k**) savings for work completed on the Community Buildings, Bradley Arcade Roof Repairs and the Orchard Way Shopping Arcade Front Service, for less than the original bid value achieving the same goals and an additional **£29k** cost for a second fire exit route to the "Antelope Garage" in Banbury.





Where a capital project spans more than one financial year or there are delays to the project, re-phasing or re-profiling of expenditure may be needed. Re-profiling and phasing updates to capital projects will be identified in future reports.

The overall capital programme is currently expecting to spend to target. This position will be thoroughly reviewed by the Capital Programme Working Group. The next meeting of this group will undertake a line by line review of the capital programme and the output of this meeting will be provided in the next monitoring report.

4.0 Conclusion and Reasons for Recommendations

4.1 It is recommended that the contents of this report are noted.

5.0 Consultation

5.1 This report sets out performance, risk and budgetary information from the previous month and as such no formal consultation on the content or recommendations is required.

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: This report illustrates the Council's performance against the 2018-19 business plan. As this is a monitoring report, no further options have been considered. However, members may wish to request that officers provide additional information.

7.0 Implications

Financial and Resource Implications

7.1 The financial implications are detailed within section 3.15 of this report.

Comments checked by:

Adele Taylor, Executive Director: Finance and Governance (Interim)
Adele.taylor@cherwellandsouthnorthants.gov.uk
0300 003 0103

Legal Implications

7.2 There are no legal implications from this report.

Comments checked by:

Nick Graham, Monitoring Officer: Law and Governance
Nick.Graham@cherwell-dc.gov.uk

Risk management

7.3 This report contains a full update with regards to the Council's risk position at the end of the previous month. A risk management strategy is in place and the risk register has been fully reviewed.

Comments checked by:

Louise Tustian, Team Leader: Insight Team
01295 221786
Louise.tustian@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework
Page 64

All

Lead Councillors –

Councillor Richard Mould – Lead member for Performance

Councillor Tony Ilott – Lead Member Financial Management and Governance

Document Information

Appendix No	Title
Appendix 1	2018/19 Business Plan
Appendix 2	Monthly Performance Report
Appendix 3	Leadership Risk Register
Appendix 4	Capital Programme
Background Papers	
None	
Report Author	Hedd Vaughan-Evans – Assistant Director: Performance and Transformation
Contact Information	Tel: 0300 003 0111 hedd.vaughanEvans@cherwellandsouthnorthants.gov.uk

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Appendix 1 - Joint Business Plan 2018-19 : "Two Councils, one organisation"



"Protected, Green & Clean"

High quality Waste & Recycling services

High quality street cleansing

Reduce our carbon footprint & protect the natural environment

Protect the built heritage

Maintain district as a low crime area

Tackle environmental crime

Mitigate impact of HS2

"Great places to live, work, visit & invest"

Provide and support health and wellbeing

Promote inward investment & business growth

Deliver welfare reform agenda

Safeguard the vulnerable

Deliver the Local Plans for CDC & SNC

Enhance community resilience as part of emergency planning

Deliver affordable housing

Enhance leisure facilities

Deliver innovative & effective housing schemes

Increase tourism

Increase employment at strategic employment sites

Prevent homelessness

Provide support to voluntary sector

Deliver the Masterplans for key economic centres:
Bicester/Banbury/Kidlington/Brackley/Towcester/Silverstone

"District of Opportunity & Growth"

Pages 5
"Thriving Communities & Wellbeing"

Shared Organisational Plan

Operational Excellence

Rigorous Financial Management
Income optimisation
Commercial & Procurement excellence
Effective Governance
Alternative Delivery Vehicles

Public Value

24/7 access to services
Right first time, every time
Service at point of need
Efficient & effective services
Customer Service Excellence

Best Council to work for

Sustainable relationships with key partners
Culture of Innovation & Creativity
Effective People service
Employer of choice
Enabled through digitisation
Corporate Social responsibility

"Here to Serve"

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Appendix 2 – Monthly Performance Report

December 2018

Includes:

- Joint Programme Measures
- Joint Key Performance Measures (KPIs)

Key to symbols

Colour	Symbol	Meaning for Joint Business Plan Measures	Meaning for Joint Key Performance Measures (KPIs)
Red		Significantly behind schedule	Worse than target by more than 10%.
Amber		Slightly behind schedule	Worse than target by up to 10%.
Green		Delivering to plan / Ahead of target	Delivering to target or ahead of it.

Joint Programme Measures -Protected, Green and Clean

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
JBP1.1.1 Maintain High Quality Waste & Recycling Services	Cllr D Bambridge Cllr D Pickford	Carr, Jane Kane, Graeme Potter, Ed	Christmas collections for both Councils went well with few problems	Develop new plans to deal with improving recycling quality and volumes	★	Service on track after Christmas disruption- catch up collections on Mondays & Saturdays went well.	★
JBP1.1.2 Provide High Quality Street Cleansing Services	Cllr D Bambridge Cllr D Pickford	Carr, Jane Kane, Graeme Potter, Ed	Urban centres kept clean over the festive season, some catch up needed between Christmas and New Year	Developing Neighbourhood blitz programme in CDC and extra resources for both Councils allocated during January & February committed to verge clearances now the vegetation has died back	★	Urban centres cleanliness over the Christmas period kept to a good standard. Some verges especially in rural areas looking less than satisfactory as litter is uncovered with the die back of vegetation	★
JBP1.1.3 Tackle Environmental Crime	Cllr D Bambridge Cllr D Pickford	Carr, Jane Kane, Graeme Potter, Ed	Development of future campaigns taken place, almost ready to progress	New campaigns being developed with the Comms team, first drafts ready.	★	Generally on track - fly tipping slightly lower in SNC and slightly higher in CDC compared to the corresponding period last year	★
JBP1.1.4 Reduce Our Carbon Footprint and Protect the Natural Environment	Cllr D Bambridge Cllr D Pickford	Carr, Jane Kane, Graeme Riley, Nicola Webb, Richard	<p>CDC - A review of data collected via Bicester Air Quality Demonstration Project showed levels from fixed sensors located within the AQMA were in line with monitoring undertaken by Environmental Protection. The data collected from mobile sensors located within and outside a vehicle showed pollution levels inside the vehicle on short urban journeys were twice as high, on hourly average, as outdoor pollution levels. Confirming that pollution levels are often higher inside a vehicle.</p> <p>SNC - Air quality data for the monitoring locations within the Towcester Air quality Management Area is being reviewed to compare the measured levels of nitrogen dioxide before and during the road closure through Towcester.</p>	<p>CDC - Discussions have taken place with the Bicester Delivery Team regarding an anti-idling campaign at the London Road crossing in Bicester.</p> <p>SNC - A briefing note on air quality in the Towcester Air Quality Management Area will be taken to February Scrutiny Committee; a comparison of the data before and during the road closure through Towcester has been requested.</p>	★	<p>Air quality monitoring continued across both districts with the monitoring of nitrogen dioxide levels at 47 locations in CDC and 32 locations in SNC.</p> <p>Nitrogen dioxide levels are measured using diffusion tubes; these are small plastic tubes containing a gel that absorbs nitrox oxide. The tubes are changed monthly and returned to a laboratory for analysis. The monthly results are used to calculate the annual mean for the site. The annual mean air quality objective level for nitrogen dioxide against which the data is assessed is 40 µg/m.</p> <p>The location of the diffusion tubes is reviewed in December each year. At SNC there is no change. At CDC two diffusion tubes have been relocated; one in Bicester from the Causeway to the A41 Oxford Road at the junction with Haydock Road, and the second in Bloxham from the High Street to the A361/Barford Road junction. The tubes have been moved from locations where the nitrogen dioxide levels have been consistently low and below the objective level to areas of potential concern.</p>	★

Joint Programme Measures -Protected, Green and Clean

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
JBP1.1.5 Mitigate the Effects of HS2	Cllr C Clarke Cllr S Clarke	Carr, Jane Feehily, Paul Newton, Jim	Project update meeting on 15th January.	Hs2 / SNC Project update meeting - 15th January. Route wide Planning Forum meeting 24 January.	★	Design proposals for hs2 viaduct structures at Edgcote and Lower Thorpe are anticipated to emerge for consultation in first quarter 2019	★
JBP1.1.6 Maintain the District as a Low Crime Area	Cllr A McHugh Cllr K Cooper	Carr, Jane Kane, Graeme Riley, Nicola Webb, Richard	<p>Meetings held with a variety of partners to improve partnership links and focus on Community Safety Partnership priorities across both District areas.</p> <p>An improved tasking format adopted by the community safety team in CDC has gone live, reviewed monthly.</p> <p>Training Audit completed by Service and Team providing an understanding of staff who have not completed relevant training.</p> <p>Section 11 safeguarding self-assessment completed for Oxfordshire. No requirement for Northamptonshire although annual review based on recommendations from section 11 last year conducted and presented to SNC Scrutiny. Improved partnership interaction across both District areas, this will enhance the work of the Community Safety Partnership and its network to deliver a safe and low crime District area.</p> <p>The Community Safety team in Cherwell DC has adopted a different tasking approach looking at enhancing the role it has in the community and responding to community safety issues robustly, this includes outcome focused approach and monitoring.</p>	<p>Community Safety Partnership Action Plans are to be revised in Q4 for both District areas.</p> <p>Safeguarding training and awareness will be delivered to Councillors.</p> <p>Improvement work, following the audit of training across Team/Service areas, will continue.</p>	★	<p>Community Safety: During this period of year Burglary increases partly due to the earlier dark nights. Cherwell and South Northants have seen an increase in this crime in both areas at the end of the calendar year. We are working with partners including the police to explore how we can work more closely to address and raise awareness of this both at the current time and in future years.</p> <p>Both Cherwell and South Northants have seen an increase in general reported crime in line with the national trend. We will be doing some work to look at the reasons for this at a local level. South Northants remains below its average most similar group areas.</p> <p>Particular increases of note in both Council areas are public disorder offences, violent crime and burglary of residential and commercial. However, it is important to note that the local increases in these areas reflect similar national trends.</p> <p>At a local level both Community Safety Partnerships are reviewing their priorities and action plans to reflect reported crime issues and concerns.</p> <p>Safeguarding: SIRI (The Councils' system for recording safeguarding concerns) for both District areas has seen an increase in 2019, this is likely due to the awareness and training that has occurred in Q1/2 to staff. The Majority of these referrals are passed to other partners such as adult or children services for further assessment.</p> <p>A training session aimed at Councilors has been coordinated in February 2019 to provide general safeguarding awareness in both Cherwell and South Northants.</p>	★

