

Finance and Audit Scrutiny Committee

Tuesday 26 July 2016

A meeting of the above Committee will be held at the Town Hall, Royal Leamington Spa on Tuesday 26 July 2016 at 6.00pm.

Membership:

Councillor Quinney (Chairman)	
Councillor Barrott	Councillor Harrington
Councillor G Cain	Councillor Illingworth
Councillor Day	Councillor Mann
Councillor Mrs Falp	Councillor Rhead
Councillor Gifford	Councillor Thompson

Emergency Procedure

At the commencement of the meeting, the Chairman will announce the emergency procedure for the Town Hall.

Agenda

Part A – General Items

1. Apologies and Substitutes

- (a) to receive apologies for absence from any Councillor who is unable to attend; and
- (b) to receive the name of any Councillor who is to act as a substitute, notice of which has been given to the Chief Executive, together with the name of the Councillor for whom they are acting.

2. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be entered on the form to be circulated with the attendance sheet and declared during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

2A. **Minutes**

(a) to confirm the minutes of the meetings held on 1 June 2016 **(To follow)**

Part B – Audit Items

3. **Statement of Accounts and Annual Governance Statement 2015/16**

To consider a report from Finance **(Item 3/Page 1)**

4. **Anti Fraud and Corruption Progress Report 2015/16**

To consider a report from Finance **(Item 4/Page 1)**

Part C – Scrutiny Items

5. **Neighbourhood Services Risk Register**

To consider a report from Neighbourhood Services **(Item 5/Page 1)**

6. **Comments from the Executive**

To receive a report from Democratic Services **(To follow)**

7. **Review of the Work Programme & Forward Plan**

To consider a report from Democratic Services **(Item 7/Page 1)**

8. **Executive Agenda (Non Confidential Items and Reports) – Wednesday 27 July 2016**

To consider non-confidential items on the Executive agenda, which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting. You are requested to bring your copy of that agenda to this meeting.
(Agenda circulated separately)

9. **Public and Press**

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within paragraphs 1 and 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

10. **Executive Agenda (Confidential Items and Reports) – Wednesday 27 July 2016**

To consider the confidential items on the Executive agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting. You are requested to bring your copy of that agenda to this meeting.
(Agenda circulated separately)

General Enquiries: Please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ.

Telephone: 01926 456114

E-Mail: committee@warwickdc.gov.uk

Enquiries about specific reports: Please contact the officers named in the reports.


You can e-mail the members of the this Committee at

F&Ascrutinycommittee@warwickdc.gov.uk

Details of all the Council's committees, councillors and agenda papers are available via our website www.warwickdc.gov.uk/committees

Please note that the majority of the meetings are held on the first floor at the Town Hall. If you feel that this may restrict you attending this meeting, please call (01926) 456114 prior to this meeting, so that we can assist you and make any necessary arrangements to help you attend the meeting.

The agenda is also available in large print, on request, prior to the meeting by calling 01926 456114.

 Finance & Audit Scrutiny Committee 26 July 2016		Agenda Item No. <div style="font-size: 2em; text-align: center;">3</div>	
Title		Statement of Accounts and Annual Governance Statement 2015/16	
For further information about this report please contact		Marcus Miskinis Tel 01926 456804 marcus.miskinis@warwickdc.gov.uk	
Wards of the District directly affected		None	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?		No	
Date and meeting when issue was last considered and relevant minute number			
Background Papers		Executive 2 June 2016 – Final Accounts 2015/16	
Contrary to the policy framework:			No
Contrary to the budgetary framework:			No
Key Decision?			No
Included within the Forward Plan? (If yes include reference number)			No
Equality & Sustainability Impact Assessment Undertaken			N/A
Officer/Councillor Approval			
Officer Approval	Date	Name	
Chief Executive/Deputy Chief Executive	13/7/2016	Bill Hunt	
Head of Service	13/7/2016	Mike Snow	
CMT	13/7/2016		
Section 151 Officer	13/7/2016	Mike Snow	
Deputy Monitoring Officer	14/7/2016	Graham Leach	
Finance	N/A	Finance Report	
Portfolio Holder(s)	13/7/2016	Councillor Whiting	
Consultation & Community Engagement			
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.			
Final Decision?			No
Suggested next steps (if not final decision please set out below)			
The Statement of Accounts 2015/16 will be subjected to External Audit and the Audited Accounts will be presented to this Committee and Council in September 2016 for formal approval.			

1. SUMMARY

- 1.1 The accounts have been closed in respect of the financial year 2015/16 and the outturn duly reported to the Executive in June.
- 1.2 The draft Statement of Accounts 2015/16 has now been produced and will be subject to Audit up to the end of September. The Audited Statement of Accounts will be presented to this Committee and Council in September for formal approval.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Committee notes the pre-audit Statements.

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 As part of corporate governance, Members have an important role in overseeing the framework of internal control of the Council. Although the Statements are still subject to audit, it is considered helpful to Members to get an early sight of them.

4. POLICY FRAMEWORK

- 4.1 **Policy Framework** – The Statement of Accounts for 2015/16 represents a historic account of the financial performance for that year and, therefore, identifies how well, or otherwise, the Budget and Policy frameworks have been complied with.
- 4.2 **Fit for the Future** – This report has no direct impact on Fit for The Future as it is a historical presentation of the past year's operations.
- 4.3 **Impact Assessments** - The Council's Statement of Accounts covers the community throughout the District. It is a statement of fact and officers will have considered any impact when finalising the accounts.

5. BUDGETARY FRAMEWORK

- 5.1 The Statement of Accounts 2015/16 (Appendix A) is a historic account of the financial performance of the year and shows comparison with the budget (where appropriate) for 2015/16 and with 2014/15.
- 5.2 Full details looking at the outturn for the year against the agreed revenue and capital budgets were included within the Final Accounts report to the Executive in June.

6. RISKS

- 6.1 The main risk is that External Audit identifies significant errors in the accounts that require amendment.

7. ALTERNATIVE OPTION(S) CONSIDERED

- 7.1 Not to review the pre-audit statements.

8. BACKGROUND

- 8.1 The accounts have been compiled so as to comply with the appropriate accounting standards and the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.
- 8.2 The Accounts and Audit Regulations 2015 require that the responsible financial officer must, no later than 30th June immediately following the end of a year, sign and date the statement of accounts.
- 8.3 A notice was placed on the Council's website on 29 June informing electors of their rights to inspect the accounts, and any relevant documents, between 1 July and 11 August (30 working days) and to question the auditor about those accounts and raise any objections.
- 8.4 The Regulations also require that members approve the audited accounts by no later than 30 September. Consequently, meetings have been set up for 20 and 21 September for the Finance and Audit Scrutiny Committee and Council, respectively, to meet their responsibilities.
- 8.5 Although not required by the regulations, this report provides members of the Finance and Audit Scrutiny Committee the opportunity to see the pre-audit Statements.

9. STATEMENT OF ACCOUNTS

- 9.1 The Statement of Accounts (see Appendix A) has been prepared using principles and practices of accounting which 'presents a true and fair view' of the financial position and transactions of the Council. 'Proper accounting practices' are deemed to be those specified in CIPFA's "Code of Practice on Local Authority Accounting in the United Kingdom 2015/16" ("the Code") which involves interpretations of accounting standards and other pronouncements by the Accounting Standards Board.
- 9.2 As a consequence of the above, the Statements are required to be shown in a format which more closely follows that used to produce commercial accounts.
- 9.3 The Accounts and Audit Regulations 2015 also require that the accounts include a Narrative Report, which replaces the previous Explanatory Foreword.
- 9.4 The Statements are required to include any known changes up to the audit date. Since the Final Accounts Report to the Executive in June the Council has received formal valuations of its assets from its valuers which has resulted in a net impairments of £851,000 in respect of General Fund assets (predominantly for Town Hall £1,150,000, Cemeteries and Crematorium £866,000, Royal Pump Room £815,000 offset by increases in the values for Riverside House - £1,451,000 and Golf Course -£573,000), reduced depreciation -£158,000 (mainly car parks) and a reversal of past impairments of HRA assets totalling -£18.7m. Consequently, these changes have been incorporated into the Statement of Accounts.

- 9.5 The Statement of Accounts comprises four primary statements plus two supplementary statements that reflect specific activities of a shire district council – the Housing Revenue Account and the Collection Fund.
- 9.6 The first primary statement is the Movement in Reserves Statement (page 17). This shows the movement in the year on the different reserves held by the Council and analyses them into 'useable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves (i.e. 'unusable reserves'). The statement shows the true economic cost of providing the Council's services, the statutory adjustments required for tax and rent setting and the use of any earmarked reserves.
- 9.7 The second primary statement is the Comprehensive Income and Expenditure Statement (page 18). This is a more detailed analysis of the true economic cost of providing services referred to above. Although it would appear that the Council is operating at a large surplus, this is mainly due to the HRA impairments reversal (-£18.7m) and the new accounting regime operating in the wake of HRA Self Financing in 2011/12, whereby the Council is putting aside resources to build more homes.
- 9.8 The Balance Sheet (page 19) is a relatively simple statement with the details now being provided in the notes.
- 9.9 Similarly, the Cash Flow Statement (page 20) is a summarised account with the notes providing the details. The IFRS Cash Flow statement includes both cash and cash equivalents i.e. non-cash items that can be quickly liquidated, such as short term investments.
- 9.10 These accounts will be audited during August and September. The Statements and notes will be adjusted by any material items found during the audit and the responsible financial officer will recertify them prior to them being presented to this Committee again and to Council for formal adoption. The deadline for this is 30 September and, accordingly, new meetings have been arranged for 20 and 21 September for this committee and Council, respectively, in order that this deadline can be achieved.

10. ANNUAL GOVERNANCE STATEMENT

- 10.1 The Accounts and Audit (England) Regulations 2015 require local authorities to 'conduct a review at least once a year of the effectiveness of its system of internal control' and include a statement on internal control in any Statement of Accounts. The regulations require local authorities to produce the statement in accordance with 'proper practices in relation to internal control'.
- 10.2 Following various reviews a new Framework has been put in place which recommends that the review of the effectiveness of the system of internal control should be reported in an Annual Governance Statement.
- 10.3 To support the conclusions in the Annual Governance Statement, each year a review is to be carried out of the system of internal control to highlight any serious control issues and actions needed to deal with them.

- 10.4 The Annual Governance Statement, containing the findings of the review, is appended to the Statement of Accounts.
- 10.5 As expected, for an authority of our size, the review identified a number of areas for improvement in internal control and these form a series of actions to take. The progress on the actions coming out of the Annual Governance Statement is regularly monitored by the Senior Management Team.
- 10.6 The Annual Governance Statement was approved by this Committee at its meeting on 1 June 2016.

WARWICK DISTRICT COUNCIL
UNAUDITED STATEMENT OF ACCOUNTS 2015/16 and
ANNUAL GOVERNANCE STATEMENT
CONTENTS

	Page
Contents	1
Narrative Report	2
 <u>STATEMENT OF ACCOUNTS:</u>	
Guide to the Financial Statements	15
Statement of Responsibilities	16
Movement in Reserves Statement	17
Comprehensive Income and Expenditure Statement	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Accounts	21
Housing Revenue Account	80
Movement on the Housing Revenue Account Balance Statement	81
Notes to the Housing Revenue Account	82
Housing Major Repairs Reserve	87
Collection Fund	88
Notes to the Collection Fund	89
Glossary	93
Independent Auditor's Report to the Members of Warwick District Council	98
 <u>ANNUAL GOVERNANCE STATEMENT:</u>	
Annual Governance Statement	99

Please note: The status of the Statement of Accounts is unaudited and that the Statement of Accounts as published may be subject to change.

**Mike Snow C.P.F.A.
Responsible Financial Officer**

NARRATIVE REPORT

Message from the Head of Finance – Mike Snow

Legislation requires that an authority's audited Statement of Accounts is submitted to the appropriate body (in Warwick District, the full Council) for approval by 30 September after the end of the financial year, in order to aid transparency, it also requires all local authorities to have a common thirty day public inspection period which includes the first ten working days in July. There is no longer a requirement for the audit committee to review the draft accounts; however, in line with good practice they will be presented to the Audit and Resources Scrutiny Committee in July.

The preparation of the accounts in a timely manner provides the Council with the opportunity to report its financial position and then move on to address the challenges arising from the continued reduction in Government funding.

As the financial statements demonstrate, the financial standing of the Council continues to be robust. We have established good financial management disciplines, processes and procedures and, recognising that we operate in an environment of continuous change, we pursue our drive for on-going improvement and excellence.

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance (CIPFA). It aims to provide information so that members of the public, including electors and residents of Warwick District, partners, stakeholders and other interested parties can:

- Understand the overarching financial position of the Council and the outturn for 2015/16;
- Have confidence that the public money with which the Council has been entrusted has been used and accounted for in an appropriate manner; and
- Be assured that the financial position of the Council is sound and secure.

The style and format of the accounts complies with CIPFA standards and is similar to that of previous years. In accordance with the Auditors' 2014/15 recommendation, the content has been reviewed and the "de-cluttering" exercise has continued to seek to make the accounts more understandable.

The Narrative Report (a change in requirements for 2015/16 replacing the Explanatory Foreword) provides information about Warwick District, including the key issues affecting the Council and its accounts. It also provides a summary of the financial position at 31 March 2016 and is structured as below:

- An Introduction to Warwick District
- Key Facts about Warwick District
- Key Information about Warwick District Council
- The 2015/16 Revenue Budget Process
- Capital Strategy and Capital Programme 2015/16 to 2018/19
- Financial Performance of the Council 2015/16
- Non-Financial Performance of the Council 2015/16
- Corporate Risks
- Summary Position
- Receipt of Further Information
- Acknowledgements

This is followed by an explanation of the Financial Statements, including information on significant transactions during 2015/16.

NARRATIVE REPORT

An Introduction to Warwick District

Warwick District Council is one of five district / borough councils within the shire county of Warwickshire. It lies in the south of Warwickshire and covers approximately 28,288 hectares. The district is a mixture of urban – there are four towns within the district: Royal Leamington Spa, Warwick, Kenilworth and Whitnash – and rural areas.

Royal Leamington Spa has wide boulevards, Georgian and Edwardian architecture and expansive, award-winning parks. Both Warwick and Kenilworth are steeped in history and each has a renowned castle.

The Council's vision is to "make Warwick District a Great Place to Live, Work and Visit".

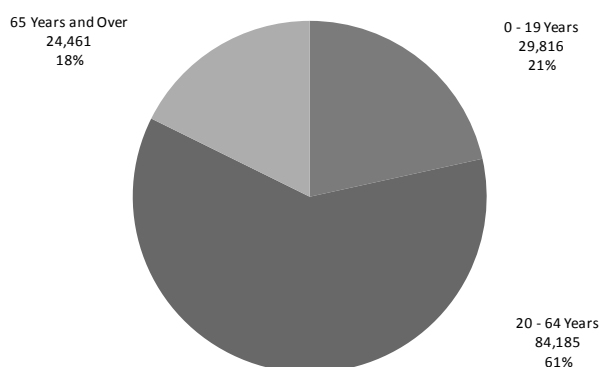
Key Facts about Warwick District

The profile of the local population dictates the direction and substance of the services provided by the Council.

Population

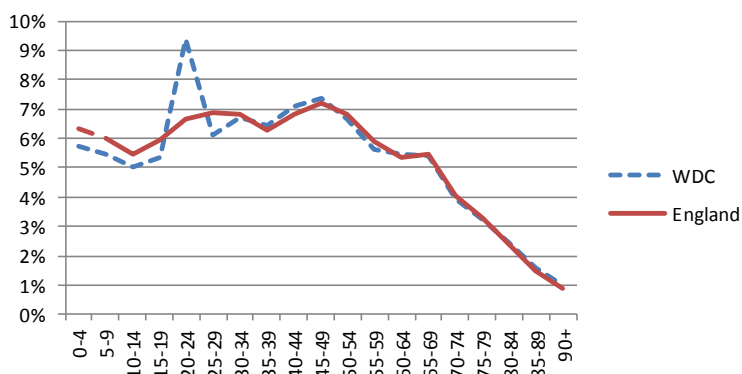
The Office for National Statistics Mid-Year Estimates for 2014 reported that Warwick District's estimated population was 138,462 with the age profile as presented below:

Composition of Warwick District Population



A comparison of Warwick District's age profile with England as a whole shows that for people aged 30 years and above the Warwick District population is virtually the same. However, at up to 19 years old the District is below the national average but has a much higher percentage of 20 to 24 year olds reflecting the large number of students in the area.

Comparison By Age Band



NARRATIVE REPORT

Key Information about Warwick District Council

Warwick District Council is a multifunctional and complex organisation. Its policies are directed by the political leadership and implemented by Portfolio Holders, who make up the Executive, and officers of the Council. The following section describes the political and management structures of the Council, the political ethos driving the policy agenda and the means by which these are implemented and managed.

Political Structure in the 2015/16 Municipal Year

Warwick District has 22 wards and the Council consists of 46 Councillors and following the local election on 7 May 2015 the political make-up of the Council was:

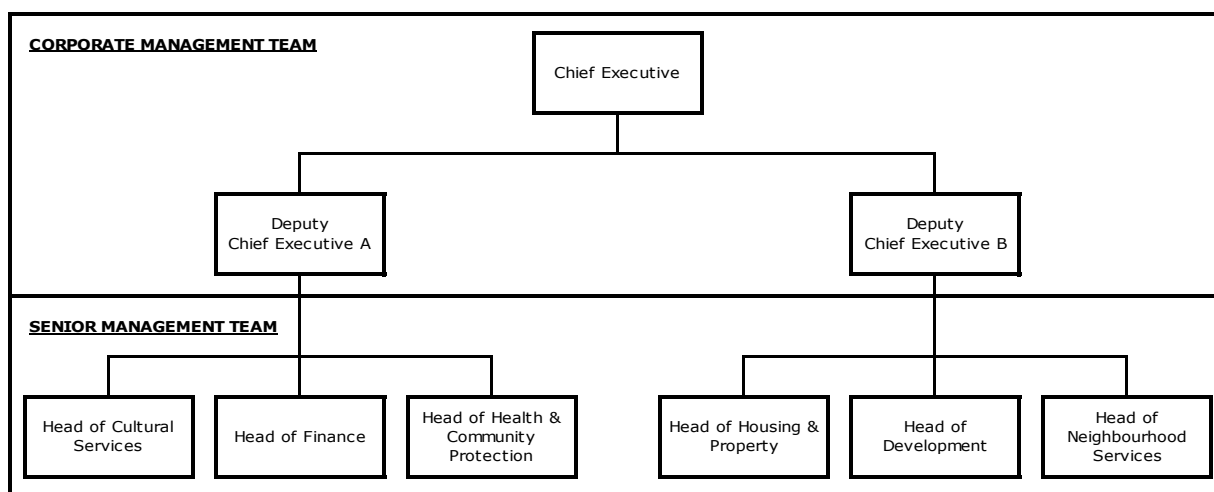
Conservative Party	31 Councillors
Labour Party	9 Councillors
Whitnash Residents Association (Independent)	3 Councillors
Liberal Democrat Party	2 Councillors
Green Party	1 Councillor

The Council has adopted the Leader and Executive model as its political management structure arising from the Local Government and Public Involvement in Health Act 2007. The Leader of the Executive has responsibility for the allocation of Portfolios and the delegation of Executive Functions. Executive members are held to account by a system of scrutiny which is also set out in the Constitution. Scrutiny of Executive decisions for 2015/16, including the setting of a balanced budget for 2016/17, has been undertaken by either the:

- Finance and Audit Scrutiny Committee; or the
- Overview and Scrutiny Committee.

Management Structure

Supporting the work of Councillors is the organisational structure of the Council headed by the Corporate Management Team, led by the Chief Executive.



During 2015/16 the Corporate Management Team was comprised of the Chief Executive and two Deputy Chief Executives. Deputy Chief Executive A also performs the duties of the Monitoring Officer and Legal Client Manager.

The Head of Finance periodically attends the Corporate Management Team meetings in his role as the Council's Chief Financial Officer (the officer responsible under statute for the administration of the Council's financial affairs) together with other Heads of Service as required. This ensures that the key statutory officers are represented at the most senior level of the Council.

NARRATIVE REPORT

The Corporate Management Team is responsible for the delivery of Council services, directing improvements and future plans for Warwick District. It provides managerial leadership and supports Councillors in:

- Developing strategies;
- Identifying and planning resources;
- Delivering plans; and
- Reviewing the Council's effectiveness with the overall objective of providing excellent services to the public.

Supporting the Corporate Management Team is the Senior Management Team which consists of six Heads of Service as shown in the diagram above.

Council Employees

The whole time equivalent number of staff employee by the Council in April 2015 was 452. This increased over the year by 19 to 471 in March 2016 following the transfer of 9 Building Control staff from Daventry and Rugby to form a shared service, the appointment of two call centre staff following the repatriation of the service to this Council from Warwickshire County Council and making some casual staff permanent. There were also 7 redundancies following service restructures.

Sustainable Community Strategy

The Council has faced significant cuts in its funding from central government over the past few years resulting in revenue reductions of over £4m during the period 2009/10 to 2015/16. A further £1.8m of savings have been built into the budgets during 2016/17 to 2019/20.

Working with its partners who share the same vision the Council has consulted widely to find out the views of residents, local community groups and neighbourhood forums. Together we have produced a long term plan, known as the Sustainable Community Strategy. This will guide the Council towards creating a District where people feel safe, enjoy a healthy lifestyle and sense of wellbeing, have their housing needs met and there is a strong, diverse economy.

Fit for the Future change programme was approved by the Council on 20 October 2010. This programme will enable the Council to provide high quality services which its customers value, improve the way it develops as an organisation and balance its budget.

In moving forwards it is critical that we are clear of our place, leadership role and priorities. We are now five years into our Fit for the Future, with the programme having been regularly reviewed and updated over that period. 2016 will see us review our progress over those five years and, following a Corporate Peer Challenge review, set out a plan for the next few years.

The Council's Corporate Action Plan

In 2009 The Warwick Partnership (the Local Strategic Partnership) published its Sustainable Community Strategy (SCS) for the District SCS, with a shared Vision of Warwick District as "a great place to live, work and visit, where we aspire to build sustainable, safer, stronger and healthier communities". As time has moved on and the national and local landscape has evolved, the Council has ensured that the Strategy has remained relevant with a significant review in 2013. The review concluded that the Strategy should focus on five key themes:

- Health & Wellbeing;
- Housing;
- Prosperity;
- Safer Communities; and
- Sustainability.

Progress against the strategic priorities is reported to Members on a six-monthly basis.

NARRATIVE REPORT

Key Factors that Influenced the Council and its Financial Position in 2015/16

The key factors that have influenced the Council and the services that it provided in 2015/16 are:

- Local Government Finance Acts;
- The Local Government Finance Settlements; and
- Economic downturn and continuing reduction in the national deficit.

These issues will continue to frame the way in which Council services are provided in future financial years.

Political

- Local Government Finance – the General Election in May 2015 returned a majority Conservative Government. As expected, work to reduce the national deficit continued with the Chancellor's Summer Budget in July 2015 confirming that an additional £20 billion of public sector spending reductions would be required by 2020. The Chancellor's Budget of March 2016 included further proposals for Government policies and strategies aimed at reducing the national budget deficit.
- Spending Review – the outcome of the Spending Review was announced by the Chancellor on 25 November 2015. The review was wide-ranging and raised some new issues not previously anticipated. It set out fundamental changes to Local Government and its future financial arrangements including (for a shire district council):
 - The end of Revenue Support Grant, the main un-ringfenced grant received by Councils;
 - The ability of Local Authorities to retain 100% of Business Rates;
 - The assignment of yet to be notified additional responsibilities.

While the Spending Review did not have a direct impact on the Council's financial position in 2015/16 it is important to consider the package of measures announced as they will start to have an effect in 2016/17 and beyond.

- The Welfare Reform Act – introduced in 2012 with the aim of reducing the national welfare bill by £5.5 billion by 2016, including the withdrawal of Local Welfare Provision monies from 2015/16. The Chancellor announced in his July 2015 Summer Budget that there would be a further £12 billion reduction in spending on welfare, although there have been some changes to the proposals initially announced.

Economic

- Government austerity measures – aimed at getting the public sector deficit under control have continued to influence resources available to the Council, with the Council having to make considerable budget reductions. As the Government's own targets have changed, it has meant that the austerity measures have been extended to 2020.
- Business Rate Relief – the schemes, including Small Business Rate Relief which operated throughout 2014/15 were extended for one more year and business rates increases were again capped at 2% from April 2015. Every retail business in England occupying premises with a rateable value of up to £50,000 was eligible for a business rates discount worth £1,500 (£1,000 in 2014/15).

Social

- The 2014 Office for National Statistics mid-year estimates reported Warwick District's population at 138,462.
- Warwick District has a slightly lower proportion of people up to 19 years old compared to England as a whole. However, the proportion of people aged 20 to 24 is considerably higher in the District. From 25 years onwards the District has a similar proportion of people as the national average.

NARRATIVE REPORT

- The National Living Wage increases to £7.20 per hour in April 2016 for over-25s only; it is uncertain how its introduction will affect local small businesses and low-paid local sectors such as childcare and retail.

Technological

- The huge increase in the use of the internet, social media and social networking has made these channels one of the main ways of informing and communicating with others.
- As part of the Council's redesign of services its Digital Transformation Policy will greatly enhance the use of digital technology for its customers to access the council's services.

Legal

- Finance Act 2015 and National Insurance Contributions (Rate Ceilings) Act 2015 – include legislation to ensure that there would be no rise in the Income Tax rate, VAT or National Insurance before 2020. It also raises the Income Tax threshold to £12,500 by 2020.
- Local Audit and Accountability Act 2014 – this act included measures to abolish the Audit Commission in March 2015 and replace it with a new Local Audit Framework. It also extended the Council Tax Referendum provisions.
- The Welfare Reform and Work Act 2016 – received royal assent in March 2016 and includes wide-ranging provisions covering employment and the apprenticeships targets, support for troubled families and life chances, the benefit cap, social security and tax credits, loans for mortgage interest and social housing rents.
- Accounts and Audit Regulations 2015 – which has changed the timeline for the production and approval of Local Authorities' Statement of Accounts.
- Housing and Planning Act 2016;
- A number of other bills are making their way through Parliament which will potentially impact on the Council in coming years and which have influenced plans for 2015/16 onwards. Examples include: the Enterprise Bill and the Energy Bill.

Environmental

- Carbon Reduction Commitment (CRC) – the Government proposes by 2019 to end the current mandatory scheme, which was aimed at improving energy efficiency and cutting emissions in large public and private sector organisations. The replacement will be a new universal Climate Change Levy on business, resulting in a new tax on the Council's energy costs.
- Adverse weather conditions may require extra investment in preventative measures and could result in costs to the local economy if the infrastructure is out of action for an extended period of time.

The 2015/16 Revenue Budget Process

The 2015/16 revenue budget process was influenced and framed by the continued need to make reductions in expenditure whilst progressing Council priorities.

In December 2014 the Executive and Council approved detailed budget reports for both the General Fund and Housing Revenue Account for setting the 2015/16 revenue budgets.

By February 2015 the Council had received the 2015/16 Revenue Support Grant Settlement; updated business rate retention projections for 2015/16 and New Homes Bonus 2015/16 and an updated Council Rent Policy in addition to any further changes in circumstances. The Executive recommended that the net General Fund revenue budget for 2015/16 be set at £7.466m; this was approved by Council at its meeting on 25 February 2015. Council also approved the Capital Programme for 2015/16 to 2018/19 and the Medium Term Financial Strategy 2015/16 to 2019/20 along with the Housing Revenue Account Budget for 2015/16.

NARRATIVE REPORT

Council Tax

Council policy in 2015/16 was once again to freeze Council Tax and take advantage of the Council Tax Freeze Grant offered by Government. An indicative allocation of £78,700 was included within the 2015/16 Revenue Budget Report, with Central Government confirming a final allocation of £82,100 on 27 April 2015. Both Warwickshire County Council and the Office for the Warwickshire Police and Crime Commissioner both increased their Council Tax by 1.95% and 1.99% respectively.

The comparison of Council Tax levels from 2013/14 to 2015/16 is shown below:

Band D Council Tax by Tax Raising Body	2013/14 £	2014/15 £	2015/16 £
Warwick District Council	146.86	146.86	146.86
Warwickshire County Council	1,155.25	1,178.19	1,201.14
Office of Warwickshire Police and Crime Commissioner	180.96	184.56	188.23
Average Parish and Town Councils	23.13	24.23	24.26
TOTAL Band D Council Tax	1,506.20	1,533.84	1,560.49

Council Tax Base

The revision to the 2015/16 Tax Base, resulting in an increase of 999.85 to the number of Band D equivalent properties (as shown in the table below), produced a net increase in Council Tax income of £146,840 for Warwick District Council. This in part reflects the Council's support for local house building and the regeneration of the district.

	2013/14	2014/15	2015/16
Number of Band D equivalent dwellings	48,530.30	49,836.88	50,836.73

Collection Fund

Payments out of the Collection Fund for in-year Council Tax (excluding prior year surpluses / deficits) from 2013/14 to 2015/16 are set out in the table below and show a year on year increase in funding available for the precepting bodies reflecting the increase in the Council Tax Base and any increase in demand:

	2013/14 £'000	2014/15 £'000	2015/16 £'000
Warwick District Council	7,127	7,319	7,466
Warwickshire County Council	56,065	58,717	61,062
Office of Warwickshire Police and Crime Commissioner	8,782	9,198	9,569
Average Parish and Town Councils	1,122	1,208	1,233
TOTAL Demands	73,096	76,442	79,330

Medium Term Financial Strategy for 2015/16 to 2019/20

The Medium Term Financial Strategy (MTFS) was approved at the Council meeting on 25 February 2015 and it set the framework to enable the Council to determine an appropriate course of action to address significant financial challenges not only for 2015/16 but for future financial years.

NARRATIVE REPORT

The revenue budget reductions included in the MTFS highlighted that the Council would have to continue the Fit for the Future change programme for future business and organisational arrangements in order to continue to provide value for money public services. The original MTFS budget reduction requirements reflected future years' revised targets following the Comprehensive Spending Review of 2013 and the 2015/16 Settlement. Information provided in the Settlement was for 2015/16 only and no indicative figures were issued for 2016/17. This reduced the opportunity for a more informed assessment of future Government grant support. Subsequent announcements, which helped inform the 2016/17 budget round including the Summer Budget of 8 July 2015, Spending Review of 25 November 2015 and final Local Government Settlement of 8 February 2016, have enabled a much more comprehensive assessment of the Council's future financial position.

The major influences on the budget going forward to 2017/18 and beyond are the continued anticipated reductions in Central Government support, including the implementation of 100% business rates retention, and expenditure pressures relating to: pay awards, inflation and capital financing in relation to the Council's capital programme.

Budget Reviews

Revenue and capital budget review information is reported monthly to the Senior Management Team and quarterly to the Executive. Executive reports are reviewed by the Finance and Audit Scrutiny Committee. The third quarter report to the Executive (December) is a detailed review of budgets which also includes the first draft of the detailed budgets for the forthcoming year.

Capital Programme 2015/16 to 2018/19

The Capital Programme was approved at the Council meeting of 25 February 2015. The programme is set over a four year period 2015/16 to 2018/19.

In total the planned programme for 2015/16 was £20m, mostly funded from internal reserves. The largest element of the programme, at £10.7m, was the building of new Council housing stock. As 2015/16 progressed, the initial plans were revised to incorporate expenditure re-profiled from the previous year, new assumptions, approvals and scheme updates, as information became available. The revised capital programme for 2015/16 was £21.7m.

Resources Available for the Capital Programme

The table below summarises the approved resources available for the 2015/16 Capital Programme and the indicative programme to 2019/20. This level of resources ensures that the overall planned spending and funding are in balance.

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Capital Receipts	1,378	504	187	187	188
Grants and Other Contributions	1,226	499	423	423	422
Revenue Contributions	19,053	10,715	5,280	5,514	5,087
TOTAL Programme / Funding	21,657	11,718	5,890	6,124	5,697

NARRATIVE REPORT

Financial Performance of the Council 2015/16

Revenue Outturn Position – General Fund Services

The Council's 2015/16 revenue outturn position in respect of its General Fund Services is shown in the table below. The original budget set at the Council meeting on 25 February was £13.563m. The original budget set out how the Council planned to allocate its funding during the year in order to deliver services to the people and communities within Warwick District. As the year progressed various amendments to the Council's funding allocations were announced by the Government and amendments were made to ensure that the Council complied with accounting standards and practice. This resulted in total changes of £1.046m.

In overall terms, the Council achieved a surplus of £1.7m for the financial year when comparing budgeted (planned) expenditure with actual expenditure. The surplus for the year has been allocated £232,000 to 2016/17 budgets and the balance of £1.5m to reserves.

	Original Budget £000	Actual £000	Variation £000
Net Revenue Expenditure:			
Culture	3,472	5,960	2,488
Development Services	1,999	1,464	(535)
Finance	2,288	2,010	(278)
Health & Community Protection	2,514	2,992	478
Housing and Property Services	2,761	621	(2,140)
Neighbourhood Services	4,855	4,516	(339)
Strategic Leadership	1,727	1,603	(124)
Net Service Expenditure	19,616	19,166	(450)
Less Financing Adjustments	(4,827)	(5,396)	(569)
Total Net Expenditure	14,789	13,770	(1,019)
Financed By:			
Council Tax Payers	(7,466)	(7,466)	-
Revenue Support Grant	(2,499)	(2,499)	-
Retained Business Rates	(2,835)	(3,718)	(883)
New Homes Bonus Returned Funding	(264)	(10)	254
Right To Move Grant	-	(71)	(71)
Transparency Setup Grant	-	(8)	(8)
Council Tax Freeze Grant	(79)	(82)	(3)
New Homes Bonus Grant	(1,623)	(1,623)	-
Council Tax Support Grant	(23)	(23)	-
Council Tax Annex Discount Grant	-	(2)	(2)
Total Financing	(14,789)	(15,502)	(713)
NET UNDERSPEND FOR YEAR	-	(1,732)	(1,732)

Within the Net Service Expenditure there are a number of notional charges that are reversed out in the Financing Adjustments. The three most notable items are:

- Capital charges – re-profiling of the capital programme, depreciation and impairment charges has resulted in increased capital charges of £1.3m.
- £0.3m of various revenue programmes not completed in 2015/16 has been carried forward to 2016/17.

NARRATIVE REPORT

Excluding the above notional charges there is a net underspend of £1.7m for the year. The two most notable items are:

- Increased income from fees and charges £1.4m.
- Additional contributions of £218,000 received from third parties towards costs of service provision.

Revenue Outturn Position - Housing Revenue Account

The Council's 2015/16 revenue outturn position in respect of its Housing Revenue Account (HRA) is shown in the table below. The original budget set at the Council meeting on 25 February was to transfer an operating surplus of £5.368m to the HRA Capital Investment Reserve. The original budget set out how the Council planned to allocate its funding during the year in order to deliver its landlord services to its tenants within Warwick District. As the year progressed various amendments were made to work programmes. This resulted in increased work of £1.665m thus reducing the contribution to the HRA Capital Investment Reserve to £3.703m.

In overall terms, the HRA achieved a surplus of £1.7m for the financial year when comparing budgeted (planned) expenditure with actual expenditure.

	Original Budget £000	Actual £000	Variation £000
Expenditure:			
Employees	2,204	2,313	109
Premises	6,794	7,286	492
Transport	100	87	(13)
Supplies and Services	926	725	(201)
Third Party Payments	723	673	(50)
Support Services	2,198	3,854	1,656
Capital Charges	3,011	(15,686)	(18,697)
Total Expenditure	15,956	(748)	(16,704)
Income:			
Other Grants and Contributions	(502)	(526)	(24)
Other Income	(82)	(110)	(28)
Fees and Charges	(673)	(707)	(34)
Rents	(26,672)	(26,727)	(55)
Recharges	(1,269)	(2,945)	(1,676)
Total Income	(29,198)	(31,015)	(1,817)
Net Cost of Services	(13,242)	(31,763)	(18,521)
Adjustments and Appropriations:			
Interest on Balances	(172)	(199)	(27)
Capital Charges Adjustment	3,038	21,571	18,533
External Interest Paid	4,766	4,766	-
Revenue Contrib. to Capital Outlay	286	357	71
Contribution to / (from) Reserves	8	5	(3)
Increase in HRA Balance	33	33	-
Other Adjustments	(85)	(158)	(73)
Transfer to HRA Cap. Invest. Res.	(5,368)	(5,388)	(20)

The main variances relate to:

- £18.7m reduction in asset impairments.
- £505,000 increase on repairs and maintenance programme.

