

**Committee:** Accounts, Audit and Risk Committee  
**Date:** Wednesday 12 September 2018  
**Time:** 7.30 pm  
**Venue:** Bodicote House, Bodicote, Banbury, OX15 4AA

### Membership

Councillor Mike Kerford-Byrnes (Chairman)  
Councillor Hannah Banfield  
Councillor Ian Corkin  
Councillor Tom Wallis

Councillor Sean Gaul (Vice-Chairman)  
Councillor Hugo Brown  
Councillor Nicholas Mawer  
Councillor Sean Woodcock

## AGENDA

### **Internal Audit Training: 6.30pm - 7.30pm**

Prior to the meeting of the Accounts, Audit and Risk Committee (AARC), a Training session run by the council's internal auditors, CW Audit Services, will be held for AARC members.

The training session will take place from 6.30pm – 7.30pm.

**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 - 6)

To confirm as a correct record the Minutes of the meeting of the Committee held on 25 July 2018.

5. **Chairman's Announcements**

To receive communications from the Chairman.

6. **Review by Those Charged with Governance** (Pages 7 - 16)

Report of the Executive Director, Finance & Governance

**Purpose of report**

To set out the response to Ernst & Young (EY) regarding the review of management assurance.

**Recommendations**

The committee is recommended to:

- 1.1 Agree that the Chairman of the Accounts, Audit and Risk Committee sign the response relating to management assurances from Those Charged with Governance at Appendix 1, following approval given at the Committee on 30 May 2018.

7. **External Audit - Annual Audit Opinion 2017/18** (Pages 17 - 20)

\*\* Please note that the appendix to this report will follow as it is being reviewed and finalised \*\*

Report of the Executive Director, Finance & Governance

**Purpose of report**

To receive a report setting out the External Audit Opinion for 2017/18.

**Recommendations**

The meeting is recommended to:

- 1.1 Note the contents of the External Audit Opinion (ISA260) for 2017/18 from our External Auditors, Ernst & Young (EY).

8. **Statement of Accounts, Annual Governance Statement 2017/18 and Letter of Representation** (Pages 21 - 24)

\*\* Please note that the appendices to this report will follow as they are being reviewed and finalised \*\*

Report of the Executive Director, Finance & Governance

### **Purpose of report**

For members to consider the following: The Statement of Accounts 2017/18; Annual Governance Statement 2017/18; and, the Letter of Representation 2017/18.

### **Recommendations**

The committee is recommended to:

- 1.1 Approve the Statement of Accounts 2017/18.
- 1.2 Endorse the Annual Governance Statement 2017/18.
- 1.3 Approve the Letter of Representation 2017/18.

## **9. Monthly Performance, Risk and Finance Monitoring Report - July 2018 (Pages 25 - 66)**

Report of Assistant Director: Performance and Transformation and Assistant Director: Finance and Governance

### **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.

## **10. Treasury Management Report - July 2018 (Pages 67 - 74)**

Report of the Executive Director – Finance and Governance

### **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 to:

- 1.1 Note the contents of the July 2018 Treasury Management Report.

**11. 2018/19 Work Programme (Pages 75 - 78)**

Report of the Executive Director – Finance and Governance

**Purpose of report**

This report sets out the update work programme for 2018/19.

**Recommendations**

The meeting is recommended:

- 1.1 To review the work programme.
- 1.2 Approve the updated work programme for 2018/19.

**12. Urgent Business**

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

**13. 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.”

**14. Treasury Management Report - July 2018 - Exempt Appendix (Pages 79 - 80)**

**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](mailto: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](mailto:aaron.hetherington@cherwellandsouthnorthants.gov.uk), 01295 227956

**Yvonne Rees**  
**Chief Executive**

Published on Tuesday 4 September 2018

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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 25 July 2018 at 7.30 pm

Present: Councillor Mike Kerford-Byrnes (Chairman)

Councillor Hannah Banfield  
Councillor Nicholas Mawer  
Councillor Tom Wallis  
Councillor Sean Woodcock

Substitute Members: Councillor Richard Mould (In place of Councillor Hugo Brown)  
Councillor Barry Wood (In place of Councillor Ian Corkin)

Also Present: Councillor Tony Ilott, Lead Member for Financial Management and Governance  
Neil Young, Engagement Partner, Ernst Young, External Audit  
Anand Parsaud, CW Audit Services, Internal Audit

Apologies for absence: Councillor Sean Gaul  
Councillor Hugo Brown  
Councillor Ian Corkin

Officers: Adele Taylor, Interim Executive Director: Finance and Governance  
Kelly Watson, Assistant Director: Finance and Procurement  
Hedd Vaughan Evans, Assistant Director Performance and Transformation  
Louise Tustian, Team Leader, Insight Team  
Natasha Clark, Governance and Elections Manager

#### 16 **Declarations of Interest**

There were no declarations of interest.

#### 17 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

#### 18 **Urgent Business**

There were no items of urgent business.

19 **Minutes**

The Minutes of the meeting of the Committee held on 30 May 2018 were agreed as a correct record and signed by the Chairman.

20 **Chairman's Announcements**

The Chairman advised the Committee that, following discussions with officers, there would be an additional meeting of the Committee on Wednesday 12 September. Training on internal audit would be from 6.30pm to 7.30pm with the Committee meeting starting at 7.30pm.

21 **Internal Audit Update 2018/19**

The Executive Director, Finance & Governance submitted a report which provided an update of CW Audit Services 2018/19, the council's internal auditor.

In presenting the report the Head of Audit, CW Audit explained that no reports this financial year were yet finalised but work was on track and they were happy with the progress made to date and did not foresee any problems in achieving the plan by the end of the year

With regards tracking recommendations arising from audit reviews, the Head of Audit, CW Audit, advised the Committee all agreed recommendations were uploaded to CW Audit's online tracking system once reports were finalised. Training was currently being given to council officers with responsibility for taking action to implement recommendations to enable them to update the system with details of progress made in implementing recommendations.

Future reports submitted to the Committee would include more detail on outstanding level 1 and 2 recommendations (Level 1 being the highest level of risk attached to a recommendation) and those over six months.

**Resolved**

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

22 **Statement of Accounts 2017/18**

The Executive Director for Finance & Governance submitted a report to provide a progress update on the Statement of Accounts 2017/18 and external audit of the Accounts.

In introducing the report the Executive Director for Finance and Governance advised Members that the draft statement of accounts that had been



considered by the Committee at their 30 May 2018 meeting had been submitted to External Audit with some minor presentational changes.

Neil Harris, Engagement Partner, Ernst & Young, the council's External Audit addressed the Committee to advise on the current position with regards its audit of the council's Statement of Accounts 2017/18. The Committee was advised that in May External Audit had identified the areas it would focus its audit on.

The Engagement Partner explained that the issues that had led to the delays in the sign off of the 2016/17 Statement of Accounts had been resolved. However, the External Auditor had resourcing issues and would be unable to complete its audit of the accounts by the end of July. A project plan was in place for the audit to be concluded by the end of August to enable submission to the Committee's meeting on 12 September 2018. The Engagement Partner assured the Committee that the project plan was robust and much of the work on complexities within the accounts had already been undertaken. There were some Value for Money queries that had been raised to which officers were providing answers.

In response to Members' queries regarding the sign off delay, the External Auditor confirmed that in light of the new earlier deadline for the sign off of accounts, the PSA would be reporting numbers rather than the names of local authorities that had not met the 31 July deadline but that would be completed by the end of September 2018. The External Auditor also provided assurance that the July deadline for sign off for the 2018/19 Statement of Account would be achieved, explaining that specific plans for the sign off would be submitted to the November 2018 and January 2019 meetings of the Committee.

The Executive Director for Finance and Governance advised the Committee that the current position had been discussed in detail with External Audit. Finance Officers had also agreed that there would be more discussion on work in-year as part of the preparatory work for the accounts so any aspects that may impact on the audit of the Statement of Accounts would already have been discussed with the External Auditor.

The Committee thanked the Finance team for the work they had undertaken on the accounts and ensuring they were submitted on time whilst expressing disappointment at the delay to the sign off of the accounts by the External Auditor. Members were assured that processes were in place to ensure that there would be no delay in the sign off of the 2018/19 Statement of Accounts.

### **Resolved**

- (1) That progress on the completion of the 2017/18 Accounts and on the external audit of the Statement of Accounts be noted.

## **23 Monthly Performance, Risk and Finance Monitoring Report - May 2018**

The Assistant Director: Performance and Transformation and Assistant Director: Finance and Governance submitted a report which summarised the

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

In introducing the report the Assistant Director, Performance and Transformation, explained the leadership risk register to the Committee informing members that this was a live document and reviewed on a monthly basis. The report would be submitted to each meeting of Executive.

**Resolved**

- (1) That the monthly Performance, Risk and Finance Monitoring Report be noted.
- (2) That having given due consideration, the Leadership Risk Register be noted and no issues be identified for further consideration.

24 **2017/18 Treasury Management Annual Report**

The Executive Director of Finance and Governance (Interim) submitted a report which presented information on treasury management performance and compliance with treasury management policy during 2017/18 as required by the Treasury Management Code of Practice.

**Resolved**

- (1) That the contents of the report, in line with the Treasury Management Strategy, be noted.

25 **2018/19 Work Programme**

The Assistant Director: Finance and Procurement referred to the announcement made by the Chairman earlier in the meeting regarding the additional meeting of the Committee on 12 September and that training by the council's internal auditor would take place prior to the meeting.

The Assistant Director: Finance and Procurement advised that it was anticipated that there would be training on treasury management prior to the November meeting of the Committee.

**Resolved**

- (1) That, having given due consideration, subject to the addition of a meeting on 12 September 2018, the work programme for 2018/19 be approved.

The meeting ended at 8.45 pm

Chairman:

Date:

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## Cherwell District Council

### Accounts, Audit & Risk Committee

12 September 2018

<b>Review by Those Charged with Governance</b>
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### Report of the Executive Director, Finance & Governance

This report is public

#### Purpose of report

To set out the response to Ernst & Young (EY) regarding the review of management assurance.

#### 1.0 Recommendations

The committee is recommended to:

- 1.1 Agree that the Chairman of the Accounts, Audit and Risk Committee sign the response relating to management assurances from Those Charged with Governance at Appendix 1, following approval given at the Committee on 30 May 2018.

#### 2.0 Introduction

- 2.1 This report informs members of the committee of the managements assurances set out from Those Charged with Governance.

#### 3.0 Report Details

- 3.1 Auditing standards require external audit to formally update their understanding of the Council's management processes and arrangements each year. They do this by asking the Committee (as Those Charged with Governance) about the Council's management arrangements.
- 3.2 The response is contained in Appendix 1.

#### 4.0 Conclusion and Reasons for Recommendations

- 4.1 The Committee is recommended to note the approval of the response set out at Appendix 1 at the committee's meeting of 30 May 2018.

## **5.0 Consultation**

None

## **6.0 Alternative Options and Reasons for Rejection**

6.1 None, the response is a requirement of the regulations.

## **7.0 Implications**

### **Financial and Resource Implications**

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

Comments checked by:

Kelly Watson, Assistant Director, Finance and Procurement, 0300 003 0206

[Kelly.watson@cherwellandsouthnorthants.gov.uk](mailto:Kelly.watson@cherwellandsouthnorthants.gov.uk)

### **Legal Implications**

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

Comments checked by:

Richard Hawtin, Team Leader – Non-contentious, 01295 221695

[richard.hawtin@cherwellandsouthnorthants.gov.uk](mailto:richard.hawtin@cherwellandsouthnorthants.gov.uk)

### **Risk Management Implications**

7.3 There are no risk management issues arising directly from this report

Comments checked by:

Louise Tustian, Team Leader – Insight Team, 01295 221786

[louise.tustian@cherwellandsouthnorthants.gov.uk](mailto: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**

None

## Document Information

<b>Appendix No</b>	<b>Title</b>
Appendix 1	Response from Those Charged with Governance (TCWG)
<b>Background Papers</b>	
None	
<b>Report Author</b>	Adele Taylor, Executive Director, Finance & Governance and S151 Officer (Interim)
<b>Contact Information</b>	<a href="mailto:adele.taylor@Cherwellandsouthnorthants.gov.uk">adele.taylor@Cherwellandsouthnorthants.gov.uk</a> 01295 221634

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# Finance & Procurement

Adele Taylor, Executive Director, Finance & Governance



DISTRICT COUNCIL  
NORTH OXFORDSHIRE

Neil Harris  
Executive Director  
Ernst Young LLP

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OX15 4AA*

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Please ask for: Adele Taylor

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Our Ref: AT/KW

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Dear Neil

## **Understanding how the Accounts, Audit and Risk Committee gains assurance from management**

I refer to the annual requirement for the Council to provide its external auditors details of the management assurance process that is in place. I have set down below the arrangements that those charged with governance (the Accounts, Audit & Risk Committee) have in place to gain the necessary assurance from management.

### **1) How the Accounts Audit and Risk Committee, as 'those charged with governance' at the Council, exercise oversight of management's processes in relation to:**

- **undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud or error (including the nature, extent and frequency of these assessments);**

The committee receives regular reports on fraud at their meetings but also relies on the S151 Officer, Internal Audit and, to a lesser extent External Audit, to report to them or to me as committee chairman if fraudulent activity has been uncovered. I am confident that all significant instances of fraud have been properly reported to me or the committee. I am also confident that if there was an awareness of a fraud, at senior management level, that would potentially materially misstate the accounts I would be informed immediately. No such incidents have taken place in 2017/18 and therefore based on the information I am aware of at the moment I am assured that the accounts are not materially misstated as a result of fraudulent activity.