Joint Programme Measures -Protected, Green and Clean

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
JBP1.1.7 Protect the Built Heritage	Cllr C Clarke Cllr R Clarke	Carr, Jane Feehily, Paul Jolley, Robert Newton, Jim	SNC- Committee agreed not to designate Hackleton as a conservation area in December 2018. CDC - Research and report on Stratton Audley and Somerton completed and passed to graphic design team.	SNC - Research on the suitability (or not) for the possible designation of Shutlanger and Helmdon as conservation areas is underway and is scheduled for March Committee. CDC - Research to continue on Ardley and to commence on Duns Tew and Balscote. Arrangements to be made for Somerton and Stratton Audley to go out to consultation.	●	SNC - Delivering to Plan. All conservation area appraisals well received by Committee. Other villages to be considered are: Helmdon, Shutlanger, Whittlebury, Syresham, Horton, and Wappenham CDC - Research and report on Stratton Audley and Somerton completed and passed to graphic design team. Ardley was also due to be completed but this activity has now moved to March hence the Amber rating.	●

Joint Programme Measures - Thriving Communities & Wellbeing

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
JBP2.1.1 Provide & Support Health & Wellbeing	Cllr A McHugh Cllr C Clarke Cllr K Cooper Cllr T Ilott	Carr, Jane Feehily, Paul Riley, Nicola Rowe, Rosie	CDC & SNC - Wellbeing Activity Maps launched and promoted to parishes. Visual marketing material developed.	CDC & SNC - Wellbeing Activity Maps: consolidation and further development of mapped activities. Development of business continuity plans to ensure information is kept accurate and up to date. CDC and SNC - 'Good Neighbour' scheme development agreements with Northants ACRE and Oxfordshire Volunteer link-up.	★	<p>Wellbeing Activity Maps</p> <p>The Activity maps are now a district wide tool to visually support communities within interactive maps that plot activities / groups and opportunities to improve health and wellbeing and will support the aim of tackling social isolation across both districts.</p> <p>CDC and SNC Good Neighbour Schemes</p> <p>Meeting with both partners in CDC & SNC to agree service level agreements and the structure of the schemes offer in February.</p>	★
JBP2.1.2 Provide enhanced leisure facilities	Cllr G Reynolds Cllr K Cooper	Carr, Jane Didcock, Liam Kane, Graeme Riley, Nicola	Completion of Brackley Swimming Pool redevelopment	Works to commence on the replacement of the Metal Halide Floodlights at Cooper Sports Facility with more efficient LED lights. This will also increase the current lighting levels improving facilities for users. Planned for March/April 2019	★	<p>The works relating to the re-development of the gyms within Cherwell have now been completed.</p> <p>All 3 Gyms re-opened at the end of December 2018 in preparation for business in the New Year.</p>	★

Joint Programme Measures - Thriving Communities & Wellbeing

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
<p>JBP2.1.3 Provide support to the voluntary sector</p> <p align="center">Page 74</p>	<p>Cllr A McHugh Cllr K Cooper</p>	<p>Carr, Jane Kane, Graeme Riley, Nicola</p>	<p>Winter Wishes - Brighter Futures consultation event delivered on 20 December Play: Full - Holiday Hunger initiative delivered over the Christmas school holiday period Support to the Banbury Community Church, developing a business plan for the new Hill centre and funding applications to deliver services once built.</p> <p>Consultation for M40 Public Art installation - CDC Officer support to Grimsbury Youth club to relaunch the open access youth evening and prevent its closure</p> <p>The first SNC Older Peoples stakeholders meeting held in December.</p>	<p>Development of the Hill Implementation group Preparation for Age Friendly Pop up consultation event in Castle Quay in Jan.</p> <p>Preparation of New Year Wishes Brighter Futures consultation event for Grimsbury in Feb. To follow a similar format to winter wishes and produce a multi-agency action plan for the community to work towards in 2019.</p> <p>Jan Community Link publication to be completed and distributed to voluntary sector partners.</p> <p>Developing a community development plan for Graven Hill Bicester Cherwell Young People, Play & Wellbeing partnership meeting 17 Jan Preparation / planning for Bicester Volunteer fair for schools - 8 Feb</p> <p>SNC- Seniors stakeholders group - 26 Feb Proposals in preparation for SNC cabinet to broaden availability of New Homes bonus grant funding from April 2019.</p> <p>CDC - Community Lottery - Develop rollout plan for lead up to July Launch, and recruitment of 3rd sector 'Good Cause' partners.</p>	<p align="center">★</p>	<p>The Winter Wishes consultation event saw CDC, The Sunshine Centre, The Hill & St Pauls Church work in partnership to deliver a fun event and activities to engage the local community and find out what their aspirations are for 2019. The consultation results will form an action plan for the community to work together in the New Year. The event had 130 people attend.</p> <p>SNC Older Peoples Stake Holder Group – Following the successful SNC Seniors forum in October a stake holder group has been formed to work together on joint initiatives under the theme of services for the elderly and share good practice with partners across the district. Stake holders include AgeUK Northants, South Northants Volunteer Bureau, Police, Grand Union and A C R E .</p> <p>The Hill Implementation group will be formed to help develop the programme and service that will be delivered in the new Hill centre in autumn 2019. This group will also advise on internal interiors of the new centre and any technical changes made by the contractor during the build.</p> <p>CDC: Community Lottery - Remote Operator licence issued by Gambling Commission on 12/12/18. Good cause' partners will be the main beneficiaries of the CDC lottery, taking a share of the ticket revenue generated by their supporters.</p> <p>SNC: 35 community grant applications assessed, and recommendations prepared for 07/01/19 Community Funding Panel.</p> <p>Results of the SNC Parish New Homes Bonus (NHB) consultation showed strong majority in favour of ending the parish-based ring fencing of NHB funding.</p>	<p align="center">★</p>

Joint Programme Measures - Thriving Communities & Wellbeing

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Status	Commentary	YTD
<p>JBP2.1.4 Enhance community resilience as part of emergency planning</p> <p align="center">Page 75</p>	Cllr A McHugh Cllr D Bambridge	Carr, Jane Kane, Graeme Riley, Nicola Webb, Richard	<p>The Thames Valley Local Resilience Forum annual conference was attended by a several senior managers from the councils. Learning from major recent incidents, including the chemical contamination in Salisbury, was shared at this event which will help our local preparations and planning.</p> <p>The Senior Management Team received a report on the status of our business continuity arrangements in December. This report identified that service level business continuity plans have been updated to reflect current council arrangements. A draft business continuity strategy and updated policy were also considered and both these documents should be finalized early in 2019.</p>	<p>Officers will be working with partners through the local resilience forums to prepare for any disruption which could arise through the different Brexit scenarios.</p> <p>Senior managers will be attending emergency planning training facilitated by Oxfordshire County Council in December and February to support our senior manager duty rota.</p> <p>An audit of progress on improving our business continuity arrangements following a 2017 review will report in January.</p>	<p>In order to ensure we have robust emergency plans and relationships with key partners, we have a number of arrangements in place, including-</p> <p>Facilitating the Inter Agency Group which plans for events at Silverstone in 2019; Engaging with Parish Councils on their local emergency plans together with Oxfordshire County Council; Attending and supporting regional and national exercises, conferences and training with key partners. This has included learning from those agencies involved in major terrorist and weather-related incidents in recent years including Manchester, Salisbury, Lancaster and London. Working with the local resilience forums to assess risks and plan for foreseeable events and circumstances which could adversely impact on our communities.</p> <p>The revised business continuity strategy was due for approval by CEDR in December 2018, however this is likely to be finalised during Quarter 4 and as such the RAG is Amber.</p>	●
<p>JBP2.1.5 Prevent homelessness</p>	Cllr J Donaldson Cllr K Cooper	Carr, Jane Douglas, Gillian Kane, Graeme	<p>CDC - A Triage Officer has been appointed to help the team deal with people approaching the service for assistance as they are homeless or threatened with homelessness.</p> <p>Mystery shopping work to help us improve the access to and quality of homelessness services has been commissioned and will happen within the next 6 months.</p>	<p>CDC-A Homelessness Prevention Fund will be established by the end of January and a report on the Council's review of single homelessness will be completed. We have been successful in attracting Government funding to provide 5 additional winter beds for rough sleepers January-March 2019. The provision is in Oxford and will provide high level support to help people recover and access accommodation in Cherwell. SNC - the team will complete a review of the customer journey for people approaching the council seeking housing advice and help regarding homelessness to ensure the process is efficient and effective.</p>	<p>Both councils will host meetings with key partners regarding homelessness work (Homelessness Prevention Network meetings) in January. Also a review of the impact of the Homelessness Reduction Act will be completed at both councils by the end of January .</p> <p>The number of households who are receiving advice and assistance from housing options staff to prevent or relieve homelessness has increased.</p> <p>Also, the SNC team are meeting with colleagues in the health sector to establish the potential for an outreach housing options service within local acute and community hospitals.</p>	★