NARRATIVE REPORT

- £259,000 of various revenue programmes not completed in 2015/16 has been carried forward to 2016/17.
- £222,000 less doubtful debts provision required.

Capital

The Council spent £14.8m on its Capital Programme in 2015/16 compared with a revised forecast spend of £21.7m. The Capital Programme was financed through a number of sources including capital receipts, external grants and contributions and revenue contributions. The capital expenditure incurred during the year and financing of this expenditure are shown in the tables below:

HOUSING INVESTMENT PROGRAMME (HIP)	Original Budget £000	Actual £000	Variation £000
HRA Related HIP:			
New Build / Reprovision of Housing	10,687	7,546	(3,141)
Improvement / Renewals	5,059	4,182	(877)
Lettings Incentive Scheme	100	49	(51)
Total HRA HIP	15,846	11,777	(4,069)
General Fund Related HIP:			
Private Sector Housing	610	727	117
TOTAL HIP	16,456	12,504	(3,952)
Financed By:			
Capital Receipts	(830)	(1,672)	(842)
Capital Grant	(365)	(397)	(32)
Major Repairs Reserve	(4,872)	(3,874)	998
HRA Capital Investment Reserve	(10,102)	(6,204)	3,898
Revenue	(287)	(357)	(70)
Total Financing	(16,456)	(12,504)	3,952

Other Services Programme	Original Budget £000	Actual £000	Variation £000
Capital Expenditure:			
Culture	103	297	194
Development Services	1,669	481	(1,188)
Finance	410	293	(117)
Health & Community Protection	-	97	97
Neighbourhood Services	1,065	967	(98)
Strategic Leadership	256	153	(103)
Net Service Expenditure	3,503	2,288	(1,215)
Financed By:			
Internal Borrowing	-	(111)	(111)
Capital Receipts	(682)	(469)	213
External Contributions	(614)	(250)	364
Revenue / Reserves	(2,207)	(1,458)	749
Total Financing	(3,503)	(2,288)	1,215

NARRATIVE REPORT

The variance between the forecast capital expenditure and the final outturn for the year was a reduction of £5.17m. Capital slippage from 2014/15 and a revised capital programme resulted in an underspend at the yearend of £6.87m. Some of this was savings on completed projects but the majority is work not completed in the year. This will require the re-profiling £5.744m of planned expenditure into 2016/17 together with the associated financing. Therefore this does not present any financial issues for the Council.

Non-Financial Performance of the Council 2015/16

Achievements

Although times are challenging for Warwick District Council and the Local Government Sector as a whole, the Council has achieved significant success in its key policy areas. For example:

Health and Wellbeing:

- Exercise Referral Scheme – Warwick District Council is working in partnership with “Fitter Futures Warwickshire” to deliver an Exercise Referral Programme to the residents of Warwick District.
- “Healthy Warwick” - Match-funding contribution made by the WDC to the ‘Healthy Warwick’ grants in conjunction with Public Health and the South Warwickshire Clinical Commissioning Group.

Housing:

- Development of 81 units of Council Tenant accommodation for “active elderly” in the heart of Leamington Spa.
- Development of 31 units of Social Housing accommodation with housing partner Waterloo Housing Group again in the heart of Leamington.

Prosperity:

- Leverage of LEP grant to refurbish Council-owned property for high-tech sector.
- Facilitation of major planning application for sub-regional employment site.

Safer Communities:

- Continued investment in CCTV led directly to over 400 arrests.
- Working with Warwick University to deliver Street Marshall and Pastor service to make Leamington Spa’s streets safer.

Sustainability:

- Working with major developer to achieve planning consent for a major Country Park in the south of the District.
- Major government grant secured for the feasibility of developing local heat networks.

Performance Against Corporate Objectives

As the Council’s main strategy documents the Sustainable Community Strategy and Fit For The Future Change Programme play key roles in shaping the performance management framework for the Council. The main objectives are:

- Support all town centres to flourish.
- Support the District’s economically disadvantaged residents.
- Adopt a Local Plan that balances the needs of all stakeholders.
- Help to attract inward investment to the District.

They all contribute to the Council’s Vision of making Warwick District a great place to live, work and visit.

Each service area produces a Service Area Plan which is approved and reviewed by the Executive.

NARRATIVE REPORT

Corporate Risks

The Council has an embedded process to manage risks and assist the achievement of its objectives, alongside national and local performance targets. The Significant Business Risk Register plays an integral role to support the Council's activities and is the responsibility of the Executive and is subject to review by the Finance and Audit Scrutiny Committee.

Summary Position

It is clear that the Council's financial and non-financial performance in 2015/16 continues to be good.

In 2015/16, the Council has faced and dealt successfully with significant change. This trend will continue and accelerate but the Council is well placed to adapt to the challenges and to take advantage of the opportunities offered. There are risks as highlighted above, but there are well established and robust risk management processes in place and, together with robust financial management reporting, the Council is in a strong position as it moves into 2016/17.

Receipt of Further Information

If you would like to receive further information about these accounts, please do not hesitate to contact me.

Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptionally hard work and dedication of staff across the Council. I would like to express my gratitude to all colleagues, from the Finance team and other services who have assisted in the preparation of this document. I would also like to thank them for all their support during the financial year.

Mike Snow, C.P.F.A.
Head of Finance and Chief Financial Officer
Warwick District Council
P.O. Box 2180
Riverside House
Milverton Hill
Royal Leamington Spa
Warwickshire
CV32 5QW

GUIDE TO THE FINANCIAL STATEMENTS

A brief outline of the purpose of the Council's financial statements is given below:

Page 16 Statement of Responsibilities

This statement identifies the responsibilities of the Council and of the Responsible Financial Officer.

Page 17 Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

Page 18 Comprehensive Income and Expenditure Statement

This statement shows the economic cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

Page 19 Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the asset and liabilities recognised by the authority.

Page 20 Cash Flow Statement

This statement shows the changes in cash and cash equivalents of the authority during the reporting period.

Page 80 Housing Revenue Account (HRA) Income and Expenditure Statement

This statement shows in more detail the income and expenditure on HRA services included in the whole authority Comprehensive Income and Expenditure Statement.

Page 81 Movement on the Housing Revenue Account Statement

This statement shows the movement in the year on the different reserves held for the Housing Revenue Account, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other reserves.

Page 87 Major Repairs Reserve

This statement details the income and expenditure during the year on major repairs and improvements to the Council's housing stock.

Page 88 Collection Fund

This statement details the transactions relating to the collection of council tax and national non-domestic rates (NNDR). The Council acts as an agent to collect revenue on behalf of Warwickshire County Council, the Office of the Warwickshire Police and Crime Commissioner and the Government.

Where appropriate, comparative figures for the previous financial year are given. For specific items detailed notes are provided giving further information.

STATEMENT OF RESPONSIBILITIES

The Council's Responsibilities

The Council is required to:

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

Statement of Accounts approved at the Council meeting on 21 September 2016

Chair of the Council Meeting
Councillor Mrs Jane Knight

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the C.I.P.F.A. / L.A.S.A.A.C. Code of Practice on Local Authority Accounting in the United Kingdom (the Code):

In preparing this Statement of Accounts, the Chief Financial Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the local authority Code.

The Chief Financial Officer has also:

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

I certify, that to the best of my knowledge and belief, the Statement of Accounts presents a true and fair view of the financial position of Warwick District Council at 31 March 2016 and its income and expenditure in the year ended 31 March 2016.

29 June 2016

Mike Snow C.P.F.A.
Chief Financial Officer
Warwick District Council
P.O. Box 2180
Riverside House
Milverton Hill
Royal Leamington Spa
Warwickshire
CV32 5QW

MOVEMENT IN RESERVES STATEMENT

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

	General Fund Balance £000	Earmarked General Fund Reserves £000	Housing Revenue Account £000	Earmarked HRA Reserves £000	Capital Receipt Reserves £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2014	1,502	14,478	1,323	17,791	5,651	764	1,862	43,371	159,137	202,508
Movement in reserves during 2014/15										
Surplus or (Deficit) on provision of services (accounting basis)	(4,752)	-	22,946	-	-	-	-	18,194	-	18,194
Other Comprehensive Expenditure and Income	-	-	-	-	-	-	-	-	(6,079)	(6,079)
Total Comprehensive Income and Expenditure	(4,752)	-	22,946	-	-	-	-	18,194	(6,079)	12,115
Adjustments between accounting basis and funding basis under regulations (Note 6)	7,862	-	(19,047)	-	(67)	1,835	(795)	(10,212)	10,212	-
Net Increase / (Decrease) before Transfers to Earmarked Reserves	3,110	-	3,899	-	(67)	1,835	(795)	7,982	4,133	12,115
Transfers to / (from) Earmarked Reserves (Note 7)	(2,508)	2,508	(3,869)	3,869	-	-	-	-	-	-
Increase / (Decrease) in 2014/15	602	2,508	30	3,869	(67)	1,835	(795)	7,982	4,133	12,115
Balance at 31 March 2015 carried forward	2,104	16,986	1,353	21,660	5,584	2,599	1,067	51,353	163,270	214,623
Movement in reserves during 2015/16										
Surplus or (Deficit) on provision of services (accounting basis)	(2,097)	-	27,572	-	-	-	-	25,475	-	25,475
Other Comprehensive Expenditure and Income	-	-	-	-	-	-	-	-	31,262	31,262
Total Comprehensive Income and Expenditure	(2,097)	-	27,572	-	-	-	-	25,475	31,262	56,737
Adjustments between accounting basis and funding basis under regulations (Note 6)	3,063	-	(28,350)	-	1,372	2,012	(85)	(21,988)	21,988	-
Net Increase / (Decrease) before Transfers to Earmarked Reserves	966	-	(778)	-	1,372	2,012	(85)	3,487	53,250	56,737
Transfers to / (from) Earmarked Reserves (Note 7)	(1,260)	1,260	811	(811)	-	-	-	-	-	-
Increase / (Decrease) in Year	(294)	1,260	33	(811)	1,372	2,012	(85)	3,487	53,250	56,737
Balance at 31 March 2016 carried forward	1,810	18,246	1,386	20,849	6,956	4,611	982	54,840	216,520	271,360

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

Gross Expenditure 2014/15 £000	Gross Income 2014/15 £000	Net Expenditure 2014/15 £000		Notes	Gross Expenditure 2015/16 £000	Gross Income 2015/16 £000	Net Expenditure 2015/16 £000
2,655	(1,297)	1,358	Central Services to the Public		2,992	(1,508)	1,484
11,164	(3,728)	7,436	Cultural and Related Services		11,761	(4,733)	7,028
7,700	(2,583)	5,117	Environmental and Regulatory Services		8,607	(2,595)	6,012
5,011	(1,997)	3,014	Planning Services		5,820	(2,870)	2,950
2,542	(3,137)	(595)	Highways and Transport Services		2,221	(3,268)	(1,047)
14,743	(27,533)	(12,790)	Local Authority Housing (HRA)		14,957	(28,071)	(13,114)
(16,110)	-	(16,110)	Local Authority Housing (HRA) - Impairment charges / reversals		(18,747)	-	(18,747)
32,870	(31,663)	1,207	Other Housing Services		33,294	(32,130)	1,164
1,761	(17)	1,744	Corporate and Democratic Core		1,941	(175)	1,766
207	-	207	Non-Distributed Costs		76	-	76
62,543	(71,955)	(9,412)	Cost of Services - continuing operations		62,922	(75,350)	(12,428)
3,345	-	3,345	Other Operating Income and Expenditure	8	2,211	(527)	1,684
7,113	(995)	6,118	Financing and Investment Income and Expenditure	9	6,605	(3,982)	2,623
-	(18,245)	(18,245)	Taxation and Non-Specific Grant Income and Expenditure	10	-	(17,354)	(17,354)
		(18,194)	(Surplus) or Deficit on Provision of Services				(25,475)
			Other Comprehensive Income and Expenditure:				
	(3,697)		(Surplus) or Deficit on revaluation of Property, Plant and Equipment assets	22			(17,405)
	(65)		Surplus or deficit on revaluation of available for sale financial assets	22			17
	9,841		Remeasurement of the net defined benefit liability / (asset)	22			(13,874)
	6,079		Other Comprehensive Income and Expenditure				(31,262)
	(12,115)		Total Comprehensive Income and Expenditure				(56,737)

BALANCE SHEET

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

31 March 2015 £000		Notes	31 March 2016 £000
331,258	Property, Plant and Equipment	11	369,905
7,919	Heritage Assets	12	8,255
8,942	Investment Properties	13	11,477
49	Intangible Assets	14	47
1	Long Term Investments	15	-
867	Long Term Debtors	15	862
349,036	LONG TERM ASSETS		390,546
32,226	Short Term Investments	15	31,361
363	Assets Held for Sale	16	796
39	Inventories		25
3,394	Short Term Debtors	17	4,108
23,314	Cash and Cash Equivalents	18	29,463
59,336	CURRENT ASSETS		65,753
(7,488)	Short Term Creditors	19	(8,164)
(2,473)	Provision Liabilities payable in less than 1 year	20	(1,084)
(9,961)	CURRENT LIABILITIES		(9,248)
(1,729)	Provision Liabilities payable in more than 1 year	20	(3,707)
(136,209)	Long Term Borrowing	15	(136,209)
(45)	Other Long Term Liabilities	15	(12)
(374)	Capital External Grants/Contributions in Advance	30	(1,596)
(45,431)	Net Pensions Liability	35	(34,167)
(183,788)	LONG TERM LIABILITIES		(175,691)
214,623	NET ASSETS		271,360
51,353	Usable Reserves	21	54,840
163,270	Unusable Reserves	22	216,520
214,623	TOTAL RESERVES		271,360

CASH FLOW STATEMENT

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

2014/15		Notes	2015/16
£000			£000
(18,194)	Net (Surplus) or deficit on the provision of services		(25,475)
4,794	Adjust net (surplus) or deficit on the provision of services for noncash movements	23	7,737
3,243	Adjust for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	23	5,145
(10,157)	Net cash flows from Operating Activities		(12,593)
5,005	Investing Activities	24	6,410
524	Financing Activities	25	34
(4,628)	Net (increase) or decrease in cash and cash equivalents		(6,149)
(18,686)	Cash and cash equivalents at the beginning of the reporting period		(23,314)
(23,314)	Cash and cash equivalents at the end of the reporting period		(29,463)

NOTES TO THE ACCOUNTS

1. **ACCOUNTING POLICIES**

a. General Principles

The Statement of Accounts summarises the Council's transactions for the 2015/16 financial year and its position at 31 March 2016. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and the Service Reporting Code of Practice 2015/16, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

b. Accruals of Income and Expenditure

Revenue and capital transactions are accounted for on an accruals basis. This means that all income is recorded when the debt has been established rather than when the money has been received. Similarly, expenditure is recorded when it is owed rather than when the payment is made.

Exceptions to the above rule include items paid for on an annual or periodic basis (e.g. subscriptions, insurance premiums, etc.) where the accounts still show an annual equivalent cost.

Money owed to the Council at 31 March is included as Debtors. Money owed by the Council at 31 March is included as Creditors.

c. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, on demand deposits and short-term investments which are readily convertible to cash.

d. Charges to Revenue for Non-current Assets

Services and support services are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance minimum revenue provision (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

NOTES TO THE ACCOUNTS

e. Employee Benefits

Benefits Payable During Employment

The accounts reflect an accrual for accumulating short-term absences, that is annual leave and flexi-time carry forward at 31 March. The charge is made to service accounts in the Comprehensive Income and Expenditure Statement and a short-term creditor created on the Balance Sheet.

The impact of this on the Comprehensive Income and Expenditure Statement is reversed out of the service expenditure to the Accumulated Absences Adjustment Account in the Unusable Reserves on the Balance Sheet.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis in the accounts at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the accounts to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme – the liabilities of the scheme attributable to the Council are included in the Balance Sheet on an actuarial basis and the assets of the fund attributable to the Council are included in the Balance Sheet at their fair value.

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment and funding benefits in accordance with statutory provisions. The balance on the Pensions Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources available to meet them. The statutory arrangements will ensure that funding is available by the time the benefits come to be paid.

The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. Statutory arrangements, however, require benefits earned to be financed as the Council makes employer's contributions to the Pension Fund or pays any pension for which it is directly responsible.

The Council has agreed a strategy with the Pension Fund's Actuary to achieve a funding level of 100% over the next 19 years. Funding levels are monitored on an annual basis. The last valuation took place on 31 March 2013, with new arrangements effective from 1 April 2014. The next triennial valuation is due to be completed on 31 March 2016.

NOTES TO THE ACCOUNTS

The Pension Fund has changed from a final salary scheme to an average salary scheme with effect from 1 April 2014 in line with the Public Pensions Services Act 2013.

f. Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue.

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

g. Financial Instruments

Financial instruments are contracts that give rise to a financial asset or financial liability and these are represented by loans and receivables, long-term debtors and creditors, and are carried in the Balance Sheet at amortised cost.

The Council took out £136.157m in PWLB fixed interest rate long term loans with varying maturities of between 41 and 50 years on the 28th March 2012 in order to fulfil its obligations under the new HRA self-financing regime. Although PWLB long term loans are carried in the balance sheet at amortised cost, the Council is required to disclose the fair value of these loans. This requires a calculation of the net present value of the cash flows that are scheduled to take place over the remaining life of each loan. The fair value of these loans will be different to the amortised cost if prevailing interest rates differ from those applicable to the loans when taken out. The introduction of IFRS13 requires that the fair value is calculated using two different interest rates, the PWLB redemption rate and the PWLB certainty rate. The Council's Treasury Management consultants, Capita Asset Services, has calculated the required fair values and the fair value of these PWLB loans at 31st March using the PWLB redemption rate is £192,676,266. The difference between this figure and the £136.157m carried in the balance sheet represents the additional interest that the Council will pay over the remaining terms of the loans against what would be paid if the loans had been taken out at 31st March 2016. However, the Council has a continuing ability to borrow from the PWLB at its certainty rate and on this basis the fair value of the £136.157m is £154,192,821. If the Council were to seek to repay these loans early then the PWLB would raise a penalty charge for early repayment of £56,519,266 making the exit price for these loans £192,676,266 i.e. the fair value using the redemption interest rate method. IFRS 13 requires disclosure of the valuation method by which the fair value is arrived at. There are three levels of inputs and in this instance Capita Asset Services has adopted a level 2 input basis i.e. "inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly".

Similarly, the Council's Certificate of Deposit investments have been revalued in the accounts to fair value at 31st March 2016 using prices supplied by its custodians, King & Shaxson Ltd. at 31st March 2016. As these prices directly relate to these investments within an active market it is considered that the prices supplied by King & Shaxson are on a Level 1 basis.

Loans and receivables are subsequently measured at their amortised cost. For the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Any loans made by the Council at less than market rates are called "soft loans". It has been determined that the few "soft" loans that the Council has e.g. car loans to

NOTES TO THE ACCOUNTS

employees or loans to private householders for disabled adaptations require no adjustment to the accounts as they are de-minimis.

h. Foreign Currency Translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

i. Government Grants and Contributions

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis, and recognised in the Comprehensive Income and Expenditure Statement as income, except where the grantor contribution has conditions that have not been satisfied. General Grants and contributions (e.g. the Revenue Support Grant) are included in the Comprehensive Income and Expenditure Statement as Non-ring-fenced government grants. Specific grants and contributions are included as income for the relevant service area.

Where a grant or contribution has conditions outstanding at the Balance Sheet date the grant is held either as a receipt in advance, if not fulfilling the conditions would result in the return of the grant, or as an earmarked reserve. Capital grants credited to the Comprehensive Income and Expenditure Statement are reversed out of the General Fund Balance in the Movement in Reserves Statement. Unapplied grant is posted to the Capital Grants Unapplied Reserve; applied grant is posted to the Capital Adjustment Account.

j. Heritage Assets

All the Council's heritage assets are held due to their cultural, environmental or historical associations making their preservation for future generations important. The majority of these assets are held at the Art Gallery and Museum within the Royal Pump Room, Royal Leamington Spa. The Council also holds a number of other assets including art works and ceramics.

Where the Council has information on the cost or value of heritage assets, these assets are recognised on the Balance Sheet.

Except for those items of low value where an internally agreed nominal value of £50 is applied, Heritage Assets are recognised and measured at valuations made by an appropriately qualified valuer. The last such valuation was carried out in September 2014 by Tim Ritchie and Associates Ltd.

k. Intangible Assets

Intangible Assets refers to expenditure above the capital de-minimis limit of £20,000 on non-monetary assets that do not have physical substance but are controlled by the Council, e.g. software licences.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. Where a finite life can be identified, the depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement. If no finite life can be identified, the asset is held on the balance sheet at its original value but is subject to an annual impairment review. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service lines in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or

NOTES TO THE ACCOUNTS

abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. The Intangible Assets with no finite lives within the Balance Sheet have been tested for impairment and no losses revealed.

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

l. Inventories and long-term contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the FIFO costing formula.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

m. Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value i.e. market value. Properties are not depreciated but, using the latest rental values applicable to each property, are revalued regularly in accordance with the Council's revaluation policies and are tested annually for impairments in value. Revaluation gains and losses are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rental income received is credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

n. Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Council in conjunction with other ventures that involve the use of assets and resources of the venturers rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

o. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

NOTES TO THE ACCOUNTS

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. The Council has two arrangements of this nature as a depot has been leased by a contractor specifically to carry out repairs contracts relating to the Council's housing stock and in another instance a contractor employs a number of vans specifically on a WDC heating contract. These "embedded leases" have been assessed as operating leases and accounted for accordingly.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services using the leased asset. Charges are made on a straight-line basis over the life of the lease.

The Council as Lessor

It has been determined that all leases where the Council is the lessor are operating leases and are accounted for as described in the following paragraph.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease. Where identifiable, initial direct costs incurred in negotiating and arranging the lease are

NOTES TO THE ACCOUNTS

added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

p. Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the *CIPFA Service Reporting Accounting Code of Practice 2015/16* (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core - costs relating to the Council's status as a multi-functional, democratic organisation.
- Non Distributed Costs - the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

q. Property, Plant and Equipment

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

Recognition

In 2015/16 the Council had a de-minimis limit of £20,000 in relation to capital expenditure on land and buildings and a de-minimis limit of £5,000 on plant or equipment. Expenditure above these limits on the acquisition, creation or enhancement of PPE is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure below the de-minimis limit or that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense as it is incurred.

Measurement

Assets are initially measured at cost, comprising

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council. Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

NOTES TO THE ACCOUNTS

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

- Operational assets have been valued on the basis of either open market value for existing use, depreciated replacement cost or in the case of equipment, vehicles and plant, historical cost. Any additions or enhancements during 2015/16 which have not been the subject of a valuation are included at historical cost.
- Non-operational assets, including investment property, have been valued at open market value which under IFRS 13 is considered to be equal to fair value. The accrued cost of work in progress for capital schemes is also included with non-operational assets. The Council records its Community Assets (e.g. land and buildings purchased for the benefit of the community and with little or no prospect of ever being disposed of) and Infrastructure Assets (e.g. Flood Alleviation Works) at historical cost.
- General Fund property values in the Balance Sheet are based on 1st April 2015 or 31st March 2016 valuations. In addition, an exercise was carried out using a representative sample of General Fund assets to ascertain whether the Balance Sheet value at 31 March 2016 still represented Fair Value when compared to the values arising from the 1st April 2015 revaluation exercise carried out by Carter Jonas LLP where all General Fund property assets were revalued. When the results of the exercise were extrapolated over the remainder of the General Fund assets the resultant increase was considered to be immaterial and therefore their balance sheet values have not been adjusted.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Also gains may be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to a service revenue account.

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

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement. During 2015/16, such charges were debited to the Comprehensive Income and Expenditure in respect of various properties notably the land values relating to Town Hall (£1.365m), Royal Pump Rooms (£0.795m) and Royal Spa Centre (£0.343m). The value of the Crematorium buildings was also reduced by £0.420m following the major refurbishment.

Impairment

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

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

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).

NOTES TO THE ACCOUNTS

- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

The Council's housing stock is valued annually on an Existing Use – Social Housing (EUV-SH) basis which is defined as the value that a property, if sold, would sell for assuming that it continued to be used for social housing purposes.

Depreciation

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

Depreciation is calculated on the following bases:

Asset Type	Depreciation Method	Period of Years
General Fund Buildings	Straight Line	5 to 55 years
Infrastructure	Straight Line	40 years
Community Assets	Straight Line	Up to 100 years
Heritage Assets – Buildings	Straight Line	Up to 80 years
Surplus Assets	Straight Line	5 to 10 years
Vehicles, Plant, Furniture and Equipment	Straight Line	3 to 21 years
Council Houses	Straight Line	Up to 90 years
HRA Shops, Community Centres etc.	Straight Line	25 to 55 years
HRA Garages	Straight Line	5 years

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

For this Council the de minimis threshold will be a Current Net Book Value of £500,000 or greater. Individual items of Property, Plant and Equipment below this level will not be assessed for componentisation on the grounds that the difference in depreciation will be limited.

The Council is required to assess its assets for components when either the asset is first acquired or when it has capital expenditure incurred upon it or when the asset has been revalued.

The Council revalues its General Fund assets in entirety once every five years and thereafter on a one-fifth annual rolling basis and as each fifth comes up for valuation each asset within that tranche where the Current Net Book Value is £500,000 or greater will be assessed for component depreciation and if there is a material increase in depreciation when compared with depreciation charged on the whole asset then that asset will be accounted for and depreciated based on its separate components. The General Fund assets were revalued at 1st April 2015 and during this exercise all assets with a Current Net Book Value of £500,000 or more were assessed for component depreciation with the result that a number of Car Parks, the Town Hall,, Riverside House, Royal Spa Centre, Crematorium, Pump Rooms, the four main Leisure

NOTES TO THE ACCOUNTS

Centres and the Victoria Park Bowls Pavilion are now subject to depreciation on their individual components:-

With regard to assets within the Housing Revenue Account, guidance from DCLG has been received indicating that for the first five years of the Self Financing regime, depreciation on Council Housing stock should continue on the existing basis i.e. the use of the Major Repairs Allowance allocation for the year where that is a reasonable proxy for depreciation. For the rest of the assets in the Housing Revenue Account e.g. shops, garages, offices etc. each asset should have its components separately depreciated but only where there is likely to be a significant change to the depreciation levied on the whole asset. The relevant assets have been reviewed and given that the amount of depreciation charged against each whole asset is relatively insignificant, the conclusion has been reached that there would be no significant difference in overall depreciation if each individual component were to be separately depreciated.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value i.e. market value, less costs to sell. Depreciation is not charged on Assets Held for Sale. In respect of the HRA, those council houses in the process of being sold at 31st March 2016 have been transferred to the HRA Assets Held For sale account.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement thus calculating the gain or loss on the disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of the £10,000 capital receipts de-minimis limit are categorised as capital receipts. Under the Self Financing regime receipts relating to housing disposals are shared between the Council and Government. The Council's share of the receipt is required to be credited to the Capital Receipts Reserve. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing.

r. Provisions and Contingent Liabilities

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

NOTES TO THE ACCOUNTS

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income in the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

s. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The relevant amount from the reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council.

t. Revenue Expenditure Funded From Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset, e.g. Disabled Facilities Grants, has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

u. Value Added Tax

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

NOTES TO THE ACCOUNTS

v. Investments

Investments are recorded at original cost including broker's commission and other attributable expenses, with the exception of 7 Certificate of Deposit investments which are valued on a mid-price basis at 31st March 2016.

w. Interest Charges

Interest is credited to the Housing Revenue Account in respect of its revenue, capital and reserve balances during the year. This is calculated using the actual external investment rate. All remaining interest income is credited to the General Fund Revenue Account.

z. Agency Income and Expenditure

The collection of council tax and Business Rates is treated as agency work in respect of the amounts collected for the major preceptors and the government. All balances of arrears, prepayments and bad debt provisions are apportioned out and only the Council's share is included in the Balance Sheet.

2. Accounting Standards that have been Issued but have not yet been adopted

For 2015/16 the following accounting policy changes that need to be reported relate to:

IAS1 Presentation of Financial Statements. This standard provides guidance on the form of the financial statements. The "Telling the Story" review of the presentation of the Local Authority financial statements as well as the December 2014 changes to IAS1 under the International Accounting Standards Board (IASB) Disclosure Initiative will result in changes to the format of the accounts in 2016/17. The format of the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement will change and introduce a new Expenditure and Funding Analysis.

Other minor changes due to Annual Improvement to IFRS cycles, IFRS11 Joint Arrangements, IAS16 Property, Plant and Equipment and IAS38 Intangible Assets and IAS 19 Employee Benefits are minor and are not expected to have a material effect on the Council's Statement of Accounts.

The 2016/17 Accounting Code of Practice introduced a change in accounting policy for those Councils with Transport Infrastructure Assets. This mainly affects County Councils and advice has been received from the Council's external auditors and CIPFA that as this Council has no integrated transport infrastructure the requirements of the Code of Practice will not apply to this Council.

The Code requires implementation from 1 April 2016 and there is, therefore, no impact on the 2015/16 Statement of Accounts.

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that assets of the Council might be impaired as a result of the need to close facilities and reduce levels of service provision.

NOTES TO THE ACCOUNTS

4. **Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty**

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

The items in the Council's Balance Sheet at 31 March 2016 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on capital enhancements and repairs and maintenance, bringing into doubt the useful lives assigned to assets.	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase by £236k for every year that the useful lives had to be reduced.</p>
Provisions	The Council has made provisions for insurance cover in respect of outstanding claims from the public and HRA tenants. The extent of the provisions relates to the excess on existing claims as at 31 March 2016 where such excesses have been negotiated when agreeing premiums. A provision has also been established to cover the possible refund of personal search fees in respect of local land charges. Following the introduction of the retention of business rates scheme new provisions have been created to provide for the potential successful appeals against rateable values.	An increase over the forthcoming year of 10% in settlements would have the effect of adding £108,400 to the provisions needed.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages,	The Pensions actuary will set the employer's pension contribution rates to ensure that pension liabilities are met.

NOTES TO THE ACCOUNTS

mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

Arrears

At 31 March 2016, the Council had a balance of arrears of Housing Rents, Council Tax and other sundry debtors for £4.80m. A review of the above suggested that an impairment of doubtful debts of 45.6% (£2.19m) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.

If collection rates were to deteriorate, a doubling of the amount of the impairment of doubtful debts would require an additional £2.19m to be set aside as an allowance.

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

5. Events After the Reporting Period

The Statement of Accounts was authorised for issue by the Head of Finance on 29 June 2016. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2016, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

6. Adjustments Between Accounting Basis and Funding Basis Under Regulations

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

The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund Balance is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. However, the balance is not available to be applied to funding Housing Revenue Account services.

Housing Revenue Account Balance

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and

NOTES TO THE ACCOUNTS

expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Major Repairs Reserve

The Council is required to maintain a Major Repairs Reserve. Each year an amount equivalent to the depreciation charge on HRA assets is transferred into this reserve along with an adjustment to make the overall transfer for dwellings equal to the Major Repairs Allowance set out in the Self Financing determination. This reserve can be used to fund capital expenditure to help maintain or improve HRA assets, or repay HRA debt. Any balance on this account shows the amount not applied by year end that is available for future years.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and / or the financial year in which this can take place.

NOTES TO THE ACCOUNTS

2015/16

	Usable Reserves					
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipt Reserves £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation and impairment of non-current assets	(6,472)	(1,138)		(2,626)		10,236
Revaluation gains on Property Plant and Equipment	3,049	19,499				(22,548)
Movements in the market value of Investment Properties	2,918	-				(2,918)
Amortisation of intangible assets	(2)	-				2
Capital grants and contributions applied	570	-				(570)
Movement in revaluation and new Donated Assets	290					(290)
Revenue expenditure funded from capital under statute	(1,727)	(49)				1,776
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	(505)	(3,459)				3,964
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Capital expenditure charged against General Fund and HRA balances	1,457	6,561				(8,018)
Adjustment primarily involving the Capital Grants Unapplied Account:						
Capital Grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	-	-			85	(85)
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	482	4,008	(4,490)			-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	2,141			(2,141)
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(977)	-	977			

NOTES TO THE ACCOUNTS

2015/16

	Usable Reserves					
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipt Reserves £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Major Repairs Reserve:						
Use of the Major Repairs Reserve to finance new capital expenditure	-	-		3,874		(3,874)
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 41)	(4,259)	(510)				4,769
Employer's pensions contributions and direct payments to pensioners payable in the year	1,973	186				(2,159)
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	133	-				(133)
Adjustments primarily involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	7	(8)				1
Total Adjustments	(3,063)	28,350	(1,372)	(2,012)	85	(21,988)

NOTES TO THE ACCOUNTS

2014/15	Usable Reserves					
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipt Reserves £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation and impairment of non-current assets	(3,802)	(2,952)		-		6,754
Revaluation gains on Property Plant and Equipment	216	16,110				(16,326)
Movements in the market value of Investment Properties	(465)	-				465
Amortisation of intangible assets	(9)	-				9
Capital grants and contributions applied	1,422	-				(1,422)
Movement in revaluation and new Donated Assets	9					(9)
Revenue expenditure funded from capital under statute	(1,038)	(81)				1,119
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	(564)	(3,090)				3,654
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Capital expenditure charged against General Fund and HRA balances	2,036	1,256				(3,292)
Adjustment primarily involving the Capital Grants Unapplied Account:						
Capital Grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	26	-			(28)	2
Application of grants to capital financing transferred to the Capital Adjustment Account	(823)	-			823	-

NOTES TO THE ACCOUNTS

2014/15	Usable Reserves					
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipt Reserves £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	(150)	1,954	(2,104)			300
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	1,315			(1,315)
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(856)	-	856			
Adjustments primarily involving the Deferred Capital Receipts Reserve:						
Transfer of deferred sale proceeds credited as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	564	-				(564)
Adjustments primarily involving the Major Repairs Reserve:						
Reversal of Major Repairs Allowance credited to the HRA	-	6,023		(6,023)		
Use of the Major Repairs Reserve to finance new capital expenditure	-	-		4,188		(4,188)
Adjustment primarily involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	-	-				-
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 41)	(3,675)	(324)				3,999
Employer's pensions contributions and direct payments to pensioners payable in the year	1,910	150				(2,060)

NOTES TO THE ACCOUNTS

2014/15	Usable Reserves					
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipt Reserves £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(2,660)	-				2,660
Adjustments primarily involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	(3)	1				2
Total Adjustments	(7,862)	19,047	67	(1,835)	795	(10,212)

NOTES TO THE ACCOUNTS

7. Transfers to / from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2015/16.

	Balance at 1 April 2014 £000	Transfers Out 2014/15 £000	Transfers In 2014/15 £000	Balance at 31 March 2015 £000	Transfers Out 2015/16 £000	Transfers In 2015/16 £000	Balance at 31 March 2016 £000
General Fund:							
Art Fund Reserve	58	-	6	64	-	3	67
Art Gallery Gift Reserve	57	-	-	57	-	-	57
Biodiversity Off Setting Reserve	2	(2)	-	-	-	-	-
Building Control Reserve	274	(25)	44	293	(44)	-	249
Business Rate Retention Volatility Res	842	(823)	3,383	3,402	(49)	-	3,353
Capital Investment Reserve	4,297	(1,251)	505	3,551	(1,325)	821	3,047
Car Parks Repairs & Maintenance Reserve	215	(18)	22	219	-	286	505
Community Forums Reserve	160	(24)	-	136	(17)	-	119
Corporate Assets Reserve	561	-	777	1,338	(66)	570	1,842
Covent Garden Multi Storey Reserve	-	-	-	-	-	900	900
Earmarked Balances Reserve	488	(488)	639	639	(639)	381	381
Election Expenses	65	-	30	95	(80)	-	15
Energy Management	93	-	5	98	-	5	103
Enterprise Projects Reserve	-	-	21	21	-	38	59
Equipment Renewals Reserve	1,432	(976)	-	456	-	374	830
G M Commuted Sums	333	(51)	-	282	(78)	334	538
GF Early Retirements Reserve	210	(125)	-	85	(82)	100	103
Gym Equipment Replacement Reserve	123	(59)	30	94	(1)	30	123
Hill Close Gardens Reserve	-	-	-	-	-	80	80
ICT Replacement Reserve	-	(92)	1,121	1,029	(167)	3	865
Insurance Reserve	322	-	-	322	-	-	322
Local Plan Delivery Reserve	250	(13)	-	237	(84)	-	153
Planning Appeal Reserve	505	(321)	330	514	(154)	204	564
Public Amenity Reserve	678	(140)	300	838	(90)	-	748
Public Open Space Planning Gain Reserve	195	(4)	159	350	-	576	926
Rent Bond Scheme Reserve	22	-	-	22	-	-	22
Revenue Grants / Contributions Received in Advance	846	(174)	180	852	(125)	47	774
Right to Bid Reserve	12	-	8	20	-	-	20
Right to Challenge Reserve	17	-	9	26	-	-	26
Riverside House Maintenance Reserve	-	-	-	-	-	30	30
Services Transformation Reserve	2,316	(414)	-	1,902	(716)	200	1,386
St Marys Lands/Forbes Estate Community	44	(44)	-	-	-	-	-
Tourism Reserve	61	(17)	-	44	(5)	-	39
TOTAL GENERAL FUND	14,478	(5,061)	7,569	16,986	(3,722)	4,982	18,246
HRA:							
HRA Capital Investment Reserve	17,731	(1,131)	4,941	21,541	(6,204)	5,388	20,725
HRA Early Retirements Reserve	50	(258)	317	109	(3)	8	114
HRA Rev Grants/Contribs In Advance Res	10	-	-	10	-	-	10
TOTAL HRA	17,791	(1,389)	5,258	21,660	(6,207)	5,396	20,849
TOTAL EARMARKED RESERVES	32,269	(6,450)	12,827	38,646	(9,929)	10,378	39,095

NOTES TO THE ACCOUNTS

The purpose of the significant earmarked reserves are:

Capital Investment Reserve: Used to provide finance for the Council's General Fund capital programme not met by other resources e.g. borrowing, capital receipts, revenue contributions, external contributions and other reserves.

