

The Arc  
High Street  
Clowne  
S43 4JY

To: Chair & Members of the Audit &  
Corporate Overview Scrutiny Committee

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Wednesday, 21st September 2022

Dear Councillor

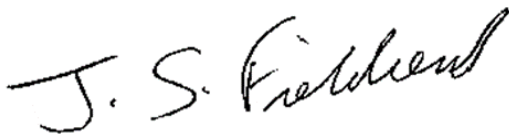
**AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE**

You are hereby summoned to attend a meeting of the Audit & Corporate Overview Scrutiny Committee of the Bolsover District Council to be held in the Council Chamber, The Arc, Clowne on Friday, 30th September, 2022 at 10:00 hours.

Register of Members' Interests - Members are reminded that a Member must within 28 days of becoming aware of any changes to their Disclosable Pecuniary Interests provide written notification to the Authority's Monitoring Officer.

You will find the contents of the agenda itemised on page 3 onwards.

Yours faithfully

A handwritten signature in black ink, appearing to read "J. S. Fielden".

Solicitor to the Council & Monitoring Officer

### **Equalities Statement**

Bolsover District Council is committed to equalities as an employer and when delivering the services it provides to all sections of the community.

The Council believes that no person should be treated unfairly and is committed to eliminating all forms of discrimination, advancing equality and fostering good relations between all groups in society.

#### **Access for All statement**

You can request this document or information in another format such as large print or **language** or contact us by:

- **Phone:** [01246 242424](tel:01246242424)
- **Email:** [enquiries@bolsover.gov.uk](mailto:enquiries@bolsover.gov.uk)
- **BSL Video Call:** A three-way video call with us and a BSL interpreter. It is free to call Bolsover District Council with Sign Solutions, you just need WiFi or mobile data to make the video call, or call into one of our Contact Centres.
- Call with [Relay UK](#) - a free phone service provided by BT for anyone who has difficulty hearing or speaking. It's a way to have a real-time conversation with us by text.
- **Visiting** one of our [offices](#) at Clowne, Bolsover, Shirebrook and South Normanton

## AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE AGENDA

**Friday, 30th September, 2022** *Friday, 30 September 2022 at 10:00 hours taking place in the Council Chamber, The Arc, Clowne*

| Item No. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Page<br>No.(s) |
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| 1.       | <b>Apologies for Absence</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                |
| 2.       | <b>Urgent Items of Business</b><br><br>To note any urgent items of business which the Chairman has consented to being considered under the provisions of Section 100(B) 4(b) of the Local Government Act 1972.                                                                                                                                                                                                                                                                                                |                |
| 3.       | <b>Declarations of Interest</b><br><br>Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of:<br><br>a) any business on the agenda<br>b) any urgent additional items to be considered<br>c) any matters arising out of those items and if appropriate, withdraw from the meeting at the relevant time.                                                                                    |                |
| 4.       | <b>Minutes</b><br><br>To consider the Minutes of the last meeting held on 26 <sup>th</sup> July, 2022.                                                                                                                                                                                                                                                                                                                                                                                                        | 5 - 10         |
| 5.       | <b>List of Key Decisions and Items to be Considered in Private</b><br><br><i>(Members should contact the officer whose name appears on the List of Key Decisions for any further information. NB: If Members wish to discuss an exempt report under this item, the meeting will need to move into exempt business and exclude the public in accordance with the Local Government (Access to Information) Act 1985 and Local Government Act 1972, Part 1, Schedule 12a for that part of the meeting only).</i> | 11             |
| 6.       | <b>Report to those charged with Governance - Mazars Audit Completed Report</b>                                                                                                                                                                                                                                                                                                                                                                                                                                | To Follow      |
| 7.       | <b>Strategic Risk Register and Partnership Arrangements</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 12 - 49        |
| 8.       | <b>Annual Corporate Governance Statement and Local Code of Corporate Governance</b>                                                                                                                                                                                                                                                                                                                                                                                                                           | 50 - 106       |
| 9.       | <b>Report of Internal Audit - Summary of Progress on the Internal Audit Plan</b>                                                                                                                                                                                                                                                                                                                                                                                                                              | 107 - 115      |

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| <b>10.</b> | <b>Implementation of Internal Audit Recommendations</b>                                 | <b>116 - 124</b> |
| <b>11.</b> | <b>Review of the Internal Audit Charter</b>                                             | <b>125 - 136</b> |
| <b>12.</b> | <b>BDC Statement of Accounts 2021/22</b>                                                | <b>137 - 257</b> |
| <b>13.</b> | <b>Assessment of Going Concern Status</b>                                               | <b>258 - 264</b> |
| <b>14.</b> | <b>Scrutiny Annual Report - Approval of Audit &amp; Corporate Overview Section</b>      | <b>265 - 271</b> |
| <b>15.</b> | <b>Anti-Fraud, Bribery and Corruption Policy</b>                                        | <b>272 - 290</b> |
| <b>16.</b> | <b>Corporate Ambitions Performance Update - April - June 2022 (Quarter 1 - 2022/23)</b> | <b>291 - 317</b> |
| <b>17.</b> | <b>Audit &amp; Corporate Overview Scrutiny Committee Work Programme 2022/23</b>         | <b>318 - 324</b> |

## AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

Minutes of a meeting of the Audit and Corporate Overview Scrutiny Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne on Tuesday, 26<sup>th</sup> July 2022, at 10:00 hours.

### **PRESENT:-**

Members:-

Councillor Tom Munro in the Chair

Councillors Tom Kirkham, Graham Parkin, Peter Roberts, and Ruth Jaffray (Coopted Member).

Officers Theresa Fletcher (Treasurer), Jenny Williams (Head of Internal Audit Consortium), Joanne Wilson (Scrutiny & Elections Officer) and Lindsay Harshaw (Governance Officer).

Also in attendance was Councillor Clive Moesby (Portfolio Holder for Finance).

### **ACO11-22/23      APOLOGIES FOR ABSENCE**

An apology for absence was received on behalf of Councillor Donna Hales.

### **ACO12-22/23      URGENT ITEMS OF BUSINESS**

There were no urgent Items of business.

### **ACO13-22/23      DECLARATIONS OF INTEREST**

There were no declarations of interest made

### **ACO14-22/23      MINUTES – 26<sup>TH</sup> MAY, 2022**

Moved by Councillor Tom Kirkham and seconded by Councillor Graham Parkin  
**RESOLVED** that the Minutes of an Audit and Corporate Overview Scrutiny Committee held on 26<sup>th</sup> May, 2022, be approved as a correct record.

### **ACO15-22/23      LIST OF KEY DECISIONS AND ITEMS TO BE CONSIDERED IN PRIVATE**

Committee considered the List of Key Decisions and items to be considered in private document.

The Treasurer advised Committee that the Banking Tender Contract with Lloyds TSB was in the process of being extended for a further seven years.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin

## AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

**RESOLVED** that the List of Key Decisions and items to be considered in private document be noted.

### **ACO16-22/23      BUDGET MONITORING REPORT – FINANCIAL OUTTURN 2021/22**

Committee considered a presentation which provided the outturn position for the 2021/2022 financial year in relation to the Council's General Fund, Housing Revenue Account, Capital Investment Programme, and Treasury Management.

The Treasurer highlighted that Government funding had been received to assist with the effects of the Covid-19 Pandemic, specifically in relation to Business Support Grant funding, Test and Trace support payments for individuals, emergency funding costs, compensation for the Council's income losses, and the Covid-19 Additional Relief Fund (CARF) for businesses.

In response to a Member's question, the Treasurer clarified that the Council had provided funding to Parish and Town Councils to assist with the effects of the Covid-19 pandemic, from the allocation given to the Council by the Government rather than from monies allocated to be paid out to businesses. Parish and Town Councils were not required to pay this money back.

The Treasurer further advised that the Business Support Grant underspend would be returned to the Government and that all grants had now ended.

The Portfolio Holder for Finance commented that the outturns were good and that the financial management processes had worked effectively. He stressed the importance of remaining prudent to ensure that the accounts balanced and highlighted that the amount of reserves would enable consideration to be given to any unforeseen expenses. He referred to Table 2 in the report and stressed the importance of achieving potential new income as this would help with the financial challenges likely to be faced by the Council in the future, particularly during 2025/26.

Reference was made to the Housing Revenue Account and the stringent efforts being made with the Council's void properties to ensure that they were available to rent as quickly as possible.

Councillor Moesby commended the work of those involved in producing the accounts and the outturn.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin

**RESOLVED** that (1) the report be noted,

(2) transfers to earmarked reserves of £1.146m and £0.234m as outlined in detail in the report at paragraphs 2.3 and 2.15 respectively, be noted,

(3) the proposed carry forward of capital budgets as detailed in Appendix 4 to the report, totalling £6.488m, be noted.

(Treasurer)

## **AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE**

### **ACO17-22/23      ANNUAL CORPORATE DEBT MONITORING PERFORMANCE REPORT 2021/22**

Committee considered a report which provided a summary of the Council's Corporate Debt position as at 31<sup>st</sup> March 2022.

The Treasurer referred to sources of income as set out in Table 1 in the report and advised Committee that the figures showed an increase in income from most sources. However, it was noted that the reduction in income from Housing Benefit overpayments meant that less claimants had been overpaid resulting in less income to reclaim, which was seen as a positive rather than a reduction in income.

Reference was made to Table 2 in the report regarding arrears, which had increased in 2021/22 for NNDR, Council Tax and Sundry Debtors. During 2021/22, there had been less relief provided by the Government for businesses and individuals to mitigate the financial implications of Covid, compared to 2020/21. The current levels of arrears for NNDR and Council Tax were the highest they had been in recent years and were almost certainly as a consequence of the pandemic.

Table 3 in the report provided details of Bad Debt Provisions which had been slightly increased. It was noted that although arrears levels for some sources were higher than normal, the provision pots built up over the last two years meant only a small increase was required this year.

Pre-Covid debt collection processes had been carried out for most of 2021/22 and it was clear that the pandemic had effected businesses and individuals' ability to pay. The current 'cost of living' crisis may exacerbate this, but efforts would continue to provide the payment plan facility for debtors to help wherever possible and carry out recovery action as necessary.

A Member referred to Council Tax and queried whether the Government provided any financial support to the Authority for residents struggling with the cost of living. The Treasurer advised that currently there was no financial support, however, the Council offered payment plans to residents to help them continue to pay their Council Tax and hopefully stop them falling into arrears.

In response to a question from the Coopted Member, the Treasurer advised Committee that dependent on communication being held with a customer regarding their Council Tax arrears it would be in the region of three/four months before they were referred to court for non-payment. However, every effort was made to support customers in making payments as the Authority was unable to remove their liability for the debt and had a responsibility for the collection of Council Tax and NNDR to the major preceptors.

In response to a Member's question, the Treasurer confirmed that external agencies acted on behalf of some customers who were experiencing problems with debt. The Portfolio Holder for Finance stressed the importance of local Councillors signposting customers to any relevant agencies for assistance.

The Treasurer highlighted that the £150 Council Tax Rebate Grant had now been paid to all eligible customers, however, only 80% had been collected to date. Revenues staff were currently contacting customers who had not collected the grant and would be making visits to those who could not be reached by telephone or email to see if they

## AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

required support in collecting the payment from the Post Office. A Member suggested that local Members raise awareness that some residents in their local community may need additional assistance.

Members asked that consideration be given to include a list of agencies who provide support to people, to be put in the Council's 'In touch' publication and also a regular feature on Bolsover TV. The Portfolio Holder offered to discuss this further with the Leader of the Council.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin  
**RESOLVED** that the report be noted.

### ACO18-22/23      BUDGET MONITORING REPORT – QUARTER 1 – APRIL TO JUNE 2022/23

Committee considered a report which provided an update on the Council's financial position following budget monitoring for Quarter 1 – April to June 2022/23.

Appendix 1 to the report highlighted that the original budget for 2022/23 showed a funding deficit of £0.082m. The current budget showed this had reduced to £0.008m surplus after the Council Tax increase and other small movements had been included. As savings were identified and secured, they were moved into the relevant cost centres within the main General Fund Directorates. Appendix 2 detailed the net cost of each cost centre within the Directorates.

It was noted that the Resources Directorate showed a favourable variance of £0.229m and the Strategy and Development Directorate showed an adverse variance of £0.197m. The overall position at the end of Quarter 1 showed that there was a favourable variance of £0.032m, with most identified variances as a consequence of timing. However, when officers start work with budget managers during the next quarter to compile a revised budget for 2022/23, it was expected that there would be necessary increases to fuel, utilities and pay budgets as a minimum, for price increases mainly caused by the current level of inflation.

The Treasurer referred to a Government Funding Update as detailed in the report and highlighted that Michael Gove had promised to give local authorities greater "financial certainty", and a "2-year financial settlement would be introduced next year", which it was assumed would cover 2023/24 and 2024/25.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin  
**RESOLVED** that (1) monitoring position of the General Fund at the end of the first quarter as detailed on Appendix 1 (a net favourable variance of £0.032m against the profiled budget) and the key issues highlighted within the report, be noted,  
  
(2) the position on the Housing Revenue Account, the Capital Programme and Treasury Management at the end of the first quarter (Appendices 3, 4 and 5), be noted.

## **AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE**

### **AC019-22/23      REPORT OF INTERNAL AUDIT – SUMMARY OF PROGRESS ON THE INTERNAL AUDIT PLAN**

Committee considered a report which provided progress in respect of the 2021/22 Internal Audit Plan.

The Head of Internal Audit highlighted that 7 reports had been issued during the period 31<sup>st</sup> March 2022 and 30<sup>th</sup> June 2022. Six reports had been issued with substantial assurance and 1 with reasonable assurance. Further detail was included in the Appendix to the report.

In respect of the audits being reported, it was confirmed that no issues relating to fraud were identified.

The Portfolio Holder for Finance thanked the Head of the Internal Audit Consortium for the report and commented that Audit was an important part of the effective management of the finance function.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin  
**RESOLVED** that the report be noted.

### **ACO20-22/23      INTERNAL AUDIT CONSORTIUM ANNUAL REPORT 2021/22**

Committee considered a report in relation to the Internal Audit Consortium's Annual Report 2021/22.

The Head of the Internal Audit Consortium presented a summary of internal audit work undertaken during 2021/22, and provided an opinion on the overall adequacy and effectiveness of the Council's governance, risk and control arrangements.

It was noted that 21 Audit Reports had been issued during 2021/22 and no fraud had been identified.

Overall, 100% of the areas audited received Substantial or Reasonable Assurance, demonstrating that there were effective systems of governance, risk management and control in place.

Due to the ongoing impact of Covid 19 in 2021/22, less internal audit work had been completed than usual. Audits had been undertaken in critical areas or high risk areas to ensure the Council's governance remained robust. In the auditors' opinion, sufficient work had been completed and assurances ascertained to be able to provide an unlimited opinion on the systems of governance, risk management and control in place.

The internal control issues arising from audits completed in the year and outstanding internal audit recommendations had been considered during the preparation of the Annual Governance Statement.