- **identifying and responding to risks of fraud in the Council, including any specific risks of fraud which management have identified or that have been**

**brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist;**

The committee receives regular reports and updates on risk management, anti-fraud, corruption and bribery and whistle blowing. All of these items are standard items on the agenda and are covered at each meeting by the S151 Officer. I also outline the arrangements in place;

(a) Management Arrangements

- The financial statements are prepared in line with the Statement of Recommended Practice and are subject to internal quality assurance arrangements and an assurance framework of S151 assurances that review areas of highest risk. The accounts are subject to a series of analytical reviews that would identify major movements between years and seek explanations that would assess the likelihood for material misstatement.
- A risk assessment relating to the preparation of the accounts is undertaken each year by the S151 Officer and issues raised by Internal or External audit are given particular attention.
- The Council's finance function includes a service accountancy team who directly support and advise all the Council directorates. Through monthly support, challenge and review of the financial spend as part of budget monitoring, any material misstatement against budget or spend should be picked up.
- The officers who prepare the statements are experienced accountants who undertake CPD activities. Their work is segregated where feasible and they work to local and professional codes of conduct.
- Fundamental audits are conducted annually and reported to the Accounts, Audit & Risk Committee on the main accounting system by our Internal Auditors, CW Audit Services.

(b) Accounts, Audit & Risk Committee

- The Committee considers the internal control arrangements exercised by the Council as part of the Annual Governance Statement along with the S151 Officer's report on the accounts including the S151 Officer's arrangements for production of the accounts.
- In receiving the annual accounts from the S151 Officer, the Committee will enquire of them and the deputy S151 Officer whether any further action has been taken to minimise the risk of misstatement due to fraud.
- The committee has regular updates and presentations on Fraud. These presentations highlight the areas that this committee should focus on when reviewing financial statements in order to seek assurances from officers that the accounts are not subject to any risk.

- The Accounts, Audit & Risk Committee consider internal audit reports on an exceptional and risk based basis and the audits undertaken include those on fundamental systems and are able to take into account the likelihood of fraud being detected.
- The Annual Governance Statement, the reports from the Head of Internal Audit on internal control and S151 Officer on the adequacy and effectiveness of internal audit are further bases for coming to a judgement on the risk of misstatement. However, nothing has come to the attention of the Accounts, Audit & Risk Committee which would cause the Committee to consider there is a risk that the financial statements for 2017/18 could be misstated as a result of fraud.
- All members (including the Accounts, Audit & Risk Committee) are aware of the in year budget reporting and monitoring arrangements to Executive and Overview and Scrutiny. All budgets are assigned to a named individual.
- The Accounts, Audit & Risk Committee note the inclusion within the constitution of contract and financial procedure rules and application of external codes such as CIPFA's Treasury Management Code of Practice.
- The Accounts, Audit & Risk Committee is regularly advised on the progress with investigations and where relevant will question whether the nature of the allegations under investigation and any findings could impact on the accuracy of the financial statements.
- The Internal Audit Report of the Head of Internal Audit and the Annual Governance Statement reported to this committee highlight areas where the Council should seek improved control effectiveness.

On occasions when there is something to report outside of the normal committee framework the S151 Officer will contact me to brief me on the issue and discuss it. The Internal Audit manager and External Audit manager, as well as all officers have the right to raise, directly, any issues with me they feel I need to be aware of.

- **communicating to employees its view on business practice and ethical behaviour (for example by updating, communicating and monitoring against the Council's code of conduct);**

The Monitoring Officer and the Standards Committee are responsible for the Council's ethical governance arrangements. The Monitoring Officer is proactive in raising awareness of the ethical agenda with employees and members. Compliance with ethical standards is monitored by the Monitoring Officer and, when required, the Standards Committee.

A new employee code of conduct was introduced in 2015/16 requiring employees to notify all relevant personal interests to their Head of Service/Director. Completed

declaration forms are accessible by the Chief Executive, the Section 151 officer and the Monitoring Officer.

Employees and Committee members are aware that identifying and responding to fraud should be done through the responsible financial officer. This is reinforced by the regular update on anti-fraud and corruption issues, risk management and whistle blowing updates. The Anti-Fraud, Corruption and Bribery Policy, the Money Laundering Policy and the Whistle Blowing Policy have been updated to take account of the joint working arrangements and these policies are available to view on the Councils intranet sites.

The Council are members of the National Anti-Fraud Network and the Investigations team receives National Fraud Alerts, which are cascaded to the Council and specific areas at risk of fraud. Finance is an area regularly monitored.

- **encouraging employees to report their concerns about fraud**

Employees are aware that identifying and responding to fraud should be done through the responsible financial officer. Briefing messages are sent to staff on issues when it is felt appropriate to do so.

- **communicating to you the processes for identifying and responding to fraud or error.**

The Accounts, Audit & Risk Committee receive written and verbal reports from the S151 Officer and Head of Internal Audit.

The Head of Internal Audit produces an annual report which includes his opinion on the adequacy and effectiveness of the Council's system of internal control. This report highlights anything that constitutes a significant control weakness during the year under review. The Annual Internal audit report for 2017/18 will be presented to the Accounts, Audit & Risk Committee.

All risks identified are being addressed by the Council. The Accounts, Audit and Risk Committee monitors the action plans associated with all risks identified.

## **2) How does the Accounts, Audit and Risk Committee oversee management processes for identifying and responding to the risk of fraud and possible breaches of internal control?**

### **(a) Management Processes**

- Submission to the Accounts, Audit & Risk Committee of regular updates on fraud activity and initiatives to deter and detect fraud such as the whistle blowing policy.
- The Head of Internal Audit undertakes an annual risk assessment exercise in formulating the Internal Audit Plan. This plan is then submitted to the Accounts, Audit and Risk Committee for approval. For 2017/18, the audit plan was approved by the Committee. The

Committee is aware of the allocation of time in the annual audit plan for counter fraud activity.

(b) The Accounts, Audit & Risk Committee

- The Accounts, Audit & Risk Committee has access to internal audit reports and within these reports any possible fraudulent activity identified through the audit work would be recorded. In addition, the Head of Internal Audit would report any fraudulent, or potentially fraudulent, activity to the Committee in his regular progress reports.
- The Head of Internal Audit, and where appropriate the Monitoring Officer and S151 Officer, are required to advise about each case of alleged fraud. The committee receives regular update reports and communication regarding fraud and if required these would be detailed in the annual governance statement and the committee annual report.

**3) Are the Committee aware of any: breaches of, or deficiencies in, internal control; and actual, suspected or alleged frauds during 2017/18?**

I, on behalf of the Committee, have no knowledge of any actual or suspected alleged frauds that could have a significant impact on the Council's 2017/18 financial statements. I am confident that if any such instances were discovered, suspected or alleged they would be brought to my attention by the S151 Officer or his deputy.

**4) Is the Committee aware any organisational or management pressure to meet financial or operating targets?**

I am not aware of any organisational or management pressure placed on staff to meet financial or organisational targets.

**5) How does the Accounts, Audit & Risk Committee gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of non-compliance during 2017/18?**

The authority has a statutory S151 officer (Executive Director, Finance and Governance) and monitoring officer (Assistant Director, Law and Governance) who are responsible for ensuring, as far as possible, that all relevant laws and regulations have been complied with.

The Monitoring Officer and S151 Officer, via membership of the Chief Executive Direct Reports (CEDR) and through the established process for reporting to members under the executive arrangements, will advise on and identify areas of concern and risk of non-compliance. Arrangements are established under the Constitution (e.g. contract procedure rules) to ensure that appropriate consideration is given to (and advice taken on) the application of the legal and regulatory framework.

The constitution provides further safeguards as do the management assurance statements that are provide by all senior managers and the annual governance statement.

I am pleased to state that there have been no instances of non-compliance to date. Should there be any I would expect they would be referred to my committee for consideration.

**6) Is the Accounts, Audit and Risk Committee aware of any actual or potential litigation or claims that would affect the financial statements?**

The committee is not aware of any potential claims as at the date of this letter, but will continue to receive an update on any potential issues and consideration if we need to make formal representation in our financial statements. Officers will be in a position to provide you with any additional information you may need.

**7) How does the Accounts, Audit and Risk Committee satisfy itself that it is appropriate to adopt the going concern basis in preparing the financial statements?**

We have considered the going concern assumption and have not identified any events which may impact on the authority's ability to continue as a going concern. The Council has adequate general fund reserves and continually reviews its risk register and mitigations.

The committee does note the current review of arrangements for Northamptonshire and will remain in dialogue with South Northamptonshire Council as the review progresses.

As Chairman of the Accounts, Audit & Risk Committee, I have signed this letter on behalf of the committee. The content of this letter will also be discussed at the Accounts, Audit & Risk Committee.

Yours sincerely

**Councillor Mike Kerford-Byrnes**  
**Chairman of the Accounts, Audit & Risk Committee**

## Cherwell District Council

### Accounts, Audit & Risk Committee

12 September 2018

<b>External Audit – Annual Audit Opinion 2017/18</b>
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### Report of the Executive Director, Finance & Governance

This report is public

#### Purpose of report

To receive a report setting out the External Audit Opinion for 2017/18.

#### 1.0 Recommendations

The meeting is recommended to:

- 1.1 Note the contents of the External Audit Opinion (ISA260) for 2017/18 from our External Auditors, Ernst & Young (EY).

#### 2.0 Introduction

- 2.1 Attached at Appendix 1 is the External Audit Opinion 2017/18 which outlines the work undertaken to audit the Statement of Accounts and the overall opinion for 2017/18.

#### 3.0 Report Details

- 3.1 External Audit undertakes its work in line with the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments Ltd and auditing standards.
- 3.2 The Audit Opinion (ISA260) sets out the methodology, approach and timescales that EY have taken in relation to undertaking the work required for the audit of the Statement of Accounts 2017/18.
- 3.3 The Audit Opinion sets out the overall assessment of the Statement of Accounts produced. The Statement of Accounts for 2017/18 has been prepared in line with the earlier timescales as required and represents significant improvements for the Council in preparing these accounts.

## **4.0 Conclusion and Reasons for Recommendations**

4.1 The opinion sets out the assessment of External Audit for 2017/18.

## **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: The committee may seek additional information from the external auditors (EY) 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, Assistant Director, Finance and Procurement, 0300 003 0206

[Kelly.watson@cherwellandsouthnorthants.gov.uk](mailto:Kelly.watson@cherwellandsouthnorthants.gov.uk)

### **Legal Implications**

7.2 There are no legal implication arising from this report.

Comments checked by:

Richard Hawtin, Team Leader – Non-contentious, 01295 221695

[richard.hawtin@cherwellandsouthnorthants.gov.uk](mailto:richard.hawtin@cherwellandsouthnorthants.gov.uk)

### **Risk Management Implications**

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

Comments checked by: Louise Tustian

Louise Tustian, Team Leader - Insight Team 01295 221786

[louise.tustian@Cherwellandsouthnorthants.gov.uk](mailto: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

None

### Document Information

Appendix No	Title
Appendix 1	External Audit Opinion (ISA260) 2017/18
Background Papers	
None	
Report Author	Kelly Watson, Assistant Director, Finance & Procurement and Deputy S151 Officer
Contact Information	<a href="mailto:kelly.watson@Cherwellandsouthnorthants.gov.uk">kelly.watson@Cherwellandsouthnorthants.gov.uk</a> 01295 221638

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## Cherwell District Council

### Accounts, Audit & Risk Committee

12 September 2018

<p><b>Statement of Accounts, Annual Governance Statement 2017/18 and Letter of Representation</b></p>
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### Report of the Executive Director, Finance & Governance

This report is public

#### Purpose of report

For members to consider the following: The Statement of Accounts 2017/18; Annual Governance Statement 2017/18; and, the Letter of Representation 2017/18.

#### 1.0 Recommendations

The committee is recommended to:

- 1.1 Approve the Statement of Accounts 2017/18.
- 1.2 Endorse the Annual Governance Statement 2017/18.
- 1.3 Approve the Letter of Representation 2017/18.

#### 2.0 Introduction

- 2.1 The Statement of Accounts has been prepared in accordance with all relevant statutory reporting requirements.
- 2.2 The statutory timescale requires the Statement of Accounts to be approved by the S151 Officer and received by the Councils External Auditor, Ernst & Young (EY) by 31 May 2018. Following this the accounts are audited in advance of the External Auditor, Ernst & Young setting out their opinion on the accounts.
- 2.3 The Annual Governance Statement sets out the assurance framework in place across the Council and an assessment of this during 2017/18.

### **3.0 Report Details**

- 3.1 The timescales for production and auditing of the 2017/18 Statement of Accounts are shorter than in previous years. The Council has worked closely with External Audit to review the timescales and deliver the Statement of Accounts for 2017/18.
- 3.2 The Statement of Accounts set out the financial performance of the Council during 2017/18 and provides useful information for the public and stakeholders to identify how the Council has managed public resources across the district.
- 3.3 The Annual Governance Statement is part of the CIPFA/SOLACE governance framework. It is a wide ranging document that is governance focussed and must be considered and “owned” corporately.
- 3.4 The Annual Governance Statement describes our governance arrangements and assesses how closely we align with good practice. In overall terms this is a positive statement for the financial year 2017/18.
- 3.5 The Annual Governance Statement takes assurance from several mechanisms including the internal audit work, internal audit reports throughout the year, the work of the Accounts, Audit and Risk Committee, the scrutiny process and external audit.