ICT Replacement Reserve: Used to finance a rolling programme of ICT equipment and software replacement and renewal.

Equipment Renewals Reserve: Used to finance a rolling programme of equipment and property replacement and renewal.

Services Transformation Reserve: Used to finance service improvements and to enable services to continue to be provided pending delivery of required savings and to finance "Fit For the Future" schemes so as to help the Council secure savings needed in its medium term financial strategy.

Covent Garden Multi Storey Car Park Reserve: Will be used to smooth the lost car park income from Covent Garden Car Park when it closes for redevelopment as part of the New Offices project. Reserve will also finance initial borrowing costs for the project.

HRA Capital Investment Reserve: Used to finance significant council housing projects, including building or acquiring new council homes.

8. Other Operating Income and Expenditure

Gross Expenditure 2014/15 £000	Gross Income 2014/15 £000	Net Expenditure 2014/15 £000		Gross Expenditure 2015/16 £000	Gross Income 2015/16 £000	Net Expenditure 2015/16 £000
1,208	-	1,208	Parish Council Precepts	1,233	-	1,233
854	-	854	Payments to Govt. Housing Capital Receipts Pool	978	-	978
1,283	-	1,283	Gain or loss on the disposal of non-current assets	-	(527)	(527)
3,345	-	3,345	Total	2,211	(527)	1,684

9. Financing and Investment Income and Expenditure

Gross Expenditure 2014/15 £000	Gross Income 2014/15 £000	Net Expenditure 2014/15 £000		Gross Expenditure 2015/16 £000	Gross Income 2015/16 £000	Net Expenditure 2015/16 £000
4,773	-	4,773	Interest Payable and similar charges	4,767	-	4,767
1,456	-	1,456	Net Interest on the net defined benefit liability	1,471	-	1,471
-	(439)	(439)	Interest receivable and similar income	-	(528)	(528)
884	(556)	328	Income and expenditure in relation to investment properties and changes in their fair value	367	(3,454)	(3,087)
7,113	(995)	6,118	Total	6,605	(3,982)	2,623

10. Taxation and Non Specific Grant Income and Expenditure

Gross Income 2014/15 £000		Gross Income 2015/16 £000
(8,589)	Council Tax income	(8,714)
(2,833)	Non-domestic rates income and expenditure	(3,836)
(5,684)	Non-ringfenced Government Grants	(4,318)
(1,139)	Capital Grants and Contributions	(486)
(18,245)	Total	(17,354)

NOTES TO THE ACCOUNTS

11. Property, Plant and Equipment

Movements on Balances

Movements in 2015/16

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Property, Plant and Equipment £000
Cost or valuation								
At 1 April 2015	262,499	55,104	7,730	2,306	7,037	1,816	2,453	338,945
Additions	6,347	608	283	97	-	-	5,672	13,007
Revaluation increases / (decreases) recognised in the Revaluation Reserve	355	13,606	-	-	-	69	-	14,030
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	16,109	475	-	-	-	(47)	-	16,537
Derecognition - disposals	(2,666)	(52)	-	-	-	(780)	-	(3,498)
Assets reclassified (to) / from Other Accounts	241	556	-	-	-	-	(1,303)	(506)
At 31 March 2016	282,885	70,297	8,013	2,403	7,037	1,058	6,822	378,515
Accumulated Depreciation and Impairment								
At 1 April 2015	-	(1,198)	(5,642)	(195)	(337)	(315)	-	(7,687)
Depreciation charge for 2015/16	(2,639)	(2,259)	(581)	(58)	(46)	(28)	-	(5,611)
Depreciation written out to the Revaluation Reserve	13	1,582	-	-	-	44	-	1,639
Depreciation written out to the Surplus / Deficit on the Provision of Services	2,626	423	-	-	-	-	-	3,049
Impairment losses / (reversals) recognised in the Surplus / Deficit on the Provision of Services	-	-	-	-	-	-	-	-
At 31 March 2016	-	(1,452)	(6,223)	(253)	(383)	(299)	-	(8,610)
Net Book Value								
31 March 2016	282,885	68,845	1,790	2,150	6,654	759	6,822	369,905
31 March 2015	262,499	53,906	2,088	2,111	6,700	1,501	2,453	331,258

NOTES TO THE ACCOUNTS

Movements on Balances

Movements in 2014/15

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Property, Plant and Equipment £000
Cost or valuation								
At 1 April 2014	245,791	54,715	7,300	1,247	7,006	2,613	1,100	319,772
Additions	4,403	416	430	392	31	1,005	2,298	8,975
Revaluation increases / (decreases) recognised in the Revaluation Reserve	12	251	-	-	-	-	-	263
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	13,666	(556)	-	-	-	-	-	13,110
Derecognition - disposals	(1,132)	-	-	-	-	(1,802)	-	(2,934)
Assets reclassified (to) / from Other Accounts	(241)	278	-	667	-	-	(945)	(241)
At 31 March 2015	262,499	55,104	7,730	2,306	7,037	1,816	2,453	338,945
Accumulated Depreciation and Impairment								
At 1 April 2014	-	(2,855)	(5,087)	(163)	(290)	(230)	-	(8,625)
Depreciation charge for 2014/15	(2,444)	(2,230)	(555)	(32)	(47)	(100)	-	(5,408)
Depreciation written out to the Revaluation Reserve	12	3,468	-	-	-	15	-	3,495
Depreciation written out to the Surplus / Deficit on the Provision of Services	2,432	419	-	-	-	-	-	2,851
Impairment losses / (reversals) recognised in the Surplus / Deficit on the Provision of Services	-	-	-	-	-	-	-	-
At 31 March 2015	-	(1,198)	(5,642)	(195)	(337)	(315)	-	(7,687)
Net Book Value								
31 March 2015	262,499	53,906	2,088	2,111	6,700	1,501	2,453	331,258
31 March 2014	245,791	51,860	2,213	1,084	6,716	2,383	1,100	311,147

NOTES TO THE ACCOUNTS

Capital Commitments and Planned Works 2016/17

	£000
General Fund:	
Fen End - City Deal	559
West Midlands Reserve & Cadet Force - new building	400
Play Area Improvement Programme	389
Royal Spa Centre Operational Works	350
Jubilee House Phase 2	331
Bishops Tachbrook Community Centre	316
ICT Infrastructure Replacement	283
Leisure Options	266
Housing Investment Programme:	
Housing New Build / Reprovision	7,572
Council House Improvements / Renewal	5,628
Private Sector Housing - Grants and Loans	655

Revaluations

The values of the Council Dwellings and Other HRA Property (shops, offices, community centres, garages, surgery, hostel and land) are based on valuations at 1 April 2016 following a full revaluation exercise including inspection of "beacon" homes by Carter Jonas LLP. The valuation was undertaken by Mr. Charles Mason MRICS and Mr David Ambrose MRICS, both of Carter Jonas. During 2015/16 all of the General Fund Property Assets were valued as at 1st April 2015. Again, the valuations were undertaken by Mr. Charles Mason MRICS and Mr David Ambrose MRICS.

The values at 31st March 2016 also take account of any depreciation, impairments and in year capital expenditure which has occurred since the last valuation took place for that specific asset.

Carter Jonas has also undertaken a review of a representative selection of General Fund property assets in order to ascertain whether the carrying values of the General Fund property assets represent fair value at 31st March 2016. The carrying values in the Balance Sheet for those assets in the representative sample have been updated to 31st March 2016 and it is considered that as a result of the review the carrying values of the rest of the assets represent fair value. The table below shows the valuation basis for each asset class within the Balance Sheet:-

Asset Class	Valuation Basis
Operational Property e.g. Car Parks and Housing Stock	Existing Use Value Existing Use Value – Social Housing Depreciated Replacement Cost (MEA)
Non Operational Property e.g. Surplus Assets	Open Market Value
Investment Properties	Open Market Value
Community Assets	Historic Cost
Infrastructure Assets	Historic Cost
Equipment	Historic Cost
Assets Under Construction	Historic Cost

All of the Council's Surplus Property Assets were revalued by Carter Jonas LLP in 2015/16 and as such it is considered that for the purposes of IFRS13, the carrying value is equal to Fair Value under that standard. For those properties where the new value was set with reference to rent reviews relating to that particular property it is considered that this equates to a level 1 input. The rest of the properties were revalued using direct

NOTES TO THE ACCOUNTS

observation of the passing rents on similar properties within the local property market and this equates to a level 2 input.

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, etc. £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Carried at historical cost	-	-	1,778	2,150	6,654	-	6,822	17,404
Valued at fair value as at:								
- 2015/16	282,885	68,845	-	-	-	318	-	352,048
- 2013/14	-	-	-	-	-	441	-	441
Total Cost or Valuation	282,885	68,845	1,778	2,150	6,654	759	6,822	369,893

It should be noted that the total figure in the above table does not reconcile with the Property, Plant and Equipment total recorded in the Balance Sheet by £12,000. This difference relates to the balance outstanding at 31 March 2016 on the Photocopiers and Dog Wardens Van Finance leases (see note 33) which is not included in the table above.

12. Heritage Assets

Reconciliation of the Carrying Value of Heritage Assets Held by the Council

	Decorative Arts Collection £000	Visual Arts Collection £000	Other £000	Total Assets £000
Cost or Valuation				
1 April 2014	356	7,815	810	8,981
Additions	-	8	2	10
Revaluations	(26)	(1,159)	116	(1,069)
Depreciation	-	-	(3)	(3)
31 March 2015	330	6,664	925	7,919
Cost or Valuation				
1 April 2015	330	6,664	925	7,919
Additions	1	259	6	266
Revaluations	-	-	73	73
Depreciation	-	-	(3)	(3)
31 March 2016	331	6,923	1,001	8,255

Decorative Arts & Visual Arts Collections

The majority of the Council's collections of Decorative Arts (ceramics, porcelain, glass and other artefacts of a similar nature) and Visual Arts (paintings and drawings) were revalued by Tim Ritchie & Associates in September 2014. Those items not externally valued due to their low intrinsic worth were assigned an internal nominal value of £50. During 2015/16, items amounting to £259,025 have been added to the Visual Arts collection. The two main acquisitions being a painting, "The Temptation of St Anthony" by David Teniers the younger valued at £60,000 and another painting "The Interior of the Kitchen at Rectory Farm, Ewell" by William Holman Hunt valued at £67,500. Those items acquired in 2015/16

NOTES TO THE ACCOUNTS

not of a low intrinsic value were valued by Tim Ritchie & Associates and the policy is to revalue the collections every 5 years with the next valuation due in September 2019.

Other

This comprises the remainder of the Art Gallery and Museum's collections (Archaeology, Ethnography, Numismatics, Pictorial and Social History) and also the Abbey Fields Barn. In the case of the Art Gallery and Museum's collections some articles were valued externally as part of the September 2014 revaluation exercise referred to above but the vast majority have been given nominal values of £50 each by the Art Gallery and Museum staff. In the case of the Social History collection, new assets valued at £6,150 were acquired by donation and existing donated assets were revalued upwards by £1,075 in 2015/16. Artefacts in the Archaeology collection were externally revalued upwards by £29,950 in 2015/16. The revaluation was carried out by Tim Ritchie & Associates.

The Abbey Fields Barn was valued by Carter Jonas at 1/4/2015 at £286,000 on a depreciated replacement cost basis.

Heritage Assets: Summary of Transactions

	2014/15 £000	2015/16 £000
Cost of Additions of Heritage Assets:		
Donations:		
Visual Arts	8	259
Decorative Arts	-	1
Social History etc.	2	6
Total cost of Additions	10	266
Revaluation of Heritage Assets:		
Decorative Arts	(26)	-
Visual Arts	(1,159)	-
Abbey Fields Barn	-	42
Social History etc.	116	31
Total Revaluations	(1,069)	73

Heritage Assets of Particular Importance

In the Art Collection there are 6 significant exhibits of donated assets. These paintings are, "St Peters Penitence" by P. Champaigne valued at £300,000, "The Prodigal Son" by Abraham Bloemaert valued at £200,000, "The Mission Room" by L.S. Lowry valued at £700,000, 'Tulips' by Leslie George Hunter valued at £500,000, 'Cookham Rise' by Sir Stanley Spencer valued at £250,000 and finally 'The Critics' by Henry Scott Tuke valued at £200,000. In addition, there is one other donated painting worth £110,000. In all cases, these donated assets have no conditions outstanding. Indeed, it is a condition of accepting donated assets that there are no conditions attached to the offer. Amongst the purchased exhibits there is a painting "Self Portrait By Candlelight" by Schalcken worth £200,000 and a sculpture by Catherine Long worth £270,000. Full details of these and all of the other artefacts in the various collections together with the policies governing the care and management of the collections can be found by visiting the Leamington Spa Art Gallery & Museum's Collections website www.lsagmcollections.org.uk and also through Windows on Warwickshire.

NOTES TO THE ACCOUNTS

13. Investment Properties

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

	2015/16 £000	2014/15 £000
Rental income from investment property	536	556
Direct operating expenses arising from investment property	(367)	(419)
Net gain / (loss)	169	137

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

The following table summarises the movement in the fair value of investment properties over the year:

	2015/16 £000	2014/15 £000
Balance at start of the year	8,942	9,535
Additions:		
- Subsequent expenditure	8	119
Disposals	(453)	(247)
Net gains / losses from fair value adjustments	2,918	(465)
Transfers:		
- To / from Property, Plant and Equipment	62	-
Balance at end of year	11,477	8,942

All of the Council's Investment Properties were revalued by Carter Jonas LLP in 2015/16 and as such it is considered that for the purposes of IFRS13, the carrying value is equal to Fair Value under that standard. For those properties where the new value was set with reference to rent reviews relating to that particular property it is considered that this equates to a level 1 input. The rest of the properties were revalued using direct observation of the passing rents on similar properties within the local property market and this equates to a level 2 input.

14. Intangible Assets

The Council's intangible assets consist of purchased licences and software.

Wherever appropriate, software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The remaining useful lives at 31st March 2016 assigned to the major software suites and licences used by the Council are:

4 years	VDI Project Software	Amount Amortised	£962
1 year	e-Consultation Software	Amount Amortised	£1,244

NOTES TO THE ACCOUNTS

The carrying amount of intangible assets is amortised on a straight-line basis but where the intangible asset has an indefinite life then the value of that asset is left on the balance sheet and not amortised to revenue.

The movement on Intangible Asset balances during the year is as follows:

	2015/16			2014/15		
	General Fund £000	HRA £000	Total £000	General Fund £000	HRA £000	Total £000
Balance at start of year:			-			-
- Gross carrying amount	873	23	896	873	23	896
- Accumulated amortisation	(847)	-	(847)	(838)	-	(838)
Net carrying amount at start of year	26	23	49	35	23	58
Amortisation for the period	(2)	-	(2)	(9)	-	(9)
Net carrying amount at end of year	24	23	47	26	23	49
Comprising:						
- Gross carrying amount	873	23	896	873	23	896
- Accumulated amortisation	(849)	-	(849)	(847)	-	(847)
	24	23	47	26	23	49

15. Financial Instruments

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

	Long Term		Current	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Investments:				
Loans and receivables	-	1	44,565	43,464
Available for sale financial assets	-	-	16,259	12,076
Total Investments	-	1	60,824	55,540
Debtors:				
Loans and receivables	855	867	5,599	4,728
Total Debtors	855	867	5,599	4,728
Borrowings:				
Financial Liabilities at amortised cost	(136,166)	(136,169)	(55)	(85)
Total Borrowings	(136,166)	(136,169)	(55)	(85)
Creditors:				
Financial Liabilities at amortised cost	-	-	(11,810)	(9,472)
Total Creditors	-	-	(11,810)	(9,472)

NOTES TO THE ACCOUNTS

Income, Expense, Gains and Losses

	2015/16				2014/15			
	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans and receivables £000	Financial Assets: Available for sale £000	Total £000	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans and receivables £000	Financial Assets: Available for sale £000	Total £000
Interest expense	(4,767)	-	-	(4,767)	(4,773)	-	-	(4,773)
Total expense in Surplus or Deficit on the Provision of Services	(4,767)	-	-	(4,767)	(4,773)	-	-	(4,773)
Interest income	-	469	59	528	-	364	76	440
Total income in Surplus or Deficit on the Provision of Services	-	469	59	528	-	364	76	440
Net gain / (loss) for the year	(4,767)	469	59	(4,239)	(4,773)	364	76	(4,333)

Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed using the following assumptions:

- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

For each of the categories of Financial Assets and Liabilities an assessment of the carrying amount against fair value has been made and in all cases the carrying amount was found to be equal to fair value. For instance, in respect of trade receivables and payables this was because they are of short duration and have no stated interest rate and with respect to investments the carrying and fair values are the same due to the investments having fixed principal, interest rates and terms, or in the case of Money Market Funds, which are subject to variable daily interest rates, the investments are of such short duration that the effective interest rate and the actual interest rates are essentially the same.

16. Assets Held for Sale

	Current	
	2015/16 £000	2014/15 £000
Balance outstanding at start of year	363	748
Assets newly classified as held for sale:		
- Property, Plant and Equipment	443	242
Revaluation gains	353	121
Assets sold	(363)	(748)
Balance outstanding at year-end	796	363

NOTES TO THE ACCOUNTS

17. Debtors

	31 March 2016 £000	31 March 2015 £000
Debtors:		
Central Government Bodies	974	1,086
Other Local Authorities	515	489
NHS Bodies	2	2
Public Corporations and Trading Funds	-	6
Other Entities and Individuals	4,804	3,961
TOTAL DEBTORS	6,295	5,544
Bad Debt Provisions:		
Council Tax Payers	(93)	(82)
Business Rate Payers	(200)	(200)
Housing Tenants	(883)	(914)
Housing Benefits - Rent Allowances	(815)	(822)
Other Debtors	(196)	(132)
TOTAL BAD DEBT PROVISIONS	(2,187)	(2,150)
NET SHORT TERM DEBTORS	4,108	3,394

18. Cash and Cash Equivalents

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

	31 March 2016 £000	31 March 2015 £000
Bank current accounts	558	361
Short term deposits with Money Market Funds	28,905	22,953
Total Cash and Cash Equivalents	29,463	23,314

19. Creditors

	31 March 2016 £000	31 March 2015 £000
Central Government Bodies	1,133	1,063
Other Local Authorities	111	596
Other Entities and Individuals	6,920	5,829
TOTAL CREDITORS	8,164	7,488

NOTES TO THE ACCOUNTS

20. Provisions

	Land Charges £000	Subsistence Compensation £000	Business Rates Appeals £000	Insurances General Fund £000	Insurances HRA £000	Total £000
<u>Provisions > 1 year:</u>						
Balance at 1 April 2015	-	-	1,320	238	171	1,729
Additional provisions made in 2015/16	-	-	1,702	66	55	1,823
Amounts payable < 1 year transferred to short term creditors	-	-	253	(52)	(46)	155
Balance at 31 March 2016	-	-	3,275	252	180	3,707
<u>Provisions < 1 year:</u>						
Balance at 1 April 2016	198	117	2,086	36	36	2,473
Additional provisions made in 2015/16	128	-	-	-	-	128
Amounts used in 2015/16	(140)	-	(1,129)	(50)	(43)	(1,362)
Amounts payable < 1 year transferred from L/T Provision	-	-	(253)	52	46	(155)
Balance at 31 March 2016	186	117	704	38	39	1,084

Business Rates Appeals

The appeals are complex and can take several years to be decided. The total level of the provision for appeals is £9.9m. The Council's share is included in the above table. Further details can be found in the Collection Fund section of the accounts.

21. Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and Note 7 – Transfers to / from Earmarked Reserves.

31 March 2015 £000		31 March 2016 £000
2,104	General Fund Revenue Balance	1,810
1,353	Housing Revenue Account Balance	1,386
2,599	Major Repairs Reserve	4,611
5,584	Usable Capital Receipts Reserve	6,956
1,067	External Capital Grants / Contributions Unapplied	982
38,646	Earmarked Reserves	39,095
51,353	TOTAL USABLE RESERVES	54,840

NOTES TO THE ACCOUNTS

22. Unusable Reserves

31 March 2015		31 March 2016
£000		£000
18,763	Revaluation Reserve	35,432
788	Deferred Capital Receipts Reserve	788
76	Available For Sale Financial Instruments Reserve	59
193,037	Capital Adjustment Account	218,238
(13)	Financial Instruments Adjustment Account	(13)
(45,431)	Pensions Reserve	(34,167)
(3,668)	Collection Fund Adjustment Account	(3,535)
(282)	Accumulated Absences Account	(282)
163,270	TOTAL UNUSABLE RESERVES	216,520

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

2014/15		2015/16	
£000		£000	£000
15,598	Balance at 1 April		18,763
4,904	Upward revaluation of assets	17,411	
(1,207)	Downward revaluation of assets and impairment losses not charged to the Surplus / Deficit on the Provision of Services	(6)	
3,697	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		17,405
1	Recognition of Heritage Assets on Donation		-
(533)	Difference between fair value depreciation and historical cost depreciation	(736)	
(532)	Amount written off to the Capital Adjustment Account		(736)
18,763	Balance at 31 March		35,432

NOTES TO THE ACCOUNTS

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts.

2014/15 £000		2015/16 £000
224	Balance at 1 April	788
564	Transfer of deferred sale proceeds credited as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Account	-
788	Balance at 31 March	788

Available for Sale Financial Instruments Reserve

The Available for Sale Financial Instruments Reserve contains the gains made by the Council arising from increases in the value of its investments that have quoted market prices. The balance is reduced when investments with accumulated gains are:

- Revalued downwards or impaired and the gains lost
- Disposed of and the gains realised.

2014/15 £000		2015/16 £000	£000
11	Balance at 1 April		76
76	Upward revaluation of investments	59	
(11)	Downward revaluation of investments not charged to the Surplus / Deficit on the Provision of Services	(76)	
	Accumulated gains on assets sold and maturing assets written out to the Comprehensive Income and Expenditure Statement as part of Other Investment Income		(17)
76	Balance at 31 March		59

NOTES TO THE ACCOUNTS

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account contains accumulated gains and losses on Investment Properties and Assets Held for Sale and in the case of Heritage Assets the gains on initial recognition of donated Heritage Assets with no outstanding conditions.

Note 6 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

NOTES TO THE ACCOUNTS

2014/15 £000		2015/16	
		£000	£000
178,256	Balance at 1 April (credit)		193,037
	Note: figures in brackets are debits		
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
9,654	- Charges for depreciation and impairment of non-current assets	12,279	
8	- Revaluation losses on Assets Held For Sale and reversal of previous revaluation impairments	353	
(9)	- Amortisation of intangible assets	(2)	
(1,118)	- Revenue expenditure funded from capital under statute	(1,776)	
(3,929)	- Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	(4,317)	
4,606			6,537
533	Difference between fair value depreciation and historical cost depreciation		736
5,139	Net written out amount of the cost of non-current assets consumed in the year		7,273
	Capital Financing applied in the year:		
1,166	- Use of the Capital Receipts Reserve to finance new capital expenditure	2,141	
4,188	- Use of the Major Repairs Reserve to finance new capital expenditure	3,874	
1,753	- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	570	
490	- Application of grants to capital financing from the Capital Grants Unapplied Account	84	
2,469	- Capital expenditure charged against the General Fund and HRA balances	8,018	
10,066			14,687
32	Minimum Revenue Provision		33
(465)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		2,918
9	Movement in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement		290
193,037	Balance at 31 March		218,238

NOTES TO THE ACCOUNTS

Financial Instruments Adjustment Account

2014/15 £000		2015/16 £000
(13)	Balance at 1 April	(13)
<hr/>		<hr/>
(13)	Balance at 31 March	(13)

Pensions Reserve

2014/15 £000		2015/16 £000
(33,651)	Balance at 1 April	(45,431)
(9,841)	Remeasurements of the net defined benefit liability	13,874
(3,999)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(4,769)
2,060	Employer's pensions contributions and direct payments to pensions payable in the year	2,159
<hr/>		<hr/>
(45,431)	Balance at 31 March	(34,167)

Collection Fund Adjustment Account

Council Tax 2014/15 £000	NNDR 2014/15 £000	Total 2014/15 £000		Council Tax 2015/16 £000	NNDR 2015/16 £000	Total 2015/16 £000
135	(1,143)	(1,008)	Balance at 1 April	55	(3,723)	(3,668)
(80)	(2,580)	(2,660)	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	16	117	133
<hr/>		<hr/>		<hr/>		<hr/>
55	(3,723)	(3,668)	Balance at 31 March	71	(3,606)	(3,535)

NOTES TO THE ACCOUNTS

Accumulated Absences Account

2014/15 £000		2015/16 £000	£000
(280)	Balance at 1 April		(282)
280	Settlement or cancellation of accrual made at the end of the preceding year	282	
(282)	Amounts accrued at the end of the current year	(282)	
(2)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		-
(282)	Balance at 31 March		(282)

23. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2014/15 £000		2015/16 £000
(369)	Interest received	(541)
4,771	Interest paid	4,766
3	Interest Element of finance lease payments	2

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2014/15 £000		2015/16 £000
(5,411)	Depreciation	(5,617)
14,951	Impairment and revaluations in consolidated income and expenditure	17,896
(9)	Amortisation of intangible assets	(2)
2,137	(Increase) / decrease in creditors	(833)
(475)	Increase / (decrease) in debtors	798
147	(Increase) / decrease in provision for bad debt	(37)
(5)	Increase / (decrease) in inventories	(14)
(1,939)	Movement in pension liability	(2,610)
(3,090)	Carrying amount of non-current assets, assets held for sale, sold or derecognised	(3,964)
(1,512)	Other non-cash items charged to the net surplus or deficit on the provision of services	2,120
4,794		7,737

NOTES TO THE ACCOUNTS

The (surplus) or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2014/15 £000		2015/16 £000
2,104	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	4,490
1,139	Any other items for which the cash effects are investing or financing cash flows	655
<hr/>		<hr/>
3,243		5,145

24. Cash Flow Statement – Investing Activities

2014/15 £000		2015/16 £000
9,836	Purchase of property, plant and equipment, investment property and intangible assets	13,172
21,000	Purchase of short-term and long-term investments	33,200
(2,104)	Proceeds from sale of property, plant and equipment, non-current assets held for sale, investment property and intangible assets	(4,490)
(23,000)	Proceeds from the sale of short-term and long-term investments	(34,000)
(727)	Other receipts from investing activities	(1,473)
<hr/>		<hr/>
5,005	Net cash flows from investing activities	6,410

25. Cash Flow Statement – Financing Activities

2014/15 £000		2015/16 £000
492	Other receipts from financing activities	1
32	Cash payments for the reduction of the outstanding liabilities relating to finance leases	33
<hr/>		<hr/>
524	Net cash flows from financing activities	34

NOTES TO THE ACCOUNTS

26. Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the *Service Reporting Code of Practice*. However, decisions about resource allocation are taken by the Council's Executive on the basis of budget reports analysed across portfolio areas. These reports are prepared on the same basis as the accounting policies used in the financial statements.

The income and expenditure of the Council's portfolio areas recorded in the budget reports for the year is as follows:

NOTES TO THE ACCOUNTS

Portfolio Income and Expenditure 2015/16	CULTURE		DEVELOPMENT		FINANCE		HEALTH & COMMUNITY PROTECTION	HOUSING & PROPERTY G. FUND	NEIGHBOURHOOD	STRATEGIC LEADERSHIP	HOUSING REVENUE ACCOUNT	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Government Grants	-	(193)	(31,252)	(1)	(1)	-	(11)	-	(31,458)			
Other Grants and Contributions	(34)	(234)	(75)	(219)	(992)	(1,511)	(47)	(526)	(3,638)			
Sales	(175)	(14)	-	-	-	(1)	(2)	-	(192)			
Other Income	(10)	(178)	(170)	(52)	(2)	(540)	(478)	(110)	(1,540)			
Fees and Charges	(3,124)	(2,219)	(382)	(366)	(86)	(4,429)	(54)	(707)	(11,367)			
Rents	(371)	(828)	-	-	(186)	(71)	-	(26,727)	(28,183)			
Recharges	(1,652)	(563)	(1,584)	(1,799)	(2,184)	(2,605)	(4,164)	(2,945)	(17,496)			
Total Income	(5,366)	(4,229)	(33,463)	(2,437)	(3,451)	(9,157)	(4,756)	(31,015)	(93,874)			
Employees	3,032	2,455	2,201	1,773	1,585	2,204	3,057	2,313	18,620			
Premises	1,625	341	14	356	519	1,361	75	7,286	11,577			
Transport	9	83	8	42	40	32	14	87	315			
Supplies and Services	1,151	800	603	923	833	1,113	1,272	725	7,420			
Third Party Payments	344	618	107	103	189	4,842	205	673	7,081			
Transfer Payments	-	-	30,430	-	-	-	-	-	30,430			
Support Services	2,191	1,357	2,009	1,484	1,343	2,482	1,615	3,854	16,335			
Capital Financing Charges	2,974	39	101	748	(437)	1,639	121	(15,686)	(10,501)			
Total Expenditure	11,326	5,693	35,473	5,429	4,072	13,673	6,359	(748)	81,277			
Surplus or deficit on the provision of services	5,960	1,464	2,010	2,992	621	4,516	1,603	(31,763)	(12,597)			

NOTES TO THE ACCOUNTS

Portfolio Income and Expenditure 2014/15	CULTURE £000	DEVELOPMENT £000	FINANCE £000	HEALTH & COMMUNITY PROTECTION £000	HOUSING & PROPERTY G. FUND £000	NEIGHBOURHOOD £000	STRATEGIC LEADERSHIP £000	HOUSING REVENUE ACCOUNT £000	TOTAL £000
Government Grants	-	(68)	(30,956)	(40)	(312)	-	(44)	-	(31,420)
Other Grants and Contributions	(39)	(97)	(76)	(227)	(611)	(917)	(5)	(502)	(2,474)
Agency Services	-	-	-	-	-	(469)	-	-	(469)
Sales	(164)	(16)	-	(1)	-	(14)	(2)	-	(197)
Other Income	(10)	(96)	(22)	(64)	(11)	(486)	(294)	(193)	(1,176)
Fees and Charges	(2,936)	(1,598)	(441)	(379)	(52)	(5,381)	(41)	(802)	(11,630)
Rents	(278)	(779)	-	(15)	(144)	(67)	-	(26,036)	(27,319)
Recharges	(1,299)	(603)	(1,527)	(1,946)	(1,556)	(2,732)	(4,134)	(172)	(13,969)
Total Income	(4,726)	(3,257)	(33,022)	(2,672)	(2,686)	(10,066)	(4,520)	(27,705)	(88,654)
Employees	2,792	2,021	2,349	1,708	1,525	2,289	2,723	2,310	17,717
Premises	1,767	340	3	492	342	1,190	36	6,248	10,418
Transport	11	52	13	50	43	33	23	92	317
Supplies and Services	1,187	539	776	933	754	1,139	1,222	811	7,361
Third Party Payments	139	835	148	69	111	6,226	205	667	8,400
Transfer Payments	-	-	29,665	-	-	-	-	-	29,665
Support Services	1,763	1,510	1,852	1,384	1,147	2,478	1,653	1,854	13,641
Capital Financing Charges	2,109	75	60	337	957	1,007	120	(13,079)	(8,414)
Total Expenditure	9,768	5,372	34,866	4,973	4,879	14,362	5,982	(1,097)	79,105
Surplus or deficit on the provision of services	5,042	2,115	1,844	2,301	2,193	4,296	1,462	(28,802)	(9,549)

NOTES TO THE ACCOUNTS

Reconciliation of Housing Revenue Account Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of the Housing Revenue Account income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2015/16 £000	2014/15 £000
Net Expenditure in the HRA Analysis	(31,763)	(28,802)
HRA share of Corporate and Democratic Core and Non-Distributed costs included in the Corporate and Democratic Core line in the Comprehensive Income and Expenditure Statement	(98)	(98)
Cost of HRA Services in Comprehensive Income and Expenditure Statement	(31,861)	(28,900)

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of the portfolio area income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

2015/16	PORTFOLIO ANALYSIS £000	SUPPORT SERVICES £000	OTHER INTERNAL RECHARGES £000	INVESTMENT PROPERTIES £000	TOTAL £000
Government Grants	(31,458)	-	-	-	(31,458)
Other Grants and Contributions	(3,638)	361	-	-	(3,277)
Sales	(192)	-	-	-	(192)
Other Income	(1,540)	123	-	10	(1,407)
Fees and Charges	(11,367)	64	-	3	(11,300)
Rents	(28,183)	14	-	523	(27,646)
Recharges	(17,496)	11,417	6,009	-	(70)
Total Income	(93,874)	11,979	6,009	536	(75,350)
Employees	18,620	(7,013)	-	-	11,607
Premises	11,577	(669)	-	(159)	10,749
Transport	315	(82)	-	-	233
Supplies and Services	7,420	(1,343)	-	(4)	6,073
Third Party Payments	7,081	(384)	-	(87)	6,610
Transfer Payments	30,430	-	-	-	30,430
Support Services	16,335	(2,385)	(6,009)	(112)	7,829
Capital Financing Charges	(10,501)	(103)	-	(5)	(10,609)
Total Expenditure	81,277	(11,979)	(6,009)	(367)	62,922
Surplus or deficit on the provision of services	(12,597)	-	-	169	(12,428)

NOTES TO THE ACCOUNTS

2014/15	PORTFOLIO ANALYSIS £000	SUPPORT SERVICES £000	INTERNAL RECHARGES £000	AGENCY WORK £000	INVESTMENT PROPERTIES £000	TOTAL £000
Government Grants	(31,420)	-	-	-	-	(31,420)
Other Grants and Contributions	(2,474)	471	-	-	23	(1,980)
Agency Services	(469)	-	-	469	-	-
Sales	(197)	-	-	-	-	(197)
Other Income	(1,176)	129	-	-	8	(1,039)
Fees and Charges	(11,630)	52	-	1,147	4	(10,427)
Rents	(27,319)	(10)	-	-	521	(26,808)
Recharges	(13,969)	10,791	3,178	-	-	-
Total Income	(88,654)	11,433	3,178	1,616	556	(71,871)
Employees	17,717	(6,438)	-	-	-	11,279
Premises	10,418	(582)	-	-	(146)	9,690
Transport	317	(81)	-	(4)	-	232
Supplies and Services	7,361	(1,470)	-	(52)	(2)	5,837
Third Party Payments	8,400	(398)	-	(1,147)	(108)	6,747
Transfer Payments	29,665	-	-	-	-	29,665
Support Services	13,641	(2,131)	(3,178)	(413)	(158)	7,761
Capital Financing Charges	(8,414)	(333)	-	-	(5)	(8,752)
Total Expenditure	79,105	(11,433)	(3,178)	(1,616)	(419)	62,459
Surplus or deficit on the provision of services	(9,549)	-	-	-	137	(9,412)

27. Members' Allowances

In England, the Local Authorities (Members Allowances) (England) Regulations 2003 provide for the circumstances in which allowances are payable to members and the maximum amounts payable in respect of certain allowances.

The total value of allowances paid to the Council's members during 2015/16 was:

	2015/16 £000	2014/15 £000
Allowances:		
Basic	216	212
Special Responsibility	51	56
Chair and Vice Chair Allowances	16	17
Co-Optees	1	1
Other Allowances (Travel, Subsistence, etc.)	9	10
Total Allowances	293	296

Details of the amounts paid to individual members may be obtained from The Head of Finance, Warwick District Council, P.O. Box 2180, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire CV32 5QW.