Joint Programme Measures - Thriving Communities & Wellbeing

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
JBP2.1.6 Safeguard the vulnerable	Cllr A McHugh Cllr K Cooper	Carr, Jane Kane, Graeme Riley, Nicola	Universal Credit full service has become live in the SNC area. The benefits team continue to work closely with external partners such as DWP and Credit Union to support residents through this change.	A new workplan will be implemented in January 19 to support improvements to the average time taken to assess new claims for Housing Benefit and Council Tax reduction.	★	<p>Support for the most vulnerable residents continues to be offered particularly with the introduction of Universal Credit. The Benefits team are also monitoring the time taken to assess new claims and will be introducing a new work plan to seek improvements.</p> <p>We continue to monitor the performance on the time taken to assess new claims for Housing Benefit and Council Tax Reduction. Discretionary Housing Payments are available to those who have a short fall in their rent and each case is considered on its own merits.</p> <p>The Debt and Money advice team continue to support some of the most vulnerable residents with financial gains totaling over £21,000 in December 18 and cumulative gains of over £3m since the service started.</p>	★
JBP2.1.7 Deliver affordable housing and work with private sector landlords	Cllr C Clarke Cllr J Donaldson Cllr K Cooper Cllr R Clarke	Carr, Jane Douglas, Gillian Kane, Graeme	<p>SNC - Although a small number of new affordable homes were expected to be completed in December, the homes have not been completed and handed over. This is not unusual as developers tend to prioritise open market sale homes to get buyers moved in before Christmas.</p> <p>CDC - In December 57 new affordable homes were completed comprising 38 affordable rent and 19 shared ownership homes.</p>	<p>SNC - Despite the completion of some new affordable homes being delayed this month, we are still on track to meet the target of delivering 173 new affordable homes in 2018/19.</p> <p>CDC - The total of new affordable homes completed so far in 2018/19 is 359, so we are on track to exceed the target of delivering 400 new affordable homes in 2018/19.</p>	★	<p>Private Sector Housing work at CDC: No further Landlords Home Improvement Grants were completed in December, so the total remains at 6 so far this year. However, a further 3 grants have been approved, with another being worked up and discussion underway in relation to 5 further premises.</p> <p>CHEEP: The total for completed grants remains at 8 for the year so far but a further 3 have been approved. Uptake remains surprisingly modest given the further restrictions on letting rented property with low energy-efficiency that will apply from April 2019.</p>	★

Joint Programme Measures - Thriving Communities & Wellbeing

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
JBP2.1.8 Deliver the welfare reform agenda	Cllr J Donaldson Cllr K Cooper Cllr P Rawlinson Cllr T Hlott	Douglas, Gillian Green, Belinda Hunkin, Andrew Taylor, Adele	Universal Credit full service became live in the South Northants area in November 18. A member briefing was held at South Northants in December 18.	The Benefits team will continue to monitor the impact of Universal credit on residents, landlords and the Councils. The project team made up of colleagues from benefits, housing and customer services will remain in place and we will continue to work with external partners such as DWP.	★	Housing Options is working with Citizens Advice North Oxfordshire and South Northamptonshire to fast track homelessness clients with debt and money advice issues including those affected by welfare reform (e.g. the Benefit Cap or delays in Universal Credit). Welfare Reform agenda is delivering as planned.	★

Joint Programme Measures - District of Opportunity & Growth

	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
JBP3.1.1 Deliver innovative and effective housing schemes	Cllr J Donaldson Cllr K Cooper	Carr, Jane Douglas, Gillian Kane, Graeme	We are still negotiating with landlords to secure 2 private rented properties for the next wave of Syrian refugee families arriving.	Complete work to quantify the social value of the proposed community led development and complete development appraisal work to inform the valuation of the council owned land in Hook Norton.	★	Work is ongoing with Hook Norton Low Carbon (HNLC) to develop proposals for a community led housing development in Hook Norton village. HNLC submitted a report to the OxFutures Board regarding progress to date on the proposals for a community led housing development in Hook Norton. The work to date and progress report were endorsed by the OxFutures Board and HNLC have been given additional financial support which will help continue to progress the project.	★
JBP3.1.2 Increase Tourism	Cllr L Pratt Cllr S Clarke	Carr, Jane Feehily, Paul Jolley, Robert Newton, Jim	CDC – Prepared new Service Level Agreements with Tourist Information Centres. Prepared promotions for Monte Carlo Rally coming to Banbury in Jan 2019. SNC- Country pursuits guide update meeting held.	CDC - Finalise new Service Level Agreements with Visitor Information Centres Oxfordshire. Promote Monte Carlo Rally coming to Banbury 31 Jan 2019. SNC- Completion of the Rural Development Programme for England funding bid for the Watermeadows Project.	★	CDC- Membership and day-to-day liaison with Experience Oxfordshire to promote Cherwell as a visitor destination. Contract management of Banbury and Bicester Visitor Information Centres. SNC: Rural Development Programme for England - Watermeadows bid is progressing to full application. Distribution of tourism guides to local sites continues. Work is progressing in the preparation of the new SNC Country Pursuits Guide. Working with Stoke Bruerne Canal Partnership to support the preparation of a Business Plan.	★
JBP3.1.3 Deliver the masterplans for the key economic centres	Cllr C Clarke Cllr R Clarke	Carr, Jane Feehily, Paul Jolley, Robert Newton, Jim	CDC- Young Enterprise Trade Fair; Banbury Market Place December 8. 11 teams, representing 9 schools held a market stall. Job Fairs; 2019 dates published, to cover Banbury, Bicester and Kidlington. SNC- Business Support given to 3 Business Start Ups and 10 contacts made/follow ups with established businesses.	CDC - Job Fairs; promote dates to employers and residents. SNC- Provide support and facilitate the delivery of discrete projects that come from the Masterplans, to ensure they are delivered on time and to maximise the economic benefit to the Districts.	★	CDC- Banbury Business Improvement District (BID); continued support to the manager and Board. Dates and venues confirmed for 2019 Job Fair programme; Banbury – Friday 1st March 2019, Banbury Town Hall, Bicester – Friday 26th April 2019, John-Paul II Centre, Bicester, Kidlington – Friday 7th June 2019, Exeter Hall, Kidlington. SNC- Continued support to pre-start and existing business with a variety services and visits/meetings.	★

Joint Programme Measures - District of Opportunity & Growth

	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
<p align="center">JBP3.1.4 Increase employment at strategic employment sites, promote investments & business growth</p>	<p>Cllr L Pratt Cllr S Clarke</p>	<p>Carr, Jane Feehily, Paul Jolley, Robert Newton, Jim</p>	<p>CDC- Cherwell Business Awards; encouraged nominations. Applications close 31 January 2019. Cherwell Industrial Strategy; preparing consultation workshops for 2019. Responded promptly to all Business Enquiries.</p>	<p>Engage consultees from business and other organisations. Cherwell Business Awards; Encourage final nominations (by 6 January) and applications (by 31 January). Business Enquiries; respond promptly to all.</p>	★	<p>CDC- Websites; updating to assist investors. Growth Deal; engaging with County partners to draw benefits for Cherwell through the Local Industrial Strategy, Spatial Plan, Infrastructure and Housing. Property exhibition (MIPIM UK) ; follow up enquiries from 27 businesses .</p> <p>SNC- 4 SNC Job Club members supported back into work. Working with Job Club Partner to promote "Learn My Way" workshop to support Job Club Members on Universal Credit and using the internet. Preparation of the annual Job Club Partners Review meeting.</p>	★
			<p>SNC- 4 SNC Job Club members supported back into work. Local businesses continue to use the job as a way of promoting their vacancies.</p>	<p>SNC- Attending an Employing Apprentices workshop being held at Silverstone Innovation Centre, offering the opportunity to learn about employing apprentices and some of the issues that employers face in employing apprentices.</p>			
<p align="center">JBP3.1.5 Delivery against Local Plans for CDC & SNC</p>	<p>Cllr C Clarke Cllr R Clarke</p>	<p>Bowe, Andrew Carr, Jane Darcy, Andy Feehily, Paul Newton, Jim Peckford, David</p>	<p>CDC - The dates and matters for the main hearings for the examination of the Partial Review of the Local Plan have now been released by the Planning Inspector.</p> <p>SNC- Consultation on the Regulation 19 Plan ended in November 2018.</p>	<p>CDC- Public Hearings for the Partial Review of the Local Plan will take place in February 2019.</p> <p>SNC - The Plan is to be considered by Full Council on January 14th, 2019 with a recommendation to submit to the Planning Inspectorate for examination.</p>	★	<p>CDC- The dates and matters for the public hearings for the examination of the Partial Review of the Local Plan were released by the Planning Inspector on 18 December and have been made publicly available. Preparation for the hearings is on-going.</p> <p>SNC - It is intended to submit the Plan for examination before January 24th, 2019. The Council will then work with the Planning Inspectorate to secure a timely examination of the Plan</p>	★

CDC KPIs - Clean, Green and Safe

Measure	Council	Portfolio Holder	Director/Lead Officer	Result	Target	Status	Commentary	YTD Result	YTD Target	YTD
JBP1.2.1C % Waste Recycled & Composted	CDC	Cllr D Pickford	Kane, Graeme Potter, Ed	48.12%	47.92%	★	Due to the mild weather in December 18 there has been more garden waste collected than December 17, this has helped with the recycling rate for December. But the current recycling rate for the first 9 months of 2018/19 is down 1.8% on the previous year due to the hot summer and the reduced amount of garden waste collected.	55.98%	57.06%	●