### **4.0 Conclusion and Reasons for Recommendations**

- 4.1 The Statement of Accounts has been prepared in a timely manner and in accordance with statutory requirements. The Annual Governance Statement provides assurance on the Governance Framework in place across the Council.

### **5.0 Consultation**

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 arising directly from this report.

Comments checked by:

Kelly Watson, Assistant Director, Finance and Procurement, 0300 003 0206

[Kelly.watson@cherwellandsouthnorthants.gov.uk](mailto:Kelly.watson@cherwellandsouthnorthants.gov.uk)

## Legal Implications

7.2 There are no legal implications arising from this report.

Comments checked by:

Richard Hawtin, Team Leader – Non-contentious, 01295 221695

[richard.hawtin@cherwellandsouthnorthants.gov.uk](mailto:richard.hawtin@cherwellandsouthnorthants.gov.uk)

## Risk Management Implications

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

Comments checked by: Louise Tustian

Louise Tustian, Team Leader - Insight Team 01295 221786

[louise.tustian@Cherwellandsouthnorthants.gov.uk](mailto: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

None

## Document Information

Appendix No	Title
Appendix 1	Statement of Accounts and Annual Governance Statement 2017/18
Appendix 2	Letter of Representation
<b>Background Papers</b>	
None	
<b>Report Author</b>	Kelly Watson, Assistant Director, Finance & Procurement
<b>Contact Information</b>	<a href="mailto:kelly.watson@Cherwellandsouthnorthants.gov.uk">kelly.watson@Cherwellandsouthnorthants.gov.uk</a> 01295 221638

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## Cherwell District Council

### Accounts, Audit and Risk Committee

12 September 2018

<p><b>Monthly Performance, Risk and Finance Monitoring Report – July 2018</b></p>
---

#### **Report of Assistant Director: Performance and Transformation and Assistant Director: Finance and Governance**

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:

- **Weather and dry conditions impacts on recycling performance** – The percentage of waste recycled and composted fell in July, an expected seasonal trend further affected by the hot and dry weather experienced during the past couple of months. Performance for July is reporting 5.08% short of the monthly profiled target and only 1.24% short of the YTD target.
- **Tackling environmental crime in town centres** has been focussing on educating commercial premises and residents about safely discarding of cigarette ends. The community wardens whilst patrolling have been talking to businesses, shops, pubs and shoppers, handing out smoking pouches and encouraging all to dispose of cigarette ends and litter lawfully, reducing the amount discarded in the streets/drains.

### Priority: Thriving Communities and Wellbeing

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:

- **The number of households living in Temporary Accommodation** is being closely managed by focussing on prevention and relief of homelessness and as a result we continue to be within target.
- **Leisure facilities promoted and holiday hub programmes launched** during July making the most of the summer weather. Woodgreen Leisure Centre has shown a significant increase of circa 7,000 attendees due to the Outdoor 50m Swimming Pool facility and residents making the most of the weather. 'Holiday Hubs' have seen excellent numbers so far with 2513 participants (with £37,293 income) booked on 5 Holiday Hubs so far. 480 people have booked a FAST card as part of the Fast programme aimed at families living in deprived / brighter futures areas being able to access Woodgreen swimming pool at a heavily reduced price.

The Refugee Holiday provision has seen 12 Syrian children accessing the holiday hubs for FREE in partnership with Housing Services for social inclusion and enabling them to feel part of a community.

The Youth Activators have worked with 524 attendees in first two weeks holding 17 sessions, this included Play:Full a project delivering activities and healthy snacks at sessions in partnership with Sanctuary Housing.

- **Housing benefit performance continues to improve** - The average time taken to process new benefit claims for July 2018 is excellent, reducing to 8.49 days against a local target of 15 days. This is an improvement from May 2018 when the average time taken to process new claims was 9 days. The national target is 22 days.
- **Housing benefit change events processing time** has fallen in July to 14.45 days against a target of 8 days, however is Amber YTD performing at 8.38 days against the target of 8 days. The team are working to an action plan and monitoring this closely.

#### 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:

- **% Major planning applications processed** is reporting as Green, 12 Major Planning Applications were determined during July. 9 of them were determined within the target period or agreed time frame.
- **Supporting our key economic centres** –A successful Job Fair held in Banbury (98 job seekers/career changers, 13 support services and 10 exhibiting employers recruiting for over 150 vacancies. Job seeker satisfaction rating of 91% with exhibitor rating of 3.8 out of 5.0 (reflecting limited labour supply). The economic growth team attended Bicester Business meeting to support the 'See Bicester' campaign and promote services such as the on-line business directory to encourage local purchasing. The team also attended Kidlington Voice business meeting to announce our services and engage with businesses and the MP.
- **The Partial Review of the Local Plan** was submitted to PINs (Planning Inspectorate) for Examination on 5 March 2018. We are still awaiting the dates for the public hearings, but the process of Examination is on-going. A programme of infrastructure projects are progressing to support the delivery of the adopted Cherwell Local Plan in Bicester, Banbury and elsewhere in the District.

#### Summary of Performance

3.10 The Council reports on performance against 20 joint business plan measures and 12 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.

<b>Business Plan Measures and Key Performance Indicators</b>					
<b>Status</b>	<b>Description</b>	<b>July</b>	<b>%</b>	<b>YTD</b>	<b>%</b>
Green	On target	29	91%	29	91%
Amber	Slightly off target	2	6%	3	9%
Red	Off target	1	3%	0	0%

### 3.11 **Spotlight On: Economic Growth Service**

Each month this report will focus on a theme or service provided by the Council, highlighting how this contributes to the delivery of the strategic priorities and the key achievements delivered to date.

This month we are focusing on the Economic Growth Service.

#### **What is ‘economic growth’ and why is it important?**

The provision of all public services and our whole way of life relies upon a growing economy. A strong local economy provides jobs and supports people’s ability to afford housing and general well-being, and for society – through business taxation - to afford health, education and other essential services.

As we saw in the recession ten years ago, the ‘economy’ is complex and functions at a global level but also brings local impact on jobs and businesses when things go wrong. However, Cherwell and South Northants proved themselves to be ‘resilient’ in the face of recession – not only because our area was home to excellent businesses but also because the Councils were instrumental in allocating land, supporting business growth and attracting a variety of new businesses in the decades before the crisis.



Economic cycles will again bring challenges that are beyond local control but meanwhile both Councils are enabling growth to provide services that support future resilience.

#### **What does the Economic Growth Team do?**

The team contributes directly towards making great places to live, work, visit and invest across both districts. The Service achieves this by:

- **Providing information, advice and guidance**
- **Leading projects to address issues and opportunities**
- **Working in partnership with external organisations and internal services**



The service is guided by research and intelligence collected by:

- **Commissioned work to inform the development of policy and strategy**
- **Collaborative work with partners**
- **Direct daily contact with stakeholders**

The service thereby enables growth - directly and indirectly - by providing capacity for the Councils to respond to client needs whilst also actively contributing to the 'place-shaping' approach.

**What are the key areas of work and services provided?**

Cherwell's Economic Growth Team has its own economic growth strategy to create a vision based upon four inter-related themes:

- **People** (Skills, recruitment, etc.)
- **Business** (Inward investment, expansion, start-up, etc.)
- **Place** (Infrastructure, town centres, etc.)
- **Tourism** (Development, marketing, information, etc.)

In addition to providing day-to-day services to all our clients and stakeholders, the team is embarking upon a major review of the economic growth strategies for both councils. Things are really moving: the target date for the completion of both strategies is March 2019. So watch this space and get involved: you are welcome to join us on this exciting journey.

## 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, L11		L05	
	3 - Moderate			L01, L02, L03 L10, L12, L14	L06, L07, L08	L09, L13a, L13b
	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
<b>L01</b> Financial Resilience	9 Low risk	↔	No Change
<b>L02</b> Statutory functions	9 Low risk	↔	No Change
<b>L03</b> Lack of management Capacity	9 Low risk	↔	No Change
<b>L04</b> CDC & SNC Local Plans	8 Low risk	↔	No change
<b>L05</b> Business Continuity	16 High risk	↔	Comments updated
<b>L06</b> Partnering	12 Medium risk	↔	Potential impact, Controls, Comments updated
<b>L07</b> Emergency Planning	12 Medium risk	↔	Mitigating actions and comments updated.
<b>L08</b> Health & Safety	12 Medium risk	↔	No change
<b>L09</b> Cyber Security	15 Medium risk	↔	Mitigating actions & comments updated
<b>L10</b> Safeguarding the Vulnerable	8 Low risk	↔	No change
<b>L11</b> Income generation through council owned companies	8 Low risk	↔	No change
<b>L12</b> Financial sustainability of third party third party suppliers	8 Low risk	↔	No change
<b>L13a</b> Local Government Reorganisation (CDC)	15 Medium risk	↔	Potential impact, Controls, Comments updated
<b>L13b</b> Local Government Reorganisation (SNC)	15 Medium risk	↔	Potential impact, Controls, Comments updated
<b>L14</b> Corporate Governance	9 Low risk	↔	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 risk 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 <i>(Brackets denotes an Underspend)</i>	Budget £000's	Forecast £000's	Variance (Under) / Over £000's
Corporate Services	249	249	-
<b>CORPORATE SERVICES TOTAL</b>	<b>249</b>	<b>249</b>	<b>-</b>
Communities	2,578	2,578	-
Leisure & Sport	2,654	2,654	-
Housing	1,657	1,566	(91)
<b>WELLBEING TOTAL</b>	<b>6,889</b>	<b>6,798</b>	<b>(91)</b>
<i>Housing (£91k) additional income due to new legislation on Houses with Multiple Occupancy "HMO".</i>			
Planning Policy & Development	1,444	1,648	204
Economy & Regeneration	1,482	1,482	-
<b>PLACE &amp; GROWTH TOTAL</b>	<b>2,926</b>	<b>3,130</b>	<b>204</b>
<i>Planning Policy &amp; Development £204k 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 £34k cost for the Interim Executive Director of Place and Growth (Oct-18 to Mar-19).</i>			
Environmental Services	5,187	5,292	105
Environmental Health & Licensing	(43)	(43)	-
<b>ENVIRONMENT TOTAL</b>	<b>5,144</b>	<b>5,249</b>	<b>105</b>
<i>Environmental Services £105k additional cost for agency staff to cover sickness absence and maternity leave. This overspend already incorporates the saving for vacant posts not being filled. In addition, income maximisation is being explored.</i>			



Law & Governance	1,247	1,247	-
Finance & Procurement	1,745	1,865	120
Property Investment & Contract Management	(3,017)	(2,759)	258
<b>FINANCE &amp; GOVERNANCE TOTAL</b>	<b>(25)</b>	<b>353</b>	<b>378</b>

*Finance & Procurement £120k forecast overspend arising from interim staff costs required to support the Council in meeting financial reporting deadlines and implementing financial management improvements.*

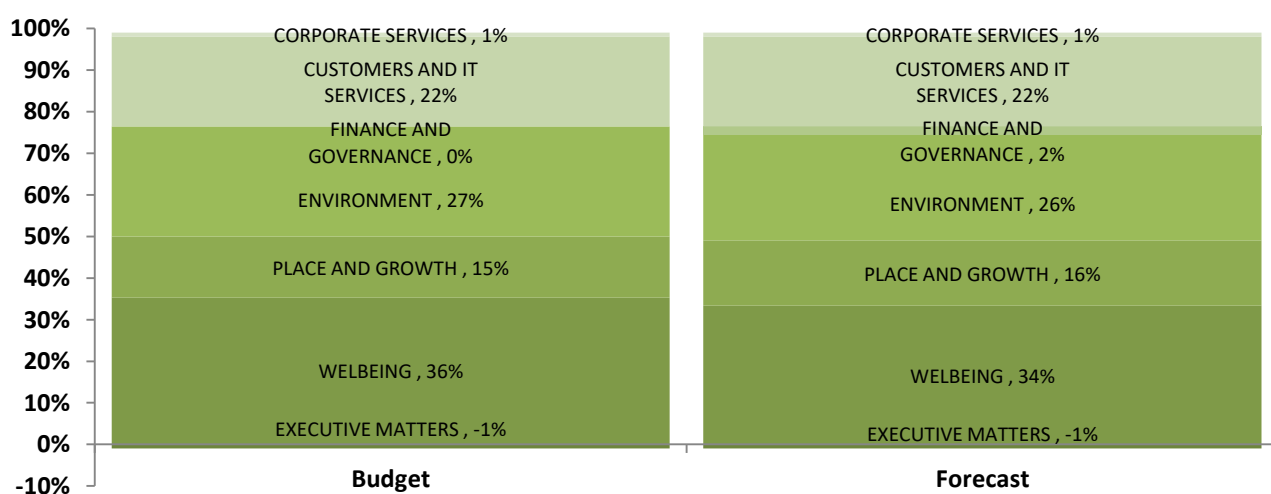
*Property Investment Contract Management £258k Crown House income budget will not be realised in 2018/19 due to a delay in the project completion date.*

Customers & IT services	2,764	2,764	-
Strategic Marketing & Communications	326	326	-
HR, OD & Payroll	678	678	-
Performance & Transformation	552	552	-
<b>CUSTOMERS &amp; IT SERVICES TOTAL</b>	<b>4,320</b>	<b>4,320</b>	<b>-</b>
<b>TOTAL DIRECTORATES</b>	<b>19,503</b>	<b>20,099</b>	<b>596</b>