NOTES TO THE ACCOUNTS

28. Officers' Remuneration

The remuneration paid to the Council's senior employees is as follows:

Post Title		Salary (inc Fees & Allowances) £	Pension Contribution £	Total Remuneration Inc Pension Contribution £
Chief Executive	2015/16	126,995	18,033	145,028
	2014/15	107,312	14,487	121,799
Deputy Chief Executive	2015/16	86,190	12,239	98,429
	2014/15	84,923	11,465	96,388
Deputy Chief Executive	2015/16	86,190	12,239	98,429
	2014/15	100,075	12,123	112,198
S151 Officer	2015/16	75,990	10,791	86,781
	2014/15	74,872	10,108	84,980
TOTALS	2015/16	375,365	53,302	428,667
TOTALS	2014/15	367,182	48,183	415,365

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

	Number of Employees		Number of Employees	
	Total	Left	Total	Left
	2015/16	in Year	2014/15	in Year
£55,000 - £59,999	3	1	1	-
£60,000 - £64,999	3	-	3	-
£65,000 - £69,999	-	-	1	1

The number of exit packages with total cost per band and total cost of compulsory and other redundancies are set out in the table below:

NOTES TO THE ACCOUNTS

(a) Exit Package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of exit packages by cost band [(b) + (c)]		(e) Total cost of exit packages in each band	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
£0 - £20,000	7	5	6	-	13	5	£111,952	£53,153
£20,001 - £40,000	3	2	3	-	6	2	£164,022	£57,940
£40,001 - £60,000	1	-	1	-	2	-	£94,220	-
£60,001 - £80,000	1	-	-	-	1	-	£61,821	-
£100,001 - £120,000	-	-	-	-	-	-	-	-
Total cost included in bandings and in CIES	12	7	10	-	22	7	£432,015	£111,093

29. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors Grant Thornton UK LLP:

	2015/16 £'000	2014/15 £'000
Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor	67	71
Fees payable to Grant Thornton for the certification of grant claims and returns	12	12
Audit Commission rebate re reduced closure costs	-	(7)
TOTAL PAID	79	76

NOTES TO THE ACCOUNTS

30. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2015/16:

	2015/16 £000	2014/15 £000
Credited to Taxation and Non-Specific Grant Income		
Revenue Support Grant	(2,499)	(3,515)
New Homes Bonus	(1,623)	(1,232)
Small Business Rate Relief Grant	-	(756)
Council Tax Freeze Grant	(82)	(78)
Council Tax Support Grant	(23)	(80)
New Homes Bonus Returned Funding	(10)	-
Right To Move Grant	(71)	-
Right To Challenge Grant	-	(8)
Right To Bid New Burdens Grant	-	(8)
Transparency Setup Grant	(8)	(6)
Council Tax Annex Discount Grant	(2)	(1)
<u>Capital Grants and Contributions:</u>		
- Victoria Skate Park	(7)	(105)
- Indoor & Outdoor Sports Facilities	(185)	(1)
- S106 GP Surgery Contributions	(525)	-
- Donated Heritage Assets	-	(9)
- 26 Hamilton Terrace Gaming Hub	-	(108)
- S106 Contribs towards social housing & play equipment	(695)	(1,302)
TOTAL	(5,730)	(7,209)
Credited to Services		
DWP grants for Housing Benefits	(30,487)	(30,099)
Housing Benefit Administration Grant	(550)	(631)
DCLG Disabled Facilities Grant	(373)	(312)
Contribution towards NNDR Collection	(215)	(214)
Individual Electoral Registration	(11)	(44)
LA-Community Advice and Support	(65)	(10)
Efficiency and Transformation Grant	-	(13)
Site Delivery Fund	-	(50)
Local Land Charges	(128)	-
Implementation of Homelessness Act	-	(30)
TOTAL	(31,829)	(31,403)
TOTAL GRANTS	(37,559)	(38,612)

NOTES TO THE ACCOUNTS

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have legally binding conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year-end are as follows:

	2015/16 £000	2014/15 £000
Capital Grants / Contributions Receipts in Advance		
S106 Contributions towards social housing, sports facilities & play equipment	1,596	(374)
TOTAL	1,596	(374)

31. Related Party Transactions

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government:

Central Government has significant influence over the general operations of the Council - it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in the subjective analysis in Note 26. Grant receipts outstanding at 31 March 2016 are included within the figures shown in Note 30.

Warwickshire County Council and the Office of the Warwickshire Police and Crime Commissioner:

These authorities issue precepts on the Council and these are shown in the Collection Fund Statement. Warwickshire County Council is the administering authority for the Pension Fund and details of the employer's contributions paid by this Council are shown in Note 35.

Precepting Bodies:

The various Town and Parish Councils in the Council's area issue precepts on the Council. For 2015/16 the precepts issued totalled £1,233,065 (£1,207,647 2014/15). The major preceptors were:

	2015/16 £000	2014/15 £000
Warwick Town Council	321	306
Royal Leamington Spa Town Council	297	291
Kenilworth Town Council	177	175
Whitnash Town Council	113	103

Council Members and Chief Officers:

Council Members make disclosures of their pecuniary and non-pecuniary interests in the Members' Register, and also have to make declarations on individual committee agenda items. In addition to Council Members, the Chief Executive and two Deputy Chief Executives also make annual declarations in respect of any Related Party Transactions they may have.

Council Members have direct control over the Council's financial and operating policies. Grants totalling £501,900 (£424,600 2014/15) were paid to voluntary organisations in

NOTES TO THE ACCOUNTS

which six members had positions on the governing body. The grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants. The major grants awarded were:

	2015/16 £000	2014/15 £000
Saint Chad's Trust (Bishop Tachbrook Community Centre)	129	-
Citizens' Advice Bureau	100	151
Shakespeare's England	86	-
Warwickshire Community and Voluntary Action (CAVA)	55	92
Leamington Lawn & Squash Club	30	-
The Chain	29	49
Kenilworth Tennis, Squash and Croquet Club	29	-
Brunswick Healthy Living Centre	-	104

Details of Members' Allowances paid in 2015/16 are shown in Note 27 and Officer Salaries are disclosed in Note 28.

Leamington Business Improvement District:

The Council acts as an agent in respect of Leamington Business Improvement District (Bid) whereby it collects the levy due on the Bid's behalf (£299,000 in 2015/16).

32. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

	2015/16 £000	2014/15 £000
Opening Capital Financing Requirement	134,460	134,460
Capital Investment:		
Property, Plant and Equipment including Finance Leases	13,007	9,095
Investment Properties	8	-
Revenue Expenditure Funded from Capital Under Statute	1,776	1,118
Finance Leases Principal	12	44
Long Term Debtors	-	3
Sources of Finance:		
Capital Receipts	(2,141)	(1,315)
Government grants and other contributions	(647)	(2,261)
Major Repairs Account	(3,874)	(4,188)
Sums set aside from revenue	(8,018)	(2,452)
Adjustment for expenditure where MRP is being met by Asset Life or Depreciation Methods	(12)	(44)
Closing Capital Financing Requirement	134,571	134,460

NOTES TO THE ACCOUNTS

33. Leases

Authority as Lessee

Finance Leases

In 2011/12 and 2012/13 the Council acquired photocopiers under a Finance Lease and then in 2014/15 acquired a Dog Wardens van also under a Finance Lease . The liability remaining in the balance sheet at 31st March was £11,568. The minimum lease payments over the coming years are analysed below:

2016/17	£2,971
2017/18	£1,973
2018/19	£2,090
2019/20	£2,207
2020/21	£2,327

Authority as Lessor

The Council, as a lessor, does not have any leases which qualify as finance leases.

Operating Leases

With effect from 1st April 2010, the Council entered into an operating lease with Mack Trading whereby the Council leased out the operation of the Newbold Comyn Golf Course for a term of 50 years at a rent of £20,000 per annum commencing in year 4 and subject to 5 yearly rent reviews.

Within the Housing Revenue Account the Council has a number of shops etc. which whilst still forming part of its Operational non-current assets are leased out on a commercial basis in order to derive rental income.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	31 March 2016 £000	31 March 2015 £000
Not later than one year	326	318
Later than one year and not later than five years	1,404	1,371
Later than five years	820	840
	2,550	2,529

34. Impairment/Revaluation Losses

During 2015/16, the Council has recognised no impairment losses charged to the General Fund as a result of writing out or down physically impaired or obsolete assets.

Revaluation losses amounting to £3,900,769 relating in the main to land values in respect of the Town Hall, Royal Pump Rooms Royal Spa Centre and Riverside House and the Crematorium buildings following the major refurbishment were charged to the General Fund and then in accordance with statutory accounting requirements reversed out to the Capital Adjustments Account to ensure no impact on the Council Tax. In addition, Revaluation impairments amounting to £3,049,321 charged to the General Fund in previous years as a result of revaluations carried out by the Council's then external valuer, the District Valuer, were recovered.

NOTES TO THE ACCOUNTS

Within the Housing Revenue Account, the Council has recognised a revaluation impairment gain amounting to £19,498,794 relating to its housing stock which has partially reversed previous revaluation impairment losses charged to the HRA.

35. Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments for those benefits and to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme administered locally by Warwickshire County Council. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions' liabilities with investment assets.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund and Housing Revenue Account via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

NOTES TO THE ACCOUNTS

	2015/16 £000	2014/15 £000
Comprehensive Income and Expenditure Statement		
<i>Cost of Services:</i>		
- current service cost	3,298	2,510
- past service costs	-	33
<i>Financing and Investment Income and Expenditure:</i>		
- net interest expense	1,471	1,456
<i>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</i>	4,769	3,999
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
- Return on plan assets (excluding the amount included in the net interest expense)	1,233	(8,056)
- Actuarial gains and losses arising on changes in financial assumptions	(13,220)	18,954
- Other	(1,887)	(1,057)
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	(9,105)	13,840
Movement in Reserves Statement		
- reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(4,769)	(3,999)
Actual amount charged against the General Fund and HRA Balances for pensions in the year:		
Employer's contributions payable to scheme	2,159	2,060

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as follows:

	2015/16 £000	2014/15 £000
Present value of the defined benefit obligation	138,048	148,809
Fair value of plan assets	(103,881)	(103,378)
Net liability arising from defined benefit obligation	34,167	45,431

NOTES TO THE ACCOUNTS

Reconciliation of the Movements in the Fair Value of the Scheme (Plan) Assets:

	2015/16 £000	2014/15 £000
Opening fair value of scheme assets	103,378	93,492
Interest income	3,284	3,972
Remeasurement gain / (loss):		
- The return on plan assets, excluding the amount included in the net interest expense	(1,233)	8,056
The effect of changes in foreign exchange rates		
Contributions from employer	2,159	2,060
Contributions from employees into the scheme	740	691
Benefits paid	(4,447)	(4,893)
Closing fair value of scheme assets	103,881	103,378

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation):

	2015/16 £000	2014/15 £000
Opening balance at 1 April	148,809	127,143
Current service cost	3,298	2,510
Interest cost	4,755	5,428
Contributions from scheme participants	740	691
Remeasurement (gains) / losses:		
- Actuarial gains / losses arising from changes in financial assumptions	(13,220)	18,954
- Other experience	(1,887)	(1,057)
Past service cost	-	33
Benefits paid	(4,447)	(4,893)
Closing balance at 31 March	138,048	148,809

NOTES TO THE ACCOUNTS

Local Government Pension Scheme assets comprised:

	Period Ended 31 March 2016			Period Ended 31 March 2015		
	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000
Cash and cash equivalents	1,207	-	1,207	4,914	-	4,914
Equity Securities (by industry type):						
- Consumer	11,685	-	11,685	10,788	-	10,788
- Manufacturing	4,357	-	4,357	4,586	-	4,586
- Energy and Utilities	1,989	-	1,989	3,681	-	3,681
- Financial Institutions	5,661	-	5,661	6,035	-	6,035
- Health and Care	3,463	-	3,463	2,440	-	2,440
- Information Technology	2,839	-	2,839	2,718	-	2,718
- Other	3,972	-	3,972	2,821	-	2,821
Sub-total equity	33,966	-	33,966	33,069	-	33,069
Property:						
- UK Property	11,918	-	11,918	10,421	-	10,421
- Overseas Property	88	-	88	137	-	137
Sub-total property	12,006	-	12,006	10,558	-	10,558
Private Equity:						
- All	-	2,812	2,812	-	1,863	1,863
Investment Funds and Unit Trusts:						
- Equities	25,611	-	25,611	26,628	-	26,628
- Bonds	17,442	-	17,442	17,967	-	17,967
- Hedge Funds	-	5,170	5,170	-	4,574	4,574
- Infrastructure	-	915	915	-	-	-
- Other	4,752	-	4,752	3,805	-	3,805
Sub-total Investments	47,805	6,085	53,890	48,400	4,574	52,974
TOTAL ASSETS	94,984	8,897	103,881	96,941	6,437	103,378

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

The Warwickshire County Council Fund liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31 March 2013.

NOTES TO THE ACCOUNTS

The significant assumptions used by the actuary have been:

	2015/16	2014/15
Long-term expected rate of return on assets in the scheme:		
Equity investments	3.5%	3.2%
Bonds	3.5%	3.2%
Property	3.5%	3.2%
Cash	3.5%	3.2%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.4 years	22.4 years
Women	24.4 years	24.4 years
Longevity at 65 for future pensioners:		
Men	24.3 years	24.3 years
Women	26.6 years	26.6 years
Rate of inflation	3.2%	2.8%
Rate of increase in salaries	4.2%	4.3%
Rate of increase in pensions	2.2%	2.4%
Rate of discounting scheme liabilities	3.5%	3.2%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	Increase in Assumption £000	Decrease in Assumption £000
Longevity (increase or decrease in 1 year)	4,141	(4,141)
Rate of increase in salaries (increase or decrease by 1%)	8,006	(8,006)
Rate of increase in pensions (increase or decrease by 1%)	19,588	(19,588)
Rate for discounting scheme liabilities (increase or decrease by 1%)	28,026	(28,026)

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 18 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2016.

The Council anticipates paying £2,126,000 expected contributions to the scheme in 2016/17.

The weighted average duration of the defined benefit obligation for scheme members is 18 years, 2015/16 (18 years 2014/15).

There is an inconsistency between the total scheme assets as determined by the actuary and the total scheme assets as per the pension scheme accounts. This is because the

NOTES TO THE ACCOUNTS

actuary has estimated the value of assets using the actual return on assets to December 2015 and has estimated the return on assets for January to March 2016.

36. Contingent Liabilities

Municipal Mutual Insurance Limited:

Before it stopped underwriting operations in September 1992, Municipal Mutual Insurance Limited (MMI) was the predominant insurer of public sector bodies, including local authorities, police and fire and rescue services. The implementation of a Scheme of Arrangement in 1993 means that even today many of those bodies and their successor authorities still have potentially significant exposure to MMI.

After several years of a deteriorating solvency position, and an adverse judgement in the Supreme Court, in November 2012 the Scheme was triggered. In April 2013, the Scheme Administrator announced that the "initial rate of the levy" would be 15% of the total of claims paid since 1993 (less £50,000) by the Scheme member or its successors.

The Council has been advised that a further levy of 10% (£30,500) is to be made in April 2016/17.

This means that in future only 75% of claim amounts will be paid out. Members also face potential future calls if the situation deteriorates further. Although the Council has provided for the bulk of this claw back there is potential for a further £100,000 to be reclaimed if the situation deteriorates further.

37. Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

Risk management is carried out by a central treasury team, under policies approved by the Council in the Annual Treasury Management Strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by Fitch's Ratings Services. The Annual Investment Strategy also imposes a maximum sum to be invested with each type of financial institution located within each category.

The result of the EU Membership referendum on 23rd June 2016 and the subsequent downgrading of the UK's sovereign credit rating will affect the credit risk within the Council's Investments portfolio. This will be assessed and the Annual Investment Strategy for 2016/17 amended as appropriate with subsequent approval from the Council.

NOTES TO THE ACCOUNTS

The credit criteria at 1st April 2016 in respect of financial assets held by the Council are:

Financial Asset Category	Minimum Criteria (Fitch ratings)	Maximum Investment (per Counterparty or Group)	Maximum Duration	Proportion of Portfolio at 31st March 2016 £'000
Deposits With Banks	Sovereign equal to UK rating Long Term A Short Term F1	£5m (private) £9m (nationalised)	Up to 2 years Up to 2 years	24,246 10,000
Category B	Sovereign equal to UK rating Short Term F1	£2m	364 days	2,000
Deposits with Money Market Funds	Constant Net Asset Value Funds - S & P AAAm or Moody's Aaa-mf or Fitch AAAmmf	£9m	Not defined - depends on cash flow	17,679
Deposits with Money Market Funds	Variable Net Asset Value Funds - S & P AAAS1 or Moody's Aaa- bf or Fitch AAA/V1	£6m	Not defined - depends on cash flow	6,000
				59,925

Where appropriate the Council makes use of a credit checking agency so that customers for goods and services e.g. major contracts are assessed and suitable credit limits set. At 31 March 2016, sundry debts outstanding stood at £3.027m of which £1.251m related to general debts and £1.776m to Housing and Council Tax Benefit overpayments. An assessment has taken place of the likelihood of these debts being defaulted upon and bad debts provisions of £0.040m and £0.815m have been established in respect of the general debts and Housing and Council Tax Benefit Overpayments respectively. An analysis by age of the £3.027m less £0.855m bad debts provision follows:

	31 March 2016 £000	31 March 2015 £000
Less than three months	1,077	583
Four to six months	328	180
Seven to nine months	60	136
Ten to twelve months	38	137
More than one year	669	484
Total	2,172	1,520

At 31 March 2016, outstanding arrears in respect of council house rents and charges stood at £1.481m; again an assessment of the default rate on these arrears has been made and a bad debts provision of £1.043m has been established.

Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council is able to borrow, subject to the limits imposed by the relevant Prudential Indicators, from the Money Markets to make up the shortfall. The relevant Prudential Indicators in this instance are the Operational Boundary for External Debt which manages the day to day cash flow requirements and the Authorised Limit for External Debt which sets an absolute ceiling on the amount of borrowing allowed.

All of the Council's trade and other payables are due to be paid in less than one year.

NOTES TO THE ACCOUNTS

Market Risk

Interest Rate Risk

The Council's external borrowing is made up of PWLB Fixed Rate Maturity loans with maturities of between 41 and 50 years and the average rate of the portfolio is 3.50%. This gives certainty in terms of interest payments but the principal disadvantage to this certainty arises from movements in long term borrowing rates which are influenced by Gilt yields. With long term borrowing rates currently well below the portfolio average of 3.50% it will be difficult for the Council to take advantage without incurring considerable premiums in buying itself out of the PWLB loans. Conversely, should interest rates rise in the future then the Council may be able to take advantage of this and restructure its PWLB loans thus generating discounts.

The main risk to its investment income comes from movements in Bank Rate and the Money Market Rates. For instance, a rise in interest rates would have the following effects:

- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- Investments at fixed rates – the fair value of the assets will fall.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated.

According to this assessment strategy, based on the 2015/16 out-turn a 0.25% movement upwards in interest rates would have produced an additional £0.176m interest. Conversely the same movement downwards would have reduced investment interest by a similar amount.

Price Risk

The Council does not invest directly in equity shares. However it does invest in Certificates of Deposits and Corporate Bonds which are instruments where the price does fluctuate, the Council manages this risk by only purchasing investments with a relatively short term to run and by holding the investments to maturity thus nullifying the effect of price fluctuations as the investments are redeemed at par i.e. face value. From 2016/17 the Council will be able to invest in Corporate Equity Funds and it is proposed to manage year end price fluctuations in these funds by the use of the Financial Instruments Available For Sale Reserve. The Council will also establish a reserve financed from the additional investment interest that these vehicles are expected to generate. This reserve will be used to finance any losses resulting from premature redemptions within the fund thus reducing the impact on the General Fund although the Council's policy will be to retain its investments in such funds for at least 5 years in order to achieve the optimum investment returns and minimising the risk to the capital value from stock market price falls.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and, thus, has no exposure to loss arising from movements in exchange rates.

38. Authorisation of Accounts for Issue

The Chief Financial Officer authorised the Statement of Accounts for issue to the Council's members on 29 June 2016. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2016, the figures in the financial

NOTES TO THE ACCOUNTS

statements and notes have been adjusted in all material respects to reflect the impact of this information.

HOUSING REVENUE ACCOUNT INCOME & EXPENDITURE STATEMENT

The Housing Revenue Account (HRA) Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2014/15 £'000		Notes	2015/16 £'000	2015/16 £'000
	EXPENDITURE			
5,548	Repairs and Maintenance		5,852	
5,568	Supervision and Management		5,711	
130	Rents, Rates, Taxes and Other Charges		118	
328	Increased Provision for Bad Debts		215	
(13,159)	Depreciation and Impairment of Non-Current Assets	6	(15,735)	
2	Debt Management Costs		-	
81	Amortisation of Intangible Assets & Revenue		49	
	Expenditure Funded from Capital Under Statute			
(1,502)	TOTAL EXPENDITURE			(3,790)
	INCOME			
(25,229)	Dwelling Rents		(25,774)	
(807)	Non-Dwelling Rents		(822)	
(823)	Charges for Services and Facilities		(846)	
(597)	Contributions Towards Expenditure		(629)	
(27,456)	TOTAL INCOME			(28,071)
(28,958)	Net Cost of HRA Services as included in the whole authority Comprehensive Income and Expenditure			(31,861)
74	HRA services share of Corporate and Democratic Core			74
82	HRA share of other amounts included in the whole authority Net Cost of Services but not allocated to specific services			24
(28,802)	Net Income for HRA Services			(31,763)
1,137	Gain or Loss on sale of HRA non-current assets		(550)	
4,766	Interest payable and similar charges		4,766	
131	Pensions Interest Cost and Expected Return on Pensions Assets	10	174	
(178)	HRA Interest and Investment Income		(199)	
(22,946)	(Surplus) / Deficit for the year on HRA services			(27,572)

MOVEMENT ON THE HRA BALANCE STATEMENT

The 'Surplus or (Deficit) for the year on HRA services' line shows the true economic cost of providing the authority's services, more details of which are shown in the HRA Income and Expenditure Statement. These are different from statutory amounts required to be charged to the Housing Revenue Account for dwellings rent setting purposes. The 'Net Increase / (Decrease) before transfers to earmarked reserves' line shows the change in the statutory Housing Revenue Account Balance before any discretionary transfers to or from reserves undertaken by the Council.

2014/15 £000		Notes	2015/16 £000	£000
1,323	Balance on the HRA at the end of the previous year			1,353
22,946	Surplus or (deficit) for the year on the HRA Income and Expenditure Statement		27,572	
(19,047)	Adjustments between accounting basis and funding basis under statute	Main Notes 6	(28,350)	
3,899	Net increase or (decrease) before transfers to or from reserves		(778)	
(3,869)	Transfers (to) or from reserves		811	
30	Increase or (decrease) in year on the HRA			33
1,353	Balance on the HRA at the end of the current year			1,386

NOTES TO THE HOUSING REVENUE ACCOUNT

1. Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Housing Revenue Account Income and Expenditure Statement is that specified by the *Service Reporting Code of Practice*. However, decisions about resource allocation are taken by the Council's Executive on the basis of budget reports analysed across portfolio areas. These reports are prepared on the same basis as the accounting policies used in the financial statements.

The income and expenditure of the Council's Housing Revenue Account portfolio area recorded in the budget reports for the year is as follows:

	2015/16	2014/15
	£000	£000
Other Grants and Contributions	(526)	(502)
Fees and Charges	(707)	(802)
Rents	(26,727)	(26,036)
Other Income	(110)	(193)
Recharges	(2,945)	(172)
Total Income	(31,015)	(27,705)
Employees	2,313	2,310
Premises	7,286	6,248
Transport	87	92
Supplies and Services	725	811
Third Party Payments	673	667
Support Services	3,854	1,854
Capital Financing Charges	(15,686)	(13,079)
Total Operating Expenses	(748)	(1,097)
Net Cost of HRA Services	(31,763)	(28,802)

NOTES TO THE HOUSING REVENUE ACCOUNT

2. Housing Stock

The Council was responsible for managing the following Council dwellings included in the Housing Revenue Account:

	31 March 2016 Nos.	31 March 2015 Nos.
Houses	2,449	2,446
Flats	2,355	2,380
Bungalows	669	669
	<hr/>	<hr/>
	5,473	5,495

The change in housing stock can be summarised as follows:

	2015/16 Nos.	2014/15 Nos.
Housing Stock at 1 April	5,495	5,552
Purchases	21	1
Right to Buy Sales	(43)	(27)
Demolition for redevelopment	-	(31)
	<hr/>	<hr/>
Housing Stock at 31 March	5,473	5,495

3. Housing Revenue Account Non-Current Assets and Assets Held For Sale

The total Housing Revenue Account non-current assets and assets held for sale can be analysed as follows:

	31 March 2016 £'000	1 April 2015 £'000
Council Dwellings	282,803	262,499
Other Properties	6,475	6,194
Land	271	186
Equipment	55	79
Assets Under Construction	6,526	1,829
Surplus Assets	441	1,221
Assets Held for Sale	796	363
	<hr/>	<hr/>
Total Balance Sheet Items	297,367	272,371

NOTES TO THE HOUSING REVENUE ACCOUNT

4. Valuation of Dwellings

The 'vacant possession' value of dwellings represents the open market value of the housing stock, whilst the Balance Sheet value represents the reduced valuation owing to the stock being used for social housing. The difference between the two valuations (a reduction to 34% of the market valuation) is the 'Economic Cost' of providing council housing at less than open market rents.

	1 April 2015 £'000	1 April 2014 £'000
Vacant Possession Value of Dwellings	769,171	719,732
Balance Sheet Value of Dwellings	262,666	245,791
Economic Cost to Government	506,505	473,941

5. Summary of Capital Expenditure Funding Sources

	2015/16 £'000	2014/15 £'000
Usable Capital Receipts	1,672	764
Revenue and Other Contributions	753	2,220
Major Repairs Reserve	3,874	4,188
TOTAL CAPITAL EXPENDITURE FUNDING	6,299	7,172

6. Revaluations Impairment

Following the appointment of Carter Jonas LLP as the Council's valuers, a full valuation of the Housing Revenue Account dwellings, other properties and land including physical inspection of the assets was undertaken for the 1st April 2016 valuation. This resulted in a net increase in the value of the Council's housing stock of £19.103m. Revaluation gains of £0.355m were credited to the Housing Revenue Account Revaluation Reserve, £0.751m of revaluation losses were debited to the Housing Revenue Account arising from the acquisition of the Great Field Drive properties in 2015/16 and £19.499m was credited to the Housing Revenue Account to partially reverse previous years revaluation impairments made to that account.

The housing stock is valued on an "Existing Use – Social Housing" (EUV-SH) basis, derived from the Open Market Value (OMV), discounted by a Regional Adjustment Factor, which is determined by the Department for Communities and Local Government (DCLG). Currently, this is just 34% of the Open Market Value.

NOTES TO THE HOUSING REVENUE ACCOUNT

7. Summary of Capital Receipts

	2015/16 £'000	2014/15 £'000
Sale of Council Houses	3,307	1,989
Other Non RTB Sales	757	-
TOTAL CAPITAL RECEIPTS	4,064	1,989

8. Depreciation of Fixed Assets

	2015/16 £'000	2014/15 £'000
Council Dwellings	2,639	2,432
Other Buildings	349	494
Land	-	-
Equipment	25	25
TOTAL DEPRECIATION	3,013	2,951

9. Arrears and Provision for Bad or Doubtful Debts

	2015/16 £'000	2014/15 £'000
<u>HRA Rent & Charges Arrears</u>		
Current Tenant Rent Arrears	872	997
Former Tenant Rent Arrears	234	201
Dwelling Rent Arrears	1,106	1,198
Garage Rent Arrears	8	11
Supporting People Charge Arrears	39	37
Court Cost Arrears	141	105
Overpayment of Benefit Arrears	187	211
Other Arrears	-	14
Total Arrears	1,481	1,576
<u>Prepayments</u>		
Dwelling Rent Prepayments	(315)	(277)
Garage Rent Prepayments	(12)	(11)
Other Prepayments	(7)	(7)
Total Prepayments	(334)	(295)
Net Arrears	1,147	1,281
<u>HRA Bad Debt Provisions</u>		
Rent Bad Debt Provision	(883)	(914)
Court Cost Bad Debt Provision	(160)	(100)
Total Bad Debt Provisions	(1,043)	(1,014)

NOTES TO THE HOUSING REVENUE ACCOUNT

10. HRA – Accounting for Pensions under IAS19

The following transactions have been made in the HRA Income and Expenditure Account and Statement of Movement in the HRA Balance during the year:

	2015/16 £000	2014/15 £000
Comprehensive Income and Expenditure Statement		
<i>Cost of Services:</i>		
- current service cost	204	194
<i>Financing and Investment Income and Expenditure:</i>		
- net interest expense	174	131
<i>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</i>	378	325
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability	-	-
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	378	325
Movement in Reserves Statement		
- reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(378)	(325)
Actual amount charged against the Housing Revenue Account Balance for pensions in the year:		
- employer's contributions payable to scheme	186	150

HOUSING MAJOR REPAIRS RESERVE ACCOUNT

Under the Resource Accounting regime there is a statutory requirement to keep a Major Repairs Reserve (MRR) Account. An amount equivalent to the depreciation charge on HRA assets is transferred into this account. HRA 'Self Financing' was introduced on 1st April 2012; for a five year transitional period an adjustment is made to adjust the amount transferred into the MRR for dwellings to the 'Major Repairs Allowance' value set out in the Self Financing determination.

This reserve can be used for capital expenditure to help maintain or improve HRA assets. It can also be used to repay the principal of HRA debt; it cannot, however, be used to pay for debt servicing costs i.e. payment of interest due.

Actual 2014/15 £000		Notes	Actual 2015/16 £000
	INCOME		
(2,530)	Depreciation on HRA Dwellings		(2,639)
(421)	Depreciation on Other Non-Current HRA Assets		(374)
(3,072)	Appropriation Adjustment	1	(2,873)
(6,023)	TOTAL INCOME		(5,886)
	EXPENDITURE		
4,188	Capital Expenditure Funded from MRR		3,874
4,188	TOTAL EXPENDITURE		3,874
(1,835)	Net (Surplus) / Deficit to Balances		(2,012)
(764)	Balance Brought Forward		(2,599)
(2,599)	Balance carried forward		(4,611)

1. **Appropriation Adjustment**

This reflects the difference between the Transitional Major Repairs Allowance (MRA) from the Self Financing settlement and depreciation on HRA dwellings.

COLLECTION FUND

This statement details the transactions relating to the collection of council tax and business rates. The Council acts as an agent to collect council tax and business rates on behalf of Warwickshire County Council and the Office of the Warwickshire Police and Crime Commissioner and business rates on behalf of the Government.

2014/15			2015/16			
Council Tax £000	Business Rates £000	Total £000	Notes	Council Tax £000	Business Rates £000	Total £000
INCOME						
(77,280)	-	(77,280)		(79,858)	-	(79,858)
-	(66,381)	(66,381)		-	(68,221)	(68,221)
(77,280)	(66,381)	(143,661)		(79,858)	(68,221)	(148,079)
Contributions towards earlier years' Collection Fund Deficit:						
-	-	-		-	(1,497)	(1,497)
-	-	-		-	(300)	(300)
-	-	-		-	(1,198)	(1,198)
-	-	-		-	(2,995)	(2,995)
(77,280)	(66,381)	(143,661)		(79,858)	(71,216)	(151,074)
TOTAL INCOME						
EXPENDITURE						
Precepts and Demands:						
-	34,417	34,417	4	-	34,224	34,224
58,717	6,883	65,600	4	61,062	6,845	67,907
9,198	-	9,198	4	9,569	-	9,569
8,527	27,534	36,061	4	8,699	27,379	36,078
76,442	68,834	145,276		79,330	68,448	147,778
Distribution of earlier years' Collection Fund Surplus:						
-	461	461		-	-	-
965	92	1,057		-	-	-
151	-	151		-	-	-
142	369	511		-	-	-
1,258	922	2,180		-	-	-
Charges to the Collection Fund:						
273	520	793		286	346	632
-	214	214		-	215	215
-	(250)	(250)		100	-	100
-	1,961	1,961		-	1,431	1,431
-	796	796		-	465	465
-	-	-		-	14	14
-	-	-		-	3	3
-	(166)	(166)		-	-	-
273	3,075	3,348		386	2,474	2,860
693	6,450	7,143		(142)	(294)	(436)
(1,194)	2,858	1,664		(501)	9,308	8,807
(501)	9,308	8,807		(643)	9,014	8,371
Net (Surplus) / Deficit for Year						
(Surplus) / Deficit brought forward 1 April						
(Surplus) / Deficit carried forward 31 March						

NOTES TO THE COLLECTION FUND

1. General

The Collection Fund is a statutory account which shows the transactions of the billing authority (Warwick District Council) in terms of Council Tax and Business Rates, and demonstrates how income from these sources is distributed to precepting bodies and the General Fund. The surplus or deficit on the Collection Fund at the yearend is distributed to, or recovered from, the billing authority and the precepting bodies on the basis of fund outturn balance estimates made in the January before the year end.

2. Council Tax

Council Tax income is derived from charges according to the value of residential properties that have been classified into 8 valuation bands. These numbers are adjusted for various items. The number of properties for each band is then converted into a Band D equivalent by applying a designated ratio to arrive at the Council Tax Base. Individual charges are determined by dividing the demands and precepts of the Council, Warwickshire County Council and The Office of the Warwickshire Police and Crime Commissioner by the Council Tax base. The Council Tax base for 2015/16 was calculated as follows:

Band	Dwellings in Banding List	Disabled Persons Adjustments No of Cases	Less Exemptions Properties Affected	Less Discounts	Adjusted Amount for Council Tax Band	Ratio	Band D Equivalent Dwellings
@	0	14	0	(2.75)	11.25	5 / 9	6.25
A	4,714	22	(200)	(761.75)	3,774.25	6 / 9	2,516.17
B	11,410	50	(600)	(1,365.50)	9,494.50	7 / 9	7,384.61
C	16,434	(2)	(460)	(1,428.25)	14,543.75	8 / 9	12,927.78
D	12,275	(20)	(300)	(842.75)	11,112.25	9 / 9	11,112.25
E	6,997	(17)	(323)	(374.50)	6,282.50	11 / 9	7,678.61
F	4,816	(13)	(93)	(196.50)	4,513.50	13 / 9	6,519.50
G	3,884	(15)	(26)	(145.00)	3,698.00	15 / 9	6,163.33
H	416	(19)	(7)	(12.50)	377.50	18 / 9	755.00
	60,946	0	(2,009)	(5,129.50)	53,807.50		55,063.50

Adjustment for new properties, collection rates, changes during the year for successful appeals against valuation banding, demolitions, disabled persons relief and exempt properties 77.23

Less Council Tax Support Scheme (4,304.00)

COUNCIL TAX BASE 2015/16 50,836.73

The Council Tax demands and precepts on the Collection Fund for 2015/16 totalled £79.330m (£76.442m in 2014/15) which, when divided by the Council Tax base, gave an average Band D equivalent of 1,560.49 (1,533.84 in 2014/15). The actual income credited to the Fund was £79.572m which is made up as follows:

	£'000
Income from Council Tax	(79,858)
Write-offs	286
INCOME FROM COUNCIL TAX 2015/16	(79,572)

NOTES TO THE COLLECTION FUND

3. **Income from Business Ratepayers**

Under the arrangements for uniform business rates, the Council collects non-domestic rates for its area which are based on local rateable values multiplied by a uniform rate of 49.3p.

Councils are able to keep a proportion of the business rates revenue as well as growth that is generated in their area. This provides a direct link between business rates growth and the amount of money councils have to spend on local people and local services.

The total rateable value of properties in the Warwick District area was £164,049,204 at 31 March 2016.

4. **Names of Significant Preceptors on the Collection Fund**

Council Tax:

The following authorities made significant demand on the Collection Fund during 2015/16:

Warwickshire County Council	£61,062,029.90
The Office of the Warwickshire Police and Crime Commissioner	£9,569,196.85
Warwick District Council	£8,698,947.00

Business Rates:

The following organisations made significant demand on the Collection Fund during 2015/16:

Government	£34,224,014
Warwickshire County Council	£6,844,803
Warwick District Council	£27,379,211

The Council subsequently makes a tariff payment to the Government of £22,886,048.