Appendix 2 to the report highlighted a comparison of work done and work to be carried forward to 2022/23.

## **AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE**

Quality control procedures had been established within the Internal Audit Consortium and these were documented in the Quality and Assurance Improvement Programme at Appendix 3 to the report.

It was confirmed that the internal audit activity was organisationally independent. Internal audit reports were provided to the Treasurer and Section 151 Officer but auditors had direct and unrestricted access to the Senior Leadership Team and the Audit and Corporate Overview Scrutiny Committee.

The Head of the Internal Audit Consortium advised Committee that a new officer had been recruited and would commence work in August 2022.

The Portfolio Holder for Finance commented that the Head of the Internal Audit Consortium was also a member of the Council's Risk Management Group.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin  
**RESOLVED** that the Internal Audit Consortium Annual Report for 2021/22 be noted.

### **ACO21-22/23      BRIEFING ON CIPFA PUBLICATION – INTERNAL AUDIT UNTAPPED POTENTIAL**

Committee considered a report which informed Members of a recent CIPFA publication in relation to internal audit.

The Head of the Internal Audit Consortium reported that CIPFA had recently conducted a survey in respect of internal audit and the results were reflected in their publication entitled, "Internal Audit Untapped Potential". A copy of the publication was appended to the report for Members information.

The publication promoted the importance of internal audit and the benefit that it could bring to organisations in terms of managing risks and improving the governance control framework.

The report was valuable in that it highlighted what made an effective internal audit service, what the current impact of internal audit was, and how it could become more effective.

Moved by Councillor Tom Munro and seconded by Councillor Peter Roberts  
**RESOLVED** that the report be noted.

### **ACO22-22/23      AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE WORK PROGRAMME 2022/23**

Committee considered their Work Programme 2022/23.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin  
**RESOLVED** that the Audit & Corporate Overview Scrutiny Committee Work Programme 2022/23 be noted.

The meeting concluded at 11:04 hours.



**List of Key Decisions and items to be considered in private**

The latest version of the Forward Plan can be found here:

<https://committees.bolsover.gov.uk/mgListPlans.aspx?RPId=1147&RD=0&bcr=1>

Members should contact the officer whose name appears on the List of Key Decisions for any further information.

**NB:** If Members wish to discuss an exempt report under this item, the meeting will need to move into exempt business and exclude the public in accordance with the Local Government (Access to Information) Act 1985 and Local Government Act 1972, Part 1, Schedule 12a for that part of the meeting only.

## **Bolsover District Council**

### **Meeting of the Audit and Corporate Overview Scrutiny Committee on 13 September 2022**

#### **Risk Management**

#### **Report of the Executive Director of Resources and Head of Paid Service**

|                        |                                                                                                                                 |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>Classification</b>  | This report is Public                                                                                                           |
| <b>Report By</b>       | Karen Hanson, Executive Director of Resources                                                                                   |
| <b>Contact Officer</b> | Karen Hanson, Executive Director of Resources<br><a href="mailto:karen.hanson@bolsover.gov.uk">karen.hanson@bolsover.gov.uk</a> |

#### **PURPOSE/SUMMARY OF REPORT**

- To update members of the Audit and Corporate Overview Scrutiny Committee of the current position regarding risk management arrangements and the Council's Strategic Risk Register.
- To provide members of the Audit and Corporate Overview Scrutiny Committee with the refreshed Risk Management Strategy 2022 for consideration.

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#### **REPORT DETAILS**

##### **1. Background**

##### **Risk Management Strategy**

- 1.1 The Council's Audit Committee has previously endorsed the Council's Risk Management Strategy which was then approved by Executive in March 2020. The Strategy has been in place for 2 years and is due to be reviewed and refreshed. This has taken place and is attached, with an updated action plan at **Appendix 1**. The Strategy includes but is not limited to the following;

- The nature of 'risk' both the 'threats' and the 'opportunities'
- The benefits of a robust risk management approach
- The Council's risk appetite
- Risk categorisation – Operational, Governance, Strategic
- Project and Partnership risk
- The Council's risk management approach and arrangements including a new 'Risk Management Group'

- Roles and responsibilities including Senior Risk Officer and Senior Information Risk Officer (SRO and SIRO)
- 1.2 The Strategy also details the work of the Risk Management Group (RMG). This is chaired by the appropriate Cabinet Member and includes the Council's Senior Risk Officer (SRO), Senior Information Risk Officer (SIRO), S151 Officer, Senior Managers, Internal Audit and Health and Safety. The group provides a comprehensive oversight of risk throughout the organisation.
  - 1.3 The Group oversees all Council operational and strategic risk registers ensuring they are up to date and accurate whilst offering challenge to the assessment process itself. It is responsible for risk management reporting to stakeholder groups across the Council, including this Committee and supports the production of the Annual Governance Statement. The Group leads on the development and review of all risk related policies, plans and strategies across the Council and oversees and champions the implementation of the Risk Management Strategy and associated action plan.
  - 1.4 Following completion of the previous action plan, a refreshed action plan is contained within the Risk Management Strategy 2022. The actions outlined for the Risk Management Group are as follows:
    - Develop an annual programme of operational risk register reviews to ensure all are reviewed every 12 months
    - Further develop project and partnership risk management arrangements and reporting to the RMG
    - Develop and undertake refreshed risk management awareness training for all staff
    - Develop and undertake risk management awareness training for all Members (as part of the induction training following the Elections in May 2023)

## **2. Details of Proposal or Information**

### **Update of the Risk Management Group (RMG)**

#### **Corporate Strategic Risk Register**

- 2.1 The Risk Management Group is chaired by the Cabinet Portfolio Holder, with the Council's Executive Director of Resources and Section 151 Officer in attendance. Meetings take place quarterly and there is an expectation that all required officer attend. A recent amendment to the Terms of Reference has clarified that, in the absence of an Assistant Director, a substitute (with the ability to make strategic decisions) must attend in their place.
- 2.2 The RMG regularly undertakes a review and gives consideration to the Council's Strategic Risk Register (**Appendix 2**).
- 2.3 Over the last 12 months, the RMG has considered (and continues to consider) the following arising issues and their impact on the Council:

- The impact of the Autumn Budget and Bolsover's settlement (December 2021) on the Council's Medium Term Financial Plan
  - The impact of the Government's Levelling Up White Paper and Bill
  - The impact of Local Government Reform including a County Deal for the East Midlands and the development of a Combined Mayoral Authority
  - Cyber risks and ransomware attacks
  - Ongoing national issues regarding cost of living, fuel and food prices, annual staff pay rise and inflation
  - Housing pressures taking into consideration the Homelessness Duty, the impact of Covid and subsequent Section 21 notices being issued and several refugee and asylum dispersal schemes
  - The impact of Climate Change
- 2.4 These issues will remain under constant review, alongside all risks within the Strategic Risk Register, by the RMG and appropriate additions and/or amendments to the Council's Strategic Risk Register will take place at the appropriate time.

### **Operational Risk Registers**

- 2.5 In addition to the Corporate Strategic Risk Register, the RMG reviews individual operational risk registers for specific service areas. This is undertaken on a rolling programme to ensure all services have appropriate and up-to-date risk registers in place.
- 2.6 In the last 12 months, the RMG has received reports on the following operational risk registers:
- Leisure
  - Business Growth
  - Housing and Community Safety
  - Environmental Health
  - Payroll
- 2.7 Service leads provided presentations to the Group to enable appropriate review and scrutiny to take place.

### **Corporate Insurance renewal**

- 2.8 The Council's insurance portfolio is due to be renewed on 1<sup>st</sup> October 2022 following annual reviews of policies to minimise and mitigate risks. This is normal practice. The Council's Insurance Officer regularly attends the Risk Management Group and also maintains the master copy of the risk registers. It is expected that increasing building costs may result in higher insurance premiums this year.

## **3. Reasons for Recommendation**

- 3.1 The Audit and Corporate Overview Scrutiny Committee is recommended to note this report from the Risk Management Group as part of the Council's robust approach to risk management. The Risk Management Group provides a comprehensive oversight of risk throughout the organisation.

- 3.2 The Risk Management Group has made significant progress in ensuring that risk is effectively managed within the Council. By leading on the development and review of all risk related policies, plans and strategies across the Council, the Group provides consistency of approach and alignment of all service areas in relation to risk management.

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

- 4.1 It is good practice for the Council to develop and regularly review its Risk Management Strategy, Strategic Risk Register and associated risk management processes and policies. Given the importance of these arrangements for the overall performance and governance of the Council the alternative of not providing them is rejected.

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#### **RECOMMENDATION(S)**

1. That the Audit and Corporate Overview Scrutiny Committee recommend the refreshed Risk Management Strategy, at **Appendix 1**, to Executive for approval.
2. That the Audit and Corporate Overview Scrutiny Committee notes the report and Strategic Risk Register as set out in **Appendix 2**.

Approved by the Portfolio Holder – Yes

#### **IMPLICATIONS:**

**Finance and Risk:** Yes ☐ No ☐

**Details:**

There are no additional financial implications arising out of this report. Whilst, where appropriate, additional mitigation measures have been identified and implemented during the course of preparing the strategic and operational risk registers, the cost of implementing this mitigation is met from within existing service budgets

On behalf of the Section 151 Officer

**Legal (including Data Protection):** Yes ☐ No ☐

**Details:**

There are no legal or data protection issues arising directly out of this report

On behalf of the Solicitor to the Council

**Staffing:** Yes ☐ No ☐

**Details:**

There are no human resource issues arising directly out of this report.

On behalf of the Head of Paid Service

## DECISION INFORMATION

|                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <b>Is the decision a Key Decision?</b><br>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:<br><br><b>Revenue - £75,000   <input type="checkbox"/>   Capital - £150,000   <input type="checkbox"/></b><br><b><input checked="" type="checkbox"/> Please indicate which threshold applies</b> | No |
| <b>Is the decision subject to Call-In?</b><br><i>(Only Key Decisions are subject to Call-In)</i>                                                                                                                                                                                                                                                                                                                                         | No |

|                                                                                                                                                                                                                                                                                                                                                       |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>District Wards Significantly Affected</b>                                                                                                                                                                                                                                                                                                          | None directly       |
| <b>Consultation:</b><br><b>Leader / Deputy Leader   <input type="checkbox"/>   Executive   <input checked="" type="checkbox"/></b><br><b>SLT   <input type="checkbox"/>   Relevant Service Manager   <input type="checkbox"/></b><br><b>Members   <input type="checkbox"/>   Public   <input type="checkbox"/>   Other   <input type="checkbox"/></b> | Yes<br><br>Details: |

|                                                                       |
|-----------------------------------------------------------------------|
| <b>Links to Council Ambition: Customers, Economy and Environment.</b> |
| All                                                                   |

| DOCUMENT INFORMATION |                               |
|----------------------|-------------------------------|
| Appendix No          | Title                         |
| 1                    | Risk Management Strategy 2022 |
| 2                    | Strategic Risk Register       |

|                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Background Papers</b><br><i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i> |
|                                                                                                                                                                                                                                                                            |



# RISK

**Management Strategy — 2022**

*Managing the  
risks, maximising the  
opportunities*

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# Introduction

When we think of 'Risk' most of us are conditioned to think of this in a negative sense - the risk of a negative outcome. Increasingly however, there is a realisation that risk is a double sided concept, with both positive and negative outcomes. To manage risk effectively we need to perhaps think of risk as 'uncertainties that affect us' - not all of which are bad. In other words; an uncertainty that, if it occurs, will have a negative effect might be seen as a **Threat**, whereas an uncertainty that, if it occurs, will have a positive effect might be known as an **Opportunity**. Both of these are 'uncertainties that affect us'.

Risk is integral to everything we do, every action we take, every decision we make - part of our everyday. Whether we realise it or not we are managing risk constantly - it is our attempt to prevent something going wrong and causing us harm or helping something to go well and producing benefits. When driving we will wear a seatbelt, when it comes to our money we will keep it in a bank and when the clouds are grey we might choose to take an umbrella with us on our way to work... these are all risk management decisions and actions designed to either reduce the potential consequence or support the realisation of the benefits associated with our actions.

None of these 'risk management' decisions and actions however, will either remove the threat or guarantee the benefits completely... for example; wearing a seatbelt will not remove the risk of accident or injury, it may however allow us to manage the risk to a level that allows us to make the decision to drive a car. If

our aim is to remove the threats associated with driving the car completely, then we simply don't drive the car - this would of course also result in the loss of the possible benefits resulting from driving the car. Taking risks therefore is an inevitable part of our daily lives - without risk taking we simply could not advance, progress and achieve.

Risks will however be interpreted differently by each individual because we all have a different perception of the threat or opportunity depending on our propensity to take risk or avoid it. Using the car as an example, wearing a seatbelt and driving at a certain speed will be enough for some of us to manage the threat presented whilst enjoying the benefits, for others they may choose to manage this threat further by avoiding a motorway or driving at busy times, this approach will of course impact upon the benefits or opportunities too. This is known as our **Risk Appetite**, the level of risk that an individual is prepared to take in order to pursue their goals.

When considering the business of the Council, the same principles apply. Risk taking is something we simply can't avoid... therefore, the success and operability of our organisation depends on how well we manage our risks. We need to know what they are, understand them, identify ways to mitigate or exploit them and control them in line with our organisational risk appetite. Where risks are effectively managed, the chances of achieving our objectives will be optimised. Conversely, poor risk management will reduce the likelihood of success.

This Strategy sets out the mechanisms and

# Scope and Objectives

processes for both the maintenance and development of Risk Management within the Council's operational framework. Whilst the main focus of the arrangements set out within this Strategy will be in respect of the Council's own activities, it also recognises that key elements of the Council's service delivery may well be delivered by way of Partnership working. Accordingly the Council's own risk management approach needs to ensure that the risks arising from partnering with others are appropriately addressed as part of this Strategy.

Our organisation needs to be risk aware rather than risk averse as the decision whether to accept risk should be taken in light of the potential benefits of a proposed course of action. The extent to which the Council is risk averse, will undoubtedly impact on its potential to progress available opportunities to secure benefits for local residents.

Risk management, both in the identification of risks and the action taken to address the risks, needs to be flexible and have the ability to respond to change. National policies, service delivery arrangements, national and local circumstances, together with Council priorities will change and evolve over time. Risk Management focus and arrangements need to adjust in order to ensure that current threats and opportunities are effectively addressed and not stifled by inappropriate risk management arrangements.

The Council is committed to maintaining,

developing and actively monitoring the operation of a formal and systemic approach to Risk Management. The key objectives of this Strategy are as follows:

- To operate in line with best practice and update our approach to reflect evolving best practice
- To protect service delivery arrangements, the reputation and the financial position of the Council by managing risk effectively
- To maintain and strengthen robust managerial and governance arrangements within the Council
- To promote risk awareness, risk intelligence and risk management throughout the Council
- To ensure programme, project and partnership risk is effectively managed
- To ensure there are clear roles, responsibility and accountability for risk management within the Council
- To ensure the effective identification of risks relating to service delivery, a new project, new initiative, external origins or circumstance to ensure fully informed decisions are made and measures to mitigate or exploit are in place
- To ensure that the Council has a fully informed level of awareness of its overall risk exposure

The challenges faced by local government

# Benefits of Risk Management

in recent years have been significant often resulting in a great deal of uncertainty - 'uncertainty that affects us' or in other words 'risk'. Our ability to manage these risks or those 'uncertainties that affect us', both the threats and the opportunities, will have a direct bearing on the Council's ability to succeed.