Revenue Monitoring	Budget £000's	Forecast £000's	Variance (Under) / Over £000's
Use of Reserves	4,467	4,467	-
Interest on Investments	2,074	2,074	-
Non Distributed Costs	(2,935)	(2,935)	-
Pension Costs	257	240	(17)
Capital Charges	(4,002)	(4,002)	-
<b>EXECUTIVE MATTERS TOTAL</b>	<b>(139)</b>	<b>(156)</b>	<b>(17)</b>

*Pension Costs (£17k) reduction in pension cost.*

<b>COST OF SERVICES</b>	<b>19,364</b>	<b>19,943</b>	<b>579</b>
Reserve management			(170)
Cost of Services			409



The Council is forecasting some variance with its overall expectations. The graph above shows that the forecast overspend does 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	Variance £000
Wellbeing	2,309	2,199	110	-
Place and Growth	2,749	1,589	1,160	-
Environment	1,830	1,363	467	-
Finance & Governance	82,995	82,945	50	-
Customers & IT Services	804	694	-	(110)
<b>Total</b>	<b>90,687</b>	<b>88,790</b>	<b>1,787</b>	<b>(110)</b>

**Re-Profiled into 2019/20:**

**Wellbeing £110k** Comprises **£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.

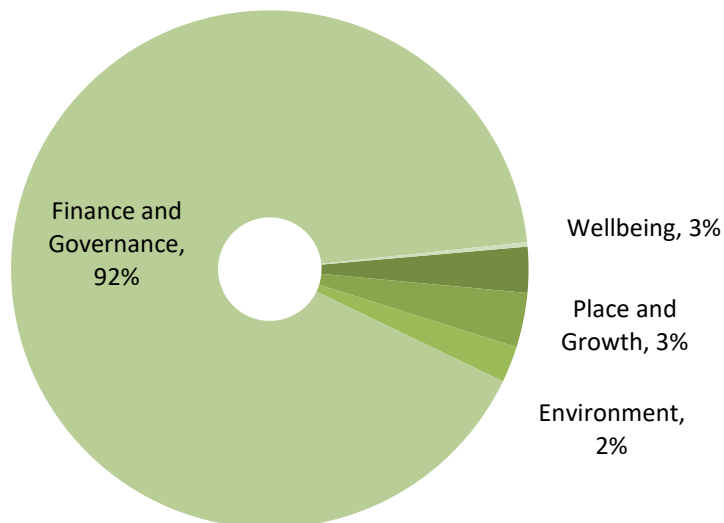
**Place & Growth £1,160k** for East West Railways where 5 years of scheduled capital contributions to 2019/20 have not yet been requested. Re-profiled to 2019/20.

**Environment £467k** This budget is for replacement parking equipment which is not expected in 2018/19. Re-profiled to 2019/20.

**Finance & Governance £50k** for the Spiceball Riverside bridge which is on hold pending the completion of a CQ2 new bridge as part of the CQ2 development. Re-profiled into 2019/20.

**Variance:**

**Customer & IT Services (£110k)** Microsoft licensing agreement budget no longer required.







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](mailto:Adele.taylor@cherwellandsouthnorthants.gov.uk)

0300 003 0103

### **Legal Implications**

7.2 There are no legal implications from this report.

Comments checked by:

James Doble, Assistant Director: Law and Governance, 0300 003 0207

[James.doble@cherwellandsouthnorthants.gov.uk](mailto:James.doble@cherwellandsouthnorthants.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](mailto:Louise.tustian@cherwellandsouthnorthants.gov.uk)

## **8.0 Decision Information**

### **Wards Affected**

All

### **Links to Corporate Plan and Policy Framework**

All

### **Lead Councillors –**

Councillor Richard Mould – Lead member for Performance Management

Councillor Tony Ilott – Lead member for Finance 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
<b>Background Papers</b>	
None	
<b>Report Author</b>	Hedd Vaughan-Evans – Assistant Director: Performance and Transformation Kelly Watson – Assistant Director: Finance and Governance
<b>Contact Information</b>	Tel: 0300 003 0111 <a href="mailto:hedd.vaughanEvans@cherwellandsouthnorthants.gov.uk">hedd.vaughanEvans@cherwellandsouthnorthants.gov.uk</a> Tel: 0300 003 0206 <a href="mailto:kelly.watson@cherwellandsouthnorthants.gov.uk">kelly.watson@cherwellandsouthnorthants.gov.uk</a>

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# 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

Page 3  
***“Thriving Communities & Wellbeing”***

Deliver welfare reform agenda

Safeguard the vulnerable

***“District of Opportunity & Growth”***

Enhance community resilience as part of emergency planning

Deliver affordable housing

Enhance leisure facilities

Deliver innovative & effective housing schemes

Deliver the Local Plans for CDC & SNC

Prevent homelessness

Provide support to voluntary sector

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

Increase tourism

Increase employment at strategic employment sites

## 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 1 – Monthly Performance Report

## July 2018

Includes:

- Joint Business Plan 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
<b>JBP1.1.1 Maintain High Quality Waste &amp; Recycling Services</b>	Cllr D Bambridge Cllr D Pickford	Kane, Graeme Potter, Ed	Hot weather means that garden waste recycling is down, this has an adverse effect on the overall recycling rate. However the overall impact on year end will be small, unless the hot weather continues for long periods.	Preparation for online bulky waste collections from late August	★	Material prices are weak and some contamination issues are likely to lead to an increased recycling disposal fee following the six monthly price review.	★
<b>JBP1.1.2 Provide High Quality Street Cleansing Services</b>	Cllr D Bambridge Cllr D Pickford	Kane, Graeme Potter, Ed	All on track, new staff recruited earlier in the year are starting to make a positive contribution	Kings End Bicester Blitz mid-August	★	Generally good standards in both CDC and SNC. However some long term sickness absence in the small team in SNC is making maintaining standards challenging	★
<b>JBP1.1.3 Tackle Environmental Crime</b>	Cllr D Bambridge Cllr D Pickford	Kane, Graeme Potter, Ed	Plans are on target for fly tipping investigation & litter patrols.	Developing plans for raising awareness about disposing of waste responsibly	★	Campaign launched in CDC to encourage shops, offices, pubs and other establishments to discourage staff and customers from discarding cigarette ends outside their premises.	★
<b>JBP1.1.4 Reduce Our Carbon Footprint and Protect the Natural Environment</b>	Cllr D Bambridge Cllr D Pickford	Carr, Jane Riley, Nicola Webb, Richard	Training for a new vehicle telematics system within our waste/recycling service has taken place which aims to improve driver performance and is expected to reduce fuel consumption by 8%.	Air quality Monitoring continues in Horsefair and Hennef Way, Banbury, Kings End in Bicester and Towcester town centre. Four electric street cleaning vans have been ordered to replace petrol/diesel vehicles (due for delivery in September).	★	An update on the Air Quality Management Plans was presented to the Overview and Scrutiny Committee in July. This presentation was supported by Oxfordshire County Council to reflect the partnership approach required to air quality management.	★
<b>JBP1.1.5 Mitigate the Effects of HS2</b>	Cllr C Clarke Cllr S Clarke	Feehily, Paul Newton, Jim	At Planning Forum meeting in July HS2 announced programme for design of main works would be extended.	Submission of Schedule 17 applications for approval of details for Chipping Warden Relief Road scheme anticipated.	★	Hs2 Ltd have extended the period for contractors to submit the design solutions for main railway works to early 2019.	★

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Joint Programme Measures -Protected, Green and Clean

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
<p><b>JBP1.1.6 Maintain the District as a Low Crime Area</b></p> <p>Page 43</p>	<p>Cllr A McHugh Cllr K Cooper</p>	<p>Carr, Jane Kane, Graeme Riley, Nicola Webb, Richard</p>	<p>Following a team review of Community Safety and the Partnership, we have revised action plans based around demand, data and case management to support partners in addressing crime and community safety concerns. These will be presented at the Community Safety Partnership meetings in September 2018. These plans will also align with County plans.</p>	<p>All community safety and safeguarding activity to have a clear action plan, ensuring a consistent approach to managing crime and community safety issues. Due September 2018.</p>	<p>★</p>	<p>Crime in both District areas remains above the comparison from this time last year; this is in line with the national trend where crime has increased. However both District areas increase is below the national average. Main increases are violence and public disorder in both Districts, this is likely due to the sustained warm weather where these crimes do increase, and also some links to key games during the Football World Cup.</p>	<p>★</p>
			<p>Drug offences have also increased in both districts and this is due to a local shift of stop and search in Cherwell and the Multi Agency Police led Op Viper across the county in Northamptonshire.</p> <p>Positive steps have been achieved in both shoplifting and burglary in Cherwell which has been a partnership focus and successful working with partners particularly retail in Bicester from the Community Safety Team.</p>	<p>Domestic Incidents has seen an increase in South Northants and this is the outcome from a number of successful community safety led initiatives locally in the last 6 months to raise awareness of the wider definition of Domestic Abuse. The Action Plan is now being revised to reflect next steps.</p> <p>Moving forward we will be looking at a trigger plan with partners as to how we can raise awareness and reduce these crime areas with proactive messaging and engagement.</p>			

Joint Programme Measures -Protected, Green and Clean

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
<b>JBP1.1.7 Protect the Built Heritage</b>	Cllr C Clarke Cllr R Clarke	Feehily, Paul Mitchell, Clare Newton, Jim	Research for heritage and conservation area reviews. Refocusing Heritage at Risk Strategy Ongoing input to major development sites and Ongoing input to strategic infrastructure projects including E-W rail and HS2.	The heritage and conservation area reviews are underway for Piddington and Heldon at SNC, Stratton Audley, Somerton and Duns Tew at CDC The Heritage at Risk strategy at SNC is ongoing. The Conservation Team supports the Development Management team on development proposals with heritage impact. This includes major development at the former RAF Bicester and RAF Upper Heyford.	★	-The heritage reviews for Piddington and Heldon should be complete in September 2018 -The conservation area reviews for Stratton Audley, Somerton and Duns Tew should be complete in November 2018 -Work continues to achieve appropriate conservation and/or re-use of historic buildings and structures currently identified as at risk. 50 buildings / sites have been contacted to undertake surveys as part of the Heritage at Risk Strategy. We anticipate that Heritage at Risk survey work for the remaining identified buildings and structures will be completed by November / December this year. -Conservation support for major projects at the former RAF Bicester and RAF Upper Heyford sites will continue as required. Work continues in providing heritage advice to HS2 and E-W Rail developments. The Conservation Team continues to provide heritage input on major infrastructure projects including E-W rail and HS2.	★

**Joint Programme Measures - Thriving Communities & Wellbeing**

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
<b>JBP2.1.1 Provide &amp; Support Health &amp; Wellbeing</b>	Cllr A McHugh Cllr C Clarke Cllr K Cooper Cllr T Ilott	Carr, Jane Colwell, Adrian Riley, Nicola Rowe, Rosie	SNC - formal signing of Armed Forces Community Covenant  CDC & SNC - Completed desktop research project to identify potential participants for 'Wellbeing Map' of community activities.	CDC: Social Prescribing - Development of detailed KPIs and Memo of Understanding with Citizens Advice. Armed Forces Covenant - Confirm council commitments and formally sign covenant  SNC: Social Prescribing - pursue development of countywide SP framework with NCC Public health  Both Districts: Launched online social activity maps	★	CDC - Work on going to develop Social Prescribing (SP) scheme in partnership with Citizens Advice North Oxfordshire and Oxfordshire Clinical Commissioning Group.  Across both districts we are currently developing online 'Wellbeing Maps' which will be a visual directory of affordable group activities available that promote wellbeing.	★
<b>JBP2.1.2 Provide enhanced leisure facilities</b>	Cllr G Reynolds Cllr K Cooper	Bolton, Sharon Carr, Jane	Summer Holiday Activity Hubs commenced towards the end of July in Towcester, Bicester, Brackley, Banbury and Bloxham.  Athletics Event held at North Oxfordshire Academy on Saturday 21st July in partnership with Banbury Harriers as part of fixtures schedule.	Opening of Brackley Swimming Pool in September 2018.  Completion of Performance Hall Floors at Cooper Sports Facility in August 2018	★	Works continue to progress in line with the current programme as part of the re-development of Brackley Leisure Centre. it is intended that the facility will be fully opened including both swimming pools on Monday 17th September. Works are also scheduled to take place in the Car Park as part of the programme of works over the next few weeks.  Works are progressing in line with the programme regarding the replacement of the Performance Hall Floor at the Cooper Sports Facility  Quotations have now been received for upgrading of the Lighting to the Artificial Turf Pitch at the Cooper Sports Facility. LED lighting will replace the current Metal Halide Lamps.  Works to the dryside toilets at Towcester Centre for Leisure are due to commence on Monday 6 <sup>th</sup> August and continue for 3 weeks. All mirrors, cubicles, sanitary ware etc. are due to be replaced as part of the upgrade.	★

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**Joint Programme Measures - Thriving Communities & Wellbeing**