CDC KPIs - Thriving Communities & Wellbeing

Measure	Council	Portfolio Holder	Director/Lead Officer	Result	Target	Status	Commentary	YTD Result	YTD Target	YTD
JBP2.2.1C Number of households living in Temporary Accommodation (TA)	CDC	Cllr J Donaldson	Douglas, Gillian Kane, Graeme	28.00	43.00	★	Numbers in temporary accommodation are remaining low at the end of this month and through the quarter. The continued focus on preventing housing issues becoming a crisis has continued to show positive results. We are working to ensure that our Allocations Scheme is used to rehouse homeless households before they become roofless but also to balance this with helping other households who have significant housing needs.	28.00	43.00	★
⊕ JBP2.2.2C Average time taken to process Housing Benefit new claims Page 81	CDC	Cllr T Ilott	Green, Belinda Taylor, Adele	18.45	15.00	▲	The average time taken to process New Claims for the month of December 2018 is 18.45 days. Our target for processing New Claims is 15 days against a national average of 22 days. Plans are being put into place for a new way of working from 21 January 2019 where a team will be dedicated to dealing with New Claims with a daily monitoring of the work to ensure New Claims are being dealt with as proactively as possible. We are reliant upon the claimants to provide evidence to support their claim on occasions where we are unable to obtain information from other sources which can cause unavoidable delays in making a decision on a new claim. However, with the close daily monitoring all options available to obtain evidence to speed up the processing times of New Claims will be monitored. Our year to date average time to process new claims remains within our target of 15 days.	14.83	15.00	★
⊕ JBP2.2.3C Average time taken to process Housing Benefit change events	CDC	Cllr T Ilott	Green, Belinda Taylor, Adele	11.94	8.00	▲	The average time taken to process change in details for the month of December 2018 is 11.94 days. Our target for processing change in details is 8 days. It is proving difficult to remain within target for processing changes with the increasing change in details received on a daily basis from Department for Work and Pensions regarding changes to Universal Credit awards. We continue to look into our working practices to help us manage with the increased work with the resources available. A plan is being put in place on 21 January 2019 where we will have a dedicated team to deal with change in details. The work will be monitored on a daily basis to ensure the work is being dealt with as proactively as possible. We are also continuing with the Automation project to help us manage the work.	8.16	8.00	●

CDC KPIs - Thriving Communities & Wellbeing

Measure	Council	Portfolio Holder	Director/Lead Officer	Result	Target	Status	Commentary	YTD Result	YTD Target	YTD
JBP2.2.5C Number of visits/usage of District Leisure Centres	CDC	Cllr G Reynolds	Didcock, Liam Kane, Graeme	113,541	88,156	★	The throughputs at the Cherwell Leisure Facilities are showing an improved performance YTD. As a total throughput across the Leisure Centres, Joint Use Sites and Pavilions there has been an increase of more than 18,000 against December last year. In a more detailed view Spiceball Leisure Centre had increased by circa 3,000 users, Bicester Leisure Centre by 2,500 and Kidlington Leisure Centre by 1,800 users. Woodgreen Leisure Centre usage had increased by 800 users and the Joint Use at NOA and Cooper showing an increase of 2,300 users and a decrease of 400 users respectively. Both Pavilions and Sports Grounds at Whiteland's and Stratfield Brake performed well with increases 7,500 and 1,500 respectively. Whilst this is a positive position across nearly all Centres it is noted that for the same period last year we did sustain a prolonged period of inclement weather meaning usage figures would have been adversely affected	1,251,756	1,132,972	★
JBP2.2.6C % of Council Tax collected, increasing Council Tax base	CDC	Cllr T Ilott	Green, Belinda Taylor, Adele	9.02%	9.50%	●	The amount of Council Tax that Cherwell is due to collect has increased by just over £75k during December. We are continuing to issue recovery and the team are concentrating on tasks which will aid collection rates.	83.81%	86.50%	●
JBP2.2.7C % of Business Rates collected, increasing NNDR base	CDC	Cllr T Ilott	Green, Belinda Taylor, Adele	9.85%	9.00%	★	The amount we have collected within the month is nearly £260k more in December than in November. We have also continued to improve our work position and are working on correspondence dated within just less than 2 weeks.	84.92%	86.00%	●

Page 82

CDC KPIs - District of Opportunity & Growth

Measure	Council	Portfolio Holder	Director/Lead Officer	Result	Target	Status	Commentary	YTD Result	YTD Target	YTD
JBP3.2.1C % Major planning applications processed within 13 weeks	CDC	Cllr C Clarke	Feehily, Paul Seckington, Paul	86%	60%	★	7 Major Planning Applications were determined during December. 6 were determined within the target period or agreed time frame. As such, our target of determining more than 60% of Major Applications within time has been met.	87%	60%	★
JBP3.2.2C % Non-Major planning appeal decisions allowed	CDC	Cllr C Clarke	Feehily, Paul Seckington, Paul	0%	10%	★	No Non-Major Planning Appeals were determined during December.	1%	10%	★
JBP3.2.3C % Planning enforcement appeal decisions allowed	CDC	Cllr C Clarke	Feehily, Paul Seckington, Paul	0%	10%	★	No Planning Enforcement Appeals were determined during December.	0%	10%	★
JBP3.2.4C % of non-major applications processed within 8 weeks	CDC	Cllr C Clarke	Feehily, Paul Seckington, Paul	90%	70%	★	81 Non-Major planning applications were determined during December 73 were determined within the target period or agreed timeframe. Therefore, the target of determining more than 70% of Non-Major Applications within the period has been met.	90%	70%	★
JBP3.2.5C Maintaining 5-year land supply	CDC	Cllr C Clarke	Feehily, Paul Peckford, David	5	5	★	Q3 Provisional housing completions recorded as 387 reflecting that house building is on-going on a large number of sites across the district. The 2018 Annual Monitoring Report was endorsed by the Executive on 3 Dec. It demonstrates that the district has a 5.0 land supply for 2018-2023 and 5.2 for the period 2019-2024. The housing projections include an estimated total of 1238 new homes (net) for 2018/19. The total at the end of Q3 is 975.	5	5	★
JBP3.2.6C Major planning appeal decisions allowed	CDC	Cllr C Clarke	Feehily, Paul Seckington, Paul	0.00	10.00	★	No Major Planning Appeals were determined during December.	2.78	10.00	★

Page 83

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Appendix 3 – Cherwell District Council – Latest Leadership Risk Register as at 23/01/2019

Level of risk	How the risk should be managed
High Risk (16-25)	Requires active management to manage down and maintain the exposure at an acceptable level. Escalate upwards.
Medium Risk (10 -15)	Contingency Plans - a robust contingency plan may suffice together with early warning mechanisms to detect any deviation from the profile.
Low Risk (1 – 9)	Good Housekeeping - may require some risk mitigation to reduce the likelihood if this can be done cost effectively, but good housekeeping to ensure that the impact remains low should be adequate. Re-assess frequently to ensure conditions remain the same.

Risk Scorecard – Residual Risks						
		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Residuals	5 - Catastrophic					
	4 - Major		L04, L10, L12			
	3 - Moderate			L01, L02, L05, L14	L03, L06, L07, L08, L11	L09, L13
	2 - Minor					
	1 - Insignificant					

Risk Definition	
Leadership	Strategic risks that are significant in size and duration, and will impact on the reputation and performance of the Council as a whole, and in particular, on its ability to deliver on its corporate priorities
Operational	Risks to systems or processes that underpin the organisation’s governance, operation and ability to deliver services