Risk management is a tool and should

not be seen as something we 'must do' but rather something we 'need to do' to achieve the Council's objectives. It is an essential tool in helping to bring a greater level of understanding of those risks; it enables the Council to be more prepared, more resilient to change, more able to minimise threats and more able to seize opportunities.

Below are a number of widely accepted benefits resulting from the effective management of risk:

**Improved  
efficiency of  
services**

**Reduced likelihood  
of workplace  
accidents**

**Protection  
of financial  
resources**

**Maximised  
opportunities**

**Better  
mitigation of  
risks**

**Protection of  
Council assets**

**Improved delivery  
of intended  
outcomes**

**Demonstrable  
good  
governance**

**Improved business  
and service  
planning**

**Protected  
reputation of  
the Council**

**Enhanced  
community  
support and trust**

**Increased  
effectiveness  
of business  
transformation**

**Greater  
achievement of  
Council objectives**

**Greater level  
of insight**

**Improved  
management  
information**

# Risk Categorisation



Risk management is a complex subject due in part to the multi-dimensional nature of the risks that we face, the illustration on the previous page highlights some of these along with a high level categorisation of risk types. Some risk areas will have varying risk types, for example; Financial risks may be identified within all broad risk type categories; Strategic - perhaps due to legislative change; Operational - service area budgets; and Governance - the way we deal with our Treasury Management for instance. The endless nature of risk management makes it impossible to list every single risk and future risk specifically within this document, the following areas do however provide an approach that will support the identification and appropriate management of risks in the context of our organisation.

## Strategic Risks

Strategic Risks are those which have the potential to have a significant impact upon the Council as a whole. Such risks might include; changes in government policy; legal and regulatory change; Brexit; environmental and social factors and high operational risk factors such as investment, safeguarding and emergency planning. Due to the nature and scale of the possible threat and potential opportunity arising from this level of risk, strategic risks should be owned by the Senior Management Team.

In order for the Council to have a clear overall position in relation to its strategic risks and to be able to track and review them regularly, strategic risks will be contained within the Council's **Strategic Risk Register**. This register identifies the strategic risks facing the Council so that elected Members and senior management

can make informed decisions and prioritise actions, with these high level risks in mind.

## Operational Risks

Operational Risks are those that relate to a given service area which have the potential to have a significant impact on the delivery of that service. These might include; human resources; health and safety; procurement; asset management and systems failure. These risks are more closely associated with the 'day to day' operation of the service areas within the Council, service based risks that may prevent individual service aims and objectives being met.

Risks within this category are identified, assessed and dealt with within the operational service area. These risks are contained within an **Operational Risk Register** that is unique to the given service area, although the process by which they are managed remains the same as those of a strategic nature.

## Governance Risks

Governance related risks are those that relate to 'how we do things' as an organisation, including; how we manage our risks. These might also include; the Council's Constitution; data protection; policy and strategy; leadership and accountability; contracting arrangements and performance management. As with high level operational risks, governance related risks might also be managed as strategic risks, depending upon the nature and scale of the risk. Ordinarily however, these risks are associated with the broader organisational 'day to day' framework of running our organisation. Risks associated

with the Council's governance will feature in both the Operational Risk Registers of those service areas who 'own' the governance related risk along with the Strategic Risk Register where appropriate.

## Project Risks

Project risks are those risks that are integral to or arise during the lifecycle of a project. These may relate to; roles and responsibilities; timescales; resources; objectives; communication and monitoring for example. These risks will usually start and end with the project and need to be treated separately to those linked with the everyday operation of the Council.

With projects, it is vitally important that risks are identified and assessed early in the planning process. When undertaking a project, the Council will create a **Project Plan** in order to effectively manage the project, the plan might include; scope management; planning and delivery; budget; monitoring and control; administration; communication and risk management.

The project related risks are managed through a **Project Risk Register** which is developed specifically for the project at hand and maintained throughout the life of that project.

## Partnership Risks

Reduced public service funding is leading to more services and community projects being delivered through different forms of partnership involving the public, private and third sector. Partnership working can take many forms including; integrated services; joint ventures; shared procurement; and co-ordination of activities. The use of risk management to mitigate threats whilst also exploring opportunities is key to ensuring that collaborative working arrangements contribute positively to service delivery. Partnership related risks might include; lack of relevant skill levels; differing legislative environments of the partners; differing governance arrangements and differing agendas.

Effective partnership working is not an easy process and often requires a significant investment of time and energy to build trust between the partners and to develop the working relationships required to ensure successful delivery of the project or service. Key considerations prior to entering into or reviewing a partnership need to include whether or not; the partnership helps secure the Council's objectives; it provides value for money; there are any alternatives; the governance arrangements are robust; and whether or not the Council have a legal duty or duty to enter into the partnership at all.

The risks related to the partnership will be managed through a **Partnership Risk Register** which is developed specifically for the partnership at hand and maintained throughout the life of that partnership.

# Risk Management Process

To ensure risk management is effective it must be part of an overall framework and be supported by processes and procedures - a systemic and consistent approach. Whether the 'risk' poses a threat or an opportunity - the stages remain the same. A '*Risk Assessment*' template/form shall be used when carrying out the stages below - the findings of which will be included on the appropriate 'Risk Register'.

## RISK IDENTIFICATION

Threats or opportunities which might prevent or help achieve, delay or accelerate the objectives of the Council



## RISK ANALYSIS & ASSESSMENT

Following identification of the threats/opportunities, the risks need to be assessed



## RISK CONTROL

Taking risk appetite into account, the risks now need to be controlled



## RISK MONITORING

Most risks will change over time, timely, regular and appropriate monitoring must take place

## Risk Identification

The identification of risks will be the result of a variety of sources and endeavours including but not limited to; lessons learned and analysis of previous events; technical briefings; national reports; workshops; team meetings; networking; management experience; and through a 'staple' element of the **Risk Management Group** - something we will cover in later sections of this strategy. Another key source of risk identification will of course be the business/service planning process where SWOT (strengths, weaknesses, opportunities, threats) and PESTEL (political, economic, social, technological, environmental, legal) analysis takes place.

Traditionally this stage of the risk management process has focussed on the things that can go wrong or the threats, if the organisation wishes to improve outcomes however, then it must search for the 'upside risks' or opportunities to make things better and maximise any potential benefits that may also be available. If an opportunity risk is identified, decisions can be made to pursue and increase the likelihood/impact of the opportunity - i.e. it can be managed in the way a negative risk can, to make the most of the potential offered.

**N.B.** It is important to note here that when attempting to capture the opportunity risk description that we do not attempt to replace or duplicate the 'purpose' or 'rationale' for a given activity. Opportunity risk is not the argument or reason for doing something - it is the awareness and control of the 'uncertainties that matter' in relation to the 'upside' risks involved with the activity or issue at hand.

## Risk Analysis and Assessment

Once the risks have been identified and articulated they need to be assessed using the **Risk Matrix** in terms of the '**Likelihood**' of them occurring and the '**Impact**' of them if they do. This will provide an indication of the '**Inherent risk**' - the level of risk prior to any action being taken.

Likelihood is scored based upon probability of the risk occurring and impact based on the consequences of the risk occurring. Taking each threat/ opportunity in turn the risk should be assessed using the impact/ likelihood tables. The ratings may well be mixed as one overarching risk could have a number of threats/opportunities associated with it, for example the consequence may carry a moderate threat financially but may have a significant impact upon reputation.

Once the consequence is understood for all of the threats/opportunities associated with the risk, a 'best fit' impact rating shall be determined and the '**Inherent Risk Value**' identified. For example; if the impact of all of the threats/opportunities associated with the risk are significant with only one moderate, then the overall impact would be significant. It is important to note that the tables and descriptions are not and can never be exhaustive, they are designed to give a common perspective but not to be prescriptive.

## Risk Matrix

| IMPACT     | 5 | 5 | 10 | 15 | 20 | 25 |
|------------|---|---|----|----|----|----|
|            | 4 | 4 | 8  | 12 | 16 | 20 |
|            | 3 | 3 | 6  | 9  | 12 | 15 |
|            | 2 | 2 | 4  | 6  | 8  | 10 |
|            | 1 | 1 | 2  | 3  | 4  | 5  |
|            |   | 1 | 2  | 3  | 4  | 5  |
| LIKELIHOOD |   |   |    |    |    |    |

## Impact Table

| Score | Description         | Examples/guidance                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5     | <b>Catastrophic</b> | Risks that can have a catastrophic impact on the operation of the Council or service, for example; <ul style="list-style-type: none"> <li>• Death</li> <li>• Unable to function without Government or other agency intervention</li> <li>• Inability to fulfil obligations</li> <li>• Adverse national publicity - highly damaging, loss of public confidence</li> </ul>                                                                    |
| 4     | <b>Severe</b>       | Risks which can have a severe impact on the operation of the Council or service, for example; <ul style="list-style-type: none"> <li>• Extensive injury, major permanent harm</li> <li>• Significant impact on service objectives</li> <li>• Short to medium term impairment to service capability</li> <li>• Major adverse local publicity</li> </ul>                                                                                      |
| 3     | <b>Moderate</b>     | Risks which have a noticeable impact on the services provided. Will cause a degree of disruption to service provision / impinge on the budget, for example; <ul style="list-style-type: none"> <li>• Medical treatment required, semi-permanent harm up to 1 year</li> <li>• Short term disruption to service capability</li> <li>• Significant financial loss</li> <li>• Some adverse publicity, needs careful public relations</li> </ul> |
| 2     | <b>Minor</b>        | Risks where the impact and any associated losses will be minor, for example; <ul style="list-style-type: none"> <li>• First Aid treatment, non-permanent harm up to 1 month</li> <li>• Minor impact on service objectives</li> <li>• Financial loss that can be accommodated at service level</li> <li>• Some public embarrassment, no damage to reputation</li> </ul>                                                                      |
| 1     | <b>Negligible</b>   | Risks where the impact and any associated losses will be small, for example; <ul style="list-style-type: none"> <li>• No obvious harm or injury</li> <li>• Negligible impact on service capability</li> <li>• Minimal financial loss</li> <li>• Unlikely to cause any adverse publicity, internal only</li> </ul>                                                                                                                           |

## Likelihood Table

| Score | Description        | Examples/guidance                                                                                                                                                         |
|-------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5     | <b>Common</b>      | <ul style="list-style-type: none"> <li>• Is expected to occur in most circumstances</li> <li>• Perhaps annually or more frequent</li> </ul>                               |
| 4     | <b>Likely</b>      | <ul style="list-style-type: none"> <li>• Will probably occur in most circumstances</li> <li>• Not persistent, perhaps once in 3 years</li> </ul>                          |
| 3     | <b>Foreseeable</b> | <ul style="list-style-type: none"> <li>• Could occur in certain circumstances</li> <li>• Perhaps once in 10 years</li> </ul>                                              |
| 2     | <b>Occasional</b>  | <ul style="list-style-type: none"> <li>• May occur in exceptional circumstances</li> <li>• Not expected to happen, perhaps every 25 years</li> </ul>                      |
| 1     | <b>Freak event</b> | <ul style="list-style-type: none"> <li>• Is never likely to happen or no knowledge of this happening before</li> <li>• Very unlikely, perhaps once in 50 years</li> </ul> |

## Risk Control

When deciding how to control the ‘downside’ risks or threats there are four options available, sometimes more than one option may be chosen, the Council could transfer and treat for example;

| Negative Risk (threat) Control Measures                          |                                                              |                                                         |                                                      |
|------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------|
| <b>Transfer</b><br>E.G. Insurance,<br>Outsource,<br>Partnerships | <b>Treat</b><br>E.G. Mitigation,<br>Likelihood & Consequence | <b>Tolerate</b><br>Understand and live<br>with the risk | <b>Terminate</b><br>Avoid the risk,<br>Do not pursue |

**Transfer the Risk** - this might include transferring some of the consequence to an insurer e.g. legal liability, property, vehicles etc. Other examples might include services being delivered on the Councils behalf through outsourcing. When deciding to transfer, it must be acknowledged that this does not mean that the risk disappears, some risks may whilst others remain such as responsibility for the service being delivered and the reputational risk remaining with the Council for example.

**Treat the Risk** - the risk at this stage is unacceptable to the Council as it stands. Action needs to be taken and controls put in place to mitigate and reduce the risk to an acceptable level - the ‘**Residual risk**’. This might include putting procedures in place or modifying the activity to reduce the risk.

**Tolerate** - the Council intends to do nothing different to manage the risk identified aside from the usual management arrangements that are in place.

**Terminate** - the risk is so significant that even with control measures in place or modifications being made, the risk cannot be reduced to an acceptable level for the Council.

When attempting to control the ‘upside’ risks or opportunities, the four options above will be replaced by the three below;

| Positive Risk (opportunity) Control Measures                     |                                                            |                                                    |
|------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------|
| <b>Share</b><br>E.G. Joint Venture,<br>Design and Build Contract | <b>Enhance</b><br>E.G. Action,<br>Likelihood & Consequence | <b>Accept</b><br>Understand and accept<br>the risk |

**Share** - the benefits of the opportunity risk might be shared, a project being completed early for instance which would save money overall.

**Enhance** - using the project example again, action might be taken to improve the likelihood and consequence of the project completing early.

**Accept** - as with tolerating a threat, the Council intends to do nothing different to manage the risk identified aside from the usual management arrangements that are in place.

By this stage, using the '**Risk Assessment**' template/forms, the risks have been identified and analysed taking into account any current controls in place, giving an '**Inherent Risk Value**', beyond this other control measures may have been put in place resulting in a '**Residual Risk Value**'. The Council will now consider the residual risk and decide how this fits with the Councils '**Risk Appetite**' in terms of acceptability - this shall be detailed in a later section of the strategy.

## Risk Monitoring

Now that the risks have been identified, analysed, controlled and scored according to the risk matrix, the final stage of the effective risk management process begins - risk monitoring. It is critical that risk assessments and action plans relating to them are monitored and reported on regularly to ensure progress is being made in both the management of the threats, or the taking advantage of the opportunities.

Risk registers are an important tool within the risk monitoring stage as long as they are kept up to date and accurate. Previously identified risks will change over time; some may become less of an issue once planned activity has taken place, therefore reducing the likelihood of the risk occurring. Others may have an increased level of risk due to external changes or important milestones approaching. When things change, or at a given frequency, the reassessment of the risk is necessary.

When reviewing, the following should be considered;

- Is the risk still valid?
- Has any of the circumstances or the situation changed?

- Has any planned mitigation/treatment/enhancement or action now taken place which has affected the '**Residual Risk Value**'?
- Has the planned mitigation/treatment/enhancement or action been deemed effective?
- Is there more that the Council should be doing?
- Has the threat/opportunity passed?