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
<b>JBP2.1.3 Provide support to the voluntary sector</b>	Cllr A McHugh Cllr K Cooper	Carr, Jane Riley, Nicola	<p>CDC - Age Friendly Banbury Consultation launched. Little Lunch initiative promotion - Packs available live on website Play:Full Initiative launched in Brighter Future wards. West Bicester Community Centre - Handed over to new association</p> <p>Play Bin initiative - Soft launch across both CDC/SNC. Focus on securing additional drivers for Towcester Area Door to Door (TADD) volunteer driver service. Successful delivery of grant aid following the early July Grants panel at SNC.</p>	<p>CDC - Cherwell Community Lottery -Submit Gambling Commission license application; develop marketing materials and recruitment plan.</p> <p>SNC - Assess community bus grant application.</p> <p>Voluntary organisations training programme set for the next 6 months. Feedback from voluntary organisations and groups, themes include 'Funding advice with Big Lottery and Business Development for groups'.</p>	★	<p>The 4 Connecting Community events were delivered in Towcester/Brackley/Banbury &amp; Bicester with a theme of 'What's on for young people and how families can engage in opportunities locally to them?'</p> <p>Play Bin Initiative - uses one of the Councils recycle bins filled with fun engaging activities that have been created to promote messages around health &amp; wellbeing and recycling. The bins will be loaned to schools, community centres and youth clubs to use in their community.</p> <p>Play:Full initiative is to tackle "holiday hunger" agenda of young people being fed during the school holiday periods. Voluntary organisations and youth groups running activities this summer in Brighter Future wards in Banbury are being supported and encouraged to provide healthy lunches and snacks at all sessions and sign up to a Play:Full pledge to sustain this in the future.</p> <p>Play Day Banbury - 4,800 people attended seeing local voluntary organisations and groups delivering opportunities and support to young people.</p> <p>West Bicester Community Centre - The Community Development team have supported the new association to roll out a full programme of activities and opportunities for all ages.</p>	★
<b>JBP2.1.4 Enhance community resilience as part of emergency planning</b>	Cllr A McHugh Cllr D Bambridge	Carr, Jane Kane, Graeme Riley, Nicola Webb, Richard	<p>Identifying learning from the Silverstone F1 and prepare for the Silverstone Moto GP in August.</p> <p>Continue to ensure both authorities are represented at multi-agency meetings and exercises, and share advice to members of the public.</p>	<p>Identify any learning from the Silverstone Moto GP.</p> <p>Strengthen arrangements for setting up and managing a District Emergency Control Centre.</p>	★	<p>Work has continued to prepare for the Silverstone Moto GP by working with partner agencies and Silverstone Circuits Ltd to prepare for all eventualities. Relevant officers are assigned to duty shifts during the weekend to ensure we can respond to any emergencies that may occur.</p> <p>Out of hours arrangements for emergencies are being strengthened with a senior officer on duty at all times throughout the year.</p> <p>Key messages regarding heat waves, flooding and drought are being shared between partner agencies and with the public to reduce the impact of these extreme events.</p>	★
<b>JBP2.1.5 Prevent homelessness</b>	Cllr J Donaldson Cllr K Cooper	Carr, Jane Douglas, Gillian	<p>At CDC an Accommodation officer and Senior Housing Officer has now been recruited and should commence employment in August.</p>	<p>Recruitment to one of the Team Leader posts at Cherwell is underway. Now new Homelessness Strategies have been adopted at both councils the teams will start to implement the action plans. Updates on specific actions/projects will be provided on a monthly basis.</p>	★	<p>New Homelessness Strategies at South Northants and Cherwell District Councils were adopted by Cabinet/Executive. Frontline homelessness staff has spent considerable time collating monitoring data to submit the first H-CLIC statutory performance return under the Homelessness Reduction Act by 31 July. This data has shown that since 3rd April 2018:</p> <p><i>South Northants Council has assisted 86 households who are homeless or threatened with homelessness Cherwell District Council has assisted 154 households who are homeless or threatened with homelessness</i></p> <p>The first CDC Homelessness Prevention Network meeting was held on 24/07/18, it was well attended with 14 partners represented from statutory, voluntary and housing association sectors.</p>	★

**Joint Programme Measures - Thriving Communities & Wellbeing**

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
<b>JBP2.1.6 Safeguard the vulnerable</b>	Cllr A McHugh Cllr K Cooper	Carr, Jane Riley, Nicola	SNC - Successful 'cut it out' campaign promoting disclosure of domestic violence through hairdressers and barbers during the world cup campaign.  CDC - Protective behaviours (NSPCC) training completed through Banbury primary partnership schools.	Comprehensive mapping of diversionary activities for young people to aid in the disruption of exploitation.	★	Both SNC & CDC are working with statutory and voluntary sector partners to prepare bids to submit to central government (MHCLG) to try to secure additional funding for domestic abuse services in Northamptonshire & Oxfordshire.  CDC passed a motion at Full Council to extend their action with regard to modern day slavery & procurement.	★
<b>JBP2.1.7 Deliver affordable housing and work with private sector landlords</b>	Cllr C Clarke Cllr J Donaldson Cllr K Cooper Cllr R Clarke	Carr, Jane Douglas, Gillian	July figures for SNC: 28 completions, comprising 19 affordable rent and 9 shared ownership.	In SNC 41 new units were delivered in Quarter 1 so the total to end of July is 85. We are on track to meet the annual Strategic Housing Market Assessment target for the year which is 173-182.	★	174 new units were delivered in Q1 and therefore we are currently ahead of target to meet the annual SHMA target. The tenure split for quarter 1 was 147 affordable rent and 27 shared ownership. Progress on delivery is good with an estimated end of year outturn being 189 units of affordable housing in SNC.	★
<b>JBP2.1.8 Deliver the welfare reform agenda</b>	Cllr J Donaldson Cllr K Cooper Cllr P Rawlinson Cllr T Ilott	Douglas, Gillian Green, Belinda Taylor, Adele	We continue to monitor the impact of Universal Credit Full Service In Cherwell. Discretionary Housing Payments continue to support those people impacted by the wider welfare reform.	Universal Credit Full Service goes live in the South Northants district in December 2018. A project team will be formed in September 2018 to deliver a plan to support and prepare residents, partners and landlords for the change.	★	We continue to support residents and partners who are affected by the Welfare Reform agenda. This support includes working with Credit Union and our DWP partners as well as our own debt and money advice team.	★

**Joint Programme Measures - District of Opportunity & Growth**

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD	
<b>JBP3.1.1 Deliver innovative and effective housing schemes</b>	Cllr J Donaldson Cllr K Cooper	Carr, Jane Colwell, Adrian Douglas, Gillian	No properties due from Build! this month. The SNC local development company (LDC) submitted a pre-planning application for the first site in the LDC's development programme to SNC as planning authority for comment. We are still awaiting comments from the local planning authority. Hook Norton Low Carbon is continuing to work with the Strategic Housing Team and Build! to develop proposals for a low carbon community led development.	SNC local development company is still waiting to receive comments from the planning authority via the pre-planning application process; these are expected in early August. Once these have been received a detailed financial viability appraisal for the site will be completed.	★	The pre-planning application for the first site in SNC's local development company development programme has been submitted to the planning authority. We are still awaiting comments from the planning authority, these are expected back in early August these will inform the next stages of the project.	★	
Page 48	<b>JBP3.1.2 Increase Tourism</b>	Cllr L Pratt Cllr S Clarke	Colwell, Adrian Newman, Steven Ward, Greg	SNC - USAF Croughton meeting with airbase liaison staff undertaken and SNC Tourism publications delivered.  CDC - Projects - assisting the Bicester Town Centre Discovery Walk, HLF Dovecote Project, developing a new Cherwell Visitor Guide. Contract management of Banbury and Bicester Visitor Information centres and destination management partnership - provided information and marketing services. Events - Reviewed Bicester Festival: lessons learned for 2019.	SNC - Town Centre Tourism Board refreshes. country Pursuits for all seasons Design and content RDPE Bid for Watermeadows funding (Tourism Infrastructure) - Full Application project work (deadline September 2018)  CDC - Projects - Produce new Cherwell Visitor Guide. Install new information boards in Banbury (town centre) and Bicester (Crown Walk). Submit HLF Dovecote bid in August. Contract management - commission economic impact assessment of the volume and value of tourism for Cherwell. Review VIC Service Level Agreements.	★	SNC - Confirmed attendance as exhibitor at Northampton Winter Food Festival. Latest SNC Economic Growth Team publication 'Country Pursuits for all seasons' project management; refurbishment underway of the Brackley and Towcester Tourism signage (eight tourism boards in total) to coincide with the Towcester A5 Roadworks. Liaison with USAF Croughton to promote the district to service personnel and their families. RDPE Watermeadows funding bid - members of the SNC EG team attended the Rural payments Agency funding workshop  CDC - Reviewed 9 grant applications for rural tourism development EU funding. Reviewed the Flywheel event held at Bicester Heritage - 14,000 visitors, several hundred participants (drivers, pilots etc.) and 62 exhibitors over the two days. Team meeting with Bicester Heritage to further develop partnership. Membership and day-to-day liaison with Experience Oxfordshire to promote Cherwell's visitor economy, enabling business involvement. Support provided for the development of new hotel accommodation. Advice provided to planning on marina proposal.	★

Joint Programme Measures - District of Opportunity & Growth

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
<p><b>JBP3.1.3 Deliver the masterplans for the key economic centres</b></p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 49</p>	<p>Clr C Clarke Clr R Clarke</p>	<p>Newman, Steven Ward, Greg</p>	<p><b>SNC - Silverstone:</b> Delivery and attendance at two Events. <b>Brackley:</b> Town Football Club Special Event planning completed. <b>Towcester:</b> Inception and first weekly meeting held between SNC Economic Growth and Highways England.</p> <p><b>CDC - Banbury:</b> Job Fair held on 14 July (98 job seekers/ career changers, 13 support services and 10 exhibiting employers recruiting for over 150 vacancies. Job seeker satisfaction rating of 91% with exhibitor rating of 3.8 out of 5.0 (reflecting limited labour supply).</p> <p><b>Bicester:</b> Attended Bicester Business meeting to support the 'See Bicester' campaign and promote services such as the on-line business directory to encourage local purchasing. <b>Kidlington:</b> Attended Kidlington Voice business meeting to announce our services engaging with businesses and the MP.</p>	<p><b>SNC - Silverstone</b> Project planning with Total Sim for involvement with the Silverstone Cycle Hub funding bid. <b>Brackley:</b> Delivery of the SNC Civic Celebration Dinner on 1 August in recognition of Brackley Town Football Clubs historic win at Wembley. <b>Towcester:</b> Working with Highways England and Forkes, focussing on ensuring businesses in the Town Centre are affected as minimally as possible. <b>CDC - Banbury:</b> Develop a Job Fair for town traders by October (to assist Christmas recruitment). Lead Brighter Futures projects around skills and employability support. Produce work experience directory to link schools with employers (extend to rest of district). Collaborate with Housing Association to provide support to residents to gain employment. <b>Bicester</b> - Lead a partnership skills and employment event to be held on 19 Sept. Support Electric Vehicle event on 14 Sept. <b>Kidlington</b> - Liaise further with local businesses to offer support services.</p>	<p>★</p>	<p><b>SNC - Silverstone</b> – Exhibitor at the MIA Force India Business Conference and MIA Business Friday Events (lead in to the Formula 1 British Grand Prix) <b>Brackley</b> – Liaison with Brackley businesses and network organisations to review the current vacant units in the Town and discuss future opportunities to deliver elements of the Brackley Masterplan. <b>Towcester</b> – Liaison with Highways England and agents Forkers Ltd to ensure that the development of Towcester is not impacted and normal business operations are as mitigated during the 17 week Roadworks in Towcester. This work has included SNC internal service areas including Waste and Recycling, Communications, Customer Contact Centre and Councillors.</p> <p><b>CDC - Banbury</b> - On-going engagement with the Castle Quay redevelopment plans to ensure that the needs of businesses are understood and met during the 2 year construction. Further support to the manager and Board of the new Business Improvement District to enable it to flourish.</p> <p>Engagement with local schools, for example through Young Enterprise Board and hosting a work experience student. On 12 July, presented an overview of the local economy to Banbury Chamber to ensure that local businesses are aware of the evidence and research compiled to assist businesses with their planning and development. Met the 'In Bloom' competition judges to explain the role of CDC in promoting town vitality. Bicester - Support to a range of event and investment activity in the town centre to promote vitality. Liaison with traders to resolve operational matters. Kidlington - Liaison with key businesses and developers to assist investment and operations.</p>	<p>★</p>