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
L01	Financial resilience – Failure to react to external financial shocks, new policy and increased service demand. Poor investment and asset management decisions.	Reduced medium and long term financial viability Reduction in services to customers Continued reliance on central govt (RSG) and therefore reduced opportunity for independent decision making Reduced financial returns (or losses) on investments/assets Inability to deliver financial efficiencies Inability to deliver commercial objectives (increased income) Poor customer service and satisfaction Increased complexity in governance arrangements Lack of officer capacity to meet service demand This has bee	4	4	16	Medium Term Revenue Plan reported regularly to members. Efficiency plan in place and balanced medium term Highly professional, competent, qualified staff Good networks established locally, regionally and nationally National guidance interpreting legislation available and used regularly Members aware and are briefed regularly Participate in Oxfordshire Treasurers' Association's work streams Treasury management policies in place Investment strategies in place Regular financial and performance monitoring in place Independent third party advisers in place Regular bulletins and advice received from advisers Property portfolio income monitored through financial management arrangements on a regular basis Asset Management Strategy in place and embedded. Transformation Programme in place to deliver efficiencies and increased income in the future	Fully Fully Fully Partially Fully Partially Fully Fully Fully Fully Partially Partially Fully Fully Partially Partially	Councillor Tony Illot	Adele Taylor	Adele Taylor	3	3	9	↔	Key staff recruited to and review of workload and capacity across the team. Additional resilience and resource for financial accounting and reporting engaged through external partners and agencies. Investment strategy approach agreed for 18/19 and all potential investments now taken through the working groups prior to formal sign off. Robust review and challenge of our investment options to be regularly undertaken through our usual monitoring processes. Timeliness and quality of budget monitoring particularly property income and capital to be improved. Project with Civica is ongoing. Financial Systems project reviewed to meet business needs. Asset Management Strategy to be reviewed and refreshed in the new year. Review of BUILD1 to ensure procurement and capital monitoring arrangements are in place and development of forward programme. Finance support and engagement with programme management processes being implemented. Integration and development of Performance, Finance and Risk reporting during 18/19. Regular involvement and engagement with senior management across Counties as well as involvement in Regional and National finance forums. Regular member meetings, training and support in place and regularly reviewed. Briefings provided on key topics to members with particular focus on key skills for specific committees such as audit committee. Financial support and capacity developed during 18/19 through development programme. Regular utilisation of advisors. Internal Audits being undertaken for core financial activity and capital.	Maintaining focus in this area with ongoing review, staff and member training and awareness raising. Ensuring support is utilised from and provided by external partners and stakeholders. Financial System Solution Project started to ensure future finance provision is fit for future. Integrated reporting being embedded and working well. Regular reporting of progress on internal audits considered by the committee	Risk reviewed - 08/01/19 - updated a number of mitigating actions to reflect current position
L02	Statutory functions – Failure to meet statutory obligations and policy legislative changes are not anticipated or planned for.	Legal challenge Loss of opportunity to influence national policy / legislation Financial penalties Reduced service to customers	3	4	12	Embedded system of legislation and policy tracking in place, with clear accountabilities, reviewed regularly by Directors Clear accountability for responding to consultations with defined process to ensure Member engagement National guidance interpreting legislation available and used regularly Risks and issues associated with Statutory functions incorporated into Directorate Risk Registers and regularly reviewed Clear accountability for horizon scanning, risk identification / categorisation / escalation and policy interpretation in place Robust Committee forward plans to allow member oversight of policy issues and risk management, including Scrutiny and Audit Internal Audit Plan risk based to provide necessary assurances Strong networks established locally, regionally and nationally to ensure influence on policy issues Senior Members aware and briefed regularly in 1:1s by Directors	Partially Fully Fully Partially Partially Partially Fully Partially	Councillor Barry Wood	Yvonne Rees	Claire Taylor	3	3	9	↔	Establish corporate repository and accountability for policy/legislative changes Review Directorate/Service risk registers Ensure Committee forward plans are reviewed regularly by senior officers Ensure Internal Audit plan focusses on key leadership risks Develop stakeholder map, with Director responsibility allocated for managing key relationships Standardise agendas for Director / PFH 1:1s New NPPF published 05/03/18 will guide revised approach to planning policy and development management. Allocate specific resource to support new projects/policies or statutory requirements e.g. GDPR	Service planning process for 2019-20 to started. Separate service plans for Cherwell. Separate leadership risk registers to be put in place for Cherwell.	Risk reviewed 09/01/18 - Commentary Updated.
L03	Lack of Management Capacity - Increased workload relating to local government reorganisation and changes to joint working between SNC and CDC impact on the capacity of management.	Financial impact due to use of agency staff, possible impact on customers and frontline service delivery if capacity risks are not managed. Inability to deliver council's plans Inability to realise commercial opportunities or efficiencies Reduced resilience and business continuity Reduced staff morale and uncertainty may lead to loss of good people	4	4	16	Use of interims / fixed term and project roles to support senior capacity as required. Arrangements in place to source appropriate interim resource if needed Delegations to Chief Exec agreed to ensure timely decisions HR / Specialist resource in place to support recruitment process and manage implications Ongoing programme of internal communication Separate CDC and SNC Senior Leadership Teams in place to provide capacity required at each site.	Fully Fully Fully Fully Fully Partially	Councillor Barry Wood	Yvonne Rees	Claire Taylor	4	3	12	↔	Separate CDC and SNC Senior Leadership teams to work closely together during separation to mitigate the impact of any capacity issues resulting from separation. AD HR / OD briefed and leading the process Communications to be delivered by CEO External support provided. Resilience training programme for Assistant Directors in place.	Separate CDC and SNC Senior Leadership Teams now live with Executive support arrangements in place. Risk to be kept under review as management team transition to new working arrangements. Joint CEDR meetings to take place fortnightly. Regular comms being provided by the Chief Executives	Risk reviewed 09/01/18 - Commentary Updated.

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
L04	Not maintaining an up-to-date Local Plan - Failure to ensure sound local plans are submitted on time.	Inappropriate development in inappropriate places	3	5	15	The Council's Local Development Scheme (LDS) provides a programme for the preparation and submission of Local Plans. The LDS is periodically reviewed and presented to the Executive for consideration. The effectiveness of adopted Local Plan policies is reviewed through an Annual Monitoring Report which is also presented to the Executive. Local Plans and accompanying guidance are prepared in accordance with the LDS.	Fully	Councillor Colin Clarke	Paul Feehily	David Peckford	2	4	8	↔	Regular review meetings on progress and critical path review.	A district wide Local Plan was completed and adopted in 2015. A Partial Review of the Local Plan, to assist Oxford with its unmet housing need, was submitted to Government for Examination on 5 March 2018. A preliminary public hearing was held on 28 September 2018. On 29 October, the Inspector advised that the Council could proceed to main hearings. Main hearings are to be held during the weeks commencing 4 and 11 February 2019. Work continues on a Supplementary Planning Document for Banbury Canalside. There is a need to achieve a deliverable, masterplan framework for the site which would meet Local Plan requirements, expected design standards and which satisfactorily responds to stakeholder issues. An Annual Monitoring Report and updated Local Development Scheme were presented to the Executive in Dec 2018. The LDS incorporates the timetable for the new countywide Joint Statutory Spatial Plan - the Oxfordshire Plan 2050. It also provides for a district wide Local Plan review. The Oxfordshire authorities have collectively commenced work on the Oxfordshire Plan 2050.	Risk reviewed, Controls and comments updated 04/01/19
		Negative (or failure to optimise) economic, social, community and environmental gain				Resources are in place to support delivery including Barrister support when required for Local Plans.	Partially							Regular Lead Member briefings and political review			
		Negative impact on each council's ability to deliver its strategic objectives Without a local plan, a lack of community engagement on development locations				For issues which are solely within the control of CDC policies, plans and resources are in place Local Development Scheme provides Executive oversight of plan-making programme to ensure local plans are made	Partially							Local Development Scheme updated as required Regular Lead Member briefings and political review			
		Without a local plan, negative impact in terms of ensuring coordination on cross boundary strategic issues				Maintenance of an up to date Statement of Community Involvement (SCI) to support policy making. The Local Development Scheme provides for Executive oversight of plan-making programme to ensure local plans are made in good time. The Oxfordshire councils have agreed to produce a Joint Statutory Spatial Plan (JSSP) - the Oxfordshire Plan 2015	Fully							SCI updated as required (last updated 2016) Local Development Scheme updated as required. Regular review meetings on progress and critical path review to ensure timely CDC contributions to the Oxfordshire Plan.			
L05	Business Continuity - Failure to ensure that critical services can be maintained in the event of a short or long term incident affecting the Councils' operations	Inability to deliver critical services to customers/residents	4	4	16	Business continuity strategy in place	Partially	Councillor Andrew McHugh	Graeme Kane	Richard Webb	3	3	9	↔	All individual service Impact Assessments and BC Plans have been updated. BC Improvement plan, including testing, being developed by Steering Group. ICT transition to data centre and cloud services have reduced likelihood of ICT loss and data loss Corporate ownership and governance sits at senior officer level	The plan to update all the service business continuity plans is progressing. Managers have had refresher training to support them in completing the plans. The first drafts have also been subject to a peer to peer review to check they are robust. An officer Steering Group is in place to provide professional advice on critical aspects of the plans. An internal audit began in December to quality assure our plans.	Risk reviewed 08/01/19 - Control assessments and Comments updated.
		Financial loss				Services prioritised and recovery plans reflect the requirements of critical services	Partially										
		Loss of important data				ICT disaster recovery arrangements in place	Fully										
		Inability to recover sufficiently to restore non-critical services before they become critical				Incident management team identified in Business Continuity Strategy	Partially										
		Loss of reputation				All services undertake annual business impact assessments and update plans	Fully								Draft Business Continuity Strategy and Policy being updated for sign-off by Leadership Team. Progress report was provided to CEDR in December		
						Business Continuity Plans tested	Partially										
L06	Partnering - Financial failure of a public sector partner organisation	Potential reduction in service areas funded by the County Council resulting in an unplanned increase in demand on district functions leading to service difficulties. Poor service delivery	4	4	16	Robust governance/contract management framework in place for key third party relationships	Partially	Councillor Barry Wood	Graeme Kane	Nicola Riley	4	3	12	↔	Review existing arrangements/ contracts to ensure appropriate governance Standard agenda item at senior officer meetings		04/01/19 -Risk reviewed and questions raised. Answers not given?
		Failure to build the necessary partnership relationships to deliver our strategic plan.				Training and development of senior officers/members to fulfil their responsibilities with partner organisations	Partially							Continue Institute of Directors training for Officers and Members			
		Failure to ensure the necessary governance of third party relationships (council businesses, partners, suppliers)				Leader and CEO engaging at National and county level to mitigate impacts of potential service reductions for residents Regular review and sharing of partnership activity/engagement at senior officer meetings	Partially								Ongoing meetings with wider health partners to ensure evidence based approach to investment in Wellbeing Directorate Services		