Along with those sources listed in the Risk Identification stage previously, the risk monitoring and review stage is also a good time to consider the following;

- Has anything new happened either externally or within the service, department, Council, project or partnership?
- As a result, are there any new threats or opportunities facing the service, department, Council, project or partnership?

Part of the monitoring process is of course '**Risk Reporting**'. This is required to ensure that managers, senior officers and elected Members are fully aware of the risks when making decisions and taking any action. Effective risk reporting should provide management and elected Members with assurance that all risks have been identified, assessed, controlled and are being effectively monitored - this shall be detailed further in a later section of the strategy.

# Risk Appetite

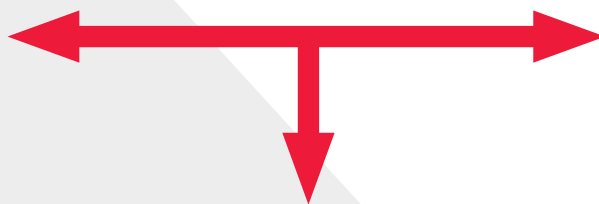
Risk appetite for local authorities on the whole will most likely be lower than that of many other organisations due in part to the regulatory nature of most of its services and because of its stewardship obligations for public resources. It is however, increasingly important for the Council to identify innovative solutions and new ways of working in the delivery of its services and operations.

New opportunities or changes to the way we do things will often bring new risks, both specific to the change at hand and to the Council as a whole. A key determinant in the risk management process is the Council's risk appetite and the scalability of this depending upon the individual circumstances.

The Council's risk appetite in relation to a given opportunity needs to be gauged individually to ensure that the tolerance level of the risks at hand are adjusted in accordance with the level or scale of the risk. A specific project may well have a different risk tolerance level to that of the wider operation of the Council or a health and safety matter for example. The Council should not be risk averse but risk aware and able to accept risk at a level that meets the Council's risk appetite.

## Risk aware

Sensible management of threats and opportunities



## Risk unaware

- Exposed to threats
- Too opportunity focussed

## Risk averse

- Excessive management of threats
- Do not maximise opportunities

As mentioned previously, effective risk management is about managing uncertainties that affect us, this includes both the negative uncertainties or threats and the positive uncertainties or opportunities. Effective risk management aims to minimise the likelihood and impact of the threats whilst maximising the likelihood and impact of the opportunities.

Acknowledgement and awareness of the two aspects of risk – the ‘upside’ and ‘downside’

increases the importance of an effective risk appetite framework which has the ability to be repositioned along the continuum on the previous page in line with the given subject matter at hand.

Generally speaking, the amount of risk that the Council are willing to take on, tolerate or be exposed to in the pursuit of its objectives can be illustrated below;

## Risk Matrix

| IMPACT     | 5 | 5 | 10 | 15 | 20 | 25 |
|------------|---|---|----|----|----|----|
|            | 4 | 4 | 8  | 12 | 16 | 20 |
|            | 3 | 3 | 6  | 9  | 12 | 15 |
|            | 2 | 2 | 4  | 6  | 8  | 10 |
|            | 1 | 1 | 2  | 3  | 4  | 5  |
|            |   | 1 | 2  | 3  | 4  | 5  |
| LIKELIHOOD |   |   |    |    |    |    |

**Green** = Low Priority - no immediate action other than to set a review date to re-consider assessment.

**Amber** = Medium Priority - check current controls and consider if others are required.

**Red** = High Priority - must take action to mitigate or terminate if not possible to do so.

Any threats that are an unacceptable level to the Council have to be mitigated as far as possible. Where a proposed activity has a residual risk value that is considered unacceptable and there is no means of reducing this value, then the activity will be rejected. Therefore the Council’s risk appetite threshold is 15 or above, in other words if the residual risk is 15 or above the Councils risk appetite has been exceeded and the activity will be terminated.

There may be however, occasions where there is a statutory obligation to undertake a given activity despite the risk exposure. There may also be occasions where, in entrepreneurial terms, it will be appropriate to take measured but increased levels of risk in furtherance of the Council’s business objectives.

In determining the Council’s risk appetite, elected Members and senior officers will consider many things including, but not limited to the following;

- Wider macro-economic factors including legislation
- The level of risk that can be justified
- The Council’s capacity to bear the risk
- The Council’s resource, expertise and skill-set for taking the risk
- The extent and prevalence of operational and commercial opportunities capable of being exploited by the Council

# Our Risk Management Arrangements

This strategy sets out to ensure that effective risk management is embedded throughout all levels of the Council. Whether it relates to 'day to day' service delivery or the decision making process of elected Members, the Council and its employees need to know what the risks are, understand them, identify ways to mitigate or exploit them and control them in line with the Council's risk management processes and appetite.

## Risk Management Roles and Responsibilities

### Elected Members

All elected Members are responsible for effective governance in the delivery of services to the local community and the achievement of the Council's objectives. Elected Members have a responsibility to understand the risks that the Council faces and will be made aware of how these risks are being managed through a variety of mechanisms including, but not limited to; the corporate, strategic and service planning and delivery process. It is the responsibility of all elected Members to support and promote an effective risk management culture and consider the risks associated with recommendations put forward in reports to the various committees at which decisions are made.

### Executive

Executive has a fundamental role to play in the management of risk. Its role is to set the risk appetite and influence the culture of risk management within the organisation. Executive will ensure that risks are fully considered as part of every decision it makes whilst ensuring effective procedures are in place to monitor the management of significant risks. Executive will establish Portfolio Holder representation on the Risk Management Group and regularly review the content of the strategic risk register. Executive will periodically review the Council's approach to risk management and approve changes or improvements to processes and procedures.

### Audit and Corporate Overview Scrutiny Committee

The Audit and Corporate Overview Scrutiny Committee has responsibility for overseeing all aspects of Risk Management, Governance and Internal Control. The Committee will provide guidance and oversight to the management of risk but also challenge the effectiveness of the risk management arrangements within the Council. The Committee will look to seek assurance for the Council that risk management is being effectively undertaken and that all risk related processes and procedures are being implemented. To this end, the Committee

will receive reports on behalf of the Council including but not limited to; Quarterly Risk Management Group reports, Internal Audit reports, External Audit reports and the Annual Governance Statement.

## **Scrutiny**

In their role of scrutinising decisions taken by the Executive, Scrutiny Members should ensure that associated risks have been taken into account. Scrutiny Committees also have a role in bringing potential risks that have not previously been identified to the attention of the organisation.

## **Head of Paid Service**

The Head of Paid Service leads on the wider Corporate Governance arrangements of the Council of which Risk Management is a part. The Head of Paid Service has ultimate responsibility for risk management within the paid service and will support the Senior Risk Officer (SRO) and Senior Information Risk Officer (SIRO) in carrying out their roles and responsibilities.

## **Senior Risk Officer (SRO)**

The SRO plays an important role in raising the profile and promoting the benefits of risk management to elected Members and officers. The SRO also ensures that the accountability and responsibility of elected Members, officers and staff is understood by embedding risk management throughout every level of the Council and by overseeing the implementation of the Risk Management Strategy and Action Plan.

## **Senior Information Risk Owner (SIRO)**

Information has never been more important to the essential working of the Council. As the quantity, diversity and nature of Council information changes, so will the risks. The role of the SIRO is to ensure that 'information' related risks are identified and addressed. The SIRO will establish an Information Risk Management Framework which allows information based threats and opportunities to be managed effectively.

## **Section 151 Officer**

Section 151 of the Local Government Act 1972 requires all Councils 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. For this Council this statutory role is carried out by the Head of Finance and Resources. The Section 151 Officer is a key member of the Senior Management Team who helps to develop and implement the strategy and appropriate resourcing to deliver the Council's objectives sustainably and in the public interest. The role brings influence and bearing on all material business decisions to ensure opportunities and threats are fully considered and aligned to the Council's financial strategy. The Section 151 Officer leads on the promotion of good financial management by the whole organisation so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

## **Risk Management Group**

The Risk Management Group shall be elected Member led and will include the Councils SRO, SIRO, S151 Officer, representation from senior management, Internal Audit and Health and Safety. The group will provide a comprehensive oversight of risk throughout the organisation and be the conduit to and from the whole organisation in terms of risk management. The group will 'regularly' and 'consistently' oversee, at least quarterly, all of the risk registers ensuring they are up to date and accurate whilst offering challenge to the assessment process itself. It will be responsible for risk management reporting to stakeholder groups across the Council and support the production of the Annual Governance Statement. The group will lead on the development and review of all risk related policies, plans and strategies across the Council and will oversee and champion the implementation of the Risk Management Strategy and associated action plan including training 'relating to' and the 'embedding of' an effective risk management culture.

## **Directors and Assistant Directors**

Directors and Assistant Directors are responsible for creating an environment and culture within their Directorate and portfolio of Services where risk management is promoted, facilitated and effectively undertaken. They will drive forward risk management to raise its profile and ensure that Service Managers and their teams understand the importance and benefits of effective risk management, embedding the Risk Management Strategy and arrangements throughout their

span of control. They will include risk management as a standing item on all Directorate, Service and team meeting agendas to keep risk management 'ever present' and ensuring effective, regular and consistent 'check and challenge' is in place throughout the Directorate. Directors and Assistant Directors will review the content of the strategic risk register and their Directorate operational risk registers at least quarterly and represent their Directorate and portfolio of services at the Risk Management Group. They will identify existing and emerging risks, address them in line with the risk management arrangements and ensure sufficient resource is allocated to for this purpose within their span of control including identifying and meeting any risk management training needs within the Directorate.

## **Service Managers**

As with the Directors and Assistant Directors, Service Managers will support the creation of an environment where risk management is promoted, facilitated and effectively undertaken within their service area. Service Managers will also form part of the quarterly review process of their service related operational and when necessary, strategic risks. They will work with the Directors and Assistant Directors to identify and address existing and emerging risks within their service area and ensure that training needs are identified and addressed in relation to risk management within their service area. Service Managers will be the consistent 'day to day' champions of an effective risk management culture throughout their service area and will ensure that the risk management strategy and arrangements are understood, embedded and implemented by their team.

## Project and Partnership Leads

Project and Partnership Leads are responsible for ensuring that the project or partnership is being effectively managed in terms of risk and that the Risk Management Strategy and arrangements are implemented fully throughout the lifecycle of the project or partnership. As mentioned in previous sections of the document however, project risks and partnership risks do need to be treated slightly differently to the Council's other risks.

### *The Project Lead will;*

Ensure that there is senior management team commitment to and involvement in the project/programme delivery. They will set out clearly defined roles and responsibilities at all levels within the project/programme with responsibility for risk identified and agreed. The Project Lead will ensure stakeholder engagement in the early identification of the risks which will inform the project/programme scope, objectives and outcomes. They will embed the active management of risk throughout the lifecycle of the project/programme through the development of a Project Plan.

### *The Partnership Lead will;*

Ensure that the partnership has a senior management team made up of members from all organisations involved who will support, own and lead on risk management. The Partnership Lead will ensure that an agreed risk management framework is in place and managed on an ongoing basis. They will promote a partnership culture which supports an effective and appropriate approach to managing risks by reducing the threats and maximising the opportunities that the partnership will bring.

Both Leads will approach the project/programme/partnership in line with the Risk Management Strategy and arrangements set out within. They will ensure that the risk management process is followed, risk assessments completed, control measures are in place and risk registers are maintained throughout. The Leads will report to the Risk Management Group quarterly and assist in the production of the Risk Management Group reporting process.

## Internal Audit

Internal Audit's role is to maintain independence and objectivity, they are not responsible for risk management or for managing risks on behalf of others. Internal Audit will check, challenge and test the risk management process and arrangements for adequacy in order to provide assurance to the Council that risk is being effectively managed.

## All Staff

All staff have a responsibility for identifying threats and opportunities in performing their day to day duties. They also have a responsibility to participate in training, supporting the risk assessment process and action planning where appropriate.

## Roles and responsibilities summary table:

| Group or individual                             | Roles & Responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Elected Members                                 | <ul style="list-style-type: none"> <li>• Support and promote an effective risk management culture</li> <li>• Understand the strategic risks that the Council faces and how these risks are being managed</li> <li>• Consider the risks associated with recommendations put forward in reports</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                           |
| Executive                                       | <ul style="list-style-type: none"> <li>• Provide leadership on risk management within the Council</li> <li>• Monitor the Council's risk management arrangements</li> <li>• Assess the risks in Cabinet reports and provide challenge where necessary particularly in relation to key decisions</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                          |
| Audit and Corporate Overview Scrutiny Committee | <ul style="list-style-type: none"> <li>• Overseeing all aspects of risk management, governance and internal control</li> <li>• Provide guidance and oversight to the management of risk and challenge the effectiveness of arrangements</li> <li>• To seek assurance for the Council that risk management is being properly undertaken</li> </ul>                                                                                                                                                                                                                                                                                                                                                  |
| Scrutiny                                        | <ul style="list-style-type: none"> <li>• In their role of scrutinising decisions taken by Executive, Scrutiny Members will ensure that associated risks have been taken into account</li> <li>• Identifying potential risks that may not have been previously identified</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                |
| Head of Paid Service                            | <ul style="list-style-type: none"> <li>• Leads on the wider Corporate Governance arrangements of which Risk Management is a part</li> <li>• Overall responsibility for ensuring that strategic risks are effectively managed within the Council</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Senior Risk Officer (SRO)                       | <ul style="list-style-type: none"> <li>• Raising the profile of risk management</li> <li>• Promoting the benefits of risk management</li> <li>• Promoting the accountability and responsibility of all staff</li> <li>• Embedding risk management throughout all levels of the Council</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                  |
| Senior Information Risk Owner (SIRO)            | <ul style="list-style-type: none"> <li>• Manage information risk from a business perspective</li> <li>• Establish an effective information governance framework</li> <li>• Ensure compliance with regulatory, statutory and organisational information security policies and standards</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                  |
| Section 151 Officer                             | <ul style="list-style-type: none"> <li>• To assist with the development and implementation of the strategy and resourcing required to deliver the Council's objectives sustainably and in the public interest</li> <li>• To ensure opportunities and risks are fully considered and aligned to the Council's financial strategy</li> <li>• Leads on the promotion of good financial management by the whole organisation</li> </ul>                                                                                                                                                                                                                                                                |
| Risk Management Group                           | <ul style="list-style-type: none"> <li>• To provide a comprehensive oversight of risk throughout the organisation and become an effective conduit to and from the whole organisation in terms of risk management</li> <li>• To 'regularly' and 'consistently' oversee, at least quarterly, all of the risk registers ensuring they are up to date and accurate whilst offering challenge to the assessment process itself</li> <li>• To be responsible for risk management reporting to stakeholder groups</li> <li>• To review and support the development of all risk related policies, plans and strategies</li> <li>• To oversee the implementation of the Risk Management Strategy</li> </ul> |
| Directors and Assistant Directors               | <ul style="list-style-type: none"> <li>• To review the content of the strategic risk register at least quarterly</li> <li>• To allocate sufficient resources to address strategic and operational risks</li> <li>• To identify emerging risks and address them through the risk management arrangements</li> <li>• To ensure that operational risks are being managed in line with the risk management arrangements and that the service area operational risk registers are up to date</li> <li>• Escalate when necessary</li> </ul>                                                                                                                                                              |
| Service Managers                                | <ul style="list-style-type: none"> <li>• To implement the risk management strategy and arrangements within their service area</li> <li>• To review the content of their operational risk register at least quarterly and provide assurance to stakeholders that risks are being effectively managed</li> <li>• To identify emerging operational risks and address them through the risk management arrangements</li> <li>• Escalate when necessary</li> </ul>                                                                                                                                                                                                                                      |
| Project / Partnership Leads                     | <ul style="list-style-type: none"> <li>• To ensure that the risks associated with the project / partnership are identified and managed in line with the risk management arrangements</li> <li>• To review the content of their project/partnership risk register regularly depending upon the project/partnership this could be weekly</li> <li>• To identify emerging project/partnership risks and address them through the risk management arrangements</li> <li>• Escalate when necessary</li> </ul>                                                                                                                                                                                           |
| Internal Audit                                  | <ul style="list-style-type: none"> <li>• Audit the risk management process</li> <li>• Assess the adequacy of the arrangements</li> <li>• Provide assurance to officers and elected Members on the effectiveness of the processes and arrangements</li> <li>• Be guided by the risk registers in terms of the annual audit plan - areas of greatest risk = greatest need for assurance</li> </ul>                                                                                                                                                                                                                                                                                                   |
| All Staff                                       | <ul style="list-style-type: none"> <li>• To adhere to the risk management strategy and arrangements</li> <li>• Report emerging or new threats and opportunities to their manager</li> <li>• Participate in training, risk assessments and action planning where appropriate</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                             |