**Joint Programme Measures - District of Opportunity & Growth**

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
<p><b>JBP3.1.4 Increase employment at strategic employment sites, promote investments &amp; business growth</b></p> <p align="center">Page 50</p>	Cllr L Pratt Cllr S Clarke	Colwell, Adrian Newman, Steven Ward, Greg	<p>SNC - Job Club/Job Match target for monthly number of jobseekers directly supported back to work achieved. Business Support - 23 1:1 support advice and guidance sessions delivered to local businesses.</p> <p>CDC - Job Clubs - Weekly sessions ceased at end of July and new 5 day a week signposting service introduced progressing well alongside new Job Seeker guide (over 1,000 copies being distributed) and website updated.</p> <p>Attended the Local Industrial Strategy events for business held by both SEMLEP and OxLEP to ensure that the needs of the economy are recognised and planned for.</p>	<p>SNC - Complete distribution of the new Inward Investment leaflet. Innovation and Investment Conference project plan work to continue during August (target 200 businesses to attend event).</p> <p>CDC -New industrial units in Bicester and Banbury are under development enquires and support to be provided to new occupiers. Produce new Investment Guide by Sept.</p> <p>Renew business database to provide foundation for local business intelligence. Review the existing Cherwell Investment Partnership website. Job Clubs review progress with new service. Assist the review of small employment sites prior to Local Plan Part 2 (ensuring needs of SMEs are met). Enable the extension of enterprise support services by Oct. Launch new Invest North Oxfordshire website in Sept.</p>	★	<p>SNC - Business Incubator Feasibility Study now at Final Draft stage. SNC Job Club – 4 Job Club members found employment as a result of intervention. The redundancy support programme for direct legal Collections in Brackley has concluded. Economic Growth Team is currently auditing the number of staff who was supported into employment due to the Programme.</p> <p>Business Support Advice – A total of 23 1:1 Support, Advice and Guidance meetings with businesses were held, six businesses Start-up, nine established businesses, and eight meetings through the SNC Enterprise Club (Towcester and Brackley). New Inward Investment Leaflet distributed to owners and tenants of the district's 66 Business parks and displayed at key locations including agents, Silverstone Innovation Centre and Silverstone Circuits Ltd. As well as through delegate packs at the two MIA Events held at Silverstone in July. SNC Innovation and Investment Conference (formerly Open for Business) project planning on track for the September 19 event at The Wing, Silverstone (current businesses booked on Conference is 90 against a target of 200).</p> <p>CDC - Co-operation with developers over many years resulted in the attraction of Rinkit to Unit 8 Chalker Way, Banbury. This is likely to create 90 jobs and follows the support provided to TVS in the adjacent Unit 7. High satisfaction received from Bentley Designs, Bicester following a Cherwell Job Fair that helped the inward investor to fill all vacant positions and to settle other staff into the town. Support and guidance in the development of design guidelines to ensure that large industrial buildings avoid becoming eye-sores whilst maximising their potential of representing leading employers in a positive light and reducing energy use without adding to development costs.</p>	★



**Joint Programme Measures - District of Opportunity & Growth**

Measure	Portfolio Holder	Director/Lead Officer	Last Milestone	Next Milestone	Status	Commentary	YTD
<p><b>JBP3.1.5 Delivery against Local Plans for CDC &amp; SNC</b></p> <p align="center">Page 51</p>	<p>Cllr C Clarke Cllr R Clarke</p>	<p>Bowe, Andrew Colwell, Adrian Darcy, Andy Newton, Jim Peckford, David</p>	<p>CDC - A programme of infrastructure projects are progressing to support the delivery of the adopted Cherwell Local Plan in Bicester, Banbury and elsewhere in the District.</p>	<p>Hearing dates to be confirmed by the Planning Inspector.</p>	<p align="center">★</p>	<p>CDC - The Partial Review Local Plan was submitted to PINs (Planning Inspectorate) for Examination on 5 March 2018. We are still awaiting the dates for the public hearings, but the process of Examination is on-going. The programme for examination is overseen by the Planning Inspectorate not the Council.</p> <p>The programme for the next Local Plan is under review having regard to the revised National Planning Policy Framework (published 24 July 2018) and the on-going scoping for the countywide Joint Statutory Spatial Plan.</p>	<p align="center">★</p>
			<p>SNC - the Towcester Relief Road detailed design is being considered by developers together with exploring the options for accelerating its delivery and securing the funding required to bring forward the construction programme. Improvements to the Oxford Road/ A43 Roundabout in Brackley have been completed.</p>				

**Joint KPIs - Protected, Green and Clean**

Measure	Council	Portfolio Holder	Director/Lead Officer	Result	Target	Status	Commentary	YTD Result	YTD Target	YTD
<b>JBP1.2.1C % Waste Recycled &amp; Composted</b>	CDC	Cllr D Pickford	Kane, Graeme Potter, Ed	53.40%	58.48%	●	There is a slight decrease on previous year due to extremely dry conditions resulting in less garden waste.	58.22%	59.46%	●
<b>JBP1.2.1S % Waste Recycled &amp; Composted</b>	SNC	Cllr D Bambridge	Kane, Graeme Potter, Ed	60.84%	64.74%	●	There is a slight decrease on previous year due to extremely dry conditions resulting in less garden waste.	64.92%	65.48%	●

**Joint KPIs - Thriving Communities & Wellbeing**

Measure	Council	Portfolio Holder	Director/Lead Officer	Result	Target	Status	Commentary	YTD Result	YTD Target	YTD
<b>JBP2.2.1C Number of households living in Temporary Accommodation (TA)</b>	CDC	Cllr J Donaldson	Carr, Jane Douglas, Gillian	25.00	43.00	★	The focus on prevention and relief of homelessness as well as the close management of temporary accommodation had reduced the number of households in temporary accommodation this month and remaining well within target.	25.00	43.00	★
<b>JBP2.2.1S Number of households living in Temporary Accommodation (TA)</b>	SNC	Cllr K Cooper	Carr, Jane Douglas, Gillian	19.00	25.00	★	TA figures have stayed constant as the officers will work with Landlords to keep people in their own properties until a lease property becomes available, rather than place them in B&B. SNH have started to move people along to their nominated properties.	19.00	25.00	★
<b>JBP2.2.2C Average time taken to process Housing Benefit new claims</b>	CDC	Cllr T Ilott	Green, Belinda Taylor, Adele	11.18	15.00	★	The average time taken to assess new claims for Housing Benefit for July 2018 was 11 calendar days. This is against a target of 15 calendar days. The national average for time taken to assess new claims is 22 calendar days. Performance continues to be good.	12.45	15.00	★
<b>JBP2.2.2S Average time taken to process Housing Benefit new claims</b>	SNC	Cllr P Rawlinson	Green, Belinda Taylor, Adele	8.49	15.00	★	The average time taken to assess a new claim for Housing Benefit was 8.49 calendar days in July 2018. This is against a target of 15 days. Performance continues to be very good and better than the national average of 22 calendar days.	8.60	15.00	★
<b>JBP2.2.3C Average time taken to process Housing Benefit change events</b>	CDC	Cllr T Ilott	Green, Belinda Taylor, Adele	14.45	8.00	▲	The average time taken to assess change events in July 2018 was 14.46 calendar days compared to 10.5 days in June 2018. This is against a target of 8 days.  There are a number of factors affecting performance. The major impact has been increasing number of data files received from the Department for Work and Pensions that require assessment. We have introduced a new work plan to target some of the older outstanding claims which had had an impact on the overall time taken but we expect performance to return to normal levels for August 2018.	8.38	8.00	●
<b>JBP2.2.3S Average time taken process Housing Benefit change events</b>	SNC	Cllr P Rawlinson	Green, Belinda Taylor, Adele	4.64	8.00	★	The average time taken to assess change events for July 18 was 4.64 calendar days compared to 5.19 days in June 2018. This is against a target of 8 days and exceeds the national average of 8 days. Performance continues to be excellent.	4.40	8.00	★

JBP2.2.5C Number of visits/usage of District Leisure Centres	CDC	Cllr G Reynolds	Bolton, Sharon Carr, Jane	146,049	127,285	★	As a straight comparison against last year the usage figures for the Leisure Facilities are in line with those in July 2017. When Stratfield Brake and Whiteland's Farm Sports Ground are added this then indicates a circa 9,000 increase.  On a facility by facility basis Spiceball Leisure Centre and Bicester Leisure Centre are both down by circa 3,500 on July 2017; however Woodgreen Leisure Centre has shown a significant increase of circa 7,000 due to the Outdoor Pool. Both Cooper and NOA are showing a marginal increase.	566,648	509,140	★
JBP2.2.5S Number of Visits/Usage of District Leisure Centres	SNC	Cllr K Cooper	Bolton, Sharon Carr, Jane	63,654	60,404	★	Against the same period last year the throughputs at the SNC Leisure Facilities combined were 63,654 up on around 3,500 in comparison to July 2017. Generally this is made up of an increase of over 3,500 at TCfL. Both Brackley Facilities were generally in line with last year. Brackley LC 400 up and Brackley Pool 200 down	262,273	241,616	★
JBP2.2.6C % of Council Tax collected, increasing Council Tax base	CDC	Cllr T Ilott	Green, Belinda Taylor, Adele	9.26%	9.50%	●	We are slightly below target both in-month and cumulatively for July. This is due in part to the growth in the Cherwell District and the number of new builds coming on-stream for billing as the Valuation Officer assesses them. This results in back billing for customers which can skew the usual installment profiles. However the incoming work is now being processed in fewer days which will assist with the collection of Council Tax. More active recovery will continue in future months which will also increase collection.	38.59%	39.50%	●
JBP2.2.6S % of Council Tax collected, increasing Council Tax Base	SNC	Cllr P Rawlinson	Green, Belinda Taylor, Adele	9.42%	9.00%	★	We have achieved our monthly and cumulative targets for July 2018. We are now over 1.3% ahead of our cumulative target. plans are in place to process the outstanding work in a more timely way which will have a positive impact on the collection rates.	40.38%	39.00%	★
JBP2.2.7C % of Business Rates collected, increasing NNDR base	CDC	Cllr T Ilott	Green, Belinda Taylor, Adele	9.39%	9.00%	★	We have achieved both the monthly and cumulative target for July. The first summons run took place on 11.7.2018 and court took place for NNDR on 31.7.2018 which has prompted payment. We are processing work quicker which also assists with collection rates.	40.17%	40.00%	★
JBP2.2.7S % of Business Rates collected, increasing NNDR base	SNC	Cllr P Rawlinson	Green, Belinda Taylor, Adele	8.04%	9.00%	▲	We are slightly under our monthly target at a collection rate of 37.82% against a target of 39%. The shortfall equates to £295k of the almost £25m we are aiming to collect.  We will closely monitor collection rates throughout August and have a plan in place to analyse outstanding arrears and to refocus resources to process documents in a timely way which will have a positive impact on collection rates.	37.82%	39.00%	●

**Joint 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	Colwell, Adrian Newton, Jim Seckington, Paul	75%	60%	★	12 Major Planning Applications were determined during July. 9 of them 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.	86%	60%	★
+ JBP3.2.1S % Major planning applications processed within 13 weeks	SNC	Cllr R Clarke	Colwell, Adrian Newton, Jim Seckington, Paul	50%	60%	▲	2 Major Planning Applications were determined during July and 1 was determined within target period. As such, 50% of Major Applications were Determined within time against a target of 60%. Where the volume of applications is low per month, the target of determining over 60% within the target period can be vulnerable to failure. The quarterly trend however (Q1 April to June) is running at 100% determined within target time, so it is anticipated that this result for July is no more than a temporary setback.	88%	60%	★
+ JBP3.2.2C % Non Major planning appeal decisions allowed	CDC	Cllr C Clarke	Colwell, Adrian Newton, Jim Seckington, Paul	2%	10%	★	124 Non-Major applications were determined during July and 2 Non-Major Appeals were allowed by the Planning Inspectorate. Therefore we are achieving our target of less than 10% of Non-Major Planning Appeals allowed.	1%	10%	★
+ JBP3.2.2S Non major planning appeal decision allowed	SNC	Cllr R Clarke	Colwell, Adrian Newton, Jim Seckington, Paul	1%	10%	★	93 Non-Major applications were determined during July and 1 Non-Major Appeal was allowed by the Planning Inspectorate. Therefore we are achieving our target of less than 10 % of Non-Major Planning Appeals allowed.	1%	10%	★
JBP3.2.3C % Planning enforcement appeal decisions allowed	CDC	Cllr C Clarke	Colwell, Adrian Newton, Jim Seckington, Paul	0%	10%	★	No Enforcement Appeals were determined during July.	0%	10%	★
JBP3.2.3S % Planning enforcement appeal decisions allowed	SNC	Cllr R Clarke	Colwell, Adrian Newton, Jim Seckington, Paul	0%	10%	★	No Enforcement Appeals were determined during July.	1%	10%	★
+ JBP3.2.4C % of non-major applications processed within 8 weeks	CDC	Cllr C Clarke	Colwell, Adrian Newton, Jim Seckington, Paul	89%	70%	★	124 Non-Major planning applications were determined during July, 110 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.	88%	70%	★
+ JBP3.2.4S % of non-major applications processed within 8 weeks	SNC	Cllr R Clarke	Colwell, Adrian Newton, Jim Seckington, Paul	87%	70%	★	93 Non-Major planning applications were determined during July and of those 81 were determined within the target or agreed time frame. Therefore the target of determining more than 70% within time has been met.	88%	70%	★
+ JBP3.2.6C Major planning appeal decisions allowed	CDC	Cllr C Clarke	Colwell, Adrian Newton, Jim	0.00	10.00	★	No Major Application Appeals were allowed by the Planning Inspectorate during July.	0.00	10.00	★
+ JBP3.2.6S Major planning appeal decisions allowed	SNC	Cllr R Clarke	Charlett, Jeremy Newton, Jim Seckington, Paul	0.00	10.00	★	No Major Application Appeals were allowed by the Planning Inspectorate during July.	0.00	10.00	★

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Appendix 3 – Cherwell District and South Northants Councils – Latest Leadership Risk Register as at 15/08/2018