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
L07	Emergency Planning (EP) - Failure to ensure that the local authority has plans in place to respond appropriately to a civil emergency fulfilling its duty as a category one responder	Inability of council to respond effectively to an emergency Unnecessary hardship to residents and/or communities Risk to human welfare and the environment Legal challenge Potential financial loss through compensation claims Ineffective Cat 1 partnership relationships	4	4	16	Key contact lists updated monthly. Dedicated Emergency Planning Officer in post to review, test and exercise plan and to establish, monitor and ensure all elements are covered Added resilience from cover between shared Environmental Health and Community Safety Teams as officers with appropriate skill Senior management attend Civil Emergency training Multi agency emergency exercises conducted to ensure readiness On-call rota established for Duty Emergency Response Co- ordinators Active participation in Local Resilience Forum (LRF) activities	Fully Partially Fully Fully Fully Fully	Councillor Andrew McHughy	Graeme Kane	Richard Webb	3	4	12	↔	Chief Operating Officer meets with ACO Oxfordshire Fire and Rescue quarterly to oversee shared EP arrangements. Active involvement in Brexit contingency planning being led by TV LRF Training for senior officers was completed in June and November; further exercises were completed in September and November at a regional and national event with partners. Senior managers have attended multi-agency exercises and duty manager training with OCC senior managers. Both authorities are represented at the Local Resilience Forum	Active plans are in place to ensure the authority is prepared for a variety of emergencies. Continual improvements are being made as a result of a review of these plans and in partnership with the Local Resilience Forum. Plans are developing to create two systems for SNC and CDC separately from January 2019.	Risk reviewed 08/01/19 - Mitigating actions updated.
L08	Health and safety - Failure to comply with health and safety legislation, corporate H&S policies and corporate H&S landlord responsibilities	Fatality, serious injury & ill health to employees or members of the public Criminal prosecution for failings Financial loss due to compensation claims Enforcement action – cost of regulator (HSE) time Increased sickness absence Increased agency costs Reduction in capacity impacts service delivery	5	4	20	New Health & Safety Corporate H&S arrangements & guidance in place as part of the newly adopted HSG65 Management System Clearly identified accountability and responsibilities for Health and Safety established at all levels throughout the organisation Corporate Interim H&S Manager & H&S Officer in post to formalise the H&S Management System & provide competent H&S advice & assistance to managers & employees. Awaiting new Health & Safety Manager Proactive monitoring of Health & Safety performance management internally Proactive monitoring of Health & Safety performance management externally Effective induction and training regime in place for all staff Positive Health & Safety risk aware culture Corporate Health & Safety meeting structure in place for co-ordination and consultation Corporate body & Member overview of Health & Safety performance via appropriate committee Assurance that third party organisations subscribe to and follow Council Health & Safety guidelines and are performance managed where required	Partially Fully Partially Partially Fully Partially Partially Fully Partially	Councillor Lynn Pratt	Adele Taylor	Martin Green	4	3	12	↔	Corporate H&S Policy now finalised and communicated to all levels of managers and staff. The launch of this policy has helped to ensure that roles & responsibilities are discharged effectively. The next stage is underway, this is to update Corporate H&S arrangements and guidance documents which support the policy underneath. All Assistant Directors to complete a H&S Checklist to provide a status on the management of H&S in their service areas (checklist devised by H&S team to ensure H&S Management System framework is covered). AD's to submit checklist to their Director by 3/9/18. Corporate H&S Manager has sent a follow up note to Directors to suggest chasing outstanding AD checklists. Recommended that ED's and AD's consider the gaps within the checklists and liaise with their management teams on the agreed actions that they will be taking to address them. Actions to be formalised into service plans & monitored at DMT Meetings. Further support, advice & assistance provided by H&S Team (contacts established for each directorate area). Recently approved Internal Audit plan for 18/19 included an audit of our overall H&S management system framework which commenced in Q1 with a follow up planned prior to the end of 18/19. Four main recommendations have been made which are being considered and will be included in future updates of the Leadership Risk Register. The H&S team also conduct reviews internally across all services and teams, the current scope will be expanded from topic-based themes to cover all elements of our overall H&S management system to ensure compliance with our standards. Management of H&S training will now be included within the new eLearning programme which is in the process of being procured. Risk Assessment Workshop training is being developed. Robust training already in place in Environmental Services. Good awareness in higher risk areas of the business, e.g. Environmental Services. However other areas need improved awareness of risk assessment process Reviews of leases and performance monitoring to be reviewed to satisfy the Councils providers/ contractors are managing significant risks.	Senior Officer Meeting receives regular updates from Corporate H&S Manager. Relevant updates taken to appropriate committee. Joint Council and Employee Engagement Committee (JCEEC) to be formed by HR in Oct/Nov time. To be in place to ensure robust communication methods are in place for consultation between HR/H&S and TU. HR AD in the process of co-ordinating JCEEC meetings. Internal Audit Schedule rolling 3 year programme has now been developed and is underway.	Risk reviewed 03/01/19 - No changes.

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
L09	Cyber Security - If there is insufficient security with regards to the data held and IT systems used by the councils and insufficient protection against malicious attacks on council's systems then there is a risk of: a data breach, a loss of service, cyber- ransom.	Service disruption Financial loss / fine Prosecution – penalties imposed Individuals could be placed at risk of harm Reduced capability to deliver customer facing services Unlawful disclosure of sensitive information Inability to share services or work with partners Loss of reputation	4	5	20	File and Data encryption on computer devices Managing access permissions and privileged users through AD and individual applications Consistent approach to information and data management and security across the councils Effective information management and security training and awareness programme for staff Password security controls in place Robust information and data related incident management procedures in place Appropriate robust contractual arrangements in place with all third parties that supply systems or data processing services Appropriate plans in place to ensure ongoing PSN compliance Adequate preventative measures in place to mitigate insider threat, including physical and system security Insider threat mitigated through recruitment and line management processes	Fully Fully Fully Partially Fully Fully Fully Fully Partially Fully	Councillor Ian Corkin	Claire Taylor	David Spilsbury	3	5	15	↔	The cyber-essentials plus certification has now been passed. Cyber-security was reviewed by Internal Audit in May 2017 and a review meeting was held on 30th August 2018. The output has been received and signed off with good progress summary noted. The IT service are in discussions with the Regional Police Cyber Security Advisor. Initial training session held with the IT Management team in October 2018. Further table top session held in November with IT Management Team. Sessions for all staff are being arranged for January 2019. Complete the implementation of the intrusion prevention and detection system by the end of January 2019. Agree Terms of Reference and re-implement the security forum as the Information Governance Group, with meetings to be held on a minimum quarterly basis. 1st meeting should be January 2019, chaired by the Information Governance Manager Develop a comprehensive information security training programme with annual mandated completion which is assessed by June 2019. Cyber Security highlighted during the recent all staff briefing in relation to cyber essentials plus	Cyber security incidents are inevitable. The only way to manage this risk is to have effective controls and mitigations in place including audit and review.	Risk reviewed 04/01/19 - Control Assessment, Mitigating Actions Updated.
L10	Safeguarding the vulnerable (adults and children) - Failure to follow our policies and procedures in relation to safeguarding vulnerable adults and children or raising concerns about their welfare	Increased harm and distress caused to vulnerable individuals and their families Council could face criminal prosecution Criminal investigations potentially compromised Potential financial liability if council deemed to be negligent	3	4	12	Safeguarding lead in place and clear lines of responsibility established Safeguarding Policy and procedures in place Information on the intranet on how to escalate a concern Mandatory training and awareness raising sessions are now in place for all staff. Safer recruitment practices and DBS checks for staff with direct contact Action plan developed by CSE Prevention group as part of the Community Safety Partnership Data sharing agreement with other partners Attendance at Children and Young People Partnership Board (CYPPB) Annual Section 11 return compiled and submitted as required by legislation. Engagement with Joint Agency Tasking and Co-ordinating Group (JATAC) and relevant Oxfordshire County Council (OCC) safeguarding sub group Engagement at an operational and tactical level with relevant external agencies and networks	Fully Fully Fully Fully Partially Partially Fully Fully Partially	Councillor Barry Wood	Graeme Kane	Nicola Riley	2	4	8	↔	Ongoing internal awareness campaigns Ongoing external awareness campaigns Annual refresher and new training programmes including training for new members Training monitoring to be developed through new HR/Payroll system Continue to attend Child exploitation groups	Continued focus in this area with ongoing programme of training and awareness raising.	4/01/19 - Risk reviewed and questions raised. Answers not given?
L11	Income Generation through council owned companies	Through failure of governance or robust financial / business planning the councils fail to generate expected income.	3	4	12	Annual business planning Financial planning Corporate governance mechanisms Due diligence Business casing	Partially Partially Partially Partially Partially	Councillor Tony Illot	Adele Taylor	Adele Taylor	3	4	12	↔	Changes in the shareholder support side line management been put in place. Additional oversight and capacity from senior managers Resilience and support being developed across business to monitor and deliver projects. Skills and experience being enhanced to deliver and support development, challenge and oversight.	Staff turn over has lead to increase in risk last month. Mitigations in place in terms of additional senior management oversight. Knowledge and experience building take place with training and support as required. The increased score last month remains the same this month although some additional actions in place.	Risk reviewed 08/01/19 - comments updated to reflect this.