NOTES TO THE COLLECTION FUND

5. Accounting for the Collection Fund

The Code requires the collection of council tax and NNDR to be treated as agency work in respect of the amounts collected for the major preceptors and the government. All balances of arrears, prepayments and bad debt provisions are apportioned out and only the Council's elements are included in the Balance Sheet in their respective groups. The net amounts attributable to the other major preceptors and central government are included as either debtors or creditors depending on the net position for each.

COLLECTION FUND 31st March 2015

Warwick District £'000	Warwicks. County £'000	Warwicks. PCC £'000	Total £'000	COUNCIL TAX
253	1,774	278	2,305	Arrears
(82)	(577)	(90)	(749)	Impairment Allowance for Doubtful Debts
(104)	(733)	(115)	(952)	Overpayments and Prepayments
				<u>Collection Fund Balance:</u>
-	(386)	-	(386)	Warwickshire County Council
-	-	(60)	(60)	The Office of the Warwickshire Police and Crime Commissioner
(55)	-	-	(55)	Warwick District Council
(55)	(386)	(60)	(501)	TOTAL COLLECTION FUND

				<u>Balance Sheet:</u>
253	78	13	344	Debtors
(104)	-	-	(104)	Creditors
(82)	-	-	(82)	Bad Debts
(55)	-	-	(55)	Collection Fund Adjustment A/c

COLLECTION FUND 31st March 2016

Warwick District £'000	Warwicks. County £'000	Warwicks. PCC £'000	Total £'000
265	1,873	288	2,426
(93)	(656)	(101)	(850)
(91)	(641)	(99)	(831)
-	(495)	-	(495)
-	-	(77)	(77)
(71)	-	-	(71)
(71)	(495)	(77)	(643)

265	81	11	357
(91)	-	-	(91)
(93)	-	-	(93)
(71)	-	-	(71)

NOTES TO THE COLLECTION FUND

COLLECTION FUND 31st March 2015

Central Govt. £'000	Warwick District £'000	Warwicks. County £'000	Total £'000	BUSINESS RATES
493	394	99	986	Arrears
(250)	(200)	(50)	(500)	Impairment Allowance for Doubtful Debts
(535)	(428)	(107)	(1,070)	Overpayments and Prepayments
(4,257)	(3,406)	(851)	(8,514)	Provision for Appeals
				<u>Collection Fund Balance:</u>
4,654	-	-	4,654	Central Government
-	3,723	-	3,723	Warwick District Council
-	-	931	931	Warwickshire County Council
4,654	3,723	931	9,308	TOTAL COLLECTION FUND

105	394	22	521
-	(428)	-	(428)
-	(200)	-	(200)
-	(3,406)	-	(3,406)
-	3,723	-	3,723

Balance Sheet:

Debtors
Creditors
Bad Debts
Provision for Appeals
Collection Fund Adjustment A/c

COLLECTION FUND 31st March 2016

Central Govt. £'000	Warwick District £'000	Warwicks. County £'000	Total £'000
560	448	112	1,120
(250)	(200)	(50)	(500)
(237)	(190)	(47)	(474)
(4,972)	(3,978)	(994)	(9,944)
4,507	-	-	4,507
-	3,606	-	3,606
-	-	901	901
4,507	3,606	901	9,014

-	448	-	448
(392)	(190)	(78)	(660)
-	(200)	-	(200)
-	(3,978)	-	(3,978)
-	3,606	-	3,606

GLOSSARY

This section explains complicated terms that have been used in this document.

Accruals

Cost of goods and services received in the year but not yet paid for.

Actuarial gain (loss)

The changes in the pension fund's deficits or surpluses that arise because of:

- a) Events have not coincided with the assumption used by the actuary when carrying out the previous triennial valuation of the fund; or
- b) The actuary changing the assumptions used in the current triennial valuation exercise from those used previously.

Agency

Where one Authority (the main Authority) pays another Authority (the agent) to do work for them.

Amortisation

The drop in value of intangible assets as they become out of date.

Asset

An item which is intended to be used for several years such as a building or a vehicle.

Band D Equivalent

Council Tax is a tax on domestic properties. Each domestic property is placed in a 'band' from A to H based on the capital value of that property in April 1991. Band D is the middle band and the other bands are weighted in relation to Band D. (e.g. Band A is weighted 5/9ths of Band D and Band H is 18/9ths of Band D). Using the weighted number of the domestic properties in the area produced the Band D Equivalent number of properties.

Best Value

Under the Local Government Act 1999, Local Authorities must constantly aim to improve their services. Best Value was the approach introduced that gives Local Authorities a duty to provide local people with high-quality and efficient services.

Billing Authority

This is the Local Authority which collects the Council Tax for its area. In shire counties the District or Borough Council is the billing Authority.

Budget

A statement of our spending plans for a financial year, which starts on 1 April and ends on 31 March.

Business rates (National Non-Domestic Rates – NNDR)

Businesses pay these rates instead of Council Tax. Each year, the Government sets the rate in the pound and business rates are collected by the billing authority. The amount charged is based on multiplying the rateable value of each business property by the national rate in the pound. From 1 April 2013 Government reforms have amended this process by allowing some degree of Business Rate retention.

Business Rate Retention Scheme

Councils are able to keep a proportion of the business rates revenue as well as growth on the revenue that is generated in their area. It provides a direct link between business rates growth and the amount of money councils will have to spend on local people and local services.

Capital Adjustment Account

Resources set aside to meet past capital expenditure.

GLOSSARY

Capital programme

Our plan of future spending on capital projects such as buying land, buildings, vehicles and equipment.

Capital receipt

Income from selling assets that have a long-term value. Capital receipts can be used to finance new capital expenditure within rules set by central government, but they cannot be used to finance day-to-day spending.

Capital spending

Spending on assets that have a lasting value, for example, land, buildings and large items of equipment such as vehicles.

Capital spending charged to revenue

Paying for capital spending direct from the Council's revenue monies.

Cash-flow statement

Summarises cash paid to and received from other organisations and individuals for capital and revenue purposes.

CIPFA

Chartered Institute of Public Finance and Accountancy. One of the major accountancy institutes which specialises in the public sector.

Collection Fund

A fund managed by the billing Authority (this Council) to receive Business Rates income and Council Tax income. It is also used to make payments to the national business rates pool and to pay a share of Council Tax collected to the County Council, Police Authority, this Council and the town and parish councils.

Contingent liability

A possible liability which may arise when we know the outcome of outstanding claims made against us.

Corporate and democratic core

Spending relating to the need to co-ordinate and account for the many services we provide to the public including the cost of member representation and activities associated with public accountability.

Council Tax

A tax charged on domestic householders based on which of eight Council Tax Bands their property falls into. There is a reduction for empty properties or if you live on your own. From 1 April 2013 councils must have a Council Tax Reduction Scheme which allows for Council Tax reductions of people, or classes of people, that are considered to be in financial need. In Warwickshire, the District or Borough Council issues Council Tax bills and collects the Council Tax.

Council Tax Base

An assessment by each billing Authority of the number of converted to Band D equivalents (the average band) properties, after allowing for non-collection and new properties, on which a tax can be charged.

Creditors

People or organisations we owe money to for work, goods or services which have not been paid for by the end of the financial year.

Current assets

Short-term assets that constantly change in value such as stocks, debtors and bank balances.

GLOSSARY

Current liabilities

Monies that are due to be paid in less than one year such as bank overdrafts and money owed to suppliers.

Current service cost

The current service cost is the increase in the value of the pension scheme's future pension liabilities arising from the employee's on-going membership of the pension scheme.

Current spending

The yearly running costs of Local Authorities, not including specific grants and the cost of buying our assets.

Curtailment costs

Curtailment costs are the amounts of money that are paid to a new pension scheme when a defined group of staff transfer from one pension scheme to another. The costs represent the value of the pension rights accrued by the transferring staff.

Debtors

People who owe us money that is not paid by the end of the financial year.

Depreciation

The drop in the value of assets such as buildings and vehicles which reflects wear and tear, age and the asset becoming out of date.

Earmarked reserves

Money set aside for a specific purpose.

Fair Value

The amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy or sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

Financial Reporting Standard (FRS)

Recommendations on the way we need to treat certain items in our accounts.

General reserves

Money set aside to be used in the future to meet unforeseen eventualities.

Government grants

Payment by the Government towards the cost of local authority services. These are either for particular purposes or services (specific grants) or to fund local services generally (revenue support grant).

Gross spending

The cost of providing our services before allowing for government grants or other income.

International Financial Reporting Standards (IFRS)

Accounting standards/ practices on the way we need to treat certain items in our accounts.

Inventories

Goods bought which have not yet been used.

Leasing

A method of renting the use of vehicles, machinery and equipment. The items do not belong to us, but are the property of the leasing company to whom we pay rentals.

Liabilities

Money we will have to pay to people or organisations in the future.

GLOSSARY

Loss

The amount left over when expenses are higher than all income received.

Material related-party transactions

Two or more organisations are 'related parties' if, during the year, one of them has some form of control over the other. By 'material' we mean of 'significant value'.

Minimum revenue provision (MRP)

The statutory minimum amount by which the Council must set aside each year to repay loans.

Net book value

The value of an asset after depreciation.

Net spending

The cost of providing a service after allowing for specific grants and other income from fees and charges (i.e. not including Council Tax and money from the Government).

Non-distributed costs

Past service pension costs including settlements and curtailments which are not to be included in total individual service costs.

Notional

An accounting entry where there is no actual cash transfer.

Operating leases

When we lease goods using this type of lease, ownership of the goods and any profits or losses remain with the company (the lessor) leasing the goods to us.

Overheads

Spending on items not directly related to the supply of our services, for example, office cleaning costs.

Past service costs

The past service cost is the extra liability that arises when we grant extra retirement benefits that did not exist before, such as when we agree early retirement or extra years of service.

Pensions interest cost and expected return on assets

All members of the scheme are one year older. The pensions interest cost is the increase in the value of the liabilities that arise because those liabilities are one year closer to being paid. The return on assets is the value of the return expected to be achieved on the fund's investments in the long term.

Petty Cash

Small sums of cash kept by departments to pay minor expenses.

Precept

The amount each non-billing Authority, (County Council, Police Authority) asks a billing Authority (this Council) to collect every year to meet their spending.

Property, Plant and Equipment

An item that is intended to be used for several years such as a building or a vehicle.

Provisions

Money set aside to meet specific service liabilities, and to meet spending.

Prudential Code

A statutory code of practice that sets out the framework for Local Authority capital finance that ensures:

- Capital expenditure plans are affordable;

GLOSSARY

- All external borrowing and other long term liabilities are within prudent and sustainable levels; and
- Treasury management decisions are taken in accordance with professional good practice.

Rateable Value (RV)

A value placed on all non-domestic properties (businesses) on which rates have to be paid, broadly based on the rent that the property might earn, after deducting the cost of repairs and insurance. The rateable value is determined by the Inland Revenue's Valuation Office Agency.

Reconciliation

A reconciliation explains how figures are worked out, and shows how they are used in different statements in our accounts.

Reimbursements

Payments we receive for work we do for other public organisations, for example, the Government.

Reserves and funds

Savings we have built up from surpluses.

Revaluation Reserve

Store of gains on the revaluation of fixed assets.

Revenue spending

Spending on the day-to-day running of services - mainly wages, running expenses of buildings and equipment, and debt charges. These costs are met from Council Tax, government grants, fees and charges.

Revenue Support Grant

The main government grant to support local authority services.

Soft Loans

Loans made at less than the market rate of interest.

Specific grants

Payments from the Government to cover Local Authority spending on a particular service or project. Specific grants are usually a fixed percentage of the costs of a service or project.

Surplus

The remainder after taking away all expenses from income.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARWICK DISTRICT COUNCIL

To follow

ANNUAL GOVERNANCE STATEMENT

1. RESPONSIBILITY FOR GOVERNANCE

- 1.1 Governance is about how an organisation is directed and controlled in order to achieve its objectives. It therefore comprises the systems, structures and values that an organisation has in place to achieve those objectives. Good governance requires that objectives be achieved not only efficiently and effectively but also ethically and in compliance with laws and recognised standards of conduct. It combines the 'hard' factors such as robust systems and sound structures with the 'softer' characteristics of effective leadership and high standards of behaviour. In short, governance is "Doing the right things, in the right way."
- 1.2 Responsibility for good governance at Warwick District Council lies with the Members of the Council and senior management. They are responsible for ensuring that:
- The Council's business is conducted in accordance with legal requirements and proper standards
 - Public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 1.3 To meet its responsibilities Warwick District Council has adopted a Code of Corporate Governance. The Code can be viewed on the Council's website:
www.warwickdc.gov.uk

2. THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework is summarised in an appendix to this Statement. The appendix details in diagrammatical form the processes, structures and cultural values used by Warwick District Council to direct and control its activities, enabling it to engage, lead and account to the community. The framework enables the Council to monitor the achievement of its strategic objectives and to consider whether these have led to the delivery of appropriate, cost-effective, services.
- 2.2 The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to:
- identify and prioritise the risks to the achievement of the Council's policies, aims and objectives
 - evaluate the likelihood and potential impact of those risks being realised, and
 - manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Warwick District Council for the year ended 31 March 2016 and up to the date of approval of the statement of accounts.

Processes

- 2.4 Warwick District Council's priorities are reviewed annually and cascaded from its strategic plan through to individuals' personal objectives via service area plans.
- 2.5 Monitoring of performance against agreed plans and strategies is undertaken by heads of service in conjunction with their respective portfolio holder and managers. This will be duly discussed at one-to-ones and appraisals with CMT. Progress is reported periodically to the Executive and heads of service and their portfolio holders will discuss progress with the Overview and Scrutiny Committee.

ANNUAL GOVERNANCE STATEMENT

- 2.6 Warwick District Council's Constitution contains the necessary approvals and rules for governance, including delegations to Committees and Officers. During 2015/16 the Chief Executive as the 'Head of Paid Service', one of the Deputy Chief Executives as the 'Monitoring Officer', and the Head of Finance as 'Responsible Financial Officer' (aka Section 121 Officer), each carried statutory responsibilities relating to the governance of the Council.
- 2.7 Executive decision making is carried out through the Executive Committee, the Planning Committee and senior management. The Finance & Audit Scrutiny Committee and the Overview & Scrutiny Committee has responsibility to review and scrutinise the activities of the Council and provide advice on the development of policies. The Finance & Audit Scrutiny Committee receives reports on governance-related topics including risk management and the work of internal and external audit.
- 2.8 Warwick District Council has approved a formal risk management strategy and regularly reviews and updates its strategic and operational risks. The Council continues to ensure that a risk management culture is embedded within service management with key risks being assigned to individuals for management.
- 2.9 The Council's Code of Financial Practice sets out the parameters for the financial management of the Council. Heads of service are responsible for the financial management of the services and activities delegated to them. Budget monitoring is carried out monthly at officer level, with quarterly reports to the Executive Committee.
- 2.10 The Council's Code of Procurement Practice is in place to ensure that the Council complies with all legal requirements when procuring goods and services, operates with a system of openness, integrity and transparency and achieves value for money when acquiring goods, works and services. The Code is kept under review to ensure that it is fit for purpose. Training is provided to officers on the Code, procurement and contract management.
- 2.11 Codes of Conduct are in place for both Members and Officers. These set out required standards of behaviour and the sanctions that will be applied in the event of any breaches.
- 2.12 Service Area Plans contain details of the key measures for each Service. These include both customer and operational measures. These measures are used to monitor performance as discussed in paragraph 2.5.

Structures

- 2.13 This is described in the diagram accompanying the Statement.
- 2.14 The structures outlined in the diagram, together with the processes described earlier, contribute to ensuring that published information is accurate and reliable and form a sound basis for decision making within the authority.

Cultural Values

- 2.15 The Council's cultural values are underpinned by the Fit for the Future strategy which has progressed to continue to engage with all staff. The strategy is based upon three key areas: Service, People, and Money. These are reinforced by five core values. The Core Values aspired to, together with the behaviours associated with them, are clearly identified and communicated throughout the organisation. The Core Values are: Honesty and Integrity, Openness and transparency, Fairness and Equity; Community Focus, and Environmental Sensitivity.

ANNUAL GOVERNANCE STATEMENT

- 2.16 These are now an integral part of the performance management appraisal discussions and induction programme. The Council continues to develop and implement interventions that fundamentally change its shape. In some cases these have resulted in significant savings and allowed for different ways of working, greater empowerment and a consideration in how we manage effectively and efficiently with only limited impact on service delivery. Continued development and evaluation of structures are an ongoing part of Service Planning.
- 2.17 Following feedback from the Corporate Peer Challenge, Investors in People (IIP) and our own internal checks, the Senior Management Team (SMT) continues to work on determining the 'culture' that is needed at WDC and how it can be achieved.

3 REVIEW OF EFFECTIVENESS

- 3.1 Warwick District Council is required under legislation to conduct an annual review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:

- the work of senior managers within the Authority who have responsibility for the development and maintenance of the governance environment;
- the Audit & Risk Manager's annual report; and
- comments made by the external auditors and other review agencies and inspectorates.

- 3.2 The components involved in maintaining and reviewing the effectiveness of the governance framework are set out below.

3.3 The Council

- 3.3.1 The Council is responsible for agreeing the changes to the Constitution that have been developed during the year. This Annual Governance Statement is also reported to the Council when it approves the financial statements.

- 3.3.2 The Code of Corporate Governance brings together in one document all the governance and accountability arrangements which the Council currently has in place and highlights areas where more work is required. The Executive agreed a new Code of Corporate Governance during 2015/16.

3.4 The Executive

- 3.4.1 The Executive is responsible for the formulation of the Council's Corporate Strategy, Sustainable Community Strategy, Performance Plan, and such forward programmes and other steps as may be necessary to achieve those objectives. It also is responsible for the organisation and management processes of the Council and their effectiveness in contributing to the achievement of the Council's Corporate Strategy. In undertaking these roles, the Executive is reviewing the effectiveness of the governance framework.

3.5 The Finance & Audit Scrutiny Committee and the Overview and Scrutiny Committee

- 3.5.1 The Council has delegated to Finance & Audit Scrutiny Committee responsibility for discharging the functions of an audit committee. Its main purposes are to provide independent assurance of the adequacy of the risk management framework and the associated control environment; independent scrutiny of the authority's financial and non-financial performance; and oversee the financial reporting process.

ANNUAL GOVERNANCE STATEMENT

3.5.2 Each quarter the committee reviews the findings from Internal Audit assignments completed during that period, whilst annually it receives a report on the effectiveness of Internal Audit. It also considers reports from external audit and other review agencies as and when they are issued.

3.5.3 The rigour applied by these Committees in carrying out their scrutiny role has contributed to an effective governance framework and to the Council achieving its objectives. For example, the ongoing review by Finance & Audit Scrutiny Committee of service contract registers and service risk registers has improved risk management throughout the organisation and member championing of effective procurement has led to major improvements in procurement practice and the attainment of significant savings in the purchasing of goods and services.

3.6 **The Standards Committee**

3.6.1 The Standards Committee provides a significant contribution to effective governance by regulating and overseeing the conduct of Members. It deals with any cases of misconduct by Members and issues sanctions as appropriate.

3.7 **Internal Audit**

3.7.1 Internal Audit is responsible for monitoring the quality and effectiveness of systems of internal control. A risk model is used to formulate a three-year plan that is approved by Finance & Audit Scrutiny Committee and from which the audit assignments are identified.

3.7.2 A report of each audit is submitted to the relevant Service Area Manager. The report includes an action plan that comprises recommendations for improvements in control and management responses.

3.7.3 During the year Internal Audit were able to give a substantial level of assurance in respect of the majority of the activities that it audited. The rest were awarded moderate levels of assurance. Recommendations to address the shortcomings identified in the reviews have been issued and their implementation will be monitored by Finance & Audit Scrutiny Committee.

3.7.4 Quarterly reports are issued to Members on progress in achieving the annual plan. The reports also contain copies of all action plans issued to managers in the quarter, details of any outstanding responses and, where the level of assurance given is less than substantial, copies of the audit reports.

3.7.5 The Internal Audit Section complies with the Public Sector Internal Audit Standards that came into force on 1 April 2013 and is subject to regular inspection by the Council's external auditors who place reliance on the work that the Section carries out.

3.7.6 Heads of Service are responsible for establishing and maintaining an adequate system of internal control within their own services. They are also required to sign off annual Service Assurance Statements where they will raise any items of concern. No major issues were identified by Heads of Service in 2015/16.

3.8 **Other review/assurance mechanisms**

3.8.1 The Scrutiny Committees, the Standards Committee and External Audit contribute to the review of the Authority's compliance with policies, procedures, laws and regulations. Occasional use has been made of other review agencies such as peer assessors from the West Midlands Local Government Association.

ANNUAL GOVERNANCE STATEMENT

- 3.8.2 The Council is audited annually to ensure it meets a set of mandatory information assurance requirements set by central government called the Code of Connection (CoCo). CoCo requires local authorities to provide a compliance statement that documents how their information technology meets baseline requirements that are adopted from ISO 27001. The effective use of ICT Resources is critical in the efficient delivery of Council services to its citizens. ICT Governance is undertaken by the Council's ICT Steering Group and this group is responsible for ensuring that ICT resource allocation is directly aligned to Council priorities and appropriate reporting and monitoring arrangements have been put in place.
- 3.8.3 The Council has been Investors in People-accredited since 1998. During 2015/16 it received Bronze accreditation. A number of services are externally accredited against specific standards. Food Safety's ISO9000 quality management system was re-accredited during the year. In addition, Housing & Property Services achieved the Telecare Services Association's Platinum Standard and Cultural Services' leisure centres continue to be Approved Training Centres for the Institute of Qualified Lifeguards. The Plain English Campaign awarded the Council website its Internet Crystal Mark standard. The Council also received during the year the 'Positive about Disability' Award for its employee recruitment and selection processes. The Council's website was also awarded Digital Accessibility Centre Accreditation.

4 **ROLE OF CHIEF FINANCIAL OFFICER**

- 4.1 To comply with the CIPFA Code of Practice on Local Authority Accounting, a specific statement is required to be reported in the Annual Governance Statement on whether the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2010) to ensure an effective system of internal control is maintained and operated in connection with the resources concerned.
- 4.2 The governance requirements in the Statement are that the CFO should be professionally qualified, report directly to the Chief Executive and be a member of the Leadership Team, with a status at least equivalent to other members. The Statement requires that if different organisational arrangements are adopted the reasons should be explained publicly in the authority's Annual Governance Report, together with how these deliver the same impact.
- 4.3 The Head of Finance has confirmed that the Council's financial management arrangements conform to the CIPFA Statement other than in 3 specific aspects:
- Head of Finance reporting directly to Chief Executive.
 - Head of Finance being a member of Leadership Team.
 - Head of Finance having responsibility for Asset Management.
- 4.4 The Council's view is that the way it operates – the Head of Finance's regular attendance at Corporate Management Team/Executive meetings, budget planning meetings, and numerous ad-hoc meetings – enables the officer to have unhindered access to the most senior officer as well as senior members. The Head of Finance reports to the Deputy Chief Executive/Monitoring Officer. This way of operating has subsisted for several years without any apparent problems; consequently, the Council considers that the risk of there being a detriment to the authority is low.
- 4.5 With regard to asset management, responsibility for this comes under the Head of Housing & Property Services and the Council considers this is the appropriate place for it to be as that is where the expertise and the operational work lies.

ANNUAL GOVERNANCE STATEMENT

- 4.6 Naturally the Council will need to keep all reporting and responsibility arrangements under review and would be prepared readily to discuss any perceived shortcomings with the Council's external auditors if and when they arise.

5 **SIGNIFICANT GOVERNANCE ISSUES**

- 5.1 Although no significant governance issues have been identified from the processes involved in producing the Statement (e.g. the meeting with committee chairs) or from the sources of evidence supporting it (e.g. the service assurance statements), some areas for improvement, albeit not major, of a governance nature have been identified. These are set out below:

1. The call-in process to be examined in respect of Executive and Council decisions.
2. Service Area Crisis Plans to be updated and kept under regular review.

- 5.2** We propose over the coming year to take steps to address the above matters to enhance further our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

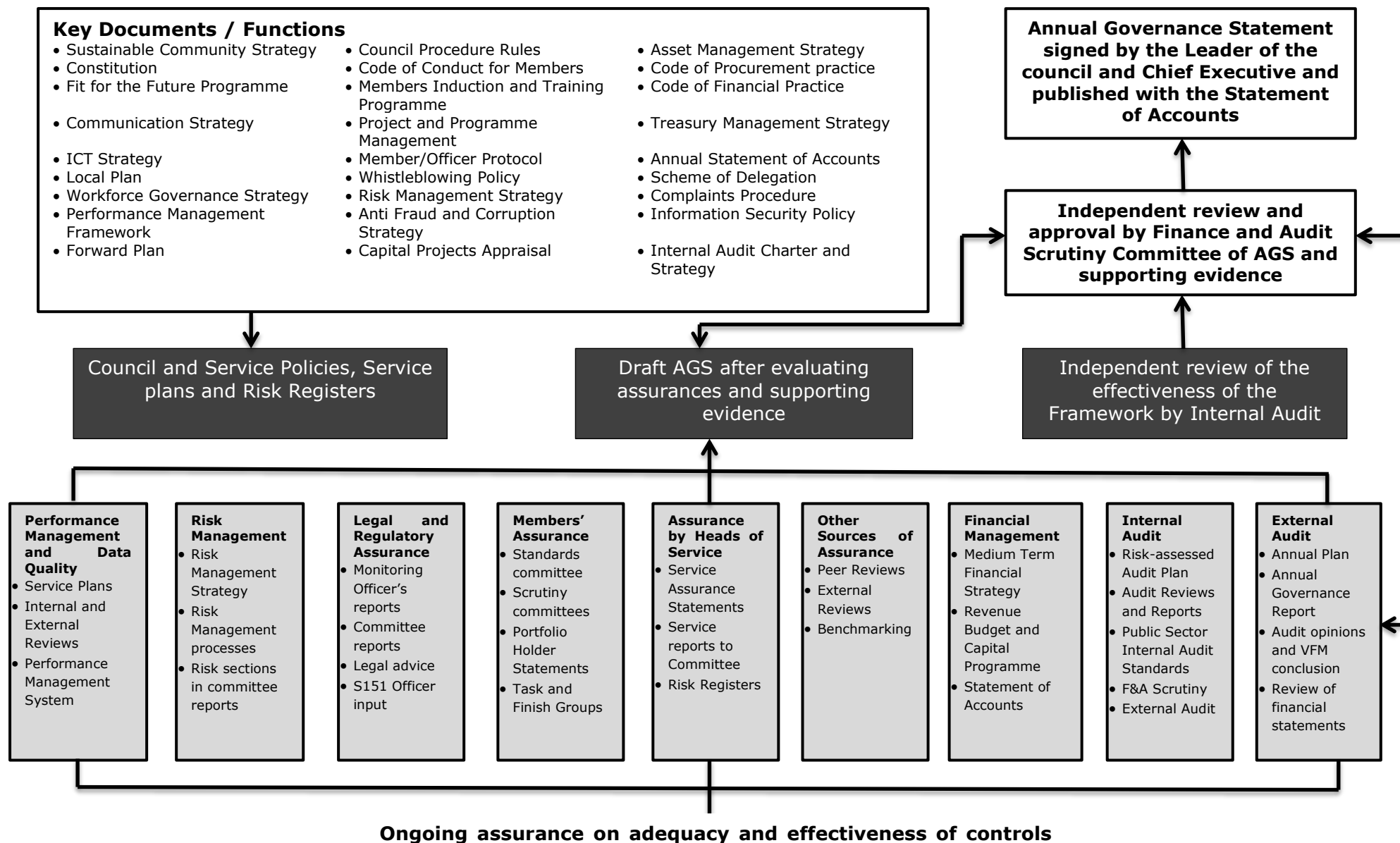
Andrew Mobbs
Leader of the Council


Chris Elliott
Chief Executive

Dated:

ANNUAL GOVERNANCE STATEMENT

WARWICK DISTRICT COUNCIL ANNUAL GOVERNANCE STATEMENT FRAMEWORK



 Finance and Audit Scrutiny Committee 26 July 2016		Agenda Item No. 4
Title	Anti Fraud & Corruption Progress Report 2015/16	
For further information about this report please contact	John King Tel: (01926) 456816 E Mail: john.king@warwickdc.gov.uk	
Service Area	Finance	
Wards of the District directly affected	Not applicable	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	Finance and Audit Scrutiny Committee – 30 June 2015 Minute 12	
Background Papers	Anti Fraud and Corruption Strategy	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	N/A: no direct service implications

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive	09 July 2016	Chris Elliott
Section 151 Officer	06 July 2016	Mike Snow
Monitoring Officer	06 July 2016	Andrew Jones
Human Resources		
Finance		As Section 151 Officer
Portfolio Holder	07 July 2016	Councillor Whiting
Consultation and Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1 SUMMARY

- 1.1 The council's first Anti Fraud and Corruption Strategy was approved in 1995 and since that time it has been subject to an annual review to ensure its currency and relevance. At the same time an action plan is prepared to maintain the strategy and to help deliver its objectives. A copy of the strategy is attached as Appendix C.
- 1.2 Keeping the strategy under review and completing the action plan contributes towards improving the overall control environment, raising awareness on fraud and corruption matters and the prevention and detection of fraud and corruption.
- 1.3 The Strategy relates to corporate fraud only and not to Housing Benefit and Council Tax Reduction.
- 1.4 This report updates members on the steps taken to deliver the 2015/2016 action plan and presents the 2016/2017 action plan for approval.

2 RECOMMENDATIONS

- 2.1 That members note the report and the progress made in implementing the 2015/2016 action plan. (Appendix A)
- 2.2 That members approve the action plan for 2016/2017. (Appendix B)

3 REASON FOR THE RECOMMENDATIONS

- 3.1 The Anti Fraud and Corruption Strategy has been reviewed to ensure that it remains relevant to the council's structure and organisation and that it bears comparison with strategies in place at other authorities. As a result of the review, which included some consultation, some minor changes were identified and some were suggested by Democratic Services. The changes have been made to the Strategy included as Appendix C.
- 3.2 The action plan for 2016/2017 needs to be approved. The action plan is based on the continuous improvement of the council's anti fraud and corruption measures. Progress against the 2015/2016 action plan needs to be considered.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

5 BUDGETARY FRAMEWORK

- 5.1 All of the council's services and activities can be affected by fraud and corruption but approval of the action plan does not have any direct impact on council budgets.

6 POLICY FRAMEWORK

- 6.1 The council is committed to managing services and resources openly, fairly and efficiently. The Anti Fraud and Corruption Strategy assists in delivering those aims.

7 **RISKS**

- 7.1 The risk of not approving an action plan for 2016/2017 relates to a perception that the action plan is not supported by the council's leadership. This could impact on the level of fraud in the community. Conversely no risks are evident from approving the action plan.

8. **BACKGROUND**

- 8.1 Increasing concerns about the level of fraud and corruption in the public sector in the mid 1990s prompted the Audit Commission to produce a series of reports entitled "Protecting the Public Purse". Prior to this time most local authorities had no formal stance on fraud and no policies, procedures and systems in place to deal with it. One of the recommendations in the first report concerned the creation of an anti fraud culture with the formal adoption of a policy stating an authority's zero tolerance attitude to fraud and corruption.
- 8.2 Warwick District Council was amongst the first local authorities to act on this recommendation and adopted a policy and strategy in September 1995. The policy and strategy was revised and replaced by the current version in September 2005. Minor amendments were approved in July 2011 and July 2013.
- 8.3 Following the demise of The Audit Commission on 31 March 2015 some of the staff transferred to The European Institute for Combatting Corruption And Fraud (TEICCAF) and they produced a report in July 2015 entitled Protecting the English Public Purse. The report was similar in format and content to the annual Audit Commission reports.

ANTI FRAUD & CORRUPTION ACTION PLAN 2015/16

Action Plan to Improve Further the Authority's Arrangements for Countering Fraud and Corruption

ACTIONS	RESPONSIBILITY	TIMESCALE	PROGRESS
OBJECTIVE: Undertake all assignments in the 2015/2016 Audit Plan and any investigations required			
Complete the audits contained in the annual Audit Plan approved by members. The scope and objectives of the audits will include the assessment of controls that assist in fraud prevention and detection.	Audit and Risk Manager	March 2016	Progress against the plan is monitored regularly by the Audit and Risk Manager with the Audit Team, it being the main item on the team meeting agenda, to ensure that the plan is completed by 31 March. Audits have been undertaken as planned with some minor variation from schedule. For 2015/16 all audits in the plan, as amended, were completed.
Investigate any fraud or irregularity cases uncovered. Where appropriate report the circumstances, the approach to the investigation and the outcome to members. Assess the effect of the scale of the incident and the resultant investigation on the Audit Plan and report to F & A listing the options if a shortfall is identified.	Audit and Risk Manager	As required	No significant cases were dealt with in 2015/16. An incident concerning the theft of cash from two members of staff in Housing & Property Services was dealt with in June and an allegation made to a Member concerning a contractor was investigated in May. Neither was considered worthy of a report to members.
Complete the revision of a Fraud Response Plan for use in the investigation of any suspected fraud and corruption cases.	Audit and Risk Manager	December 2015	A Fraud Response Plan together with a checklist has been completed to guide the conduct of any future investigation.

ACTIONS	RESPONSIBILITY	TIMESCALE	PROGRESS
Continue to report the outcome of all completed audit assignments together with the action plan to Finance & Audit Scrutiny Committee.	Audit and Risk Manager	Quarterly	Completed.
OBJECTIVE: Promote fraud awareness within the Council			
Post a notice on the council's Intranet as a reminder of the ever present threat of fraud and how to deal with any discovery or suspicion.	Audit and Risk Manager	December 2015	Completed.
Issue a reminder of the council's instructions for staff for the prevention of money laundering.	Audit and Risk Manager	December 2015	Completed.
Continue to attend the council's corporate induction programme to provide Anti Fraud and Corruption sessions.	Audit and Risk Manager	Throughout the year	All sessions have been attended as required.
Circulate details of any attempted frauds as they occur and details of any potential fraudulent activity received.	Audit and Risk Manager	Throughout the year	Nothing of significance occurred in 2015/16 and no notifications of new types of fraudulent activity were received.
OBJECTIVE: Participate in data exchange and research initiatives			
Provide data to the National Fraud Initiative (NFI) and respond to referrals received as a result.	Audit and Risk Manager	February 2016	Completed.