Level of risk	How the risk should be managed
<b>High Risk</b> (16-25)	<b>Requires active management</b> to manage down and maintain the exposure at an acceptable level. Escalate upwards.
<b>Medium Risk</b> (10 -15)	<b>Contingency Plans</b> - a robust contingency plan may suffice together with early warning mechanisms to detect any deviation from the profile.
<b>Low Risk</b> (1 – 9)	<b>Good Housekeeping</b> - 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
Page 157	5 - Catastrophic					
	4 - Major		L04, L11		L05	
	3 - Moderate			L01, L02, L03, L10, L12, L14	L06, L07, L08	L09, L13a, L13b
	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	<b>Financial resilience</b> – 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	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 Northamptonshire Finance Officers and Oxfordshire Treasurers' Association's work streams Programme management approach being taken 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 Partially Fully Partially Partially Fully Fully Partially Partially Fully Fully Partially Partially	Councillor Tony Illot Councillor Peter Rawlinson	Adele Taylor	Kelly Watson	3	3	9	↔	AD Finance and Performance recruited. Overall Finance and Procurement resource being reviewed. Investment strategy approach agreed for 18/19 and all potential investments to now be 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. Asset Management Strategy to be reviewed and refreshed in the new year. Review of BUILD! to ensure procurement and capital monitoring arrangements are in place and development of forward programme. Finance support and engagement with programme management processes being established. 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. Financial support and capacity being developed during 18/19 through development programme. Regular utilisation of advisors. Internal Audits being undertaken for core financial activity and capital.		10/08/18 - Reviewed and no changes
L02	<b>Statutory functions</b> – Failure to meet statutory obligations and policy and 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 Councillor Ian McCord	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 risk registers being reviewed as part of service planning. Internal Audit Plan aligned to Leadership Risk Register and agreed at Audit Committees in March.	Risk reviewed 15/08/18
L03	<b>Lack of Management Capacity</b> - 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	3	4	12	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	Fully Fully Fully Fully Fully	Councillor Barry Wood Councillor Ian McCord	Yvonne Rees	Claire Taylor	3	3	9	↔	Risk review underway to consider the impact of local government reorganisation and changes to joint working arrangements between CDC and SNC. Measures will be developed as the project plans for re-organisation and the cessation of joint working. Project planning for separation to be completed by September 2018. AD HR/OD briefed and leading the process Communications to be delivered by CEO	All Director positions filled on either permanent or interim (pending permanent) basis. Induction and support for interims. Additional resource in place to support the Northants Local Govt Re-organisation project (LGR). Additional communications resource in place to support LGR work. Additional requirements to support LGR impacts on both SNC and CDC have resulted in the risk being slightly escalated to 9 for a second month. Regular comms being provided by CEX	15/08/18 - No change





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				
L08	<b>Health and safety</b> - 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	Robust Health & Safety policies and Corporate H&S arrangements in place as part of an Integrated H&S Management System  Clearly identified accountability and responsibilities for Health and Safety established at all levels throughout the organisation Corporate H&S Manager & H&S Officer in post to formalise the H&S Management System & provide competent H&S advice & assistance to managers & employees  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  Not effective  Fully  Partially  Fully  Partially  Fully  Fully  Partially	Councillor Lynn Pratt  Councillor Peter Rawlinson	Adele Taylor	Mark Willis	4	3	12	↔	Corporate H&S Policy being developed & finalised, which will then be implemented across the organisation to ensure that roles & responsibilities at all levels are discharged effectively. Policy developed following restructure, this will clearly identify accountability and responsibility for Health and Safety at all levels throughout the organisation. Update Corporate H&S arrangements which are out-of-date.  Directorate H&S Improvement Plans to be produced.  Recently approved Internal Audit plan for 18/19 includes an audit of our overall H&S management system and will commence in Quarter 1 with a follow up planned prior to the end of 18/19. 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 programme to be developed and rolled out. 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 quarterly updates from Corporate H&S Manager. Relevant updates taken to appropriate committee.	09/08/18 Comments updated
L09	<b>Cyber Security</b> - 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, or a 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  Partially  Partially  Fully  Partially  Fully  Partially  Partially	Councillor Ian Corkin  Councillor Phil Bignell	Claire Taylor	Tim Spiers	3	5	15	↔	We are working with a security company to review our cyber security status and achieve the cyber essentials + accreditation. A pre-audit report has been undertaken and we are addressing findings ahead of full review.  The IT service are addressing the areas identified and will be ready for full audit in September 2018. This is a delay but should not cause concern. Cyber-security was reviewed by Internal Audit in May 2017 and will be reviewed again during the current quarter. Meeting held with Internal Audit and review now confirmed for 23rd August.  HR also have actions to complete regarding recruitment and processes identified by Internal Audit. The IT Transformation Programme includes migrating server rooms to external an data centre which will increase physical security. As part of this work improved monitoring solutions will also be implemented. The data centre has successfully completed provisioning phase and good progress is being made with applications migration.  The Councils PSN certificate has been approved for the next 12 months as expected.	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. Staff and member briefings covered phishing March 2018. We are now discussing wider awareness raising with Communications Team.	Risk reviewed 10/08/18 - Mitigating Actions and Comments Updated
L10	<b>Safeguarding the vulnerable (adults and children)</b> - 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  Staff training - new whole staff shared approach being launched last year and mandatory training introduced 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 Local Safeguarding Children's Board Northamptonshire (LSCBN) pathways and thresholds Data sharing agreement with other partners Attendance at Children and Young People Partnership Board (CYPPB) Annual Section 11 return compiled for each council 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  Partially  Partially  Partially  Fully  Partially  Fully  Fully  Fully  Partially	Councillor Barry Wood  Councillor Ian McCord	Jane Carr	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 in both Counties	Continued focus in this area with ongoing programme of training and awareness raising.	06/08/18 - No change
L11	<b>Income Generation through council owned companies</b>	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	Councillor Tony Illot  Councillor Peter Rawlinson	Adele Taylor	Kelly Watson	2	4	8	↔	Recruiting to support shareholder and client side capacity. Relevant training being provided. 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.	Resources in place. Relevant training being provided to support resource provision.	Risk reviewed 10/08/18 - No further 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				
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 Councillor Peter Rawlinson	Adele Taylor	Kelly Watson	2	4	8	↔	Meetings planned with suppliers to review higher risk areas. Risk recently escalated due to external environment whereby suppliers have financial difficulties which could result in loss of service. Meeting held with supplier of main Revs & Bens and other systems (Capita) to review recent share issue and potential financial mitigate their financial risks concerns. Reassurance given by suppliers about the proactive action being taken. Awaiting detailed letter with actions Capita taken to mitigate their financial risks Current work investigating impact across other contracts.	Risk reviewed 10/08/18 - No further changes	
L13a	Local Government Reorganisation CDC - Proposals for local government reorganisation 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	Leader and CEO engaging at national and county level to define steps and mitigate impacts of potential service reductions for residents. Planning for the impact of separation of joint working arrangements between CDC and SNC is underway. Strategic partnership opportunities with Oxfordshire County Council being explored with Joint Chief Executive in place by 1st October. Regular review and sharing of partnership activity/engagement at senior officer meetings	Partially Partially 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.	Formal decision taken in July to end CDC/SNC partnership. Plan for separation currently being developed. Risk will be fundamentally reviewed in light of the plan and the appointment of a Joint Chief Executive with Oxfordshire County Council effective from 1st October.	Risk reviewed and updated 15/08/18
L13b	Local Government Reorganisation SNC - Proposals for local government reorganisation 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 reduction in service areas funded by the County Council resulting in an unplanned increase in demand on district functions leading to service difficulties. Threat to existing joint working partnership initiatives if alternative delivery modes are imposed. Potential impact of CDC/SNC separation on quality of services delivered to residents and communities.	5	4	20	Leader and CEO engaging at national and county level to mitigate impacts of potential service reductions for residents. Planning for the impact of separation of joint working arrangements between CDC and SNC is underway. Additional senior leadership resources are planned for SNC. Interim Head of Paid Service appointed for SNC to start on 1st October. Regular review and sharing of partnership activity/engagement at senior officer meetings	Partially Partially Partially Partially	Councillor Ian McCord	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. Additional communications resources have been put into place to support the agenda.	Formal decision taken in July to end CDC/SNC partnership. Plan for separation currently being developed. Risk will be fundamentally reviewed in light of the plan.	Risk reviewed and updated 15/08/18
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 Councillor Ian McCord	Adele Taylor	James Doble	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	Risk added to register following senior management discussion.	09/08/18 - No change

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**CHERWELL CAPITAL EXPENDITURE 2018/19**

DESCRIPTION	£000's				Comments
	Budget	Forecast	Re-profiled into 2019/20	Variance	
Community Centre Refurbishments	84	84		0	
<b>Wellbeing - Communities</b>	<b>84</b>	<b>84</b>	<b>0</b>	<b>-</b>	
Biomass Heating Bicester Leisure Centre	14	14		0	
Whitelands Farm Sports ground	25	25		0	
Solar Photovoltaics at Sports Centres	80	0	80	0	This budget to cover solar PV component replacement is not required in 2018/19. Re-profiled to 2019/20
Football Development Plan in Banbury	20	20		0	
North Oxfordshire Academy Astroturf	207	207		0	
Stratfield Brake Repair Works	12	12		0	
Sports Centre Modernisation Programme	36	36		0	
Bicester Leisure Centre Extension	122	122		0	
Spiceball Leis Centre Bridge Resurfacing	30	0	30	0	Works to be determined post completion of the new bridge connection in 2018, as part of the CQ2 project. Re-profiled to 2019/20
Corporate Booking System	60	60		0	
Woodgreen - Condition Survey Works	2	2		0	
Bicester Leisure Centre - Access Road Improvements	33	33		0	
Cooper School Performance Hall - Roof, Floor & Seating	38	38		0	
North Oxfordshire Academy - Replacement Floodlights	20	20		0	
North Oxfordshire Academy - Sports Pavilion Improvements	6	6		0	
Cooper sports Facility Floodlights	65	65		0	
<b>Wellbeing - Leisure and Sport</b>	<b>770</b>	<b>660</b>	<b>110</b>	<b>-</b>	
Empty Homes Work-in-Default Recoverable	100	100	0	0	
Disabled Facilities Grants	983	983		0	
Discretionary Grants Domestic Properties	339	339		0	
Abritas Upgrade	33	33		0	
<b>Wellbeing - Housing</b>	<b>1,455</b>	<b>1,455</b>	<b>0</b>	<b>-</b>	
<b>Wellbeing Total</b>	<b>2,309</b>	<b>2,199</b>	<b>110</b>	<b>0</b>	
East West Railways	1,160	0	1,160	0	There is a 5 years schedule of capital contributions. These have not yet been requested. Re-profiled to 2019/20
Graven Hill - Loans and Equity	600	600		0	
The Hill Youth Community Centre	989	989		0	
<b>Place &amp; Growth - Economy &amp; Regeneration</b>	<b>2,749</b>	<b>1,589</b>	<b>1,160</b>	<b>0</b>	

**CHERWELL CAPITAL EXPENDITURE 2018/19**

DESCRIPTION	£000's				Comments
	Budget	Forecast	Re-profiled into 2019/20	Variance	
<b>Place &amp; Growth Total</b>	<b>2,749</b>	<b>1,589</b>	<b>1,160</b>	<b>0</b>	
Car Park Refurbishments	467	0	467	0	This is budget is for replacement parking equipment, not required in 2018/19. Re-profiled to 2019/20.
Energy Efficiency Projects	28	28		0	
Glass Bank Recycling Scheme	8	8		0	
Public Conveniences	50	50		0	
Off Road Parking Facilities	18	18		0	
Vehicle Replacement Programme	879	879		0	
Wheeled Bin Replacement Scheme	125	125		0	
Urban Centre Electricity Installations	15	15		0	
Bicester Cattle Market Car Park Phase 2	90	90		0	
Vehicle Lifting Equipment	30	30		0	
Container Bin Replacement	20	20		0	
Banbury Market Improvements	20	20		0	
<b>Environment - Environment</b>	<b>1,750</b>	<b>1,283</b>	<b>467</b>	<b>0</b>	
Customer Self-Service Portal CRM Solutn	80	80		-	
<b>Environment - Environment</b>	<b>80</b>	<b>80</b>	<b>0</b>	<b>0</b>	
<b>Environment Total</b>	<b>1,830</b>	<b>1,363</b>	<b>467</b>	<b>0</b>	
Academy Harmonisation	119	119		0	
<b>Finance &amp; Governance - Finance &amp; Procurement</b>	<b>119</b>	<b>119</b>	<b>0</b>	<b>0</b>	
Condition Survey Works	77	77		0	
Bradley Arcade Roof Repairs	85	85		(0)	
Orchard Way Shopping Arcade Front Serv	20	20		0	
Community Buildings - Remedial Works	150	150		0	
Spiceball Riverbank Reinstatement	50	0	50	0	On hold pending the completion of a new bridge as part of the CQ2 development. Re-profiled to 2019/20
NW Bicester Eco Business Centre	2,236	2,236		0	
Banbury Health Centre - Refurbishment of Ventilation, Heating & Cooling Systems	270	270		0	
Thorpe Way Industrial estate - Roof & Roof Lights	64	64		0	
Castle Quay 2	62,000	62,000		0	
Castle Quay 1	7,636	7,636		0	

## CHERWELL CAPITAL EXPENDITURE 2018/19

DESCRIPTION	£000's				Comments
	Budget	Forecast	Re-profiled into 2019/20	Variance	
Franklins House - Travelodge	783	783		0	
Bicester - Pioneer Square	135	135		0	
Cherwell Community Fund	100	100		0	
Build Programme Phase 1b	1,875	1,875		0	
Build Programme Phase 2	6,500	6,500		0	
Housing & IT Asset System joint CDC/SNC	50	50		0	
Orchard Way - external decorations	95	95		0	
Retained Land	180	180		0	
Thorpe Place Industrial Units	175	175		0	
Thorpe Way Industrial Units	145	145		0	
Horsefair Banbury	100	100		0	
Thorpe Lane Depot - Tarmac / drainage	110	110		0	
EPC certification & compliance works	40	40		0	
<b>Finance &amp; Governance - Property, Investment &amp; Contract Management</b>	<b>82,876</b>	<b>82,826</b>	<b>50</b>	<b>0</b>	
<b>Finance &amp; Governance Total</b>	<b>82,995</b>	<b>82,945</b>	<b>50</b>	<b>0</b>	
Microsoft Licensing Agreement	110	0		(110)	Budget no longer required.
Land & Property Harmonisation	83	83		0	
5 Year Rolling HW / SW Replacement Prog	50	50		0	
Business Systems Harmonisation Programme	69	69		0	
Upgrade Uninterrupted Pwr Supp Back up / Datacentre	115	115		0	
Land and Property Harmonisation	167	167		0	
Customer Excellence & Digital Transfer	85	85		0	
Unified Communications	125	125		0	
<b>Customers Service Devt - Customers &amp; IT Services</b>	<b>804</b>	<b>694</b>	<b>0</b>	<b>(110)</b>	
<b>Customers &amp; Service Development Total</b>	<b>804</b>	<b>694</b>	<b>0</b>	<b>(110)</b>	
<b>Capital Total</b>	<b>90,687</b>	<b>88,790</b>	<b>1,787</b>	<b>(110)</b>	

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## Cherwell District Council

### Account, Audit and Risk Committee

12 September 2018

<b>Treasury Management Report – July 2018</b>
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#### Report of the Executive Director – Finance and Governance

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:

- 1.1 To note the contents of the July 2018 Treasury Management Report.