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
L12	Financial sustainability of third party suppliers	The financial failure of a third party supplier results in the inability or reduced ability to deliver a service to customers.	3	4	12	Contracts in place to cover default. Business continuity planning	Partially Partially	Councillor Tony Illot	Adele Taylor	Adele Taylor	2	4	8	↔	Meetings take place when required with suppliers to review higher risk areas.	Risk previously escalated due to suppliers financial difficulties which could result in loss of service. The Council continues to monitor suppliers financial stability and meets with suppliers when required. Financial company insight being gained through use of monitoring tools and financial advice.	Risk reviewed 08/01/19- No changes.
L13	Local Government Reorganisation CDC - Separation from SNC impacts on the provision of services to residents and communities.	Inability to deliver Council priorities and plans, impacting on quality of services delivered to residents and communities. Potential impact of CDC/SNC separation on quality of services delivered to residents and communities.	5	4	20	Separate CDC and SNC Senior Leadership Teams in place from January 2019. Agreed programme of separation in place Joint CEDR Meetings to take place fortnightly with clear focus on separation. Programme Board and Project Team established to deliver separation. Strategic partnership opportunities with Oxfordshire County Council being explored with s113 agreement in place. Regular review and sharing of partnership activity / engagement at senior officer meetings	Fully Partially Fully Fully Partially Partially	Councillor Barry Wood	Yvonne Rees	Claire Taylor	5	3	15	↔	Standing item at senior officer meetings - regular review of risk and control measures. Legal advice sought with regards to the employment implications of re-organisation and separation proposals. Separation tracker and risk register to be circulated at all senior management meetings. Collaboration Agreement to underpin joint working with SNC following the end of the s113 to be agreed. OCC - CDC section 113 agreement completed. Regular communications plan with cascade briefings from Assistant Directors planned quarterly. New monthly newsletter focussing on change to be issued.	Separate CDC Senior Leadership Team in place from 1st January 2019. Structure includes clear responsibility for separation from SNC. Separation proposals agreed for Economic Growth, Planning Policy and Design and Conservation teams. Collaboration Agreement to underpin on-going joint working between CDC and SNC agreed by Executive and Council in January 2019.	Risk reviewed and updated 09/01/19
L14	Corporate Governance - Failure of corporate governance leads to negative impact on service delivery or the implementation of major projects providing value to customers.	Threat to service delivery and performance if good management practices and controls are not adhered to. Risk of ultra vires activity or lack of legal compliance Risk of fraud or corruption Risk to financial sustainability if lack of governance results in poor investment decisions or budgetary control. Failure of corporate governance in terms of major projects, budgets or council owned companies impacts upon financial sustainability of the councils.	4	4	16	Clear and robust control framework including: constitution, scheme of delegation, ethical walls policy etc. Clear accountability and resource for corporate governance (including the shareholder role). Integrated budget, performance and risk reporting framework. Corporate programme office and project management framework. Includes project and programme governance. Internal audit programme aligned to leadership risk register. Training and development resource targeted to address priority issues; examples include GDPR, safeguarding etc. HR policy framework. Annual governance statements	Partially Partially Partially Partially Partially Partially Partially	Councillor Barry Wood	Yvonne Rees	Nick Graham	3	3	9	↔	Standing item at senior officer meetings – regular review of risk and control measures Review of constitution to take place 2018/19 Implementation of corporate programme office – May 2018 Full review of HR policy to be undertaken during 2018/19 Monitoring Officer to attend management team meetings	S113 Agreement terminates on 16 January 2019. Collaboration Agreement being developed. Executive and Cabinet will consider its adoption on 7 and 14 January 2019 respectively. Service schedules are being developed for all services that require ongoing joint working - and these are programmed to be in place by 16 January 2019.	05/12/18 - Risk reviewed, Risk Owner & Manager & Comments updated

CDC KPIs - Clean, Green and Safe

Measure	Council	Portfolio Holder	Director/Lead Officer	Result	Target	Status	Commentary	YTD Result	YTD Target	YTD
JBP1.2.1C % Waste Recycled & Composted	CDC	Cllr D Pickford	Kane, Graeme Potter, Ed	48.12%	47.92%	★	Due to the mild weather in December 18 there has been more garden waste collected than December 17, this has helped with the recycling rate for December. But the current recycling rate for the first 9 months of 2018/19 is down 1.8% on the previous year due to the hot summer and the reduced amount of garden waste collected.	55.98%	57.06%	●

CDC KPIs - Thriving Communities & Wellbeing

Measure	Council	Portfolio Holder	Director/Lead Officer	Result	Target	Status	Commentary	YTD Result	YTD Target	YTD
JBP2.2.1C Number of households living in Temporary Accommodation (TA)	CDC	Cllr J Donaldson	Douglas, Gillian Kane, Graeme	28.00	43.00	★	Numbers in temporary accommodation are remaining low at the end of this month and through the quarter. The continued focus on preventing housing issues becoming a crisis has continued to show positive results. We are working to ensure that our Allocations Scheme is used to rehouse homeless households before they become roofless but also to balance this with helping other households who have significant housing needs.	28.00	43.00	★
⊕ JBP2.2.2C Average time taken to process Housing Benefit new claims Page 92	CDC	Cllr T Ilott	Green, Belinda Taylor, Adele	18.45	15.00	▲	The average time taken to process New Claims for the month of December 2018 is 18.45 days. Our target for processing New Claims is 15 days against a national average of 22 days. Plans are being put into place for a new way of working from 21 January 2019 where a team will be dedicated to dealing with New Claims with a daily monitoring of the work to ensure New Claims are being dealt with as proactively as possible. We are reliant upon the claimants to provide evidence to support their claim on occasions where we are unable to obtain information from other sources which can cause unavoidable delays in making a decision on a new claim. However, with the close daily monitoring all options available to obtain evidence to speed up the processing times of New Claims will be monitored. Our year to date average time to process new claims remains within our target of 15 days.	14.83	15.00	★
⊕ JBP2.2.3C Average time taken to process Housing Benefit change events	CDC	Cllr T Ilott	Green, Belinda Taylor, Adele	11.94	8.00	▲	The average time taken to process change in details for the month of December 2018 is 11.94 days. Our target for processing change in details is 8 days. It is proving difficult to remain within target for processing changes with the increasing change in details received on a daily basis from Department for Work and Pensions regarding changes to Universal Credit awards. We continue to look into our working practices to help us manage with the increased work with the resources available. A plan is being put in place on 21 January 2019 where we will have a dedicated team to deal with change in details. The work will be monitored on a daily basis to ensure the work is being dealt with as proactively as possible. We are also continuing with the Automation project to help us manage the work.	8.16	8.00	●

CDC KPIs - Thriving Communities & Wellbeing

Measure	Council	Portfolio Holder	Director/Lead Officer	Result	Target	Status	Commentary	YTD Result	YTD Target	YTD
JBP2.2.5C Number of visits/usage of District Leisure Centres	CDC	Cllr G Reynolds	Didcock, Liam Kane, Graeme	113,541	88,156	★	The throughputs at the Cherwell Leisure Facilities are showing an improved performance YTD. As a total throughput across the Leisure Centres, Joint Use Sites and Pavilions there has been an increase of more than 18,000 against December last year. In a more detailed view Spiceball Leisure Centre had increased by circa 3,000 users, Bicester Leisure Centre by 2,500 and Kidlington Leisure Centre by 1,800 users. Woodgreen Leisure Centre usage had increased by 800 users and the Joint Use at NOA and Cooper showing an increase of 2,300 users and a decrease of 400 users respectively. Both Pavilions and Sports Grounds at Whiteland's and Stratfield Brake performed well with increases 7,500 and 1,500 respectively. Whilst this is a positive position across nearly all Centres it is noted that for the same period last year we did sustain a prolonged period of inclement weather meaning usage figures would have been adversely affected	1,251,756	1,132,972	★
JBP2.2.6C % of Council Tax collected, increasing Council Tax base	CDC	Cllr T Ilott	Green, Belinda Taylor, Adele	9.02%	9.50%	●	The amount of Council Tax that Cherwell is due to collect has increased by just over £75k during December. We are continuing to issue recovery and the team are concentrating on tasks which will aid collection rates.	83.81%	86.50%	●
JBP2.2.7C % of Business Rates collected, increasing NNDR base	CDC	Cllr T Ilott	Green, Belinda Taylor, Adele	9.85%	9.00%	★	The amount we have collected within the month is nearly £260k more in December than in November. We have also continued to improve our work position and are working on correspondence dated within just less than 2 weeks.	84.92%	86.00%	●

CDC KPIs - District of Opportunity & Growth

Measure	Council	Portfolio Holder	Director/Lead Officer	Result	Target	Status	Commentary	YTD Result	YTD Target	YTD
JBP3.2.1C % Major planning applications processed within 13 weeks	CDC	Cllr C Clarke	Feehily, Paul Seckington, Paul	86%	60%	★	7 Major Planning Applications were determined during December. 6 were determined within the target period or agreed time frame. As such, our target of determining more than 60% of Major Applications within time has been met.	87%	60%	★
JBP3.2.2C % Non-Major planning appeal decisions allowed	CDC	Cllr C Clarke	Feehily, Paul Seckington, Paul	0%	10%	★	No Non-Major Planning Appeals were determined during December.	1%	10%	★
JBP3.2.3C % Planning enforcement appeal decisions allowed	CDC	Cllr C Clarke	Feehily, Paul Seckington, Paul	0%	10%	★	No Planning Enforcement Appeals were determined during December.	0%	10%	★
JBP3.2.4C % of non-major applications processed within 8 weeks	CDC	Cllr C Clarke	Feehily, Paul Seckington, Paul	90%	70%	★	81 Non-Major planning applications were determined during December 73 were determined within the target period or agreed timeframe. Therefore, the target of determining more than 70% of Non-Major Applications within the period has been met.	90%	70%	★
JBP3.2.5C Maintaining 5-year land supply	CDC	Cllr C Clarke	Feehily, Paul Peckford, David	5	5	★	Q3 Provisional housing completions recorded as 387 reflecting that house building is on-going on a large number of sites across the district. The 2018 Annual Monitoring Report was endorsed by the Executive on 3 Dec. It demonstrates that the district has a 5.0 land supply for 2018-2023 and 5.2 for the period 2019-2024. The housing projections include an estimated total of 1238 new homes (net) for 2018/19. The total at the end of Q3 is 975.	5	5	★
JBP3.2.6C Major planning appeal decisions allowed	CDC	Cllr C Clarke	Feehily, Paul Seckington, Paul	0.00	10.00	★	No Major Planning Appeals were determined during December.	2.78	10.00	★

Page 24

Cherwell District Council

Account, Audit and Risk Committee

13 March 2019

Treasury Management Report – January 2019

Report of the Executive Director: Finance and Governance (Interim)

This report is public

Appendix 1 is exempt from publication by virtue of paragraph 3 of Schedule 12A of Local Government Act 1972

Purpose of report

To receive information on treasury management performance and compliance with treasury management policy for 2018/19 as required by the Treasury Management Code of Practice.