ACTIONS	RESPONSIBILITY	TIMESCALE	PROGRESS
Present a report to Finance and Audit Scrutiny on the outcome of the NFI exercise.	Audit and Risk Manager	October 2015	Completed.
Complete the annual CIPFA Counter Fraud Centre Fraud and Corruption survey.	Audit and Risk Manager	May 2015	Completed on time and submitted but to The European Institute For Combatting Corruption and Fraud (TEICCAF) not CIPFA. Following the demise of the Audit Commission there is confusion surrounding the responsibilities and status of the replacement bodies.
OBJECTIVE: Ensure Internal Audit staff remain aware of best practice and new developments			
Arrange for the attendance of members of the Audit team at appropriate and affordable training events and attendance at Warwickshire and Midlands professional networking groups.	Audit and Risk Manager	Throughout the year	Very little affordable and relevant training was on offer in 2015/16. CIPFA in the Midlands Audit Training Seminars continue to be on hold. Members of the team have attended the local networking groups as appropriate. A member of the team is undertaking an MSc in audit management.
Arrange to run workshops for Internal Audit staff on investigative practice following the recent successful completion of the CIPFA Certificate in Investigate Practice.	Audit and Risk Manager	Throughout the year	Outstanding due to other work commitments. To be carried forward.
OBJECTIVE: Review Strategy and Action Plan			

ACTIONS	RESPONSIBILITY	TIMESCALE	PROGRESS
Review the content, currency and format of the Anti Fraud and Corruption Strategy and if necessary present to members for approval.	Audit and Risk Manager	January 2016	<p>The Strategy is a series of fairly broad measures devoid of specific references and it has stood the test of time fairly well. As it was first approved in 1995 and then reapproved in 2005 something more than the usual review seemed appropriate for 2015/16.</p> <p>Accordingly, as well as the usual examination of the strategies for the other Warwickshire authorities and a few selected at random from the internet, making ten in total, a short consultation exercise (three interested parties) was undertaken to gather some independent opinion on the strategy. The only response was from Democratic Services and some useful comments were provided and included in the revised version of the strategy attached as Appendix C.</p> <p>A complete rewrite of the strategy was not considered worthwhile, as it bears comparison with other strategies, or viable due to the resource implications and the potential benefits.</p>

ACTIONS	RESPONSIBILITY	TIMESCALE	PROGRESS
<p>Review any CIPFA or other relevant bodies' guidance on fraud and corruption issued during the year and consider if any of the recommendations require changes to WDC's fraud prevention procedures or the policy and strategy.</p>	<p>Audit and Risk Manager</p>	<p>As received</p>	<p>Protecting The English Public Purse was published by TEICCAF in July 2015. As with the Audit Commission reports it is full of statistics and information about national and regional trends but it offers little by way of practical advice. It includes a checklist for those responsible for governance in a similar style to that used by the Audit Commission except that it is a lot shorter and even more general. No action is required following consideration of the checklist.</p> <p>In April 2016 under the heading of Fighting Fraud and Corruption Locally the CIPFA Counter Fraud Centre issued the Local Government Counter Fraud and Corruption Strategy 2016-2019. It was accompanied by a checklist and a document called a companion.</p> <p>Again the checklist is fairly broad and offers very little that is either practical or new.</p>
<p>Present an annual report recording progress against the Action Plan together with a revised Action Plan.</p>	<p>Audit and Risk Manager</p>	<p>July 2016</p>	<p>Completed. Undertaken as part of this report.</p>

ANTI FRAUD & CORRUPTION ACTION PLAN 2016/17

Action Plan to Improve Further the Authority's Arrangements for Countering Fraud and Corruption

ACTIONS	RESPONSIBILITY	TIMESCALE
OBJECTIVE: Undertake all assignments in the 2016/2017 Audit Plan and any investigations required		
Complete the audits contained in the annual Audit Plan approved by members. The scope and objectives of the audits will include the assessment of controls that assist in fraud prevention and detection.	Audit and Risk Manager	March 2017
Investigate any fraud or irregularity cases uncovered. Where appropriate report the circumstances, the approach to the investigation and the outcome to members. Assess the effect of the scale of the incident and the resultant investigation on the Audit Plan and report to F & A listing the options if a shortfall is identified.	Audit and Risk Manager	As required
Continue to report the outcome of all completed audit assignments together with the action plan to Finance & Audit Scrutiny Committee.	Audit and Risk Manager	Quarterly
OBJECTIVE: Promote fraud awareness within the Council		
Post a notice on the council's Intranet as a reminder of the ever present threat of fraud and how to deal with any discovery or suspicion.	Audit and Risk Manager	December 2016
Publicise the council's Whistleblowing Policy and Procedure with a notice on the council's Intranet.	Audit and Risk Manager	December 2016

ACTIONS	RESPONSIBILITY	TIMESCALE
Reissue advice to managers and staff on the implications of the Bribery Act.	Audit and Risk Manager	November 2016
Continue to attend the council's corporate induction programme to provide Anti Fraud and Corruption sessions.	Audit and Risk Manager	Throughout the year
Circulate details of any attempted frauds as they occur and details of any potential fraudulent activity received.	Audit and Risk Manager	Throughout the year
OBJECTIVE: Participate in data exchange and research initiatives		
Provide data to the National Fraud Initiative (NFI) and respond to referrals received as a result.	Audit and Risk Manager	February 2017
Present a report to Finance and Audit Scrutiny on the outcome of the NFI exercise.	Audit and Risk Manager	October 2016
Complete any appropriate surveys of fraudulent or corrupt activity in local government.	Audit and Risk Manager	As received.
OBJECTIVE: Ensure Internal Audit staff remain aware of best practice and new developments		

ACTIONS	RESPONSIBILITY	TIMESCALE
Arrange for the attendance of members of the Audit team at appropriate and affordable training events and attendance at Warwickshire and Midlands professional networking groups.	Audit and Risk Manager	Throughout the year
Arrange to run workshops for Internal Audit staff on investigative practice following completion of the CIPFA Certificate in Investigate Practice.	Audit and Risk Manager	Throughout the year
OBJECTIVE: Review Strategy and Action Plan		
Review the content, currency and format of the Anti-Fraud and Corruption Strategy.	Audit and Risk Manager	January 2017
Review any CIPFA or other relevant bodies' guidance on fraud and corruption issued during the year and consider if any of the recommendations require changes to WDC's fraud prevention procedures or the policy and strategy.	Audit and Risk Manager	As received
Present an annual report recording progress against the Action Plan together with a revised Action Plan.	Audit and Risk Manager	July 2017

WARWICK DISTRICT COUNCIL ANTI FRAUD AND CORRUPTION STRATEGY

1 Introduction

- 1.1 Warwick District Council is a large organisation employing several hundred staff and spending around £100 million a year of taxpayers' money. Like most organisations it is a possible target for fraud and corruption which could be attempted by employees, external organisations or members of the public.
- 1.2 The Council is determined to do everything that it reasonably can to deter, prevent and detect fraud and corruption and it is committed to the Anti-Fraud and Corruption Strategy.

2 Policy statement

- 2.1 Warwick District Council aims to provide quality services that are accessible to all sections of the community and delivered fairly and efficiently. In doing so the Council is firmly opposed to fraud and corruption of any kind and will take prompt and decisive action to deal with any instances that are identified and will deal equally with perpetrators from inside and outside the Council.
- 2.2 At all times the Council will endeavour to ensure that all of its dealings are carried out with honesty and integrity with no thoughts of fraudulent or corrupt acts and in turn it will expect all partners, suppliers, contractors, organisations and individuals that it deals with to behave in the same way.
- 2.3 The Council's elected Members and staff will lead by example and ensure that they comply with all policies, codes, regulations and controls that are in place.
- 2.4 The Council will pursue all individuals or organisations suspected of having defrauded or having committed corrupt acts and will report them to the Police if appropriate.
- 2.5 This policy will be delivered by a series of measures contained in the Anti-Fraud and Corruption Strategy.

3 Definitions

- 3.1 Fraud is the intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain or to mislead or misrepresent.
- 3.2 Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person; or the failure to disclose an interest in order to enjoy financial or other pecuniary gain.

4 Strategy

- 4.1 The strategy comprises a series of measures and procedures, detailed below, that are designed to frustrate any attempted fraudulent or corrupt acts.

5 Culture

- 5.1 The Council wishes it to be known that the culture and tone of the authority is one of openness, honesty and equality with wholehearted opposition to fraud and corruption in any form.
- 5.2 The Council Taxpayers are entitled to expect the highest standards of accountability, stewardship and probity from the Council. To an extent these expectations will be met by the Council complying with legislation. For example:-
- The Council must appoint a Responsible Financial Officer who is responsible for the Council's financial strategy and direction and also for ensuring that there are sound systems of financial control in place;
 - The Council is required to ensure the existence of adequate and effective internal audit arrangements;
 - Independent external auditors are appointed to scrutinise the Council's business;
 - Procedures exist for the public to inspect the Council's accounts and to question the external auditors;
 - The Council is required to appoint a Monitoring Officer to monitor the lawfulness and fairness of decision making;
 - Decisions are made in public meeting except in circumstances where the need for confidentiality is paramount;
 - Members of the public can request the Local Government Ombudsman and Housing Ombudsman to investigate cases of alleged maladministration.
- 5.3 Additionally the Council will have:
- A Code of Corporate Governance
 - A system of scrutiny whereby Members of the Council review past decisions and examine specific issues within service areas.

6 Prevention

6.1 Staff

- 6.1.1 The Council acknowledges that the recruitment and retention of high calibre staff is vital to the delivery of quality services and that staff have a key role to play in the prevention and detection of fraud and corruption.

- 6.1.2 When appointing to posts written references will always be taken up and referees will be asked to give their views on candidates' honesty and integrity.
- 6.1.3 Confirmation of identity, academic qualifications and the right to live and work in the UK will be obtained before any offers of employment are made.
- 6.1.4 Depending on the duties of the post, the selection process will include reference to the Disclosure and Barring Service.
- 6.1.5 Council staff who are members of professional bodies will be expected to observe the standards advocated by those bodies which may be laid down in codes of conduct.
- 6.1.6 All staff of the Council will be bound by any National, Local or Departmental codes of conduct.
- 6.1.7 All staff must operate and adhere to all of the relevant procedures and codes that form the Council's overall control framework including an Employee Code of Conduct.

6.2 Members

- 6.2.1 Elected Members are expected to observe the highest standards of conduct which are enshrined in legislation, the Council's constitution and the Members' Code of Conduct.
- 6.2.2 Members are required to declare specific information concerning their financial and other interests and for ensuring that this information is kept up to date.
- 6.2.3 Members are required to declare their interests at all meetings, both internal and external, whether decision making or not.
- 6.2.4 The Council has a Standards Committee and has two Independent Persons from outside the Council in line with the Localism Act 2011. Its role is to promote and maintain high standards amongst Members and to investigate any alleged breaches of the Code of Conduct.

6.3 Systems

- 6.3.1 The Council is committed to operating financial and management systems and procedures which incorporate efficient and effective internal controls.
- 6.3.2 Senior managers with responsibility for systems are responsible for ensuring that such controls are achieved and maintained.
- 6.3.3 The Council's Internal Audit Service will carry out periodic reviews of all systems to ensure that controls exist and are being adhered to and that senior managers are meeting their responsibility.

6.4 Working with others

- 6.4.1 Arrangements are in place for the regular exchange of information between the Council and Government agencies for the purpose of preventing and detecting fraud.

- 6.4.2 The Council will participate in data matching exercises with appropriate organisations in order to detect fraud.
- 6.4.3 Whenever any information is to be exchanged the person or organisation supplying the information will be advised accordingly.
- 6.4.4 Staff will be encouraged to participate in local and national professional groups and forums in order to exchange information, ideas and experiences.

6.5 Internal Audit

- 6.5.1 The Council is required to maintain an adequate and effective system of internal audit as part of the Responsible Financial Officer's duty to ensure that there are proper arrangements in place to administer the Council's financial affairs.
- 6.5.2 The adequacy and effectiveness of internal controls is monitored by the Council's Audit Section as part of their annual programme of work. Any weaknesses in internal control are reported to management whose duty it is to ensure that corrective action is taken.
- 6.5.3 The work of the Audit Section and their progress against the Audit Plan is overseen by a committee of the Council who receive summaries of all audit reports and management responses.
- 6.5.4 The Audit Plan is prepared following a risk assessment of audit areas which determines the frequency of audits and particular areas to focus attention on. The risk assessment process is subject to an ongoing review.
- 6.5.5 The Head of Internal Audit will ensure that all Internal Audit staff have the appropriate skills and expertise to carry out their duties.

6.6 External Audit

- 6.6.1 Independent external audit is an essential safeguard to the stewardship of public money. The Council's external auditors will carry out their duties in accordance with the Code of Audit Practice.
- 6.6.2 The Code emphasises management's role in preventing and detecting fraud and corruption. It is the external auditor's role to review the Council's arrangements for meeting this responsibility.
- 6.6.3 External Audit will be notified of all frauds involving sums over £1,000 and of any corrupt acts.

7 Detection

- 7.1 Managers are responsible for the prevention and detection of fraud, corruption and other irregularities. Managers should pay special attention to particular circumstances which may indicate an irregularity.
- 7.2 Managers are required to notify the Head of Audit immediately if a fraud or other irregularity is discovered or suspected. They should also ensure that:

- any supporting documentation or other evidence is secured; and
 - confidentiality is maintained so as not to prejudice any subsequent investigation.
- 7.3 Staff should report any suspected irregularities to their line manager or they may use the Council's Whistleblowing Policy and Procedure.
- 7.4 Internal Audit will assist managers to discharge their responsibilities when they are conducting audits by establishing and testing expected controls. Any control weaknesses will be reported to managers and also to committee together with managers' responses.

8 Investigation

- 8.1 If an act of fraud or corruption is discovered or suspected, the initial investigation will be conducted by Internal Audit.
- 8.2 If the initial investigation reveals that a full investigation is warranted Internal Audit will invoke the Council's Fraud Response Plan and Disciplinary Procedure.
- 8.3 The decision to involve the Police will be taken by the Head of Audit in consultation with the relevant managers and the Chief Executive. The Council will co-operate fully with the Police and Internal Audit will work closely with them to gather evidence and provide information.
- 8.4 Whenever possible the Council will seek restitution for any losses suffered. This may include recovery from a Pension Fund, an insurance claim or civil action.
- 8.5 At the conclusion of the investigation a report will be prepared for management and for committee. A review of the investigation will be carried out and any control weaknesses identified will be considered with a view to taking appropriate remedial action.
- 8.6 Allegations of fraud or criminal misconduct against Members will be considered under the procedure for handling complaints about the conduct of Members led by the Monitoring Officer. Where appropriate, partners such as the Police or Internal or External Audit will be involved.

9 Deterrence

- 9.1 The Council will state publicly at every appropriate opportunity that it is strongly opposed to all forms of fraud and corruption.
- 9.2 The Council will act firmly and decisively when fraud and corruption is suspected and proven e.g. the termination of contracts, the dismissal of staff, the prosecution of staff or other offenders.
- 9.3 The Council will take action to effect the maximum recoveries e.g. through agreement, court action, penalties, insurance, Pension Funds.
- 9.4 The Council's systems will contain sound internal controls that are kept under review to minimise the opportunity for fraud and corruption.

- 9.5 The Council's Anti Fraud and Corruption Strategy will be publicised to all staff and posted on the Council's website.


10 Training

- 10.1 The Council recognises that the success of its Anti-Fraud and Corruption Strategy will very much depend on the effectiveness of staff throughout the authority.
- 10.2 The Council supports the concept of induction training and follow up training, particularly for those staff involved with internal control systems.
- 10.3 It is the responsibility of managers to ensure that their staff are adequately trained to carry out their duties.
- 10.4 Investigation of fraud and corruption will be undertaken primarily by Internal Audit. Staff of the section should receive appropriate training in this area.
- 10.5 Members of the Council will receive training on a wide range of topics including declarations of interest, the Code of Conduct and their role in promoting the Anti-Fraud and Corruption stance.

11 Conclusion

- 11.1 The Council has in place a framework of systems and procedures, to assist in the fight against fraud and corruption. It is determined to ensure that these systems:
- are complied with;
 - keep pace with future developments;
 - are fully supported by staff and members.
- 11.2 This document will be subject to annual review to ensure its currency. The responsibility for this rests with the Head of Audit and the Responsible Financial Officer.
- 11.3 The Council is committed to ensuring the wide circulation of this Strategy within and outside the Council in order that all relevant parties appreciate the high standards which the Council is determined to observe in all its business.

Approved September 2005
Amended July 2011
Amended July 2013
Amended July 2015
Amended July 2016

 FINANCE & AUDIT SCRUTINY 26th July 2016		Agenda Item No. 5
Title	Review of Neighbourhood Services Risk Register by Finance & Audit Scrutiny Committee	
For further information about this report please contact	Rob Hoof Head of Neighbourhood Service Tel: 01926 456302 email: Robert.hoof@warwickdc.gov.uk	
Wards of the District directly affected	Not applicable	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers	WDC risk management policy & guidelines	
Contrary to the policy framework:	No	
Contrary to the budgetary framework:	No	
Key Decision?	No	
Included within the Forward Plan? (If yes include reference number)	No	
Equality & Sustainability Impact Assessment Undertaken	N/A: no direct service implications	

Officer/Councillor Approval		
With regard to report approval all reports <u>must</u> be approved as follows		
Title	Date	Name
Chief Executive/Deputy Chief Executive		Chris Elliott/Bill Hunt
Head of Service		Rob Hoof
CMT		
Section 151 Officer		Mike Snow
Monitoring Officer		Andrew Jones
Finance		Mike Snow
Portfolio Holder(s)		CLlr David Shilton
Consultation & Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1 **SUMMARY**

- 1.1 This report sets out the process for the review by Finance & Audit Scrutiny Committee of the Neighbourhood Services Risk Register.

2 **RECOMMENDATIONS**

- 2.1 That Finance & Audit Scrutiny Committee should review the Neighbourhood Services Risk Register attached at Appendix 1A and make observations on it as appropriate.

3 **REASON FOR THE RECOMMENDATIONS**

- 3.1 To enable members to fulfil their role in managing risk (see section 8, below).

4 **POLICY FRAMEWORK**

- 4.1 The Neighbourhood Services Risk Register is part of the Council's corporate risk management framework. The Register reflects the Council's corporate priorities and key strategic projects that are contained in Fit for the Future.

5 **BUDGETARY FRAMEWORK**

- 5.1 Although there are no direct budgetary implications arising from this report, risk management performs a key role in corporate governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.
- 5.2 The risk register sets out when the realisation of risks might have financial consequences. One of the criteria for severity is based on the financial impact.

6 **RISKS**

- 6.1 The risks are contained in the Service's Risk Register, set out as Appendix 1A.

7 **ALTERNATIVE OPTION(S) CONSIDERED**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

8 **RESPONSIBILITY FOR RISK MANAGEMENT**

- 8.1 In its management paper "Worth the risk: improving risk management in local government", the Audit Commission sets out clearly the responsibilities of members and officers:

"Members need to determine within existing and new leadership structures how they will plan and monitor the council's risk management arrangements. They should:

- decide on the structure through which risk management will be led and monitored;

- consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;
- agree an implementation strategy;
- approve the council's policy on risk (including the degree to which the council is willing to accept risk);
- agree the list of most significant risks;
- receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;
- commission and review an annual assessment of effectiveness: and
- approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.

The role of senior officers is to implement the risk management policy agreed by members.

It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the Chief Executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility."

9 **BACKGROUND**

9.1 Executive agreed on 11th January 2012 that:

- (a) Portfolio Holders should review their respective Service Risk Registers quarterly with their service area managers.
- (b) Portfolio Holder Statements should include each service's top three risks.
- (c) Executive should note the process for the review by Finance & Audit Scrutiny Committee of service risk registers.
- (d) The relevant Portfolio Holders should attend the Finance & Audit Scrutiny Committee meetings at which their respective service risk registers are reviewed.

9.2 The full framework endorsed by Executive at that meeting is set out as Appendix 3.

9.3 Risk registers are in place for all significant risks facing service areas in the provision of their services. In addition to service risk registers for all service areas there is the Significant Business Risk Register that contains the organisation's corporate and strategic risks.

10 **NEIGHBOURHOOD SERVICES RISK REGISTER**

10.1 **Introduction**

- 10.1.1 The latest version of the Neighbourhood Services Risk Register is set out for each part of the service and also a list of generic risks, which are marked as Appendix A.
- 10.1.2 Neighbourhood Services also maintains summary tables for each part of the service as a supplement to the Risk Register to assist in tracking risks and logging key actions, which are marked as Appendix B.
- 10.1.3 The scoring criteria for the risk register are subjective and are based on an assessment of the likelihood of something occurring, and the impact that might have. Appendix 2 sets out the guidelines that are applied.
- 10.1.4 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour, the former-described set of risks are within the area shaded red, whilst the latter-described set of risks are within the area shaded green; the mid-range are in the area seen as yellow.

10.2 **Overview of Neighbourhood Services Risk Management**

- 10.2.1 The Neighbourhood Services (NS) Risk Register is owned and managed by the NS Portfolio Holder & the NS Management Team. Risks are reviewed on an ongoing basis and with the Portfolio Holder at quarterly meetings.
- 10.2.2 Amendments to existing risks are made to the register as appropriate and when any new risks are identified. Any changes to risks are shown on the matrices marked as Appendix B.
- 10.2.3 The NS risks along with all other Service Areas are reported quarterly to the Council's Senior Management Team, with an emphasis on high risk areas. This enables a broader view of risks across the Council and helps to identify any trends or common themes that are emerging.

10.3 **Neighbourhood Services Service Risks**

- 10.3.1 NS is responsible for the provision of a wide range of services including waste collection, parks and open spaces, street cleansing, car parking, burial and cremation services, and One Stop Shops in conjunction with Warwickshire County Council. The risk register (Appendix 1A) includes generic risks at the start of the document. These are divided in to various categories. Service-specific risks are then listed, relevant to the various sections of the service.
- 10.3.2 Details of the main risks are described in 10.3.3. The tables marked as Appendix B summarises changes over the last few months.
- 10.3.3 The three main areas of risk within the service are considered to be:

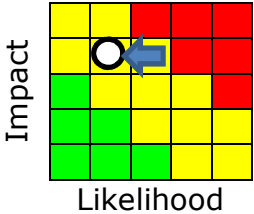
- **Bereavement Services Risk 6 & 7 – Loss of Statutory Documents & Loss of ICT** – There has been a long standing issue with the broadband connection at Oakley Wood, both in terms of its reliability and speed. This has also hindered the replacement of the current Bereavement Services ICT system (CAS) which is used to help deliver the burials and crematorium services in addition to holding some of the burial records electronically. The cost for a better broadband link has now reduced significantly, and an order has been placed for installation as soon as possible. A new BS system is currently being investigated with a business case to be submitted to the ICT steering group by September.
- **Car Park Service Risk 5 – Structural Integrity of Multi-storey Car Parks** – There has been a number of issues with multi storey car parks that have been reported to members over recent months. Short term risks have been mitigated with additional inspections by specialist structural engineers, and remedial works to ensure that car parks are safe to remain open and operational. Work is also underway for proposed replacement of Covent Garden multi-storey car park and a business case relating to Linen Street multi-storey car park. (This also links to Risk 3 of the NS Generic Risk Register, Insufficient Money Resulting in Inability to Provide Normal Services).
- **Refuse, Recycling, Street Cleansing and Grounds Risks 2 & 3 – Demobilisation of Previous Grounds Maintenance Contract** – These issues have been subject to legal dialogue since the end of the previous grounds maintenance contract in 2013. Due to changing circumstances a review of these claims is now being undertaken with the Council’s legal representatives.

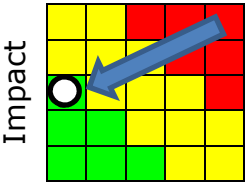
10.4 **Review of Risk Register by Members**

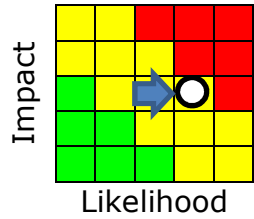
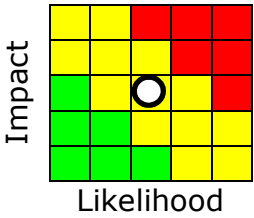
- 10.4.1 It is proposed that Members should review the risk registers marked as Appendix A, confirming that risks have been appropriately identified and assessed and that appropriate measures are in place to manage the risks effectively. Members may wish to challenge the Portfolio Holder and the Head of Neighbourhood Services on these aspects and assure themselves that their risk register is a robust document for managing the risks facing the service.

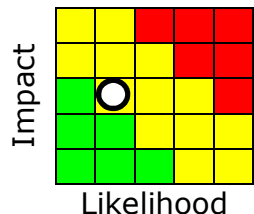
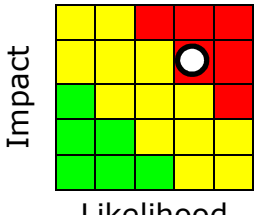
APPENDIX A

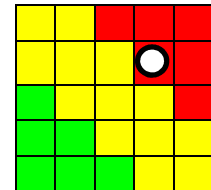
Neighbourhood Services Corporate Risk Register – Bereavement Services

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Office r	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
1.	Customers or their agents not able to access facilities (on time)	<ul style="list-style-type: none"> Traffic incident or other emergency situation affecting access Extreme weather On site vehicle congestion 	<ul style="list-style-type: none"> Disruption to services and impact on other customers Unable to manage peak workflow Additional overtime and/or fuel costs Non-compliance with working time directive Increased risk of accident due to working in darkness Non-compliance with statutory instrument 	<ul style="list-style-type: none"> Emergency and contingency plans in place Good communication with key stakeholders Standard operating procedure Selection and training of staff Good communication with key contractors Enhancement of resilience – multi-skilled staff Alternative (North) slots removed from active diary Capital plan to increase car parking facilities completed Nov 2016 	BSM	Consultation with key stakeholders to implement permanent change of chapel times to mitigate large services in both chapels at the same time.	Meeting to be arranged	August 2016	

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Office r	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
2.	Disruption in utilities (LPG or Electricity)	<ul style="list-style-type: none"> fuel shortage Changed to contacted supplier Breakdown of telemetry system. Emergency requiring isolation of LPG tanks Adverse weather conditions affecting power lines Incident involving sub-station or supply infrastructure <p>Incident 29th Dec 2015 – power cut resulting in customer complaint and investigation by the regulator due to having to operate by-pass flue. Any further breach within a 12 month period will result in litigation being instigated by the regulator.</p>	<ul style="list-style-type: none"> Cremation services cease Potential build-up of volatile gasses in cremation chambers due to uncontrollable combustion Loss of reputation Non-compliance with environmental protection legislation Litigation from customers or regulator Cremators fail to pre-heat on schedule, causing delays and potential disruption to specific religious practices (eg witness charge) Vital elements of service not able to be provided (music, lights, curtains) Emergency generator installed and “live” test has taken place. 	<ul style="list-style-type: none"> Priority customer status. Emergency and Contingency plans in place Members of staff check if there has been a power cut out of hours Mutual aid arrangements in place with neighbouring authorities. 	BSM	Install UPS to PC’s that may be affected by any lag between power outage and generator start up (approx 5 mins) to prevent data crash	Energy manager to progress / ICT to progress	BSM to chase up again July 2016	

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Office r	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
3.	3 rd party impact on service provision	<ul style="list-style-type: none"> Customer appointed agent or contractor failing to comply with regulations. Incorrect or last minute changes to information supplied Failure to implement proper controls or procedures Service or corporate appointed contractor failing to meet contract specifications. Poor resilience of contractors (eg having insufficient trained staff and/or plant and vehicles to perform duties <p>N.B recent issue with one particular funeral director failing to provide accurate coffin sizes and issuing changes on day of funeral.</p>	<ul style="list-style-type: none"> Damage to cremation equipment Non-compliance with environmental protection legislation Breach of permit conditions Increased risk of infection or injury Unauthorised burial or cremation Reputational damage Litigation Failure in "duty of care" to visitors. Increased customer complaints due to standards not being properly maintained. Insufficient time to react to changes resulting in delayed or cancelled burial Increased contractor cost to call in extra labour to react to short-notice changes 	<ul style="list-style-type: none"> 3rd party cremation indemnity statements Regular liaison with key stakeholders and national stakeholder organisations Training offered to stakeholders when employing new staff Corporate Membership FBCA Officer membership of ICCM Permission to erect memorials only issued to monumental masons registered with BRAMM or NAMM RQMF Memorial safety inspection programme Officers trained to NAMM standard Emergency and contingency plans in place *regular liaison with contract management officers and contractors *liaison with higher management from funeral directors who have short term issues with quality of information *Assist with CPD for new staff taken on by FDs 	BSM	<p>Review memorial safety policy in line with current industry standards (to coincide with re-let of memorial safety inspection contract).</p> <p>Quality and timeliness of information added to agenda for next stakeholders meeting</p> <p>Default notice issued to contractors for failing to meet GM standards</p> <p>Contractor requested to improve resilience of staffing.</p>	<p>Officer Time</p> <p>Meeting to be arranged (see also item 1)</p> <p>Contract management staff</p>	<p>July 2016</p> <p>Aug 2016</p> <p>Issued June 2016</p>	
4	Failure to adequately maintain buildings or infrastructure	<ul style="list-style-type: none"> Insufficient planned or reactive repairs budget available. Poorly planned repairs and allocation of resources Diminishing funds to allow improvements to facilities 	<ul style="list-style-type: none"> Customer dissatisfaction. Increased risk of accident or incident Damp damaging book(s) of remembrance Additional costs for emergency repairs inc wildlife protection if out of season 	<p>Service representation at SAG (HoS) and Asset maintenance group (BSM)</p> <p>Planned preventative maintenance programme</p> <p>Regular maintenance meetings held between Property surveyor and BSM to highlight issues and plan programmes of work</p>	BSM	<p>Ongoing work with property department to review planned preventative maintenance.</p> <p>Ongoing financial pressures in council finances – not all future years PPM has been financed.</p> <p>Report due to SAG to determine future of lodge buildings and chapels.</p>	<p>Property services</p> <p>HoS</p>	<p>July 2016</p>	

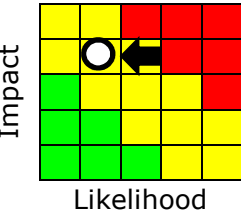
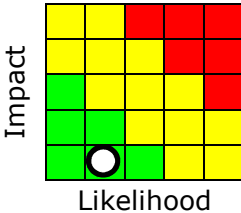
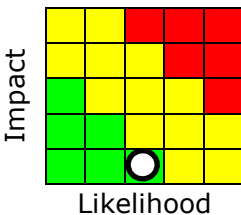
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Office r	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
5	Loss of cremation equipment	<ul style="list-style-type: none"> Explosion caused by implants or unauthorised items in coffin Mechanical breakdown Planned maintenance. Lightning strike affecting PLC Incompatibility of spurious parts from non-original installation 	<ul style="list-style-type: none"> Unexpected repair bills Services interrupted / delayed Loss of reputation Loss of market share Unacceptable working conditions H&S implications Prosecution or civil action Non-compliance with environmental acts Elongated recovery periods 	<ul style="list-style-type: none"> Regular liaison with stakeholders Standard operating procedures Emergency and contingency plans Regular maintenance contract in place (WEF 1/7/15) Network of contact with other cremation authorities Use of specialist ICT consultants to retrieve data. 	BSM	<ul style="list-style-type: none"> Surge protection for PLCs Working with colleagues in ICT infrastructure to enable broadband connection for improved diagnosis/ repair 	Energy manager to progress protection and battery back up for PLC's. ICT infrastructure manager to progress improvement to broadband	TBC TBC	
6	Loss of statutory documents and other important (non-statutory) records	<ul style="list-style-type: none"> Disruption of Service, facilities. Major incident e.g. fire Deliberate act of vandalism Lightning strike affecting crematory PLC Damp ingress in chapel of remembrance Loss of ICT (see risk no 7) Missing information from some records/plans inherited from urban councils that were responsible for burial services prior to formation of Warwick District Council 	<ul style="list-style-type: none"> Unable to identify grave location Unable to identify registered owner of exclusive right of burial Incorrect legislative regulations applied if consecrated and unconsecrated land cannot be differentiated. Non compliance with legislation Book(s) of remembrance damaged/destroyed 	<ul style="list-style-type: none"> Registers kept in fire proof safes Duplicate plans kept off site Registers scanned and kept off site Books of remembrance scanned and installed onto sookie server Only "todays" book kept in chapel of remembrance, other volumes kept in fire proof safes in office. Ashes location information cards from 1971-1983 has been scanned by BS staff Ashes location registers 1983-1993 have been scanned by BS staff Source documents retained for 15 years Project for DMC to photograph cremation registers from 1971 – 1993 has been initiated Book of remembrance orders to be scanned by BS staff 	BSM	<ul style="list-style-type: none"> ICT improvements to include facility to print computerised records (which can then be kept off site) ICT steering group have agreed there is a need to change the CAS system. BSM, HoS & ICT reviewing potential CAS replacements Specific risk register detailing data transfer implications will be drawn up as part of the CAS replacement project. 	Staff Time and funding to digitise maps and historical data Choice of upgrade to CAS (crematorium software package) is restricted by connectivity issues. ICT are investigating alternative broadband connections	BoR scanning complete by Dec 2016. Cremation registers scanning depends upon other corporate scanning projects	

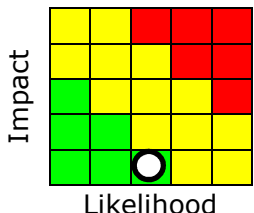
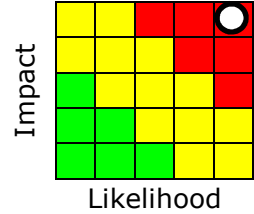
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Office r	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
7	Loss of ICT	<ul style="list-style-type: none"> Failure of broadband infrastructure Failure of onsite infrastructure Failure in other council software or infrastructure Failure of "Wesley music" Insufficient data allowance <p>N B Incident January 2016 – loss of broadband, fault in connection between site and exchange. More than 7 days for "open reach" to resolve</p> <p>N.B. Incident 11th Feb 2016 – loss of broadband. This was due to over use of data allowance.</p>	<ul style="list-style-type: none"> No access to email, Total, Wesley Music downloads and other vital applications Extra staff time needed to access software applications from other sites Drain on staff recourses in other departments, especially ICT Increased timescales to respond to customers leading to poor service Increased likelihood of information being missed and wrong or out of date instructions being followed Additional staff stress and fatigue 	<ul style="list-style-type: none"> Server "sookie" on site at crematorium Local log on to "sookie" enabled for crematorium PCs Moved from wired broadband to satellite link ICT monitoring data usage Well tested contingency plans in place to ensure continued provision of music for services Use of agile working from Riverside house or other WDC venue to enable access to email, Total and other vital applications BSM has email facilities enabled on WDC mobile phone 		<ul style="list-style-type: none"> Review alternative broadband solutions Purchase of portable music system for emergency use (system currently on loan) 	Broadband improvement ordered lead time 10-20 weeks, no firm date and cost yet from supplier. ICT dealing	End July 2016	 <p>Impact</p> <p>Likelihood</p>

Key: BSM = Bereavement Services Manager;
HoS = Head of Service
ICT = Warwick District Council ICT department

APPENDIX A

Neighbourhood Services Corporate Risk Register – Car Park Services

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
1.	Shortfall in Car Park income.	The general economic climate.	Shortfall in off-street car park income.	Monthly monitoring of car park income against estimates allows us to identify income being behind budget.	DMT	Current Car Park income is on budget. Positive out turn in previous years Closer monitoring and more focus on projections	The general economic climate.	Ongoing	
2.	Claims from Slippery conditions in car parks/parks during periods of freezing weather.	An increase in the frequency of cold winters resulting in periods of sustained periods of ice and snow.	Claims from members of the public resulting from accidents.	Where there is a forecast for periods of snow / icy conditions of over three days specified areas of the car parks should be gritted. This would be undertaken by the Rapid Response Teams with grit supplied by WCC as part of our agreement. The Contract Services manager or the Senior Ranger in their absence will confirm that gritting is to take place. The areas where gritting will take place are identified on plans maintained by parking services. A priority listing of the car parks to be gritted will be maintained and kept under review.	DMT WCC Staff	Ongoing liaison with WCC	Staff time	Ongoing.	
3.	Damage to P&D machines in off-street car parks including Pay on Foot.	Vandalism / burglary.	Loss of income. Inconvenience to public.	Rangers as part of normal duties. Daily inspections of every machine. Increased frequency of cash collection.	DMT / Staff	Ongoing inspection of machines.	Staff time	Ongoing	

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
4.	Damage to vehicles and persons in off-street car parks.	Vandalism. Accidents.	Loss of Income. Reputation. Economic /Tourism.	Rangers. CCTV. Public. Police.	DMT / Staff	Ongoing inspection within car parks.	Staff time	Ongoing	
5.	Structural Integrity of Multi-storey car parks	Poor maintenance regime. General deterioration through age.	Loss of income due to closure of car park. High cost repairs. Impact of local business.	Improved maintenance regime with regular expert testing of the buildings. Capital investment to prolong life expectancy of car parks.	DMT	<p>Linen St will undergo a monthly structural survey to ensure it is safe for public use. A feasibility study is underway to ascertain the long term options for the site. It will close sometime in the near future as it has reached the end of its design life.</p> <p>Covent Garden MSCP will be rebuilt as part of the HQ relocation project. Interim remedial works are planned be September 2016 to maintain the safety of the site for public use. The proposed demolition is due October 2017 with a new car park open in October 2018. St Peters requires remedial works and will be tendered at the same time as Covent Garden's remedial works.</p>	Staff Time	Executive agreed to funding for St Peters in February 2016 & Covent Garden repairs in & June 2016. Final decision to rebuild Covent Garden will be July 2017.	