#### 2.0 Introduction

- 2.1 As part of the investment strategy and governance arrangements, this committee considers the investment performance and compliance with the Council's Treasury Management Strategy.
- 2.2 The Code of Practice on Treasury Management approved by the Chartered Institute of Public Finance and Accountancy (CIPFA), and adopted in full by the Council in 2013, requires that a Treasury Management Strategy is produced prior to the beginning of the financial year to which it relates. 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 but has yet to publish the local authority specific Guidance Notes to the latter.
- 2.3 MHCLG published its revised Investment Guidance which came into effect from April 2018. The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is to be a summary document approved by full council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority will be producing its Capital Strategy later in 2018/19 for approval by full Council.

- 2.4 The Treasury Management Strategy is the cornerstone of proper treasury management, and is central to the operation, management reporting and performance assessment. The annual strategy for Cherwell District Council for 2018/19 was approved at full Council on 26 February 2018. The Council appointed Arlingclose as its Treasury Management advisor in April 2017.
- 2.5 The highest standard of stewardship of public funds remains of the utmost importance to the Council. This document details the Council's management of investments and treasury management activities during the first four months of 2018/19.

### **3.0 Report Details**

#### **2018/19 Performance**

- 3.1 As at the end of July 2018 the Council had borrowing of £91.5m and investments of £12.5m of funds managed in-house – a net borrowing position of £79m. Appendix 1 details the schedule of borrowing and investments as at 31 July 2018.

#### **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 Authority's main investment objective, followed by liquidity of capital, and then by yield. This has been maintained by following the Authority'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 Authority'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 4 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 4 months ended 31 July 2018:**

- 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 shortly after the date of this report from 0.50% to 0.75% in August 2018, which will have a positive effect on investment returns.

The **average** level of funds available for investment purposes up to 31 July 2018 was £21.4m. 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 July 2018 shows:-

<b>Investment Amount £</b>	<b>Interest Budget £</b>	<b>Interest Actual £</b>	<b>Variance £</b>	<b>Annualised rate of return</b>
12,447,566	14,000	26,537	12,537	0.37%
<b>Rate Benchmarking</b>	<b>Overnight</b>	<b>7-day</b>	<b>1-month</b>	<b>3-month</b>
Average LIBOR rates Mar - Jul	0.5%	0.5%	0.54%	0.7%

The Council is currently ahead of target, and is forecast to be approximately £90k above budget at the end of the year. The cash balances are in line with expectations; therefore, the increase is attributed to changes in market rates associated with the increase in base rates.

The Council’s cash investments at the report date were held exclusively in money market funds primarily for liquidity purposes. The LIBOR rates averaged from the beginning of March to the end of July show that our investment return is within 0.13% of the overnight rate.

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

**Borrowing performance for 4 months ended 31 July 2018:**

- 3.11 The Council commenced external borrowing in April 2017 to fund its capital programme, and had total debt of £91.5m at the report date. Just over 50% of the current debt is at fixed rate for the medium-long term from the Public Works Loan Board (PWLB), with the remainder at a short term variable rate from other local

authorities. As borrowing will increase further, and the prospect of rate increases grows, 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 July 2018 shows:-

<b>Borrowing Amount £</b>	<b>Interest Budget £</b>	<b>Interest Actual £</b>	<b>Variance £</b>	<b>Annualised interest rate £</b>
91,500,000	691,333	398,506	292,827	1.17%
<b>Borrowing Benchmarking</b>	<b>3-year</b>	<b>5-year</b>	<b>10-year</b>	<b>20-year</b>
Average PWLB Maturity rate Mar - Jul	1.84%	2.04%	2.46%	2.82%

Interest for the full year is forecast to be significantly under budget, due in part to how the borrowing terms have been structured, but is dependent upon timings and borrowing requirements of capital projects (e.g. CQ2 development).

The average term of the current portfolio of borrowing is 4 years. The annualised interest rate above shows that we compare favourably to both the 3- and 5-year PWLB rates published on 31 July 2018.

### 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 Authority. 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 £62.3m of investments in the form of shares in and loans to subsidiary companies (Graven Hill and Crown House)

These non-treasury investments generate or are expected to generate a higher rate of return (average 7.5%) 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 30 June 2018. The highlights of which are:

#### **Economic background**

- UK Consumer Price Inflation (CPI) index fell over the quarter and the data released for June showed CPI at 2.4%, a 12-month low
- The most recent labour market data for April 2018 showed the unemployment rate at 4.2%, a low last seen in 1975.
- Real wages (i.e. adjusted for inflation) grew only by 0.4%, a marginal increase unlikely to have had much effect for households
- Q1 GDP data revised in May showed economic activity slowing to 0.2%
- Fears rose of a global trade war on the announcement of the Trump

Administration implementing tariffs on \$200bn of imports, and implementation of retaliatory tariffs sparked a sell-off in global equity markets, with the major equity global indices falling.

- Very little progress was made in negotiating post-Brexit trading arrangements, extending the period of uncertainty.

#### Financial markets:

- Gilt yields displayed marked volatility during the quarter, particularly following Italy's political crisis in late May
- The yield on the 5-year benchmark gilt fell from 1.13% to 1.04% during the quarter, the 10-year gilt fell from 1.36% to 1.28% and the yield on the 20-year gilt rose marginally from 1.71% to 1.72%
- Money markets rates remained low: 1-month, 3-month and 12-month LIBID rates averaged 0.38%, 0.55% and 0.84% in the quarter respectively.

#### Credit background:

- UK bank credit default swaps rose marginally over the quarter, but the overall level was still low against historic averages
- Moody's downgraded Barclays Bank Plc's long-term rating to A2 from A1 following its restructure to be compliant with UK bank ring-fencing requirements coming into effect in 2019
- Moody's also downgraded Royal Bank of Scotland plc's (RBS plc) long-term ratings to Baa2 from A3 on its view that the credit metrics will become weaker and less diversified and the main functions of the bank would be in higher risk activities.
- Moody's and Fitch upgraded the long-term ratings of NatWest Bank and Ulster Bank on the view that their credit profiles are expected to improve following ring-fencing
- S&P revised the Royal Bank of Canada's outlook to stable from negative whilst affirming the long-term rating at AA-
- Fitch revised the Commonwealth Bank of Australia's outlook to negative from stable, whilst affirming the bank's long-term rating at AA-

### 3.15 Outlook for the remainder of 2018/19

Arlingclose's central case is for the Bank Rate is to rise once in 2018 and twice more in 2019. The MPC has a definite bias towards tighter monetary policy. While policymakers are wary of domestic inflationary pressures over the next two years, it is believed that the MPC members consider both that ultra-low interest rates result in other economic problems, and that a higher Bank Rate will be a more effective weapon should downside Brexit risks crystallise. Arlingclose's bank rate forecast is found in Table 3 below.

Table 3 Bank Rate Forecast

	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
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
Arlingclose Central Case	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Downside risk	0.00	0.25	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75

- 3.16 Arlingclose's view is that the UK economy still faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Central bank actions and geopolitical risks, such as prospective trade wars, have and will continue to produce significant volatility in financial markets, including bond markets.

## **4.0 Conclusion and Reasons for Recommendations**

- 4.1 This report details the Treasury Performance for the Council for the period ending 31 July 2018.

## **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, Assistant Director – Finance and Procurement

[kelly.watson@cherwellandsouthnorthants.gov.uk](mailto:kelly.watson@cherwellandsouthnorthants.gov.uk) 0300 003 0206

### **Legal Implications**

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

Comments checked by:

Richard Hawtin, Team Leader – Non-contentious Business

[richard.hawtin@cherwellandsouthnorthants.gov.uk](mailto:richard.hawtin@cherwellandsouthnorthants.gov.uk) 01295 221695

### **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:

Louise Tustian, Team Leader – Strategic Intelligence & Insight

[louise.tustian@cherwellandsouthnorthants.gov.uk](mailto:louise.tustian@cherwellandsouthnorthants.gov.uk) 01295 221786

### **Equality and Diversity**

- 7.4 There are no equality and diversity implications from this report.

Comments checked by:  
Caroline French, Corporate Policy & Projects Officer  
[caroline.french@cherwellandsouthnorthants.gov.uk](mailto:caroline.french@cherwellandsouthnorthants.gov.uk) 01295 221586

## 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 - EXEMPT	Schedule of In-house investments.
Background Papers	
None	
Report Author	Adele Taylor Executive Director of Finance and Governance (Interim)
Contact Information	Direct Dial: 0300 003 0103 <a href="mailto:Adele.Taylor@cherwellandsouthnorthants.gov.uk">Adele.Taylor@cherwellandsouthnorthants.gov.uk</a>

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## Cherwell District Council

### Accounts, Audit and Risk Committee

12 September 2018

<b>2018/19 Work Programme</b>
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#### **Report of the Executive Director – Finance and Governance**

This report is public

#### **Purpose of report**

This report sets out the draft work programme for 2018/19.

#### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To review the work programme.
- 1.2 Approve the updated work programme for 2018/19.

#### **2.0 Introduction**

- 2.1 It is good to review the whole work programme at each meeting and set out the intended agenda for future meetings. This will assist with planning of work for the year.

#### **3.0 Report Details**

- 3.1 The table below sets out the items intended for discussion at the meetings of Accounts, Audit and Risk Committee for the remainder of the municipal year.
- 3.2 During the year additional items may be brought to the committee as required.

<b>Year</b>	<b>Date</b>	<b>Agenda Items</b>
2018	21 November	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report</li> <li>• External Audit Annual Letter</li> <li>• Corporate Fraud</li> <li>• Risk Management</li> <li>• Treasury Management Update Report</li> <li>• Housing Benefit Subsidy</li> </ul>
2019	23 January	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report</li> <li>• External Audit Progress Report and Certification of Grants</li> <li>• Treasury Management Strategy 2019/20</li> </ul>
	13 March	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report</li> <li>• Internal Audit Plan 2019/20</li> <li>• External Audit Plan 2018/19</li> <li>• Corporate Fraud</li> <li>• Risk Management</li> <li>• Treasury Management Update Report</li> </ul>

#### **4.0 Conclusions and Reasons for Recommendations**

4.1 A plan and work programme for the year will assist with committee preparation.

#### **5.0 Consultation**

5.1 The draft work programme has been prepared by the Assistant Director, Finance and Procurement and Executive Director, Finance and Governance in consultation with the Portfolio Holder for Finance and Governance and brought to committee for review.

#### **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 arising directly from the production of this report.

Comments checked by:

Adele Taylor, Executive Director – Finance and Governance

0300 003 0103, [adele.taylor@cherwellandsouthnorthants.gov.uk](mailto:adele.taylor@cherwellandsouthnorthants.gov.uk)

## Legal Implications

7.2 There are no legal implications arising from this report.

Comments checked by:

Richard Hawtin, Team Leader – Non-contentious, 01295 221695

[richard.hawtin@Cherwellandsouthnorthants.gov.uk](mailto:richard.hawtin@Cherwellandsouthnorthants.gov.uk)

## Risk Management

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

Comments checked by: Louise Tustian

Louise Tustian, Team Leader - Insight Team 01295 221786

[louise.tustian@Cherwellandsouthnorthants.gov.uk](mailto:louise.tustian@Cherwellandsouthnorthants.gov.uk)

## 8.0 Decision Information

### Wards Affected

All

### Links to Corporate Plan and Policy Framework

All

### Lead Councillor

Councillor Tony Illott, Portfolio Holder for Finance and Governance

### Document Information

Appendix No	Title
None	
<b>Report Author</b>	Kelly Watson, Assistant Director – Finance and Procurement
<b>Contact Information</b>	Kelly Watson, Assistant Director – Finance and Procurement 01295 221638 <a href="mailto:kelly.watson@cherwellandsouthnorthants.gov.uk">kelly.watson@cherwellandsouthnorthants.gov.uk</a>

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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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