1.0 Recommendations

The meeting is recommended:

To note the contents of the January 2019 Treasury Management Report.

2.0 Introduction

- 2.1 In 2013 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual reports.
- 2.2 The Council's treasury management strategy for 2018/19 was approved at a meeting on 26 February 2018. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk is therefore central to the Council's treasury management strategy.
- 2.3 Following consultation in 2017, CIPFA published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice; the local authority specific Guidance Notes for the Codes were published in July 2018. In England MHCLG published its revised Investment Guidance which came into effect from April 2018.
- 2.4 The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is a summary document approved by full

Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 25 February 2019.

3.0 Report Details

2018/19 Performance

- 3.1 As at the end of January 2019 the Council had borrowing of £90.5m and investments of £11.4m of funds managed in-house – a net borrowing position of £79.1m.

Appendix 1 details the schedule of borrowing and investments as at 31 January 2019.

Strategy

- 3.2 The Treasury Management Strategy for 2018/19 includes the Annual Investment Strategy which sets out the Council's investment priorities.

Security of capital has remained the Council's main investment objective, followed by liquidity of capital, and then by yield. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2018/19.

- 3.3 Counterparty credit quality is assessed and monitored with reference to:
- Credit Ratings - the Council's minimum long-term counterparty rating of A- (or equivalent) across rating agencies Fitch, S&P and Moody's
 - Credit default swaps – a type of insurance to protect against default risk
 - GDP of the country in which the institution operates
 - The country's net debt as a percentage of GDP
 - Sovereign support mechanisms or potential support from a well-resourced parent institution
 - Share price
- 3.4 The Arlingclose ratings and advice encompass all of these and other factors and is our primary source of guidance in selecting investments. In addition to Arlingclose ratings and advice, the council keeps an internal counterparty 'Watch List' based on intelligence from a variety of other sources available to officers.
- 3.5 The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.
- 3.6 In furtherance of these objectives new borrowing was kept to a minimum, whilst options for securing lower rates for longer term borrowing were reviewed. This strategy enabled the Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

- 3.7 The “cost of carry” analysis performed by the Council’s treasury management advisor Arlingclose did not indicate any value in borrowing in advance for future years’ planned expenditure and therefore none was taken.
- 3.8 All treasury management activities undertaken during the first 10 months of 2018/19 complied with the CIPFA Code of Practice and the Council’s approved Treasury Management Strategy, and all indicators were met during, and at the end of, the reporting period.

Investment performance for 10 months ended 31 January 2019:

- 3.9 Investment rates available in the market have continued at low levels, although there was an increase in the Bank of England Base rate from 0.50% to 0.75% in August 2018, which has had a positive effect on investment returns. The **average** level of funds available for investment purposes up to 31 January 2019 was £18.5m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and funding of the Capital Programme.
- 3.10 Table 1 shows the investment position as at 31 January 2019:

Investment Amount £	Interest Budget £	Interest Actual £	Variance £	Annualised rate of return
12,369,852	35,000	71,833	36,833	0.47%
Rate Benchmarking	Overnight	7-day	1-month	
Average LIBOR rates	0.60%	0.62%	0.65%	

Interest receivable is currently ahead of target, and is forecast to be approximately £88k above budget at the end of the year. This is attributed to slightly higher than expected cash balances and changes in market rates associated with the increase in base rates.

The Council’s cash investments during the reporting period were held primarily for liquidity purposes in short-term money market funds and deposits, which generate sub-LIBOR returns.

A full list of current investments is shown at Appendix 1.

Borrowing performance for 10 months ended 31 January 2019:

- 3.11 The Council commenced external borrowing in April 2017 to fund its capital programme, and had total debt of £90.5m at the report date; 45% of the current debt is at fixed rate for the medium-long term from the Public Works Loan Board (PWLB), with the remainder short term variable rate from other local authorities. As borrowing will increase further, and the prospect of rate increases remains, we may seek to take a higher proportion of the debt at long term fixed rates. This may cost more in the short term but will provide certainty of cost and provide savings in the longer term.

3.12 Table 2 shows the borrowing position as at 31 January 2019:

Borrowing Amount £	Interest Budget £	Interest Actual £	Variance £	Annualised interest rate £
90,500,000	1,728,667	1,077,502	651,164	1.38%
Borrowing Benchmarking	3-year	5-year	10-year	20-year
Average PWLB Maturity rate	1.85%	2.02%	2.43%	2.84%

Interest payable for the full year is forecast to remain significantly under budget, due in part to how the borrowing terms have been structured, but also due to lower than expected drawdowns from Graven Hill and cashflow updates on the CQ2 development.

The average term of the current borrowing portfolio is 6 years. The annualised interest rate above shows that we compare favourably to average PWLB rates for all durations for the reporting period.

3.13 **Non-treasury investment activity.**

The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially to generate a profit.

As at the report date, the Council holds £65.9m of investments in the form of shares (£22.8m) and loans (£43.1m) to subsidiary companies (Graven Hill and Crown House).

The loans elements of these non-treasury investments generate, or are expected to generate, a higher rate of return (average 7%) than earned on treasury investments, but this reflects the additional risks to the Council of holding such investments.

3.14 Arlingclose provided a report for the quarter ending 31 December 2018. The highlights of which are:

Economic background:

- Oil prices fell back sharply by 25% to just over \$60 in December.
- UK Consumer Price Inflation (CPI) for November was up 2.3% year/year.
- The most recent labour market data for the three months to October 2018 showed the unemployment rate remained at 4.1% while the employment rate of 75.7% was the joint-highest estimate since comparable estimates began in 1971.
- The 3-month average annual growth rate for pay excluding bonuses was 3.3% as wages continue to rise steadily and provide some pull on general inflation. Adjusted for inflation, real wages grew by

1.0%, a level likely to only have a modest impact on consumer spending.

- At 1.5%, annual GDP growth continues to remain below trend.
- With less than three months until Article 50 expires on 29th March 2019, the ongoing uncertainty continues to weigh on sterling and UK markets.

Financial markets:

- Investors wrestled with a range of global concerns: an economic slowdown in China, rising trade tensions between the US and China, a sharply lower oil price, slowing Euro area output and, of course, the ongoing uncertainty surrounding Brexit.
- Gilt yields continued to display significant volatility over the period on the back of ongoing economic and political uncertainty in the UK and Europe. After rising to 1.30% in October, gilts regained their safe-haven status in December - the 5-year benchmark gilt yield fell as low as 0.82% and there were similar falls in the 10-year and 20-year gilts over the same period dropping from 1.59% to 1.06% and from 2.05% to 1.62%.
- The higher Bank Rate continued to push up money markets rates. 1-month, 3-month and 12-month LIBID rates averaged 0.58%, 0.76% and 1.03% respectively over the period.

Credit background:

- Credit Default Swap (CDS) spreads drifted up over the period, reflecting the ongoing uncertainty around Brexit but continuing to remain low in historical terms.
- The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) is complete and the transfer of their business lines into retail (ringfenced) and investment banking (non-ringfenced) continues prior to starting trading as separate entities from 1st January 2019.
- The Bank of England released its latest report on bank stress testing, illustrating that all entities tested were deemed to have passed the test once the levels of capital and potential mitigating actions presumed to be taken by management were factored in. The BoE did not require any bank to raise additional capital.

Outlook for the remainder of 2018/19

Having raised rates by 0.25% in November to 0.75%, the Bank of England's Monetary Policy Committee (MPC) has maintained expectations of a slow rise in interest rates over the forecast horizon. The MPC has a bias towards tighter monetary policy as its members consider that tight labour markets will prompt inflationary pressure in the future, ultra-low interest rates result in other economic problems, and higher Bank Rate will be a more effective policy weapon if downside risks to growth crystallise.

Arlingclose's central case is for Bank Rate to rise twice in 2019, after the UK exits the EU. However, recent events around Brexit have dampened interest rate expectations and the risks are weighted to the downside. The potential for severe economic outcomes has increased following the poor reception of the Withdrawal Agreement by MPs. The Bank of England will hold at or reduce interest rates from current levels if serious Brexit risks materialise.

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.17
Arlingclose Central Case	0.75	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.13
Downside risk	0.00	-0.50	-0.75	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-0.85

Gilt yields have remained at low levels. Arlingclose expects some upward movement from current level but a projected weak economic outlook and volatility arising from both economic and political events will continue to offer borrowing opportunities.

4.0 Conclusion and Reasons for Recommendations

- 4.1 This report details the Treasury Performance for the Council for the period ending 31 January 2019.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To request further information on the performance reported.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from any outcome of this report.

Comments checked by:

Kelly Watson, Deputy S.151 Officer

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0300 003 0206

Legal Implications

- 7.2 There are no legal implications arising directly from any outcome of this report.

Comments checked by:

Chris Mace, Solicitor

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Risk Management Implications

- 7.3 It is essential that this report is considered by the Audit Committee as it demonstrates that the risk of not complying with the Council's Treasury Management Policy has been avoided

Comments checked by:

Hedd Vaughan-Evans, Assistant Director: Performance and Transformation

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8.0 Decision Information

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

Links to all areas of Corporate Plan

Lead Councillor

None

Document Information

Appendix No	Title
Appendix 1	Schedule of In-house investments - EXEMPT
Background Papers	
None	
Report Author	Ian Robinson – Principal Accountant
Contact Information	Direct Dial: 01295 221762 ian.robinson@cherwellandsouthnorthants.gov.uk

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

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