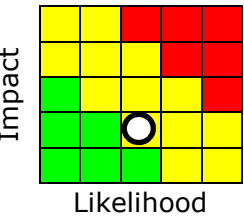
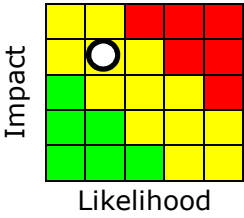
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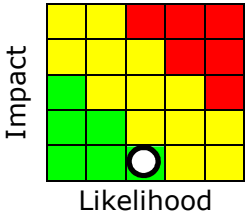
DMT = Departmental Management Team

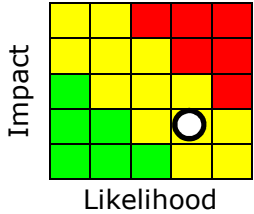
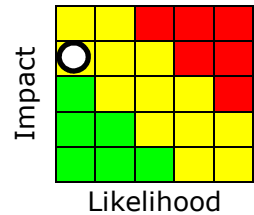
WCC = Warwickshire County Council

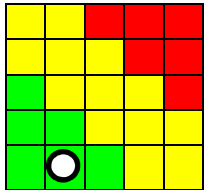
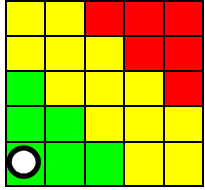
APPENDIX A

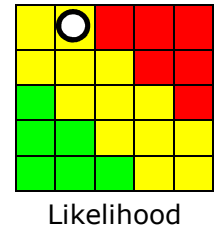
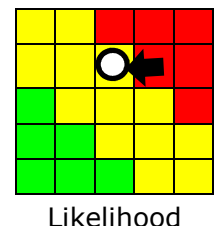
Neighbourhood Services Corporate Risk Register – Green Space

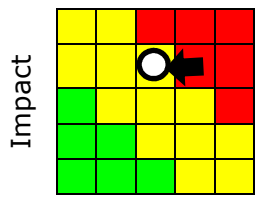
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
1.	Playgrounds, playground equipment, BMX parks and Skate Parks not fit for purpose.	Vandalism. Misuse by users. Lack of maintenance. Unsupervised children. Wear and tear of equipment / surface. Litter / faeces. Poor design. Lack of funding.	Personal injury. Liability. Loss of reputation.	Inspections/Checks. Play area improvement programme. Play strategy. Annual independent inspection. Post installation inspection report for new equipment. Equipment installed to appropriate British Standard. Allocation of funding to provide equipment.	DMT	Review accidents + insurance claims. There is now a playground team ROSPA trained Independent Annual inspection carried out in March 2016. <i>Actions from this have been completed</i>	Staff time Jon Huxley takes the lead	Annual Review March 2014	
2.	Direct injury and damage caused by trees.	Poorly maintained trees. Extreme weather. Poor/ inaccurate inventory. Vandalism. Lack of proactive inspections. Not implementing actions. Insufficient budget. Insufficient resource.	Injury to people and property. Delays on Highway. Cost of making good. Loss of reputation.	Regular independent tree inspections. On-going maintenance. Informal monitoring.	DMT WCC	Monthly operational meetings with WCC Tree Team and GST Agree work programme following tree survey – <i>ongoing</i> <i>Tree risk management audit by Zurich Insurance in October 2015 – Developing an action plan from the recommendations. Meeting with WCC Forestry to discuss findings.</i> <i>Met WCC Forestry on 12th May 2016 to develop and agree actions.</i>			

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
3.	Insurance type claims/damage caused by trees.	Trees historically inappropriately located. Houses, buildings, structures built too close to trees. Insufficient information about current tree stock.	Risk of damage to property / infrastructure. Insurance claims from damage sustained. Loss of public trust and confidence in our operations.	Reactive maintenance. Regular independent tree inspections.	DMT WCC	<p>Monthly operational meetings with WCC Tree Team and GST</p> <p>Agree work programme following tree survey – <i>ongoing</i></p> <p><i>Tree risk management audit by Zurich Insurance in October 2015</i></p> <p><i>Developing an action plan from the recommendations.</i></p> <p><i>Meeting with WCC Forestry to discuss findings.</i></p> <p><i>Met WCC Forestry on 12th May 2016 to agree actions.</i></p>			

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
4.	Long term reputational risk from trees.	Tree work not getting completed in timely manner due to lack of resource. Loss of tree specialism from Council.	Loss of public trust and confidence in our operations.	Work with partners. Transfer work to Warwickshire County Council. Additional funding.	DMT WCC	Monthly operational meetings with WCC Tree Team and GST Agree work programme following tree survey – <i>ongoing</i> <i>Tree risk management audit by Zurich Insurance in October 2015 – Developing an action plan from the recommendations.</i> Meeting with WCC Forestry to discuss findings <i>Met WCC Forestry on 12th May 2016 to agree actions.</i>		Ongoing	
5.	Risk of trees becoming diseased	Pests and diseases. Spread of new disease. Climate change.	Loss of stock. Cost of maintenance and/or removal.	Risk Survey. Awareness of national issues. On-going maintenance.	DMT WCC	Review disease spread. GST to get monthly updates at operational team meetings	Staff time Arb assoc WCC.	Ongoing.	

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
6.	Building-related problems.	Lack of maintenance. Lack of survey. Lack of maintenance work.	Closure of park. A report is going to September Exec Meeting on the priorities and cost for building maintenance	A surveyor carries out monthly inspections of all the buildings/structures that they are responsible for. Every three years a detailed condition survey is carried out.	CMT	<p>Agree funding of Asset Plan.</p> <p>There is now a WDC Asset Plan.</p> <p><i>Housing and Property Services Asset Management and GST are undertaking a parks asset review. Review expenditure on 1270-2150 and request contingency sum for 2016-2017 – need to check with Rob.</i></p> <p><i>Parks asset survey on track to be completed by June 2016 and to presented to Green Space Team</i></p>	Staff time.	<p>2015-2016 PPM</p> <p>To be completed by June 2016</p> <p>June 2016</p>	<p>Impact</p>  <p>Likelihood</p>
7.	Failure to consult affectively with “Friends of” groups.	Not aware of consultees. Poor relationship with friends group. Lack of resource/time. Lack of awareness.	Lack of funding. Reputation. Focus groups become protest groups.	Engage with groups. Dedicate resource to groups.	DMT	<p>Part of very Project Brief.</p> <p>Community Ranger involved in consultation exercises</p>	Staff time	<p>Ongoing</p> <p>Ongoing</p>	<p>Impact</p>  <p>Likelihood</p>

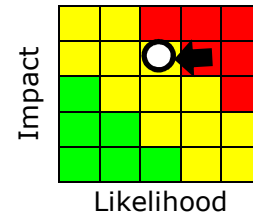
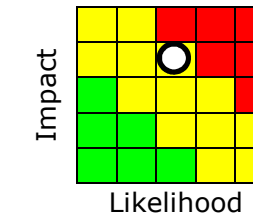
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
8.	Drowning or injury as a result of water body in vicinity of park or open space.	Flooding. Public misuse. Lack of maintenance of structures and minor watercourses. Failure of water use operators.	Drowning / physical injury. Reputation. Cost. Compensation claim.	Water Safety Review. Maintenance of structures by Warwick District Council and third parties. A number of the no diving/jumping signs have been removed by vandals hence change in rating. Remedial work in hand – Need to look at alternatives for Charter Bridge	DMT	Review ROSPA recommendations Fencing completed at rear of Mercia Way open space <i>Abbey Fields brook has been formally risk assessed by GST and GFS. Planning to fence part of the brook in 16-17 funding allowing.</i> <i>Will be discussed at the newly formed project group and to action.</i>	Staff time	<i>Risk assessed in November 2015</i> <i>TBC</i>	
9.	Ability to deliver on Green Space Strategy.	Lack of funding. Lack of resources. Changes in planning legislation.	Poor quality of open space. Lack of open space. Failure to meet Council Vision.	Delivery of action plan for Green Space Strategy. Lottery Funding. Disposal of low quality assets to give funding. Funding from Local Plan via planning department.	CMT HNS DMT FIN	Agree source of long term funding <i>Additional staff resources to GST have now been appointed. Started November 2015</i> <i>Review and mapped out s106 contribution to deliver parks improvement projects. 7 large projects being delivered in 16-17 through PAR and s106</i> <i>Delivering projects as set out in TOP's</i>	Staff time Finance Public Amenity Reserve and offsite contribution reserve	Ongoing	

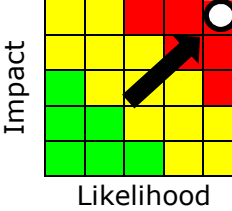
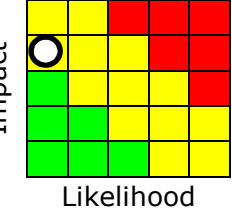
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
10.	<i>Direct injury and/or damage caused by footpath works by contractors in parks</i>	<i>Contractor procurement Contractor supervision Insufficient RAMS</i>	<i>Personal injury. Liability. Loss of reputation</i>	<i>Contractors that are fully H&S compliant Robust RAMS</i>	<i>DMT</i>	<i>H&S Investigation to Bates Memorial Incident by H&P Services and GST – awaiting Head of Service recommendation.</i> <i>Monthly operational meetings between H&P Services and GST</i> <i>Pre start meetings and random checks being carried out by GST and Ian Carden</i>		<i>Tbc.</i> <i>Monthly review</i> <i>Ongoing</i>	

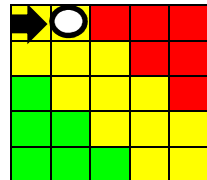
Key: DMT=Departmental Management Team. WCC=Warwickshire County Council. CMT=Corporate Management Team. FIN=Finance

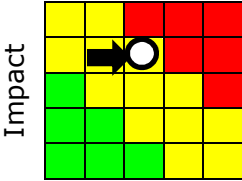
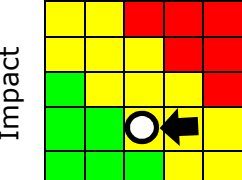
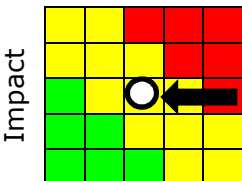
APPENDIX A

Neighbourhood Services Corporate Risk Register – Generic

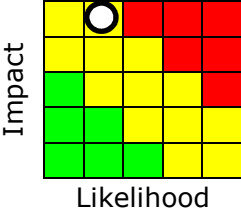
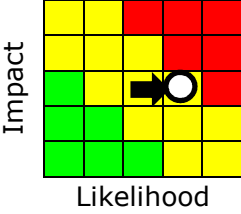
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
Generic to Warwick District Council									
1.	Inability to recruit and retain staff	<p>Age profile of staff.</p> <p>Salary levels.</p> <p>DBS checks taking too long to complete.</p> <p>Failure to conclude appointments quickly leading to loss of candidates.</p> <p>Terms and Conditions.</p> <p>Lack of candidates with necessary skills/qualifications.</p>	<p>Loss of key staff.</p> <p>Inability to recruit.</p> <p>Additional costs for specialist advice.</p> <p>Loss of technical staff to private sector.</p> <p>Reduces capacity to deliver services.</p> <p>Additional strain on other staff.</p> <p>Protracted recruitment process.</p>	<p>Shared Services.</p> <p>Succession planning.</p> <p>Generic Roles where ever possible.</p> <p>Apprenticeships are a possibility for admin based roles.</p> <p>Utilisation of Commensura.</p> <p>Utilisation of contractor resources.</p> <p>Bench mark terms and conditions with other organisation.</p>	HR HNS DMT	<p>Use of career graded posts.</p> <p>More flexible job descriptions.</p>	HR DMT	Ongoing	
2.	Failure to meet "Fit for the Future" Objectives	<p>Legislative changes.</p> <p>Policy changes.</p> <p>Financial changes.</p> <p>Service changes.</p> <p>Organisational changes.</p>	<p>Overspending on Medium Term Financial Strategy.</p> <p>Reduced service quality.</p> <p>Service Cuts.</p>	<p>Specific focus on statutory compliance and statutory consultation requirements.</p> <p>Early engagement with recognised Trade Unions.</p> <p>Comprehensive redundancy policies.</p> <p>Monitoring to ensure FFF objectives are being delivered.</p> <p>Identifying efficiencies and delivering savings.</p> <p>Effective communication with staff.</p>	HR HNS DMT CMT SMT			Ongoing	

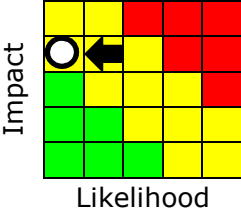
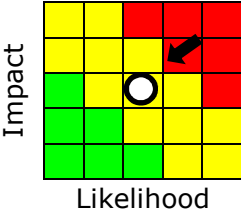
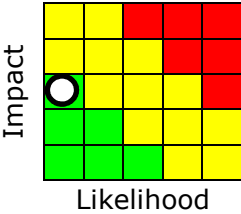
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
3.	Insufficient money resulting in an inability to provide normal services.	<p>Poor financial planning.</p> <p>Unexpected loss of income and/or increase in expenditure.</p> <p>Fit for the future projects do not achieve sufficient savings.</p> <p>Changes to Government Policy/legislation.</p> <p>Reduced Government grants. Financial savings not made.</p> <p>Budgets exceeded.</p> <p>Insufficient money to provide services as specified.</p>	<p>Loss making services.</p> <p>Problems delivering key services.</p> <p>Reduced quality of service.</p> <p>Budget exceeded and therefore subsequent budgets reduced.</p> <p>Forced to make large scale redundancies.</p> <p>Inability to repair or replace assets.</p>	<p>Effective management of Fit for the Future Programme.</p> <p>Effective audit of financial accounts.</p> <p>Effective fees and charges schemes.</p> <p>Delivery plans and overall project plans have been completed.</p> <p>Effective internal audit function. Codes of Financial and Procurement practice.</p>	FIN HNS DMT	<p>Longer term asset/financial planning</p> <p>Development of Corporate Asset Strategy</p> <p>Business cases being produced for replacement of car parks.</p>	Fin DMT DMT	Ongoing	
4.	<p>Failure to:- Respond to new legislation.</p> <p>Comply with new/existing legislation.</p> <p>Take into account legal implications of decisions.</p>	<p>Change in Government policy.</p> <p>Poor decision making.</p> <p>Lack of knowledge.</p>	<p>WDC unprepared for changes resulting in additional costs/workloads for staff.</p> <p>Damage to reputation.</p> <p>Judicial reviews.</p> <p>Financial impact.</p> <p>Legal action against the Council.</p>	<p>Legal advice available to staff.</p> <p>Communication with professional bodies and organisations to seek assistance and advice.</p> <p>Appropriate training.</p>	HNS DMT	Attend meetings of Professional Bodies.	DMT	Ongoing.	

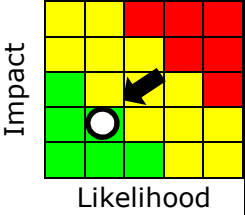
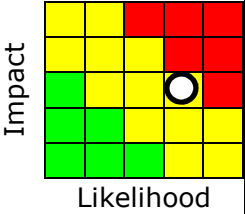
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
5.	Loss of IT.	Computer breakdown. Technology problems. System problems, including hacking. Reliance on key staff. Acts of God e.g. fire, hurricane, flood. Power failure. Malicious acts by employee. Reliance on key staff. Hacking/computer virus.	Staff not paid. Reduction in service delivery, failure to meet statutory requirements. Cost implications. Poor data. Dissatisfied customers (and staff). Loss of access to data, provision of data unavailable. Unable to deliver on line services. Staff morale.	IT support. System provider helpdesk. Contract with software supplier to maintain training needs. Well trained staff. Adequate cover. Business Continuity Plan. Back-ups. Manual records. System controls. Duplicate records. Procedure notes. Audit testing. WDC has robust contingency plans. No longer reliant on WCC Customer Service Centre and WCC ICT systems.	Divisional managers. System owners.	Continually reviewing business continuity plans. Planned installation of new broadband link to Oakley Wood Crem.	CCO	Ongoing	

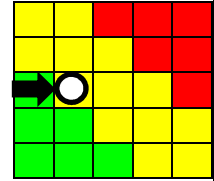
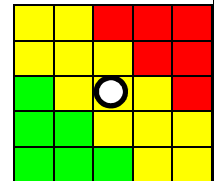
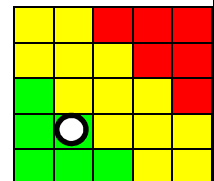
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
6.	ICT systems not able to support current service delivery and future improvements.	<p>Failure of the current ICT infrastructure being unable to meet demand.</p> <p>Lack of ICT resources.</p> <p>Systems failure of hardware and software.</p> <p>Use of unsupported third party systems.</p>	<p>Prolonged loss of systems.</p> <p>Additional cost to operate systems.</p> <p>Corrupted information and/or databases.</p> <p>Provision of data.</p> <p>Additional cost for external ICT support.</p>	<p>Third party support and maintenance contracts.</p> <p>Training of super users.</p> <p>Better data management.</p> <p>Review systems to ensure they are fit for purpose.</p> <p>Service Head sits on the ICT Steering Group</p> <p>Not reliant on WCC ICT</p>	ICT DMT HNS	<p>Ongoing monitoring of new ICT issues until satisfied systems are stable.</p> <p>Business Case being development for new Bereavement Services System</p>	ICT		
7.	Inaccurate / incomplete information made available to the public	<p>Not entering information.</p> <p>Entering incorrect information</p> <p>Not developing web site to assist access to service information or access to services.</p>	<p>Reduced service delivery.</p> <p>Damage to WDC reputation.</p> <p>Confused customers.</p>	<p>Implementation Plan and quarterly review of web-site.</p> <p>Business Support looking at Website on an ongoing basis</p> <p>Additional staff resources to assist with updating information.</p> <p>Repatriation of calls to WDC makes it easier to manage communications and service changes.</p>	HNS DMT (Michael Branson)	<p>Review process of updating website</p> <p>Communication Plan</p>	DMT	Ongoing	
8.	High or increasing levels of sickness.	<p>Individual workloads increase resulting in higher stress levels.</p> <p>Pandemic.</p> <p>Poor working environment.</p>	<p>Some services not delivered.</p> <p>Increase in stress/pressure on remaining staff.</p> <p>Reputational risk.</p> <p>Additional costs to cover key staff.</p>	<p>Detailed monitoring.</p> <p>Effective absence management policies and processes.</p> <p>Continuity planning.</p> <p>Filling vacant posts.</p>	DMS HNS HR	<p>Team Operational Plans are realistic and deliverable</p> <p>Back to work interviews.</p> <p>Reports from Self-Serve System.</p> <p>Occupational Health support</p>	OH	Ongoing	

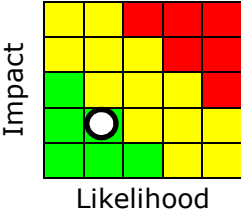
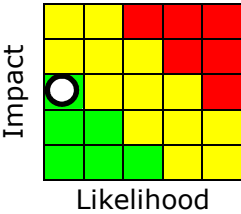
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
9.	Impact of climate change on service delivery	Changes in weather as a result of climate change. Increased high winds, long periods of freezing temperatures, heavy rain or long dry spells.	<p>Long periods of cold weather could reduce our ability to collect waste.</p> <p>Long periods of high winds would impact on trees and increase the risk of damage.</p> <p>Long periods of dry weather will reduce the amount of grass cutting required but will increase the requirement for watering of flowering plants.</p>	<p>Maintain flexibility in the contract to allow the impact to be minimised.</p> <p>Introduce gritting in car parks when long periods of freezing weather.</p> <p>Reduce floral planting to minimise the watering of these areas.</p> <p>Green Travel Plan</p> <p>Ongoing review of Business Continuity Plan</p> <p>Implementation of Sustainability Action Plan</p>	DMT WCC	Ongoing review environmental impact of operations.	SO	Ongoing	
10.	Accidents/ health & safety of staff in office.	<p>Lack of health & safety good practice.</p> <p>Lack of health and safety awareness.</p>	<p>Injuries to staff</p> <p>Financial claims.</p> <p>Loss of staff morale</p> <p>Adverse publicity/reputational damage</p> <p>Difficulty in service delivery.</p> <p>Increase in sickness.</p>	<p>Lone Worker (Tunstall system).</p> <p>H&S Policy and Procedures in place.</p> <p>Joint Consultative Group (management and unions)</p> <p>Operation of robust risk assessments, safe working practices.</p> <p>Accident/incident reporting and investigation.</p> <p>Safety Advisors inspection of workplace.</p> <p>DSE assessments.</p>	HNS DMS H+S A	Ongoing health and safety training for staff. (IOSH)	DMT	Ongoing	

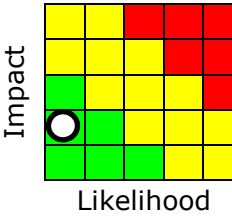
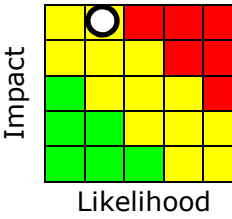
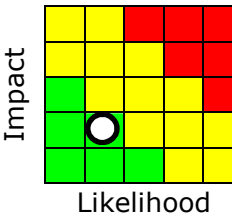
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
11.	Accidents / health and safety of contractors	<p>Lack of health & safety good practice/training.</p> <p>Lack of appropriate supervision.</p> <p>Lack of policies and procedures</p> <p>Violence/threats from customers</p>	<p>Injuries to staff.</p> <p>Financial claim.</p> <p>Loss of staff morale.</p> <p>Adverse publicity.</p> <p>Reputational damage.</p> <p>Difficulty in service delivery.</p> <p>Increase in sickness.</p> <p>Actual physical injury.</p>	<p>Regular monitoring of contractors Health and Safety.</p> <p>Embedded Health and Safety consultation process.</p> <p>Health and Safety Policy</p> <p>Robust Risk Assessments</p> <p>DSE Assessments</p> <p>Staff alert list</p> <p>Tunstall procedure</p> <p>Reporting/monitoring procedures</p>	DMT H+S A Contractors	<p>Neighbourhood Services Measure</p> <p>CO's now into routine of H&S checks.</p> <p>Need to undertake audit of process</p> <p>Inspection by H&S Executive</p> <p>Ongoing health and safety training for staff. (IOSH)</p>	Staff time	Ongoing	
12.	Failure of contractor to deliver service.	<p>Under-priced contract.</p> <p>Lack of client support.</p> <p>Lack of resources.</p> <p>Poor management and supervision</p> <p>Inability of contractor to recruit staff</p>	<p>Poor service delivery to customers.</p> <p>Additional client time and resources.</p> <p>Contractual deductions.</p> <p>Contractual disputes.</p>	<p>Partnership Board Meetings</p> <p>Client support.</p> <p>Penalties within contract implemented.</p> <p>Contract documentation.</p>	DMT Contractor	<p>Review of contractor performance.</p> <p>More frequent meetings and closer monitoring of performance.</p> <p>Financial deductions</p>	Staff time	Ongoing	

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
13.	Impact of business continuity incident	Loss of building or office space. Loss or lack of key staff. Loss of key equipment or systems. Denial of access to place of work. Major incident. Loss of power source	Inability to provide services/reduced service delivery. Reputational damage. Financial Loss. Staff Morale. Customer dissatisfaction.	Service Area Crisis Plan Major Emergency Plan. Ability to work from home/contractor depot. IT disaster recovery plan Business Continuity Plan – critical services identified Back-up power supply.	HNS CCO Property Services	Plan testing Installation of back-up generator at Oakley Wood Crematorium.	Staff time	TBC	
14.	Growth within Warwick District outstrips the ability for the Council to deliver services.	Increased residential, commercial, and green space development above expectations. Changes in legislation. Vacant posts.	Gaps open up in Council services. Insufficient resource/capacity within the Council. Increase costs. Leave for the moment.	Growth built into various contracts. Local Plan. Joint planning and delivery arrangements. Fill posts as they become vacant Continually review Service Plans and Team Operational Plans	DS DMT FIN	Monitoring developments changes and actions require	Additional costs + staff time	Ongoing	
15.	Strike Action	National ballot Union Actions Unhappy staff	Breakdown of employment relationship Loss of reputation through disruption to service delivery Staff morale.	Strong formal and informal communication forums and mechanisms at a local level	CMT/SMT	Introduction of National Living Wage			

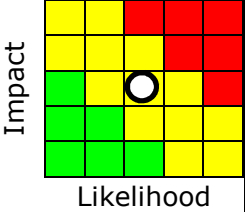
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
16.	Failure to communicate effectively	Untrained staff Reorganisation Inaccurate data on systems or website Poor communication/information High workload. Reliance on key staff. Staff absence. Human error. Inappropriate form of communication.	Incorrect information used to carry out work. Negligence and liability claims Adverse publicity Loss of reputation Waste of resource Poor service to customers Additional workload. Staff morale. Stress.	Monthly team meetings. One-to-ones. E-mail. Core brief. Intranet. Circulation of minutes from meetings. Corporate communication strategy. Staff training. Qualified/experienced staff Quality standards Good IT/Information Systems Web improvement plan	All staff.	NS Coms Plan		Ongoing	
17.	Failure of other WDC/ partners/ stakeholders department to provide services as agreed / expected (neighbourhood/ property)	Reorganisation of collaborative departments Failure to recognise workflow through other departments Insufficient staff / resource available	Disjointed services to customers Missed opportunities Negative impact on staff morale Increased customer complaints Reputational damage	Good lines of communication between key members of staff Joint corporate working groups SMT intervention	DMT SMT				

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
	Generic to Neighbourhood Services								
18.	Loss of key records.	<p>System failure.</p> <p>Accidental disposal.</p> <p>Theft – particularly of IT equipment.</p> <p>Inadequately trained staff.</p>	<p>Unable to provide service.</p> <p>Possible litigation. Financial loss.</p> <p>Bad publicity.</p> <p>Reputation damage. Loss of confidence.</p> <p>Resource implications for replication.</p> <p>Staff morale. Stress.</p> <p>Staff absence.</p> <p>Litigation.</p>	<p>IT able to restore systems. Staff training.</p> <p>Secure storage of sensitive paper documents.</p> <p>Document retention policy.</p> <p>Replace outdated/unsupported ICT systems</p>	HNS	Need to address issues in Bereavement Services	ICT DMT	2016	<p>Impact</p>  <p>Likelihood</p>
19.	Stratford Road Depot lost to development.	Local Plan	<p>Lack of Contractor Depot.</p> <p>Contractor Depot needs to be moved within development site.</p> <p>Contractor needs to find new site.</p>	<p>Routine liaison with planning colleagues and strategic managers.</p> <p>Communication with contractors,</p>	DMT Contractors			Ongoing	<p>Impact</p>  <p>Likelihood</p>
20.	Council to meet its legal implications under Waste England and Wales Regulations 2001 i.e. the “TEEP test”	The legislation requires that Regulation 13 of the adjacent legislation is fulfilled by 1 January 2015	Potential legal challenge if requirements not met	<p>Report produced setting out WDC compliance and shared with Members</p> <p>Use of a kerbside collection scheme to collect recyclables separately.</p>	DMT Contractors				<p>Impact</p>  <p>Likelihood</p>

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
21.	Anti-Social Behaviour in Parks	Quality and condition of park Perception of safety by public	Reduction in use of parks. Public feel unsafe Vandalism/costs to repair damage	Well maintained parks Ranger Service	DMT	Review impact of Park Ranger Service	DMT	On-going	
22.	Driving for work (council and personal vehicles) – Accidents.	Poorly maintained vehicles Staff not trained in their responsibilities Stress/Tiredness	Damage to vehicle or property Persona injury, Legal action, insurance claims etc.	Regular maintenance and checks of vehicles Staff training at commencement of job role. Effective health & safety controls and risk assessments Staff Provision of own insurance for Business use of personal vehicles	DMT	<p>Highlight to SMT in corporate H&S Quarterly Report.</p> <p>Need to check individual's MOT, Licence etc. Who will do work?</p> <p>Corporate review of procedures to ensure all appropriate checks are in place.</p>	Staff time	On-going	

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
23	Homeworking – poor service level and health and safety risks present.	IT provision not working H&S risks not mitigated Appropriate level of service delivery not maintained	Inability to deliver work programme Legal challenge Customer expectation not met Poor staff welfare/increased stress/ Isolation Dissatisfaction for staff either being coerced into homeworking or denied homeworking Insurance claim	Effective H&S controls in place for work place assessment and lone working. Effective management of service delivery The issue of the use of routine use of laptops and DSE assessments and working at home needs to be resolved, arguably through the WDC H&S Group.	DMT HNS				
24.	Failure by WCC to provide appropriate disposal sites for waste i.e. landfills, Civic Amenity Sites etc.	Landfill Operators cease to trade. Fire / mechanical breakdown at facility. Poor access maintained.	Additional resources required by contractor. Additional cost. Inability to provide waste collection service.	Good communication between Warwickshire County Council and Warwick District Council. WCC have told us that HWRC at Princes Drive will be used in an emergency situation	WCC DMT	More robust WCC Continuity Plan	WCC		
25.	Possibility of Non-compliant procurement	Lack of awareness of issues Deliberate act Lack of training	Legal challenge Loss of reputation Failure to achieve best value	Effective staff training and management of procurement processes Review of procurement policy and processes. Regular discussions with the Procurement Team	DMT				

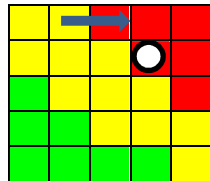
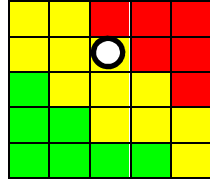
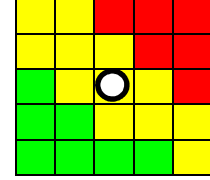
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
26.	Failure to correctly monitor/ manage budgets (Short term elevated risk due to merging of departmental functions)	Insufficient staff training Pressure of work leading to insufficient resource being committed Uncertainty of income due to external factors.	Uncertainty for corporate budgets Unable to meet service commitments	Regular budget monitoring Regular meetings with Finance Training of Budget Managers Total training More budget codes to be created alongside different individuals having responsibility	HNS DMT				
27.	Not applying Equality and Diversity principles	Non-compliance with legal requirements Discrimination against group or person	Challenge by Govt Department or external agency Legal action and/or compensation claim by group or individual	Staff training and awareness raising Regular review of Equality Impact assessments Information provided centrally	SMT DMT	Review with support of HR Team	HR	Ongoing	
28.	Failure to make progress on corporate and departmental priorities	Unable to provide sufficient resources to support these areas of work. Restructure New Services Vacant posts	Reputation undermined due to failure to meet commitments that have been made publically. Organisational priorities not delivered.	Regular prioritisation of work through services and corporate meetings Managing expectations by publishing and sticking to realistic time scales Continually monitor workloads Realistic Service Plans and Team Operational Plans.	DMT	Continual Review	DMT CMT SMT	Ongoing	

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
29.	Project to take back responsibility for telephony from the joint WDC/WCC CSC. Separate risk register as part of the project but added into the NS Risk Register for specific element relating to the Service Area	End of agreement with WCC for shared Customer Service Centre	Reduction in service. Inability to provide services. Loss of key staff Confusion for customers	Additional staff employed to fill vacant posts transferred from WCC. Additional training for staff Review of systems used previously and how current systems needed to be adapted. Review of business continuity plans /crisis plan Updating new phone numbers on website, corporate literature/communications.	HNS DMT	Agree corporate measures for customer services.	Service Area Reps	April 2016	

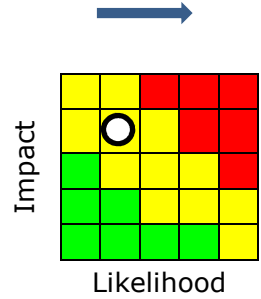
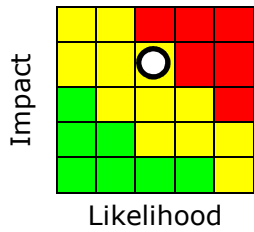
Key: HR=Human Resources: HNS=Head of Neighbourhood Services DMT=Departmental Management Team. CMT=Corporate Management Team. SMT=Senior Management Team. FIN=Finance. CCO Civil Contingencies Officer. SO Sustainability Officer. OH Occupational Health

APPENDIX A

Neighbourhood Services Corporate Risk Register – One Stop Shops

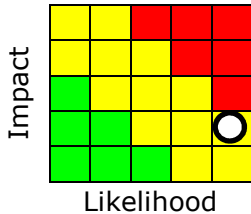
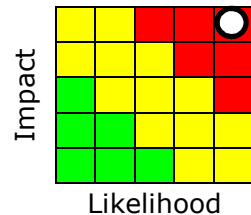
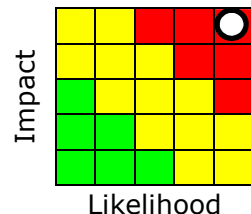
	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
1.	Insufficient staffing levels to deliver services.	i. Staff shortfall against establishment. ii. Staff attrition. iii. Sickness and leave. iv. Recruitment freeze or failure.	i. Customer dissatisfaction ii. Reputational damage. iii. Closure of OSS outlets.	i. Recruitment plans in place. ii. Absence management policies and training. iii. Review of exit interviews iv. Team leaders trained to deliver service. v. Opportunity to gain support from CSC. This will not be available from 1 April 2016, due to WDC telephony return vi. Introduction of Hub working.	WCC Customer Services Manager	There are currently 3 WDC vacancies within OSS. With the ongoing OSS Review, WDC considered it appropriate to fill these 3 posts as fixed term. At time of update (24 June 2016) two out of the three posts had been filled	OSS currently using temps to cover "lower level" work, currently in Warwick and considering the same in Kenilworth		
2	Loss of staff morale/Stress	i. Combination of initiatives that are leading to potential change within the team, i.e. <ul style="list-style-type: none"> Police role Signage OSS Review ii. Vacant positions within team	i. Increased sick leave. ii. Increased stress iii. Low morale	i. Good, appropriate communication between management and team. ii. Quick resolution to any issues. iii. Resolve recruitment as quick as possible	WCC Customer Services Manager Waste Performance and Policy Officer	Resolution of recruitment issue asap. Regular meetings/com munications with teams	Commitment to attend regular team meetings		
3.	Harm to staff/other members of the public.	i. Exposure to abusive customer contact. ii. Exchange of information of an upsetting nature.	i. Temporary loss of capacity. ii. Service disruption. iii. Reputational damage iv. Liability/negligence claims.	i. Risk assessments in place ii. Procedures documented iii. Training completed.	WCC Customer Services Manager				

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
4.	ICT failure.	i. Network issues. ii. Service related ICT system issues.	i. Disruption of core activities/services offered to customers. ii. Reputational damage.	i. Reporting routines established. ii. Procedures to deal with enquiries manually.	WCC Customer Services Manager				
5.	Provision of incorrect information and advice.	i. Lack of training provision. ii. Individuals failing to follow procedures. iii. Inaccurate information stored within the system.	i. Reputational damage. ii. Liability/negligence claims. iii. Service degradation.	i. Training undertaken. ii. Robust recruitment procedures. iii. Quality framework and feedback routines established. iv. Regular engagement with services to maintain accurate information.	WCC Customer Services Manager	<p>With the return of the WDC telephony it is important that communication lines remain between WDC and OSS service.</p> <p>Need to ensure that any training needed is continued.</p> <p>Once the telephony has bedded in get routine liaison meetings organised</p>			
6.	Firearms/suspect package incidents.	OSS delivering Police services – seen as appropriate place to dispose of weapons.	i. Physical harm to staff and customers ii. Damage to premises.	i. Procedures established ii. Training in place. iii. Risk assessments complete.	WCC Customer Services Manager	<p>This service is no longer offered by OSS and the occasions when it still happens are very limited.</p> <p>The WCC procedure on Firearms/suspect packages to be reviewed and updated</p>			

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
	Breakdown of partnership working within the face to face environment.	i. Differing organisational priorities. ii. Financial constraints. iii. Breakdown of relationships. iv. Withdrawal of political support.	i. Remain co-location only. ii. Organisational withdrawal from partnership. iii. Increased cost and non-realisation of partnership vision iv. Disruption to customer service. v. Reputational damage vi. Closure of face to face outlets.	i. Regular engagement at all appropriate levels to confirm priorities and activities. ii. Staff consultations and alignment of terms and conditions.	Head of Service – WDC & WCC	During the OSS Review there are planned consultations with staff. During the period of telephony return there is a requirement to continue liaison			
	Loss of premises.	i. Major incident e.g. flood, loss of power, building damage.	i. Service delivery compromised and resultant customer dissatisfaction. ii. Reputational damage.	i. Business continuity plan. ii. Offer service from alternative location or from CSC or Web.	WCC Customer Services Manager	Due to Hub Working the loss of a single premises can be accommodated, Need to check the option for CSC is still available due to WDC telephony withdrawal			

Key:
New narrative Narrative being transferred Deleted narrative ⌚ = Previous risk score (and direction)

APPENDIX A Neighbourhood Services Corporate Risk Register – Refuse, Recycling, Street Cleansing, & Grounds

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
1.	Service disruption.	Strike action by Contractors. Weather. Loss of disposal route.	Piles of refuse/recycling on streets. Health Risks. Financial impact. Reputation undermined. Essential services not delivered. Increase in service demand. Inability to meet service demand. Failure to meet legislative requirements.	Business Continuity Plan. Contractors will employ staff from other areas. Flexibility of contractors and staff. If usual disposal route not an option would deliver to another disposal route. Reprioritise services.	HNS DMT Contractors WCC	WCC Continuity Plan Regular Liaison	Staff time	Ongoing	
2.	Demobilisation of previous Grounds Maintenance Contract – Stratford Road Depot.	Legal dispute Contractually the previous grounds maintenance contractor should have left Stratford Road Depot in good order. WDC claiming that they did not, and that it has cost WDC approximately £50,000 to put right.	Depot dilapidations not completed as required	Discussions with legal team Discussions with property. 3 year lease is currently being drafted by Legal Services to assist in the dilapidation claim.	HNS H&P WCC Legal Team	Legal dispute still on-going with contractor and WDC legal team. Position being reviewed now that a lease has been signed with the new grounds maintenance contractor.		Ongoing	
3.	De-mobilisation of previous Grounds Maintenance Contract – completed work	Legal dispute From WDC perspective the previous grounds maintenance contractor did not complete all work and WDC deducted approx. £50,000 of payment as a result whilst they believe that WDC owe them approximately the same amount of money for 2 weeks' worth of work.	Work not completed before end of contract.	Discussions with legal team	HNS WCC Legal Team	Legal dispute still on-going with contractor and WDC legal team. WDC pushing for a resolution before end of 2016.		Ongoing	

	Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Further Action(s) (if appropriate)	Resource	Due Date	Residual Risk Rating
4.	Lack of training in risk management and Construction Design and Management Regulations.	Lack of trained individuals Poor communications within Council Loss of trained individuals from Council.	Increased risk of accidents. Reputational risk	Understand who within Council is trained in CDM Regulations Basic awareness training in place for appropriate individuals within Contract Services. Agree Project PIDs including roles + responsibilities	HNS DMT H&P	Ongoing monitoring of all project works. Officer assigned to this area of work		Start of each project.	
5.	Impact on service delivery due to the introduction of the National Living Wage in April 2016.	Contractor reduces workforce to balance budget.	Financial impact. Reputation undermined. Essential services not delivered correctly. Inability to meet service demand. Failure to meet legislative requirements.	Discussions with legal team. Ongoing contractor meetings.	HNS DMT Contractors	The frequency of contract meetings has been increased to closely monitor performance levels of contractors.	Legal Services Staff time	Ongoing	
6.	Performance of contractor not to contract specification.	Contractor reduces workforce to balance budget due NLW. Lack of trained individuals. Poor communications within Council is changes to frequencies are required. Vehicles not fit for purpose. Poor contract oversight from WDC.	Financial Impact. Reputation undermined. Essential services not delivered correctly. Inability to meet service demand. Failure to meet legislative requirements. Detrimental impact on administrative support services to high customer complaints.	Daily/weekly works program spot checked by WDC Contract Officers Weekly joint inspections of the contracts by WDC Contract Officers. Daily interaction with contractors. Rectification notices issued for contract work not to specification. Default notices issued to the contractors for failure to deliver to contract specification.	HNS DMT Contractors	Regular Liaison Financial deductions being made as appropriate The frequency of contract meetings has been increased to closely monitor performance levels of contractors.	Staff Time	Ongoing	

Key: HNS=Head of Neighbourhood Services. DMT=Departmental Management Team. H&P=Housing and Property. WCC=Warwickshire County Council

APPENDIX B

Bereavement Services

Neighbourhood Services Corporate Risk Register – Bereavement Services		Review Dates										
		14 th Jan 2015	25 th Feb 2015	25 th March 2015	11 th May 2015	22 nd July 2015	20 th Oct 2015	19 th Nov 2015	10 th Dec 2015	24 th Feb 2016	3 rd May 2016	27 th June 2016
1.	Customers or their agents not able to access facilities (on time)							Capital project to increase car parking now complete	Likelihood increased to reflect potential for severe winter weather – additional mitigation through management of diary which would improve ability to react to unforeseen delays	Management of diary as mitigation for delays is working, severe weather remains a high threat. Temporary factors increased roadworks on main access routes	Threat of severe weather reduced now in Spring/Summer, however there are still rolling roadworks along access from SoA / Wellesbourne – likelihood slightly reduced	*Road works from Wellesbourne complete. However this route has proven to be prone to flash flooding recently. *Road works now in place from Bishops Tachbrook – most local FDs plan routes to avoid. *Severe weather (flooding) issues still taking place
2.	Disruption in utilities (LPG or Electricity)							LPG telemetry now switched back on	Date for installation of Generator missed. Escalated to Head of Neighbourhood and Head of Housing & Property to resolve. LPG contract expiration to be verified	Likelihood increased following incident 29/12/15 Generator has been ordered, waiting date of installation. LPG contract expires 31 st March 2016 – Energy manager to progress	Generator installation planned for 16 th May. Probability and likelihood Risk ratings remain high – HoS progressing LPG contract renewed 2+2 w/e 1 st May 2016	Generator installed. Likelihood reduced and severity reduced as all systems can now operate from onsite generator.
3.	3 rd party impact on service provision										No change to existing	*Recent issues with on particular FD have caused problems for

												burial service. *Contractors change in staff has resulted in less experienced staff performing duties. *Poor performance from grounds maintenance contractor some elements very behind schedule - Both likelihood and impact increased	
4.	Failure to adequately maintain buildings or infrastructure										PPM budget for 2016 agreed. Habitat surveys needed to inform timescales for works – areas are known habitat for birds and bats.	No change	
5.	Loss of cremation equipment					Cremator maintenance agreement signed 1/7/15	Teething problems with cremator maintenance contract being ironed out			Decreased likelihood due to improved service schedules agreed with maintenance contractor	Broadband improvement identified by ICT, order placed. Timescales yet to be agreed with contractor – potentially 10-20 weeks.	No Change	
6.	Loss of statutory documents						Ashes location registers 1983-1993 scan complete.		Ashes location cards 1971 – 1983 complete	DMC project to photograph cremation registers has begun. BS staff project to scan BoR orders has begun	BoR scanning 20% complete. No progress from DMC for cremation registers	BoR scanning 80% complete. No progress from DMC on cremation registers. CAS	

												replacement project in progress	
7	Loss of ICT									New risk added	Building business case to scope project	CAS replacement project in progress.	

APPENDIX B

Summary of Car Park Services Risks – 2015/16

Generic to WDC		August 2015	October 2015	November	December	December Portfolio Holder Review	January	February	March	July 2016
1.	Shortfall in Car Park income.	On Target	On Target	On Target	On Target	On Target	On Target	On Target	Above Projections	Closer monitoring and more focus on projections
2.	Claims from Slippery conditions in car parks/parks during periods of freezing weather.	Ongoing inspection of car parks during cold weather.	Ongoing inspection of car parks during cold weather.	Ongoing inspection of car parks during cold weather.	Ongoing inspection of car parks during cold weather.	Ongoing inspection of car parks during cold weather.	Ongoing inspection of car parks during cold weather.	Ongoing inspection of car parks during cold weather.	Ongoing inspection of car parks during cold weather.	Ongoing inspection of car parks during cold weather.
3.	Damage to P&D machines in off-street car parks including Pay on Foot.	Ongoing inspection of machines.	Ongoing inspection of machines.	Ongoing inspection of machines.	Ongoing inspection of machines.	Ongoing inspection of machines.	Ongoing inspection of machines.	Ongoing inspection of machines.	Ongoing inspection of machines.	Ongoing inspection of machines
4.	Damage to vehicles and persons in off-street car parks	Ongoing inspection within car parks.	Ongoing inspection within car parks.	Ongoing inspection within car parks.	Ongoing inspection within car parks.	Ongoing inspection within car parks.	Ongoing inspection within car parks.	Ongoing inspection within car parks.	Ongoing inspection within car parks.	Ongoing inspection within car parks.
5.	Structural Integrity of Multi-storey car parks	Consultant now in place to deliver the necessary tender for the required repairs.	Reports indicate further testing needed in Covent Garden.	Reports indicate further testing needed in Covent Garden.	Reports indicate further testing needed in Covent Garden.	Reports indicate further testing needed in Covent Garden.	Linen St will need to close sometime in the next 12 months as it has reached the end of its design life. Further work is needed to cost a replacement. Covent Garden has a number of significant issues most notably ASR. If no remedial work or maintenance plan is put in place it will have only 2 years of life left. The cost to replace will form part of the Riverside House relocation project. St Peters requires remedial	Linen St will need to close sometime in the next 12 months as it has reached the end of its design life. Further work is needed to cost a replacement. Covent Garden has a number of significant issues most notably ASR. If no remedial work or maintenance plan is put in place it will have only 2 years of life left. The cost to replace will	Linen St will undergo a monthly structural survey to ensure it is safe for public use. A feasibility study is underway to ascertain the long term options for the site. It will close sometime in the near future as it has reached the end of its design life. Covent Garden MSCP will be rebuilt as part of the HQ relocation project. Interim remedial works are required to	Linen St will undergo a monthly structural survey to ensure it is safe for public use. A feasibility study is underway to ascertain the long term options for the site. It will close sometime in the near future as it has reached the end of its design life. Covent Garden MSCP will be rebuilt as part of the HQ relocation project. Interim remedial works are required to maintain the safety of the site for public use, funding is being requested from the Executive. The proposed demolition is due October 2017 with a new car park open in October 2018. St

							works.	form part of the Riverside House relocation project. St Peters requires remedial works.	maintain the safety of the site for public use, funding is being requested from the Executive. The proposed demolition is due October 2017 with a new car park open in October 2018. St Peters requires remedial works has been given funding and the tender is being drafted.	Peters requires remedial works has been given funding and the tender is being drafted.
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APPENDIX B

Summary of Generic Neighbourhood Services Risks – 2015/16

Generic to WDC									
		August 2015	October 2015	November 2015	December 2015	April 2016	July 2016	September 2016	December 2016
1.	Inability to recruit/retain staff		Majority of staff now recruited			All staff now in post			
2.	Failure to meet "Fit for the future" objectives								
3.	Insufficient money resulting in an inability to provide normal services		Issues relating to MS Car Parks and other assets						
4.	Failure to:- Respond to new legislation. Comply with new/existing legislation Take into account legal implications of decisions								
5.	Loss of IT		Problems with Firmstep and ICT virus			Problems supporting ICT at Oakley Wood due to poor connectivity.			
6.	ICT systems not able to support delivery and future improvements					Repatriation of calls to WDC means less reliant on WCC	Concerns over Bereavement Services ICT System		
7.	Information and service access for members of the public					Additional staff resources to assist with updating information. Repatriation of calls to WDC makes it easier to manage communications and service changes.			

8.	High or increasing levels of sickness		Majority of vacant posts filled			All staff now in post			
9.	Impact of climate change on service delivery								
10.	Accidents/health and safety of staff								
11.	Accidents/health and safety of contractors								
12.	Failure of contractor to deliver service		Contract deductions and threat of removal of service				Problems with Contractors recruiting staff		
13.	The impact of a business continuity incident					Loss of power at Oakley Wood Crematorium	Back up Generator now installed		
14.	Growth within Warwick District outstrips the ability for the Council to deliver services		Majority of staff now recruited						
15.	Strike Action								
16.	Failure to communicate effectively/giving incorrect information and advice		Implemented NS Comms Plan						
17.	Failure of other WDC/Partners/Stakeholders/Departments to provide services as agreed or expected								
18.	Loss of key records	Bereavement Services system needs to be replaced.							
19.	Stratford Road Depot lost to development								
20.	Council to meet its legal implications under Waste England and Wales Regulations 2001 i.e. "TEEP test"								
21.	Anti-Social Behaviour in Parks		Implementation of Ranger Service						
22.	Driving for work (council and personal vehicles) – Accidents								

23.	Homeworking – poor service level and health and safety risks present								
24.	Failure by WCC to provide appropriate disposal sites for waste i.e. landfills, Civic Amenity Sites etc.						Continual problem with site closures although local alternatives are available		
25.	Possibility of non-compliant procurement								
26.	Failure to correctly monitor/manage budgets (Short term elevated risk due to merging of departments)								
27	Not applying Equality and Diversity Principles								
28	Failure to make progress on corporate and departmental priorities		Majority of staff now recruited						
29	Project to take back responsibility for telephony from the joint WDC/WCC CSC. Separate risk register as part of the project but added into the NS Risk Register for specific element relating to the Service Area			New Risk		Project completed and new service now in place			

APPENDIX B5**One Stop Shops**

Updated June 2016

	Risk Description	07-Sep-16	13-Jan-16	24-Jun-16
1	Insufficient staffing levels to deliver services.		↑	
2	Loss of staff morale/stress		New Risk	
3	Harm to staff/other members of the public.			
4	ICT failure.			
5	Provision of incorrect information and advice.		↑	
6	Firearms/suspect package incidents.		↓	
7	Breakdown of partnership working within the face to face environment.		↑	
8	Loss of premises.		↑	

APPENDIX B

Summary of Refuse, Recycling, Street Cleansing, & Grounds Risks – 2015/16

Generic to WDC		August 2015	October 2015	November	December	December Portfolio Holder Review	January	February	March	
1.	Service disruption.									WCC (Waste) Continuity Plan Regular Liaison
2.	Demobilisation of Glendale contract – Stratford Road Depot	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Delapidations claim now being revied following lease agreement with new contractor
3.	De-mobilisation of Glendale contract – completed work	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.	Legal dispute still on-going with Glendale and WDC legal team. WDC pushing for a resolution before end of 2016.
4.	Lack of training in risk management and Construction Design and Management Regulations.						Health and Safety Training undertaken by staff. Closer working work colleagues in Property Service			Ongoing monitoring of project works. Officer assigned to this area of work.


5.	Impact on service delivery due to the introduction of the National Living Wage.						Legal advice to WDC is that contractor is responsible for increase in costs resulting from NLW			Increased monitoring of contract resources / levels of performance
6.	Performance of contractor not to contract specification.					Concerns raised with waste collection services over the Christmas period.				Concerns over staffing levels of grounds maintenance contractor

APPENDIX B
Summary of changes to Green Space Risk Register

Generic to WDC		January 2015	July 2015	October 2015	March 2016	May 2016	
1.	Playgrounds, playground equipment, BMX parks and Skate Parks not fit for purpose.	Review accidents + insurance claims. Play Area Team are now ROSPA trained following training.	Independent Annual inspection carried out in March 2015. Actions from this being undertaken.	Independent Annual inspection carried out in March 2015. Actions from this have been completed	Independent Annual inspection carried out in March 2016. Actions from this are now being addressed.	Independent Annual inspection carried out in March 2016. Actions from this have been completed	
2.	Direct injury and damage caused by trees.	Tree survey and programme in place Formal monthly meetings with WCC Tree Team	Monthly operational meetings with WCC Tree Team and GST Agree work programme following tree survey	Agreed work programme following tree survey – completed Cat 1,2 and 3 Tree risk management audit by Zurich Insurance in October 2015 – awaiting recommendations	Agree work programme following tree survey – ongoing Tree risk management audit by Zurich Insurance in October 2015 – Developing an action plan from the recommendations. Meeting with WCC Forestry to discuss findings.	Tree risk management audit by Zurich Insurance in October 2015 . Met WCC Forestry on 12th May 2016 to develop actions from audit.	
3.	Insurance type claims/damage caused by trees.		Monthly operational meetings with WCC Tree Team and GST Agree work programme following tree survey	Agreed work programme following tree survey – completed Cat 1,2 and 3 Tree risk management audit by Zurich Insurance in	Agree work programme following tree survey – ongoing Tree risk management audit by Zurich Insurance in October 2015 Developing an	Tree risk management audit by Zurich Insurance in October 2015 . Met WCC Forestry on 12th May 2016 to develop and actions from audit.	

				October 2015 – awaiting recommendations	action plan from the recommendations. Meeting with WCC Forestry to discuss findings		
4.	Long term reputational risk from trees.		Monthly operational meetings with WCC Tree Team and GST Agree work programme following tree survey	Agreed work programme following tree survey – completed Cat 1,2 and 3 Tree risk management audit by Zurich Insurance in October 2015 – awaiting recommendations	Agree work programme following tree survey – ongoing Tree risk management audit by Zurich Insurance in October 2015 – Developing an action plan from the recommendations. Meeting with WCC Forestry to discuss findings	Tree risk management audit by Zurich Insurance in October 2015 . Met WCC Forestry on 12th May 2016 to develop actions from audit.	
5.	Risk of trees becoming diseased	Review disease spread	GST to get monthly updates at operational team meetings	GST to get monthly updates at operational team meetings	GST to get monthly updates at operational team meetings	GST to get monthly updates at operational team meetings	
6.	Building-related problems.	Agree PPM on current parks assets	GST with Property Services planning to undertake a parks asset review	Housing and Property Services Asset Management and GST will be undertaking a parks asset review in 2016	Housing and Property Services Asset Management and GST are undertaking a parks asset review to be completed by June 2016.	Housing and Property Services Asset Management and GST are undertaking a parks asset review to be completed by June 2016.	
7.	Failure to consult affectively with “Friends of” groups.		Part of very Project Brief. Community Ranger involved in consultation	Part of very Project Brief. Community Ranger involved in consultation exercises	Part of very Project Brief. Community Ranger involved in consultation exercises	Part of very Project Brief. Community Ranger involved in consultation exercises	

			exercises				
8.	Drowning or injury as a result of water body in vicinity of park or open space.	Review ROSPA recommendations	Fencing completed at rear of Mercia Way open space	Abbey Fields brook to be formally risk assessed by GST and Graham Folkes Skinner	Abbey Fields brook has been formally risk assessed by GST and GFS. Planning to fence part of the brook in 16-17 funding allowing.	Fencing to be delivered in 16-17	
9.	Ability to deliver on Green Space Strategy.	Identify funding opportunities to deliver Green Space Strategy	Additional staff resources required for the GST when available	Additional staff resources to GST have now been appointed. Starting November 2015	Additional staff started November 2015 Review and mapped out s106 contribution to deliver parks improvement projects. 7 large projects being delivered in 16-17 through PAR and s106	Review and mapped out s106 contribution to deliver parks improvement projects. 7 large projects being delivered in 16-17 through PAR and s106 Delivering projects as set out in TOP's	
10.	New Risk. Direct injury and/or damage caused by footpath works by contractors in parks	N/A	N/A	H&S Investigation to Bates Memorial Incident by H&P Services and GST – awaiting Head of Service recommendation. Monthly operational meetings between H&P Services and GST	Monthly operational meetings between H&P Services and Green Space Team on health and safety issues Also pre start meetings and random site checks being carried out by Green Space Team and the Corporate Health and Safety Coordinator	Monthly operational meetings between H&P Services and Green Space Team on health and safety issues Also pre start meetings and random site checks being carried out by Green Space Team and the Corporate Health and Safety Coordinator	

 Finance & Audit Scrutiny Committee – 26 July 2016		Agenda Item No. 7
Title	Review of the Work Programme & Forward Plan	
For further information about this report please contact	Amy Carnall Committee Services Officer 01926 456114 committee@warwickdc.gov.uk	
Wards of the District directly affected	n/a	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	n/a	
Background Papers	n/a	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	n/a
Equality & Sustainability Impact Assessment Undertaken	n/a

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive		
Head of Service		
CMT		
Section 151 Officer		
Monitoring Officer		
Finance		
Portfolio Holder(s)		
Consultation & Community Engagement		
n/a		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. Summary

- 1.1 This report informs the Committee of its work programme for 2016/17 (Appendix 1) and the current Forward Plan (Appendix 2).

2. Recommendation

- 2.1 Members consider the work programme and agree any changes as appropriate.
- 2.2 The Committee to; identify any Executive items on the Forward Plan which it wishes to have an input before the Executive makes its decision; and to nominate a Member to investigate that future decision and report back to the Committee.

3. Reasons for the Recommendation

- 3.1 The work programme should be updated at each meeting to accurately reflect the workload of the Committee.
- 3.2 If the Committee has an interest in a future decision to be made by the Executive it is within the Committee's remit to feed into the process.
- 3.3 The Forward Plan is the Executive's future work programme. If any non-Executive Member or Members highlight items which are to be taken by the Executive which they would like to be involved in, those Members can then provide useful background to the Committee when the report is submitted to the Executive and when the Committee passes comment on it.

4. Policy Framework

- 4.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly, efficiently and effectively.

5. Budgetary Framework

- 5.1 All work for the Committee has to be carried out within existing resources. Therefore, there is a limit to the time available that officers will have to assist Members, so the Committee may wish to prioritise areas of investigation.

6. Risks

- 6.1 This Committee contributes to the effective minimisation of risk by fulfilling its duties in a timely manner and scrutinising the work undertaken by the Executive.

7. Alternative Option(s) Considered

- 7.1 The only alternative option is not to undertake this aspect of the overview and scrutiny function.

8. Background

- 8.1 The five main roles of overview and scrutiny in local government are: holding to account; performance management; policy review; policy development; and external scrutiny.

- 8.2 The pre-decision scrutiny of Executive decisions falls within the role of 'holding to account'. To feed into the pre-decision scrutiny of Executive decisions, the Committee needs to examine the Council's Forward Plan and identify items which it would like to have an impact upon.
- 8.3 The Council's Forward Plan is published on a monthly basis and sets out the key decisions to be taken by the Council in the next twelve months. The Council only has a statutory duty to publish key decisions to be taken in the next four months. However, the Forward Plan was expanded to a twelve month period to give a clearer picture of how and when the Council will be making important decisions.
- 8.4 A key decision is a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.
- 8.5 The Forward Plan also identifies non-key decisions to be made by the Council in the next twelve months, and the Committee, if it wishes, may also pre-scrutinise these decisions.
- 8.6 The Committee should be mindful that any work it wishes to undertake would need to be undertaken without the need to change the timescales as set out within the Forward Plan. The Committee may wish to give greater consideration to the reports in Section 2 of Appendix 1, to maximise the time available for Members to input into the process.

Finance and Audit Scrutiny Committee WORK PROGRAMME 2016

26 July 2016

1	Risk Registers Reviews 2016/17 – Neighbourhood Services	Audit Item	Richard Barr
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31 August 2016

1	Internal Audit Quarter 1 Report	Audit Item	Richard Barr
2	Annual Governance Statement Action Plan Review Quarter 1 Report	Audit Item	Richard Barr
3	Contracts Registers Reviews 2016/17 – Housing & Property Services	Scrutiny Item	Andy Thompson
4	Learning from the outcome of the further Audit work on the Electrical Repair and Maintenance contract as discussed on 2 June 2016	Audit Item	Chris Elliott

20 September 2016

1	Statement of Accounts 2015/16 – as set out on the Council agenda for 21 September 2016	Audit Item	Mike Snow
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27 September 2016

1	Risk Registers Reviews 2016/17 – Chief Executives Office	Audit Item	Richard Barr
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1 November 2016

No items scheduled for consideration

29 November 2016

1	Internal Audit Quarter 2 Report	Audit Item	Richard Barr
2	Annual Governance Statement Action Plan Review Quarter 2 Report	Audit Item	Richard Barr
3	Contracts Registers Reviews 2016/17 – Cultural Services	Scrutiny Item	Rose Winship
4	Treasury Management Activity Report for the period 1 April 2016 to 31 October 2016	Audit Item	Karen Allison

4 January 2017

1	Risk Registers Reviews 2016/17 – Housing & Property Services	Audit Item	Richard Barr
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7 February 2017

No items scheduled for consideration

7 March 2017

1	Internal Audit Quarter 3 Report	Audit Item	Richard Barr
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Appendix 1

2	Annual Governance Statement Action Plan Review Quarter 3 Report	Audit Item	Richard Barr
3	Contracts Registers Reviews 2016/17 – Development Services	Scrutiny Item	Tracy Darke

4 April 2017

1	Internal Audit Strategy & Plan 2016/17 – 2018/19	Audit Item	Richard Barr
2	Significant Business Risk Register	Audit Item	Richard Barr
3	Finance Risk Register	Audit Item	Mike Snow
4	2015/16 Audit Opinion Plan	Audit Item	Mike Snow / EA
5	End of Term Report	Scrutiny item	Amy Carnall / Chair
6	Risk Registers Reviews 2016/17 – Cultural Services	Audit Item	Richard Barr

External Auditors reports – Dates to be confirmed

Future Work Programme Items

Date	Contracts Registers Reviews	Risk Registers Reviews
May 2017		
June 2017	Neighbourhood Services	
July 2017		Development Services
August 2017		
September 2017	Finance	
October 2017		Health & Community Protection



Warwick District Council Forward Plan July 2016 to September 2016

**Councillor Andrew Mobbs
Leader of the Executive**

The Forward Plan is a list of all the Key Decisions which will be taken by the Executive or its Committees in the next four months. The Warwick District Council definition of a key decision is: - a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.

Whilst the majority of the Executive's business at the meetings listed in this Forward Plan will be open to the public and media organisations to attend, there will inevitably be some business to be considered that contains, for example, confidential, commercially sensitive or personal information.

This is formal notice under the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 that part of the Executive meeting listed in this Forward Plan will be held in private. This is because the agenda and reports for the meeting will contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. Those items which are proposed to be considered in private are marked as such along with the reason for the exclusion in the list below.

If you would like to make representations or comments on any of the topics listed below, including the confidentiality of any document, you can write to the contact officer, as shown below, at Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ. Alternatively you can phone the contact officer on (01926) 456114. If your comments are to be referred to in the report to the Executive or Committee they will need to be with the officer 7 working days before the publication of the agenda. You can, however, make comments or representations up to the date of the meeting, which will be reported orally at the meeting. The Forward Plan will be updated monthly and you should check to see the progress of the report you are interested in.

(817)

Section 1 – The Forward Plan July 2016 to September 2016

Topic and Reference	Purpose of report	If requested by Executive –date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
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27 July 2016

Budget Review Quarter 1 to include financial projections (Ref 764)	To Report on the latest financial prospects for the current and future 5 years		Executive 27/7/2016	19/7/2016	Andy Crump Cllr Whiting	
Investment in Leisure Centres (745)	To seek approval to commence enabling works for leisure centre investment at St Nicholas Park and Newbold Comyn Leisure Centres	Nov 4 th 2015	Executive 27/7/2016	19/7/2016	Rose Winship Cllr Coker	Consultation with users in Jan/Feb 2016, with clubs and national governing bodies of sport, and with the wider community through the Planning process and dialogue Various reports from June 2014 onwards.
Car Parking strategy (790)	To consider the future off-street car parking needs of Leamington, Warwick and Kenilworth and how these should be addressed		Executive 2/6/16 Reason 3 27/7/2016	19/7/2016	Rob Hoof Cllr. Shilton	
Support to Town & Parish Council (Ref 804)	To review and modify support given to Town & Parish Councils		Executive 27/7/2016	19/7/2016	Jenny Cayton Cllr Whiting	

Local Council Tax Reduction Scheme (Ref 806)	To consider modifications to the scheme		Executive 27/7/2016	19/7/2016	Andrea Wyatt Cllr Whiting	
Council Housing Development Programme (Ref 798)	To request approval for a development of new council-owned homes in Stoneleigh and Warwick		Executive 29/6/2016 Reason 4 27/7/2016	19/7/2016	Matt Jones Cllr Phillips	
William Walsgrove House (ref 814) It is anticipated that this report will be confidential because of information relating to individuals, information which could reveal the identity of individuals and or it relates to the financial or business affairs of any particular person (including the authority holding that information)	To consider the future of the Council ownership and management of this property of Williams Walsgrove House.		Executive 27/7/2016	19/7/2016	Abigail Hay Cllr Phillips	
69 Willes Road (ref 815)	To request approval for the sale of 69 Willes Road		Executive 27/7/2016	19/7/2016	Abigail Hay Cllr Phillips	

There is no planned meeting of the Executive during August 2016.

1 & 28 September 2016

Sales of 69 Willes Road	To request approval for the sale of		Executive 1/9/2016	31/8/2016	Matt Jones Cllr	
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	69 Willes Road				Phillips	
Fees and Charges (Ref 770)	To propose the level of fees and Charges to be levied from 2nd January 2016		Executive 28/9/2016	20/9/2016	Andy Crump Cllr Whiting	
Leisure Development – Phase II (Kenilworth) (Ref 803)			Executive 28/9/2016	20/9/2016	Rose Winship Cllr Coker	
Code of Procurement Practice (Ref 805)	To consider and recommend to Council and updated Code of Procurement Practice		Executive 28/9/2016	20/9/2016	John Roberts Cllr Whiting	

Section 2 Key decisions which are anticipated to be considered by the Council between November 2016 and April 2017

Topic and Reference	Purpose of report	If requested by Executive –date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
2 & 30 November 2016						
Budget review Quarter 2 (Ref 779)	To report expenditure for current year and update financial projections		Executive 2/11/2016	25/10/2016	Jon Dawson Cllr Whiting	
Visitor Information Review (Ref 816)	Review of the provision of visitor information services within the District		Executive 2/11/2016	25/10/2016	David Butler Cllr Butler	Item 7 Executive 2 June 2016
Rural Urban Community Initiative Scheme applications (Ref 778)	Consider applications for Rural and Urban Initiative Grants		Executive 30/11/2016	22/11/2016	Jon Dawson Cllr Whiting	
HRA Budgets 2016/17	To Consider the following year		Executive		Mike Snow	

(Ref 780)	revenue budgets for the HRA.		30/11/2016	22/11/2016	Peter Phillips	
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5 January 2017.						
Local Council Tax Reduction Scheme (Ref 806)	Final approval of Scheme after consultation		Executive 5/1/2017	22/12/2016	Andrea Wyatt Cllr Whiting	
Recommendations from One Stop Shop Review (Ref 812)	The report will formally ask for the recommendations from the review to be agreed		Executive 5/1/2017	22/12/2016	Graham Folkes-Skinner Cllr Shilton	Warwickshire County Council

8 February 2017						
General Fund 2017/18 Budgets & Council Tax (Ref 807)	To updates member on the overall financial position of the Council, consider the General Fund Revenue and Capital Budgets for the following financial Year,		Executive 8/2/2017	31/1/2017	Mike Snow Cllr Whiting	
HRA Rent Setting 2017/18 (Ref 808)	To report on the proposed level of Housing Rents for the following year and the proposed budget		Executive 8/2/2017	31/1/2017	Mike Snow Cllr Phillips	
Heating, Lighting and Water Charges 2017/18 – Council Tenants (Ref 809)	To propose the level of recharges to council housing tenants to recover the costs of communal heating, lighting and water supply.		Executive 8/2/2017	31/1/2017	Mike Snow Cllr Phillips	
Treasury Management Strategy (Ref 810)	To seek member approval of the Treasury Management Strategy and Investment Strategy for the forth coming year		Executive 8/2/2017	31/1/2017	Mike Snow Cllr Whiting	

8 March 2017 – No scheduled reports at this time.

Section 3 Key decisions which are anticipated to be considered by the Council but the date for which is to be confirmed						
Topic and Reference	Purpose of report	History of Committee Dates & Reason code for deferment	Contact Officer & Portfolio Holder	Expansion on Reasons for Deferment	External Consultees/ Consultation Method/ Background Papers	Request for attendance by Committee
New Rent Arrears Policy (Ref 748)	To seek approval of new rent arrears policy for WDC Council Tenants	Executive 6/4/2016 Executive 02/06/16 Reason 1 29/6/2016 Reason: 4,5	Jacky Oughton Cllr Phillips	Awaiting outcome of consultation with Housing Advisory Group and further detail on Pay-to-Stay policy from government		
Council Housing Development Programme (Ref 813)	To request approval for a development of new council-owned homes in Stoneleigh and Warwick	Executive 27/7/2016 Reasons: 4 (Replaces report on Acorn Close development proposal)	Matt Jones Cllr Phillips	Awaiting outcome of feasibility studies (e.g. financial, planning , technical) on a number of sites, which will allow presentation of a single report covering a development programme		
Council Housing Asset Management Policy (Ref 774)	To request approval of the 'Council Housing Asset Management Policy – Disposal of Property'	Executive 6/4/2016 Reasons: 2, 4, 5	Andy Thompson Cllr Phillips	Awaiting outcome of Housing & Planning Bill which may influence the design and implementation of property disposals		
Private sector housing grants policy (Ref 658)	To propose a revised policy for the allocation of grant funding for private residents		Abigail Hay Cllr Phillips	This will come forward in due course once the Future of Housing Adaptations Service has been		TBC

				determined		
Housing Revenue Account Business Plan (Ref 775)	To propose revisions to the Housing Revenue Account Business Plan		Andy Thompson Cllr Phillips	This will come forward when the Housing & Planning Bill, and associated regulations, have been approved by Parliament		
Aids and Adaptations Services (Ref 776)	To propose a new approach to providing aids and adaptations services for the residents of Warwick District		Abigail Hay Cllr Phillips	This will come forward when the option for a Warwickshire-wide service is sufficiently well developed to warrant consideration.		
Housing Related Support Services (Ref 777)	To propose new Housing Related Support services for tenants of the Council		Jacky Oughton Cllr Phillips	This will come forward when consultation with residents has been completed		
Street Trading Policy Review (Ref 811)	To consider a draft Street Trading Policy for consultation.		Kathleen Rose Cllr Grainger		Public Consultation - internet, letters to stake and licence holders	
Review of Members Allowances (Ref 799)	To approve the remit for a review of the Council's Members Allowances Scheme		Graham Leach Cllr Mobbs			
Minor Amendments to the Constitution (Ref 800)	To recommend to Council some minor amendments to the Council's Constitution		Graham Leach Cllr Mobbs			

HQ Relocation Project – outcome of phase 1 work (Ref 801)	To consider the outcomes of the phase 1 work and, if appropriate, seek approval for commencement of the phase 2 delivery works		Bill Hunt Cllrs. Mobbs, Whiting, Cross, Shilton			
Strategic Opportunity Proposal (Ref 712)	To update Members on the current position. It is anticipated that this report will be, in part, Confidential by virtue of the information relating to the financial or business affairs of any particular person (including the authority holding that information)	Executive 03/09/15 30/09/15 02/12/2015 6/4/2016 2/6/2016	Chris Elliott Cllrs Mobbs, Coker, Phillips, Whiting & Cross	The Local Plan proposals have been subject to a number of public consultations and planning applications involved have also been subject to public consultation. The proposal has been the subject of discussion privately and confidentially with a number of agencies but especially with the County Council. Submission version of Local Plan; Planning Application (W/14/1076); Planning Application (W/14/0967); Report		
Council Development Company (Ref 727)	To consider a report on establishing a Council Development Company	Executive 9/3/2016 2/6/2016 Reason 2 Reason 1	Andy Thompson Cllr Phillips			

		29/6/2016				
Asset Management Strategy (Ref 641)	To propose an Asset Management Strategy for all the Council's buildings and land holdings.	Executive 5/11/2014 03/09/15 2/6/2016 (Moved Reason 6) 29/6/2016	Bill Hunt Cllrs Mobbs, Cross, Shilton, Coker & Whiting			
New Rent Arrears Policy (Ref 748)	To seek approval of new rent arrears policy for WDC Council Tenants	Executive 6/4/2016 02/06/16 Reason 1 29/6/2016 Reason: 4,5	Jacky Oughton Cllr Phillips			

Section 4 – Items which are anticipated to be considered by the Executive but are NOT key decisions

Topic and Reference	Purpose of report	If requested by Executive – date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council		Executive 27/7/2016		Richard Barr Cllr Mobbs	
Rural Urban Capital Initiative Scheme	To consider a potential award under the Rural Urban Capital Initiative Scheme		Executive 27/7/2016		Jon Dawson Cllr Whiting	
Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council		Executive 28/9/2016		Richard Barr Cllr Whiting	
Rural Urban Community Initiative Scheme applications	Consider applications for Rural and Urban Initiative Grants		Executive 28/9/2016	20/9/2016	Jon Dawson Cllr Whiting	
Rural Urban Community Initiative Scheme applications	Consider applications for Rural and Urban Initiative Grants		Executive 2/11/2016		Jon Dawson Cllr Whiting	
Rural Urban Community Initiative Scheme applications	Consider applications for Rural and Urban Initiative Grants		Executive 30/11/2016		Jon Dawson Cllr Whiting	
Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council		Executive 5/1/2017		Richard Barr Cllr Mobbs	

Rural Urban Community Initiative Scheme applications	Consider applications for Rural and Urban Initiative Grants		Executive 5/1/2017		Jon Dawson Cllr Whiting	
Rural Urban Community Initiative Scheme applications	Consider applications for Rural and Urban Initiative Grants		Executive 8/2/2017		Jon Dawson Cllr Whiting	
Nomination of Chair	To nominate to Council the Chair and Vice-Chairman of the Council for 2017/18		Executive 8/2/2017		Graham Leach Cllr Mobbs	
Rural Urban Community Initiative Scheme applications	Consider applications for Rural and Urban Initiative Grants		Executive 5/4/2017		Jon Dawson Cllr Whiting	

Delayed reports:

If a report is late, officers will establish the reason(s) for the delay from the list below and these will be included within the plan above:

1. Portfolio Holder has deferred the consideration of the report
2. Waiting for further information from a Government Agency
3. Waiting for further information from another body
4. New information received requires revision to report
5. Seeking further clarification on implications of report.

Details of all the Council's committees, Councillors and agenda papers are available via our website www.warwickdc.gov.uk/committees

The forward plan is also available, on request, in large print on request, by telephoning (01926) 456114