# Risk Management Framework

**Risk aware**

Sensible management of threats and opportunities

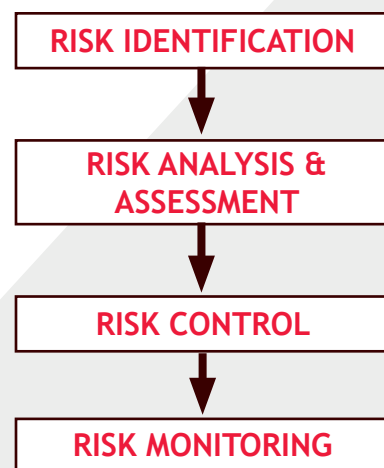
**Risk unaware**

**Risk averse**

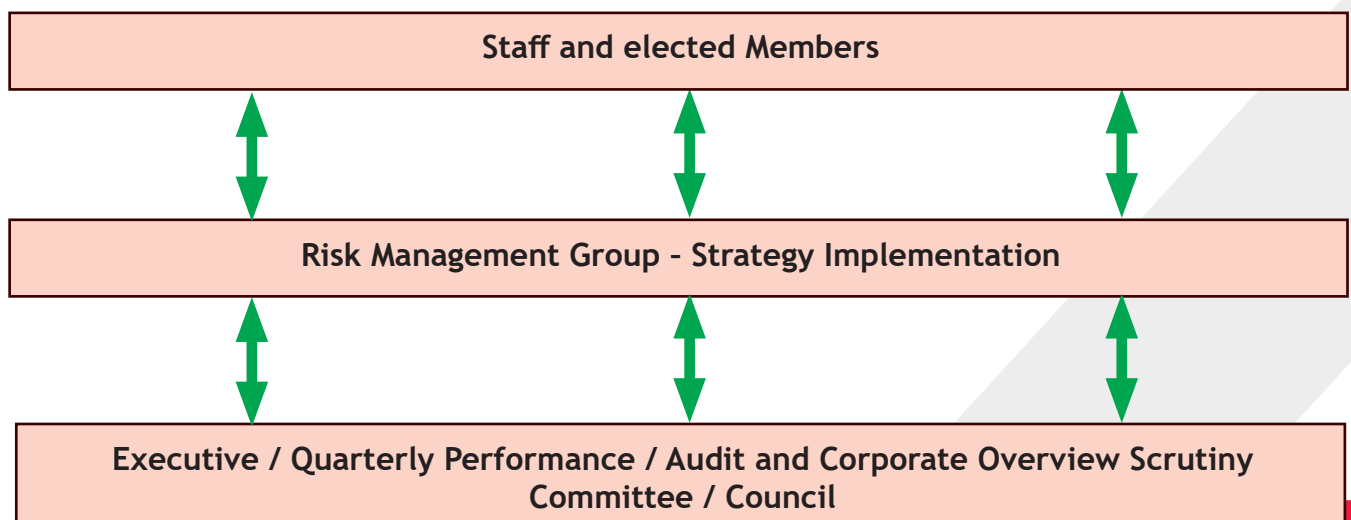
**Risk Categorisation**



**Risk Management Process**



**Training & Development Roles & Responsibilities**



# Action Plan

## Appendix 1

| Ref: | Action                                                                                            | Responsibility         | Target Date |
|------|---------------------------------------------------------------------------------------------------|------------------------|-------------|
| RMS1 | Develop an annual rolling programme of operational risk register reviews.                         | RMG                    | Dec 2022    |
| RMS2 | Further develop project and partnership risk, management arrangements and reporting.              | RMG                    | March 2023  |
| RMS3 | Ensure all staff undertake Risk Management Awareness Training.                                    | RMG/Executive Director | March 2023  |
| RMS4 | Ensure Members are offered Risk Management Awareness Training following the election in May 2023. | RMG/Executive Director | Summer 2023 |



**We speak your language**

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**Polish**

**Mówimy Twoim językiem**

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**Slovak**

**Rozprávame Vaším jazykom**

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**Chinese**

**我们会说你的语言**

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## STRATEGIC RISK REGISTER As of July 2022

| Area Of Risk<br>(Reference / Date)                                                                                                                                                                                                                                                                                                   |          | Threats / Opportunities                                                                                                                                                                                                                                                                                   |     |           | Mitigation / Controls In Place /<br>Actions Undertaken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |           | Potential Further Action /<br>Action Planned / When By<br>Date |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|----------------------------------------------------------------|-----------------------------|
| <b>STR1</b><br><b>The introduction of government legislation or parliamentary uncertainty which has an adverse impact on the Council's budget or ability to carry out its statutory functions, for example the Government's White Paper on Levelling Up and the potential impact of an East Midlands Combined Mayoral Authority.</b> |          | <ul style="list-style-type: none"> <li>• Unable to deliver services that meet changing local needs and aspirations.</li> <li>• Reduced influence over delivery of local services.</li> <li>• Unable to effectively support local communities.</li> <li>• Increased demands on Council services</li> </ul> |     |           | <ul style="list-style-type: none"> <li>• The Council is outward looking and actively works to understand proposed changes and the approaches that might be adopted to mitigate any adverse impacts of these.</li> <li>• The Council has effective political and managerial (governance) arrangements in place to manage change.</li> <li>• Appropriate levels of financial reserves / investment funding are maintained to fund strategic shifts in service delivery.</li> <li>• Effective engagement with staff to ensure they embrace necessary change.</li> </ul> |     |           |                                                                |                             |
| STR1                                                                                                                                                                                                                                                                                                                                 | 16/11/20 | <b>Inherent Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                       | 4x4 | <b>16</b> | <b>Residual Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 3x4 | <b>12</b> | Risk Owner / Lead Officer                                      | SAMT / Political Leadership |
| <b>STR2</b><br><b>Failure to deliver a balanced budget in line with the MTFP.</b>                                                                                                                                                                                                                                                    |          | <ul style="list-style-type: none"> <li>• Impact upon ability to deliver current level of services.</li> <li>• Unable to resource acceptable levels of service.</li> <li>• Significant adverse reputational impact.</li> </ul>                                                                             |     |           | <ul style="list-style-type: none"> <li>• The Council has effective financial and wider management arrangements in place to ensure budget / service delivery arrangements are robust.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                      |     |           |                                                                |                             |

| Area Of Risk<br>(Reference / Date)                                                                                                                                                                                |          | Threats / Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     |           | Mitigation / Controls In Place /<br>Actions Undertaken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |           | Potential Further Action /<br>Action Planned / When By<br>Date |                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|----------------------------------------------------------------|----------------------------------------------------|
|                                                                                                                                                                                                                   |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |     |           | <ul style="list-style-type: none"> <li>The current MTFP indicates challenging but manageable savings targets. A key risk is that under 'localism' there is less certainty concerning income (NNDR, NHB).</li> <li>The Council has 'adequate' financial reserves in place to cushion against any loss of income for a period of at least one financial year.</li> </ul>                                                                                                                                                                                              |     |           |                                                                |                                                    |
| STR2                                                                                                                                                                                                              | 16/11/20 | Inherent Risk Score<br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 4x4 | <b>16</b> | Residual Risk Score<br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 3x4 | <b>12</b> | Risk Owner /<br>Lead Officer                                   | Political<br>Leadership /<br>S151 Officer/<br>SAMT |
| <b>STR3</b><br><b>Operational failure which has a major impact upon the provision of services to residents, communities and/or businesses (for example, ICT failure, utilities failure, or building failure).</b> |          | <ul style="list-style-type: none"> <li>A significant service failure associated with a major impact on the local community, leading to a wider detrimental corporate impact.</li> <li>Deterioration in services to the public, potentially a major initial impact upon a local resident or a group of local residents.</li> <li>Significant staff and financial resources required to resolve position, impacting on other services.</li> <li>A major service has its operating capacity significantly impact and is required to introduce major reform in its approach to service delivery</li> </ul> |     |           | <ul style="list-style-type: none"> <li>The Council has appropriate managerial arrangements in place supported by staff recruitment and training to ensure these risks are effectively managed.</li> <li>The Council has a Performance Management Framework in place to help ensure that services are delivered in line with good practice and industry standards. Ongoing monitoring and regular reporting will help ensure that any emerging issues re service performance are effectively identified and resolved at the earliest possible opportunity</li> </ul> |     |           |                                                                |                                                    |
| STR3                                                                                                                                                                                                              | 16/11/20 | Inherent Risk Score<br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 3x5 | <b>15</b> | Residual Risk Score<br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2x5 | <b>10</b> | Risk Owner /<br>Lead Officer                                   | SAMT                                               |

| Area Of Risk<br>(Reference / Date)                                                                                                                                         |          | Threats / Opportunities                                                                                                                                                                                                                                                                                                                                                 |     |           | Mitigation / Controls In Place /<br>Actions Undertaken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |          | Potential Further Action /<br>Action Planned / When By<br>Date |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----------|----------------------------------------------------------------|------|
| <b>STR4</b><br><b>Difficulty recruiting to professional posts (for example Environmental Health Officers, qualified lawyers and auditors).</b>                             |          | <ul style="list-style-type: none"> <li>• Deterioration in services to the public.</li> <li>• Increasing inefficiencies in service provision.</li> <li>• Weakening of Internal Control arrangements.</li> <li>• Increased pressure on other members of staff.</li> </ul>                                                                                                 |     |           | <ul style="list-style-type: none"> <li>• There is sufficient funding to bring in agency staff where required to maintain service performance.</li> <li>• At this stage the problematic areas are those where there are national 'shortages'. In the majority of areas it has proved possible to recruit appropriate replacement staff.</li> <li>• Appropriate training budgets are in place to ensure that staff receive necessary training to maintain service quality.</li> <li>• The Council will look at introducing appropriate apprenticeship / training schemes in order to develop employees to meet our requirements.</li> </ul> |     |          |                                                                |      |
| STR4                                                                                                                                                                       | 16/11/20 | <b>Inherent Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                     | 3x4 | <b>12</b> | <b>Residual Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2x4 | <b>8</b> | Risk Owner /<br>Lead Officer                                   | SAMT |
| <b>STR5</b><br><b>Delivery of statutory services alongside the Council's Vision, initiatives, major projects and reforms, potentially overstressing limited resources.</b> |          | <ul style="list-style-type: none"> <li>• New initiatives are not delivered in a cost-effective manner.</li> <li>• Failure to maintain / improve services in line with local aspirations.</li> <li>• Failure to generate the savings required to balance the budget.</li> <li>• Financial savings measures weaken Governance / Internal Control arrangements.</li> </ul> |     |           | <ul style="list-style-type: none"> <li>• The Council has effective prioritisation and project management arrangements in place to ensure resources are directed at key objectives.</li> <li>• The Council has made efforts to ensure effective use of employees by utilising shared services to protect service resilience, by maintaining appropriate training</li> </ul>                                                                                                                                                                                                                                                                |     |          |                                                                |      |

| Area Of Risk<br>(Reference / Date)                                                                             |          | Threats / Opportunities                                                                                                                                                                                                                                                                                                                                                                                          |     |           | Mitigation / Controls In Place /<br>Actions Undertaken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |     |          | Potential Further Action /<br>Action Planned / When By<br>Date |      |
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|                                                                                                                |          | <ul style="list-style-type: none"> <li>Service deterioration / failure arising from capacity issues.</li> </ul>                                                                                                                                                                                                                                                                                                  |     |           | arrangements and by investing in transformational ICT projects. <ul style="list-style-type: none"> <li>The Council has a robust performance management framework intended to highlight emerging issues.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |     |          |                                                                |      |
| STR5                                                                                                           | 16/11/20 | Inherent Risk Score<br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                     | 3x4 | <b>12</b> | Residual Risk Score<br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2x4 | <b>8</b> | Risk Owner /<br>Lead Officer                                   | SAMT |
| <b>STR6</b><br><b>Emergency Planning and Business Continuity arrangements fail to meet required standards.</b> |          | <ul style="list-style-type: none"> <li>Inability of Council to provide services as a consequence of a severe catastrophic external event (e.g. flooding, major terrorist incident, flu pandemic, fire).</li> <li>Failure of IT infrastructure, leading to inability to effectively operate services and to safeguard income streams.</li> <li>Business Continuity Plans prove ineffective in practice</li> </ul> |     |           | <ul style="list-style-type: none"> <li>The Council works in partnership with a range of partners on its Emergency Planning arrangements to ensure that we operate in line with best practice. There is an annual 'desktop' scenario to test officers understanding of the arrangements and that they are fit for purpose in a realistic 'trial' scenario.</li> <li>All sections have Business Continuity plans in place which identify key risks and mitigation. Corporate IT systems have been tested against Industry standards for Business Continuity.</li> <li>The Council works in partnership with a range of other agencies that should be able to provide support in the event of the Council's own procedures failing to be effective.</li> </ul> |     |          |                                                                |      |

| Area Of Risk<br>(Reference / Date)                                      |          | Threats / Opportunities                                                                                                                                                                                                                                              |     |           | Mitigation / Controls In Place /<br>Actions Undertaken                                                                                                                                                                                                                                                                                                                  |     |           | Potential Further Action /<br>Action Planned / When By<br>Date |                                   |
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|                                                                         |          |                                                                                                                                                                                                                                                                      |     |           | <ul style="list-style-type: none"> <li>The Council has put in place industry standard measures to minimise the risk of cyber crime.</li> </ul>                                                                                                                                                                                                                          |     |           |                                                                |                                   |
| STR6                                                                    | 16/11/20 | <b>Inherent Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                  | 5x5 | <b>25</b> | <b>Residual Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                     | 5x3 | <b>15</b> | Risk Owner /<br>Lead Officer                                   | SAMT                              |
| <b>STR7</b><br><b>Lack of appropriate strategic direction.</b>          |          | <ul style="list-style-type: none"> <li>Failure to deliver high quality services which address national and local priorities.</li> <li>Deterioration in Governance Arrangements.</li> <li>Refocus of current services necessary with associated disruption</li> </ul> |     |           | <ul style="list-style-type: none"> <li>There are appropriate structured training arrangements in place for both Members and Officers.</li> <li>The Council is an outward looking organisation where both Members and Officers are encouraged to network with peer groups to ensure a developed awareness of the broader environment within which we operate.</li> </ul> |     |           |                                                                |                                   |
| STR7                                                                    | 16/11/20 | <b>Inherent Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                  | 3x4 | <b>12</b> | <b>Residual Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                     | 2x4 | <b>8</b>  | Risk Owner /<br>Lead Officer                                   | SAMT /<br>Political<br>Leadership |
| <b>STR8</b><br><b>Failure to meet required standards of governance.</b> |          | <ul style="list-style-type: none"> <li>Adverse Impact upon Service Quality.</li> <li>Failure to deliver high quality services which address national and local priorities.</li> <li>Significant adverse reputational impact</li> </ul>                               |     |           | <ul style="list-style-type: none"> <li>The Council has appropriate managerial arrangements in place supported by staff recruitment and training to ensure these risks are effectively managed.</li> <li>The Council has an active Standards and Audit Committee which provide independent review of the Governance arrangements in the Council.</li> </ul>              |     |           |                                                                |                                   |

| Area Of Risk<br>(Reference / Date)                                                                                                                           |          | Threats / Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |           | Mitigation / Controls In Place /<br>Actions Undertaken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |          | Potential Further Action /<br>Action Planned / When By<br>Date |                                                |
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|                                                                                                                                                              |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |     |           | <ul style="list-style-type: none"> <li>The Annual Governance Statement sets out an evidence based structured assessment of the operation of the Council's governance arrangements.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |     |          |                                                                |                                                |
| STR8                                                                                                                                                         | 16/11/20 | <b>Inherent Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 3x4 | <b>12</b> | <b>Residual Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2x4 | <b>8</b> | Risk Owner /<br>Lead Officer                                   | S151 Officer /<br>Monitoring<br>Officer / SAMT |
| <b>STR9</b><br><b>Failure to have in place robust, comprehensive and up to date policies and procedures for safeguarding children and vulnerable adults.</b> |          | <ul style="list-style-type: none"> <li>Profile of safeguarding is poor</li> <li>Staff and members do not know what safeguarding is and their role within it</li> <li>Staff and members do not know how to spot the signs</li> <li>Staff and members do not know how to report it and to who?</li> <li>Lack of public confidence in Council policies plans and staff</li> <li>Reputational damage</li> <li>Potential significant harm to individuals resulting from abuse and neglect of Children and/or Vulnerable Adults possibly leading to personal harm, injury and death</li> </ul> |     |           | <ul style="list-style-type: none"> <li>The Council has in place up to date policies for safeguarding both Children and Vulnerable Adults. These policies are aligned to DCC policies which in turn are in line with legislation, regulation and statutory duties placed on Local Authorities.</li> <li>The Council has in place and maintain systems of working practice to safeguard children and vulnerable adults at Council activities and those who receive Council services.</li> <li>Staff recognised as appropriate to do, are DBS/CRB checked</li> <li>All staff receive mandatory safeguarding training</li> <li>Safeguarding is widely promoted and embedded throughout the organisation with all staff being issued with a wallet sized 'safeguarding quick reference guide'</li> </ul> |     |          |                                                                |                                                |

| Area Of Risk<br>(Reference / Date)                                                                                       |          | Threats / Opportunities                                                                                                                                                                                                                                                                                                     |     |    | Mitigation / Controls In Place /<br>Actions Undertaken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     |    | Potential Further Action /<br>Action Planned / When By<br>Date |                                   |
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|                                                                                                                          |          |                                                                                                                                                                                                                                                                                                                             |     |    | which details what to look out for and what to do <ul style="list-style-type: none"> <li>The Council has an internal safeguarding group which meets quarterly which has representation from all service areas of the Council.</li> <li>The Council host and Chair the Countywide Derbyshire Safeguarding Leads Sub Group of the Derbyshire Safeguarding Childrens Board and Derbyshire Safeguarding Adults Board</li> <li>The Council are represented on both the Derbyshire Safeguarding Children's Board (DSCB) and the Derbyshire Safeguarding Adults Board ( DSAB)</li> </ul> |     |    |                                                                |                                   |
| STR9                                                                                                                     | 16/11/20 | Inherent Risk Score<br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                | 5x4 | 20 | Residual Risk Score<br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 4x3 | 12 | Risk Owner /<br>Lead Officer                                   | SAMT /<br>Political<br>Leadership |
| <b>STR10</b><br><b>Failure to recover from the impact of COVID-19 upon the organisation, local economy and community</b> |          | <ul style="list-style-type: none"> <li>Loss of income to the Council</li> <li>Inability to provide safe working environment resulting in COVID contamination and infection</li> <li>Adverse impact on employee health</li> <li>Inability to change the Councils 'ways of working' to meet the current challenges</li> </ul> |     |    | <ul style="list-style-type: none"> <li>The Council plays an active role in the Local Resilience Forum (LRF) working to effectively and collectively tackle the impact of COVID within the County.</li> <li>The Council has in place effective business continuity and emergency action plans</li> <li>The Council has in place robust recovery plans which include:</li> </ul>                                                                                                                                                                                                    |     |    |                                                                |                                   |

| Area Of Risk<br>(Reference / Date)                                                                                                                                  |            | Threats / Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |           | Mitigation / Controls In Place /<br>Actions Undertaken                                                                                                                                                                                                                                                                                                                                                                                                                           |     |           | Potential Further Action /<br>Action Planned / When By<br>Date                                                                                                                                              |                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
|                                                                                                                                                                     |            | <ul style="list-style-type: none"> <li>Increased Cybersecurity and ICT related risk due to remote working increase</li> <li>Inability to support local businesses and employers</li> <li>Inability to support the community and in particular vulnerable people</li> </ul>                                                                                                                                                                                                                                                                                                |     |           | <ul style="list-style-type: none"> <li>Maintaining financial control</li> <li>Workplace safety</li> <li>New ways of working</li> <li>ICT and cybersecurity</li> <li>External recovery plans</li> </ul>                                                                                                                                                                                                                                                                           |     |           |                                                                                                                                                                                                             |                                   |
| STR10                                                                                                                                                               | 16/11/20   | <b>Inherent Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 5x5 | <b>25</b> | <b>Residual Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                              | 5x3 | <b>15</b> | Risk Owner /<br>Lead Officer                                                                                                                                                                                | SAMT /<br>Political<br>Leadership |
| <b>STR11</b><br><b>Cyber security attack which severely impacts ICT systems and data. E.g. Ransomware attack rendering access to ICT unavailable for some time.</b> |            | <ul style="list-style-type: none"> <li>Inability of Council to provide services as a consequence of a severe catastrophic event which renders access to ICT unavailable such as Ransomware attack.</li> <li>Potential ICO Fines and reputational damage.</li> <li>Adverse Impact upon Service Quality and income streams.</li> <li>Failure to deliver high quality services which address national and local priorities.</li> <li>Potential ICO fines for loss of data</li> <li>Significant adverse reputational impact.</li> <li>Significant cost to Council.</li> </ul> |     |           | <ul style="list-style-type: none"> <li>See Operational level activities risk reference ICT1</li> <li>The Council works in partnership with a range of partners on its Emergency Planning arrangements to ensure that we operate in line with best practice.</li> <li>All sections have Business Continuity plans in place which identify key risks and mitigation.</li> <li>Corporate IT systems have been tested against Industry standards for Business Continuity.</li> </ul> |     |           | Emergency planning to run Cyber security training events.<br><br>Improved awareness to Service Managers.<br><br>Service Managers to review business continuity plans specifically relating to cyber-attack. |                                   |
| STR11                                                                                                                                                               | 08/02/2021 | <b>Inherent Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 5x5 | <b>25</b> | <b>Residual Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                                              | 5x5 | <b>25</b> | Risk Owner /<br>Lead Officer                                                                                                                                                                                | SAMT /<br>Political<br>Leadership |

| Area Of Risk<br>(Reference / Date)                                                                                                                                                                                                                                                                                                   |          | Threats / Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |           | Mitigation / Controls In Place /<br>Actions Undertaken                                                                                                                                                                                                                                                                                                                                                                                                         |     |           | Potential Further Action /<br>Action Planned / When By<br>Date |                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|----------------------------------------------------------------|-----------------------------------|
| <b>STR12</b><br><b>Significant increases to general cost of living which may impact on Council income including Council Tax, Business Rates, increased rent arrears and reduced leisure income.</b><br><br><b>Significant increases in fuel prices (both vehicle and property) having an adverse effect on the Council's budget.</b> |          | <ul style="list-style-type: none"> <li>Reduced income to the Council which impacts on the Council's MTFP including:</li> <li>Reduced income from leisure services and other council services which attract income</li> <li>Reduced Council Tax, rent and Business Rates income</li> <li>Increase in fuel prices</li> <li>Increase in energy prices</li> <li>Increases in staff pay award above the budgeted amount</li> </ul>                              |     |           | <ul style="list-style-type: none"> <li>Early identification of reduced income to mitigate impact</li> <li>Early engagement with residents, tenants, businesses and service users in relation to payment plans</li> <li>Procurement of fuel to achieve best prices</li> <li>Regular monitoring of energy prices and assessments of impact against budget</li> <li>Regular budget monitoring</li> <li>Potential for future Government support</li> </ul>         |     |           |                                                                |                                   |
| STR12                                                                                                                                                                                                                                                                                                                                | 08/04/22 | <b>Inherent Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                        | 4x4 | <b>16</b> | <b>Residual Risk Score</b><br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                            | 4x3 | <b>12</b> | Risk Owner /<br>Lead Officer                                   | SAMT /<br>Political<br>Leadership |
| <b>STR13</b><br><b>Housing resettlement programmes including the Afghan Resettlement Scheme and the Homes for Ukraine Scheme. Potential housing availability pressures, safeguarding, potential homelessness and effective co-ordination of the schemes whilst in the early stages of development.</b>                               |          | <ul style="list-style-type: none"> <li>Initial data issues from the Government portal</li> <li>Identification of safeguarding issues, including unaccompanied children, vulnerable adults and inappropriate housing</li> <li>Lack of resources to undertake timely inspections</li> <li>Breakdown in relationships with hosts leading to homelessness and the requirement to find alternative housing</li> <li>Uncertainty of long term options</li> </ul> |     |           | <ul style="list-style-type: none"> <li>Close working with Derbyshire County Council Resettlement Team to ensure data is accurate and complete. Use of alternative ICT programmes to share and update records i.e. Sharepoint</li> <li>Development of a standard proforma for property inspections. Timely feeding back of information to DCC with any concerns raised immediately.</li> <li>Use of paid overtime for staff to undertake inspections</li> </ul> |     |           |                                                                |                                   |

| Area Of Risk<br>(Reference / Date)                  |          | Threats / Opportunities                                                                                                                                                                                                                                                                                                                                    |     |           | Mitigation / Controls In Place /<br>Actions Undertaken                                                                                                                                                                                                                                                                                                                                                                                          |     |           | Potential Further Action /<br>Action Planned / When By<br>Date |                                   |
|-----------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|----------------------------------------------------------------|-----------------------------------|
|                                                     |          |                                                                                                                                                                                                                                                                                                                                                            |     |           | <ul style="list-style-type: none"> <li>• Access to government funding via the DCC allocation</li> <li>• Use of homelessness provisions within the Council's housing team including emergency and temporary accommodation</li> <li>• Use of safeguarding reporting in accordance with established policies</li> <li>• Early consideration of potential increases in homelessness as the scheme approaches 6 &amp; 12 month timescales</li> </ul> |     |           |                                                                |                                   |
| STR13                                               | 08/04/22 | Inherent Risk Score<br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                               | 4x4 | <b>16</b> | Residual Risk Score<br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                    | 3x4 | <b>12</b> | Risk Owner /<br>Lead Officer                                   | SAMT /<br>Political<br>Leadership |
| <b>STR14</b><br><b>The impact of Climate Change</b> |          | <ul style="list-style-type: none"> <li>• Failure to meet government policy and targets</li> <li>• Failure to meet Council targets</li> <li>• Impact of statutory requirements and targets on the Council's budget</li> <li>• Damage to the Council's reputation</li> <li>• Responding to environmental events including weather and land issues</li> </ul> |     |           | <ul style="list-style-type: none"> <li>• Delivery of the Climate Change Strategy and Group Action Plan</li> <li>• Training and qualifications on climate change and carbon literacy</li> <li>• Appropriate emergency plan, business continuity plans and weather planning</li> <li>• Close monitoring of new policy requirements and targets</li> </ul>                                                                                         |     |           |                                                                |                                   |
| STR14                                               | 08/04/22 | Inherent Risk Score<br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                               | 4x4 | <b>16</b> | Residual Risk Score<br>(Likelihood x Impact)                                                                                                                                                                                                                                                                                                                                                                                                    | 3x4 | <b>12</b> | Risk Owner /<br>Lead Officer                                   | SAMT /<br>Political<br>Leadership |

## **Bolsover District Council**

### **Audit and Corporate Overview Scrutiny Committee**

#### **Annual Governance Statement and Local Code of Corporate Governance**

#### **Report of the Assistant Director of Governance & Monitoring Officer**

|                        |                                                                                                                                                           |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Classification</b>  | This report is public                                                                                                                                     |
| <b>Report By</b>       | Assistant Director of Governance & Monitoring Officer<br><a href="mailto:Jim.fieldsend@bolsover.gov.uk">Jim.fieldsend@bolsover.gov.uk</a><br>01246 242472 |
| <b>Contact Officer</b> | As above                                                                                                                                                  |

#### **PURPOSE/SUMMARY OF REPORT**

- To seek the agreement of the Audit and Corporate Overview Scrutiny Committee to the conclusions and content of the Annual Governance Statement which it is proposed to incorporate within the Council's Statement of Accounts for 2021/22.
- To increase awareness of Governance issues amongst Members and Employees of the Council and more generally amongst all stakeholders.

#### **REPORT DETAILS**

##### **1. Background**

- 1.1 As part of its Statement of Accounts the Council is required to include an Annual Governance Statement. Preparation of the Statement needs to be undertaken in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) framework which sets out the fundamental principle of corporate governance that need to be addressed. The CIPFA / SOLACE Framework sets out the following core principles which Authorities should follow:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder agreement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.

- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

One of the main purposes of the Annual Governance Statement is to assess the extent to which the above key principles are in place within an authority and are adhered to in practice. In short it is an annual assessment process for the Council's Governance arrangements. As part of this process the Audit and Corporate Overview Scrutiny Committee will also be requested to give consideration to the Council's updated Code of Corporate Governance.

- 1.2 A key principle for CIPFA/SOLACE is that the Annual Governance Statement together with the Code of Corporate Governance are corporate documents, which must be owned by the whole organisation. Some key principles which are set out in the Code are as follows:
  - The key focus of the governance structures should be the attainment of sustainable economic, societal and environmental outcomes.
  - Local authorities must focus on the long term having responsibilities to more than their current electors as they must take into account the impact of current decisions and actions on future generations.
  - Local Authorities should assess their Governance structures and partnerships on at least an annual basis reporting publicly on compliance.
- 1.3 The Draft Annual Governance Statement for consideration and approval by this Committee is attached as Appendix 1. While it is anticipated that the version considered by the Audit and Corporate Overview Scrutiny Committee will effectively be the final version of the Annual Governance Statement there may be a requirement to make some final changes before the Statement of Accounts is authorised for issue by the Section 151 Officer. It is therefore recommended that delegated powers be given to the Section 151 Officer in consultation with the Chair or Deputy Chair of this Committee to agree any final changes. It should be noted that the only changes that will be made under these delegated powers will relate to amendments agreed with the Council's external auditors Mazars.
- 1.4 The preparation of the draft Annual Governance Statement sits alongside the Council's Local Code of Corporate Governance. The Code of Corporate Governance is attached at Appendix 2 to this report for consideration by the Audit and Corporate Overview Scrutiny Committee. The Code is due a full review no later than 31<sup>st</sup> March 2025 however minor reviews and updates can be made in the meantime where required. No updates are proposed at this time.
- 1.5 Included in section 4 of the Code of Corporate Governance is a requirement for the senior Leadership and Management teams to assess the arrangements which were operational within the Council during previous financial year (in this case 2021/22) to ensure that it is meeting the requirements of the code and to set out the results in the Annual Governance Statement.
- 1.6 As can be seen from section 4 of the Annual Governance Statement the review supports the assessment that there are appropriate governance arrangements in place and they are fit for purpose. Where significant issues have been identified the Statement says that these will be addressed to ensure governance arrangements remain robust.

## **2. Reasons for Recommendation**

- 2.1 To enable the Audit and Corporate Overview Scrutiny Committee to assess the appropriateness of the draft Annual Governance Statement and to make recommendations concerning any amendments which they consider appropriate.

## **3. Alternative Options and Reasons for Rejection**

- 3.1 There are no alternative options for consideration.

---

## **RECOMMENDATION(S)**

1. That the Audit and Corporate Overview Scrutiny Committee consider the draft Annual Governance Statement as set out in Appendix 1 and make any observations or recommendations which they consider to be appropriate prior to the final version being incorporated within the Council's Statement of Accounts.
2. That the Audit and Corporate Overview Scrutiny Committee having reviewed the effectiveness of the Governance Framework are satisfied that the Council's governance and internal control arrangements are fit for purpose.
3. That delegated powers are granted to the Section 151 Officer in consultation with the Chair or Deputy Chair of the Audit and Corporate Overview Scrutiny Committee to agree any changes which may be necessary in order to ensure the finalisation of the external audit currently being concluded by the Council's external auditors Mazars to ensure completion of the Statement of Accounts by the statutory deadline of 30 September 2022.

### **IMPLICATIONS:**

**Finance and Risk:**                      Yes ☒                      No ☐

**Details:**

There are no additional financial implications arising from this report.

Risk effective governance arrangements for local authorities are crucial if authorities are to meet the standards of accountability, integrity, consumer focus, democratic engagement and organisational effectiveness that are expected of them. The preparation of the Annual Governance Statement is one of the mechanisms that helps ensure that effective governance arrangements are in place. The gross impact of not having effective Governance arrangements in place would be significant with the CIPFA / SOLACE guidance taking the view that effective governance lies at the heart of a Council's managerial, performance and financial arrangements. The Governance Statement and supporting documentation do, however, demonstrate that the Council has in place a range of processes and procedures which taken together amount to a culture of effective governance. While there remain a limited number of significant individual issues that need to be addressed and resolved to improve the Council's Governance arrangements the overall framework is sound and provides an appropriate base from which to address the individual issues identified within this report.

On behalf of the Section 151 Officer

**Legal (including Data Protection):**      Yes ☒      No ☐

**Details:**

The requirement to include an Annual Governance Statement within the Council's Statement of Accounts is set out within the Accounts and Audit Regulations 2015 and associated best practice. The processes outlined in the report should be sufficient to ensure that the Council's Governance Statement together with the Local Code of Corporate Governance meets the requirements of both the relevant legislation and associated good practice.

On behalf of the Solicitor to the Council

**Staffing:**      Yes ☐      No ☒

**Details:**

On behalf of the Head of Paid Service

## DECISION INFORMATION

|                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <b>Is the decision a Key Decision?</b><br>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:<br><br><b>Revenue - £75,000   <input type="checkbox"/>   Capital - £150,000   <input type="checkbox"/></b><br><b><input checked="" type="checkbox"/> Please indicate which threshold applies</b> | No |
| <b>Is the decision subject to Call-In?</b><br><i>(Only Key Decisions are subject to Call-In)</i>                                                                                                                                                                                                                                                                                                                                         | No |

|                                                                                                                                                                                                                                                                                                                                            |                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <b>District Wards Significantly Affected</b>                                                                                                                                                                                                                                                                                               | (please state which wards or state All if all wards are affected) |
| <b>Consultation:</b><br><b>Leader / Deputy Leader   <input type="checkbox"/>   Executive   <input type="checkbox"/></b><br><b>SLT   <input type="checkbox"/>   Relevant Service Manager   <input type="checkbox"/></b><br><b>Members   <input type="checkbox"/>   Public   <input type="checkbox"/>   Other   <input type="checkbox"/></b> | Details:                                                          |

|                                                                       |
|-----------------------------------------------------------------------|
| <b>Links to Council Ambition: Customers, Economy and Environment.</b> |
|-----------------------------------------------------------------------|

|                               |
|-------------------------------|
| Demonstrating good governance |
|-------------------------------|

|                             |
|-----------------------------|
| <b>DOCUMENT INFORMATION</b> |
|-----------------------------|

| Appendix No | Title                                                                   |
|-------------|-------------------------------------------------------------------------|
| 1           | Annual Governance Statement for year ending 31 <sup>st</sup> March 2022 |
| 2           | Code of Corporate Governance                                            |

|                          |
|--------------------------|
| <b>Background Papers</b> |
|--------------------------|

|                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# Annual Governance Statement

for year ended 31 March 2022



## Foreword

*“To continue to be a dynamic, self-sufficient and flexible Council that delivers excellent services, whilst adapting to local aspirations and acting as the economic and environmental driver for Bolsover District...”*

**...this is the Council’s Ambition for 2020-2024 and it has been developed as an alternative to a Council Plan as a series of ambitions.**

The Ambition is flexible and adaptable. It has the scope for new projects to be delivered alongside the provision of excellent services, whilst having the preparedness to address uncertainties such as reductions in funding and income we receive, changes in legislation that affect our services or influences that affect our local communities and their way of life.

Bolsover District Council is publicly funded and the projects we implement to help us achieve this ambition must and will be subject to revision, scrutiny and audit as we continue to respond to the changing needs of our District.

This Annual Governance Statement assesses the corporate governance arrangements we had in place during 2021/22 and the changes we continue to make to those arrangements in response to the ongoing Covid-19 pandemic.



Karen Hanson  
**Executive Director of Resources  
(Head of Paid Service)**



Steve Fritchley  
**Leader**

## What is Corporate Governance?

Corporate governance is the combination of rules, practices and processes by which organisations are directed, regulated and controlled. It is also about culture, values and ethics. It is the way that councillors and employees act.

The Council's corporate governance arrangements aim to ensure that it does the right things at the right time for the right people in a way that is timely, inclusive, open, honest and accountable.



## The Annual Governance Statement

Bolsover District Council has approved and adopted a code of corporate governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) - the

'Delivering Good Governance in Local Government Framework' 2016 edition.

This statement explains how the Council has complied with the code for the year ended 31 March 2022 and also how it meets the requirements of the Accounts and Audit (England) Regulations 2015.

# 1. The Council's Governance Responsibilities

Bolsover District Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards, that public money is safeguarded and properly accounted for and is used economically, efficiently and effectively.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is

responsible for putting in place proper arrangements for the governance of its affairs and for facilitating the effective exercise of its functions. This includes arrangements for the management of risk.

The Council's Governance Code, which was renewed in accordance with the new governance guidance produced by CIPFA and SOLACE, states the importance to the Council of good corporate governance and sets out its commitment to the principles involved. The Code can be obtained from the Monitoring Officer.

## Governance and Partnerships

In addition to giving appropriate consideration to the Council's internal governance arrangements, it needs to be recognised that the Council is working in a number of partnership arrangements.

Since April 2011, the Council has operated a Strategic Alliance with North East Derbyshire District Council, a neighbouring authority.

Joint working takes place across some services including Environmental Health which is a fully shared service hosted by North East Derbyshire District Council.

In addition, we have joint arrangements with Chesterfield Borough Council, Derbyshire Dales District Council, Amber Valley Borough Council and Gedling Borough Council for a range of services.

The Council is a partner of the Derbyshire Building Control Partnership (DBCP) along with six other district councils and Derby City

Council. The DBCP provides building control services across Derbyshire and Staffordshire Moorlands.

Dragonfly Development Ltd is a joint venture company set up by the Council and Robert Woodhead Ltd. It is a company that has been established to take advantage of the wider trading powers provided by the Localism Act 2011. This is an act which enables local authorities to perform functions beyond its traditional activities including open market housing development, however it can only do so through external bodies such as joint venture companies.

We have a Local Strategic Partnership which engages with a range of local partners including NHS bodies. We also actively participate in the D2N2 Local Enterprise Partnership.

Where the Council has entered into partnership arrangements it seeks to ensure that they are subject to appropriate governance management arrangements.

## 2. The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values, by which the Council is directed and controlled, together with those activities through which it accounts to, engages with and leads the local community.

It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost effective services.

In order to review the effectiveness of the governance framework, assurances are provided to, and challenged by, the Audit and Corporate Overview Scrutiny Committee, Scrutiny Committees,

Executive or Council as appropriate.

Some of the key elements of the governance framework are highlighted on the next pages.

The system of internal control is a significant part of the governance 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.



**Purpose:** To become a dynamic, self-sufficient and flexible Council that delivers excellent services, whilst adapting to local aspirations and acting as the economic and environmental driver for Bolsover District.

**Assurance Required on:**

- Delivery of Corporate Plan/Council Ambition
- Communication of performance
- Financial management
- Service quality and best use of resources
- Any failures in service delivery addressed effectively
- Councillors and officers working together effectively
- Compliance with laws and regulations, policies and procedures
- High standards of conduct and behaviour
- Informed and transparent decision making
- Management of risk and effective internal controls
- Developing the capacity and capability of members and employees
- Democratic engagement and robust public accountability

**Sources of Assurance:**

- Community Strategy
- Planning principles for services
- Constitution
- Strategic Leadership and Senior Management structures
- Medium Term Financial Strategy
- Financial Procedure Rules
- Contract Procedure Rules
- Procurement Strategy
- Consultation and Engagement Strategy
- Single Equality Scheme
- Organisational Development and Workforce Strategy
- Information Management Strategy
- ICT & Digital Strategy
- Health and Safety Policy
- Risk Management Strategy
- Partnership Working
- Internal & External Audit and inspection
- Counter Fraud Strategy and Policy & Procedures
- Audit and Standards committees
- Codes of Conduct (Employees and Members)

**Governance Code**

**Sources of Assurance  
(continued)**

- Whistleblowing Policy
- Performance Review and Development
- Complaints system
- Member Development Programme

**Assurances Received:**

- Statement of Accounts
- External Audit and Inspection reporting
- Internal Audit reporting
- Risk and Control Registers and Risk Management Reporting
- Chief Officers' Internal Control Assurances
- Counter Fraud Annual Report
- Scrutiny Reviews
- Reviews commissioned by management
- Annual review of the Constitution
- Peer Reviews
- Ombudsman Reports
- Ongoing review of Corporate Governance and of gaps in assurance
- Quarterly performance reports to Executive

**Opportunities for Improvement:**

- To support residents of the district in response to the current external events including the 'cost of living crisis' and the war in Ukraine.
- To continue to manage the risk of cyber-security attack through the ICT Strategic working group, monitor the increased risks due to new working arrangements including agile working and the external environment.
- Address the recent difficulties in the recruitment to some professional posts, including the areas of legal and audit.
- Monitor the impact of the changes to the Governance Team to ensure continuous improvement.
- Continue to use the Risk Management Group to review the current Risk Strategy, regularly review the Corporate Strategic Risk Register and ensure a corporate grip on all risks identified.

**Annual  
Governance  
Statement**

**Governance Framework**

## The Council Ambition

The Council Ambition 2020-2024 was developed in early 2020. The Ambition replaced the Corporate Plan and outlined the key areas that the Council would focus on over the following four years.

The Council's overall Ambition is 'to become a dynamic, self-sufficient and flexible Council that delivers excellent services, whilst adapting to local aspirations and acting as the economic and environmental driver for Bolsover District.'

The Ambition sets out three strategic themes - Customers, Economy and Environment. Beneath each of these are a number of priorities which will be considered in the delivery of services.

A suite of performance indicators support the Ambition.

In preparation for the next four years the Leader of the Council invited the Local Government Association to undertake a Peer Review during November 2019.

The feedback from the review was considered when developing the new Council Ambition.

## Performance Management

Performance monitoring is undertaken by the Scrutiny Committees. In addition, Portfolio Holders meet regularly with officers, Assistant Directors and Executive Directors to ensure effective performance management across the suite of agreed performance indicators supporting the Ambition. Executive and Council receive an Annual report which identifies key achievements and challenges, celebrates successes and identifies areas of work which require focus over the forthcoming year.

### Social Media

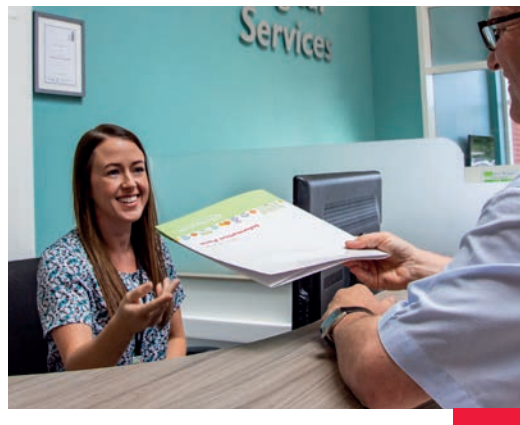
Join the conversation on all aspects of Bolsover District Council services and activities.

The Council provides its customers access to our services and information in the most appropriate Social Media channels and through its own Bolsover TV channel.

## OUR PRIORITIES

### Customers:

- Increasing customer satisfaction with our services
- Improving customer contact and removing barriers to accessing information
- Actively engaging with partners to benefit our customers
- Promoting equality, diversity and supporting vulnerable and disadvantaged people
- Providing good quality council housing where people choose to live
- Improving health, wellbeing and increasing participation in sport and leisure activities



### Economy:

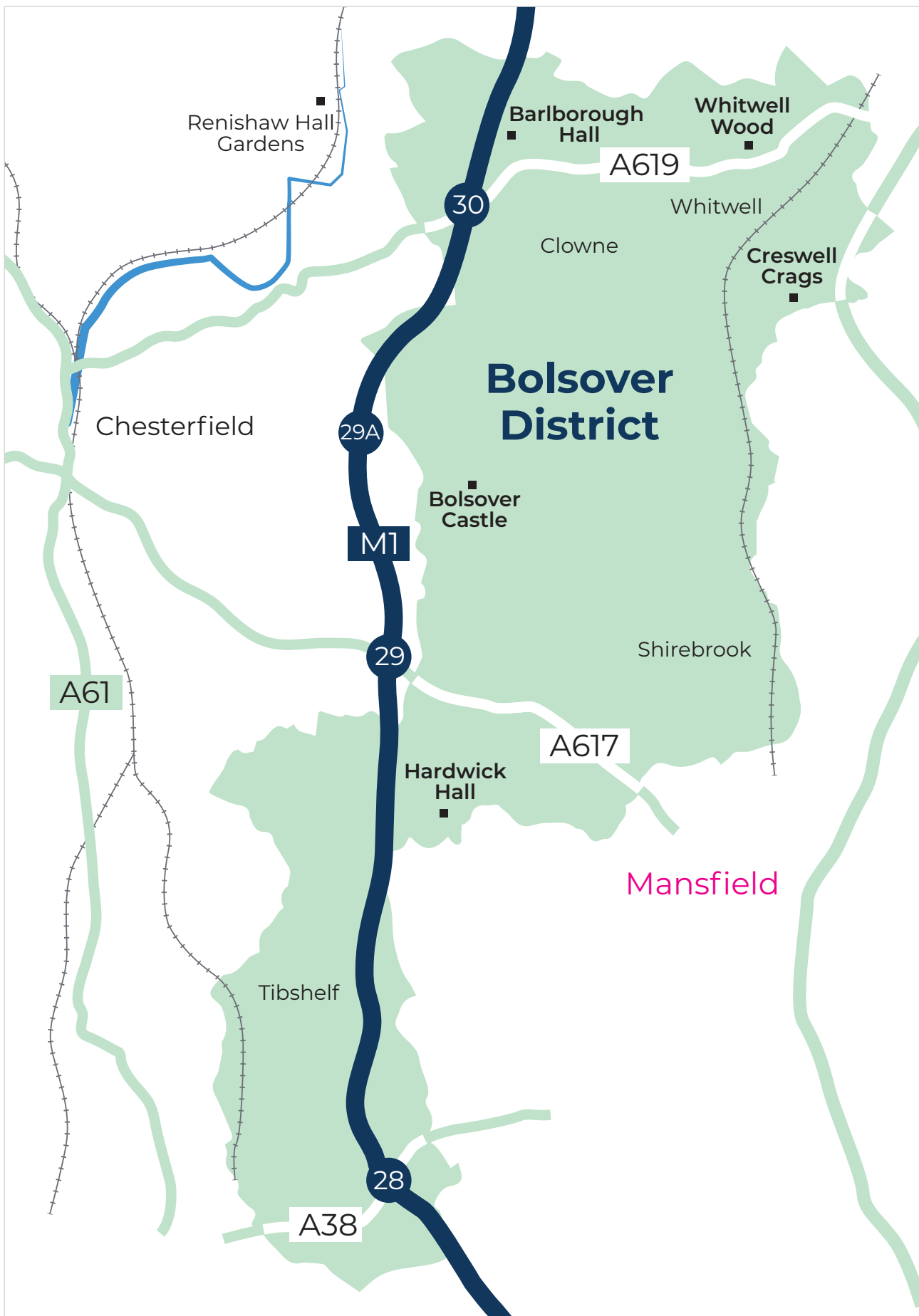
- Working with partners to support enterprise, innovation, jobs and skills
- Unlocking Development Potential: unlocking the capacity of major employment sites
- Enabling Housing Growth: increasing the supply, quality and range of housing to meet the needs of the growing population and support economic growth
- Making the best use of our assets
- Ensuring financial sustainability and increasing revenue streams
- Promoting the District and working with partners to increase tourism



### Environment:

- Reducing our carbon footprint whilst supporting and encouraging residents and businesses to do the same
- Increasing recycling
- Ensuring a high standard of environmental cleanliness, undertaking appropriate enforcement activity where required
- Enhancing biodiversity and developing attractive neighbourhoods that residents feel proud of and take responsibility for
- Working with partners to reduce crime and anti-social behaviour
- Actively engaging with partners to benefit our communities





## Managing Risk and Opportunities

The Council has a Risk Management Strategy and associated framework in place.

The Council has embedded risk management by the establishment of a Risk Management Group, Elected Member led and attended by senior officers, internal audit and health and safety.

The group regularly reviews all risk registers, offering challenge to the assessment process. The group leads on the development and review of all risk related policies, plans and strategies across the Council. These are supported by a Risk Management Strategy which identifies and mitigates the Strategic and Operational risks.

The Risk Management framework includes a quarterly reporting process to Audit and Corporate Overview Scrutiny Committee.

The Council is risk aware rather than risk averse. The extent to which the Council is risk averse, will undoubtedly impact on its potential to progress available opportunities to secure benefits for local residents.

The Risk Management approach, both in the identification of risks and the action taken to address the risks, is flexible and has the ability to respond to change. National policies, service delivery arrangements, national and local circumstances, together with Council priorities have and will continue to change and evolve over time. The Council's Risk Management focus and arrangements are able to adjust in order to ensure that current threats and opportunities are effectively addressed and not stifled

by inappropriate risk management arrangements.

Although the Council can do much to manage the risks it faces, it does need to be recognised that some of the major Strategic Risks are only partially within its direct influence. Key risks included in the Strategic Risk Register at present are:

### STR1

The introduction of Government Legislation/Parliamentary uncertainty which has an adverse impact on the Council's budget or ability to carry out its statutory functions, for example the Government White Paper on Levelling Up and the potential impact of devolution.

### STR2

Failure to deliver a balanced budget in line with the MTFP, at a time when the Council's reserves are limited to 'adequate' levels.

### STR3

The Council is affected by an operational failure which has a major impact upon the provision of services to residents, communities and/or businesses (for example ICT failure, utilities failure or building/depot failure).

### STR4

It becomes increasingly difficult to recruit to key posts or to replace key staff who leave (for example Environmental Health Officers qualified lawyers and auditors).

**STR5**

Continued delivery of statutory services alongside the Council's Vision and other initiatives, projects and reforms, potentially overstressing limited resources.

**STR6**

Emergency Planning and Business Continuity arrangements fail to meet required standards.

**STR7**

Lack of appropriate strategic direction.

**STR8**

Failure to meet required standards of governance.

**STR9**

Failure to have in place robust, comprehensive and up to date policies and procedures for safeguarding children and vulnerable adults.

**STR10**

Failure to address the impact of COVID-19 upon the organisation, local economy and community.

**STR11**

Cyber security attack which severely impacts ICT systems and data. E.g. Ransomware attack rendering access to ICT unavailable for some time.

**STR12**

Significant increases to general cost of living which may impact on Council income including Council Tax, Business Rates and Rent arrears and reduced leisure income.

**STR13**

Homes for Ukraine Scheme including safeguarding, potential homelessness and effective co-ordination of the scheme whilst in its early stages of development.

**STR14**

The impact of Climate Change including: the impact of Government national policy and targets; the impact of statutory requirements to meet targets on the Council's budget; failure to meet the Council's Climate Change targets; responding to environmental changes including severe weather events.

## Decision Making and Responsibilities

The Council consists of 37 elected members, with an Executive of lead members who are supported and held to account by four scrutiny committees.

The Council has a formal Constitution in place which sets out how the Council operates, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules governing the Council's business, and a section on responsibility for functions, which includes a list of decisions that can be taken by officers. It also contains the rules, protocols and codes of practice under which the Council, its members and officers operate.

In July 2021, the Council approved the disestablishment of its two Joint Strategic Director posts and established another full-time Director post working solely for Bolsover District Council alongside the existing Director of Strategy and Development. The new post, Executive Director of Resources, was also designated the Head of Paid Service. The July report approved that the new Executive Director of Resources and the existing Executive Director of Development, review the rest of the management structure in consultation with all Portfolio Holders. This has been completed.

The Constitution is available on the Council's website and is reviewed annually through Standards Committee and Annual Council.

### Open Decision-making

Meetings of the Council, Executive and the main Committees are open to the public except where exempt or confidential matters are being discussed, and all reports considered and the minutes of decisions taken are, unless confidential, made available on the Council's website.

The Council's Forward Plan contains information about matters that are likely to be the subject of a decision taken by Executive during the forthcoming four months.



The Constitution sets out the functions of key governance officers, including the statutory posts of 'Head of Paid Service' (Executive Director of Resources), 'Monitoring Officer' (Assistant Director of Corporate Governance) and 'Section 151 Officer' (Assistant Director of Finance and Resources) and explains the role of these officers in ensuring that processes are in place for enabling the Council to meet its statutory obligations and also for providing advice to members, officers and committees on staff management, financial, legal and ethical governance issues.

As a result of the Pandemic and temporary Regulations temporarily allowing this, Member meetings were held virtually for the first few months of the municipal year. This worked well and ensured that all meetings could still be viewed by the public. From August onwards, meetings were hybrid in nature allowing Members to decide when they were comfortable to attend in person. By February, meetings had gradually returned to being held in person only. In addition, temporary emergency delegations were extended to ensure that the Council's business could be continued.





## Equality

The Council is committed to delivering equality and improving the quality of life for the people of Bolsover District Council. Our Single Equality Scheme and Equality Policy for service delivery clearly sets out that no person should be treated unfairly and commits the Council to eliminating all forms of discrimination, advancing equality and fostering good relations between all groups in society.

Any new Council policy, proposal or service, or any change to these that affects people must be the subject of an Equality Impact Assessment to ensure that equality issues have been consciously considered throughout the decision making processes.

## Financial Management

The Chief Financial Officer is responsible for the proper administration of the Council's financial affairs, as required by Section 151 of the Local Government Act 1972, and our financial management arrangements are compliant with the governance requirements set out in the Chartered Institute of Public Finance and Accountancy's 'Statement on the Role of the Chief Financial Officer in Local Government' (2016). The Council's Chief Financial Officer is a full member of the Strategic Leadership Team and is supported by appropriately qualified and experienced staff.

Internal financial control is based on a framework of management information that includes the Financial Regulations, Contract and Procurement Procedure Rules, our accounting procedures and key financial systems. These include established budget planning procedures and quarterly budget reports to Audit and Corporate Overview Scrutiny Committee and Executive.

The Medium Term Financial Strategy sets out the Council's strategic approach to the management of its finances and outlines some of the financial issues that we will face over the next four years.

Despite our established success in delivering savings, the Council faces the challenge of designing a sustainable budget for the future in the face of continuing changes to our income from Government funding. Since 2011/12, Bolsover District Council has delivered savings of over £5m. We have a good track record of finding

efficiencies and new ways of working but new budget savings are becoming increasingly difficult to identify and deliver now we have reduced service budgets to minimal levels. For this reason it is essential that the Council continues to identify areas where costs can be reduced but more importantly, income can be increased, to close any budget gaps.

A number of areas have already been identified around additional income and included in the Medium Term Financial Plan. Examples relate to potential extra income for Council Tax and business rates from new properties we are constructing; income from a new 3G football pitch; income from a proposed crematorium and income from a new toning suite within our leisure centre.

### The Financial Management Code

CIPFA has developed a Financial Management Code (FM Code) which is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code has been introduced because the exceptional financial circumstances faced by local authorities have revealed concerns about fundamental weaknesses in financial management, particularly in relation to a small number of high-profile failures across local government which threaten stakeholder's confidence in the sector as a whole.

Although the FM Code does not have legislative backing, it applies to all local authorities and it must be demonstrated that the requirements of the FM Code are being met.

Demonstrating this compliance with the Code is a collective responsibility of Elected Members, the Section 151 Officer and the Corporate Leadership Team.

As a first step towards ensuring that this Council meets the FM Code, the Council's Internal Audit Consortium carried out an audit during September 2020. The audit concluded that the Council complied with the majority of the FM Code already. Three recommendations were raised as follows:

**Recommendation 1** - Council's Monitoring Officer must ensure the Council's Local Code of Corporate Governance is approved by Audit Committee for 2020/21 by 31st March 2021 to ensure that this informs the Annual Governance Statement. (Priority: Low)

This was implemented during 2021/22 when the new Code of Conduct was adopted by Council on 5th July 2021.

**Recommendation 2** - Assistant Director of Finance and Resources (Section 151 Officer) maintains an overview of current benchmarking arrangements and adopts a methodology that can demonstrate the Council's financial resilience has been assessed. (Priority: Low)

To satisfy this recommendation, we subscribed to a benchmarking service for 2021/22. The service used our levels of reserves and balances for 2020/21 and compared us to other Local Authorities using their published accounts information. The resulting comment was that 'Bolsover has a healthy level of reserves and a positive direction of travel.'

When the renewal notice for this benchmarking service arrived the price had increased considerably, and it was felt we would not be getting good value for our money if we had continued the subscription. It has therefore been decided to look for other means by which we could meet this recommendation and part of the FM Code. The CIPFA index of resilience of English Councils is currently being looked at as an alternative, to ensure something is in place for this current year.

**Recommendation 3** - Further review of risk management, by audit, once working arrangements are back to normal following COVID-19 and the implementation of the Risk Management Group. (Priority: Medium)

The audit of risk management is currently ongoing and will be completed before the end of the current year.

During April 2021, a report was presented to the Audit and Corporate Overview Scrutiny Committee informing members of the FM Code and its requirements and of the internal audit consortium's findings.

It is the opinion of the Section 151 Officer that Bolsover District Council complies with the financial management standards that form the FM Code.

## Procurement of Goods and Services

Strategic procurement is a series of activities and processes that sits at the heart of the Council, providing the framework by which the Council obtains value for money in all of the goods and services that it procures.

The Council's Procurement Strategy was approved during 2021/22 and training sessions were provided to staff throughout the Council.

The strategy outlines how the procurement of goods and services is achieved and describes the Council's

Contract Procurement Rules which form part of the Council's Constitution.



## Managing Information

Information is central to the Council and its decision making processes and it therefore needs to be accurate and accessible to those who need it at the time and place that is required. The Council also recognises that it has a responsibility to safeguard the information it holds and to manage it with care and accountability.

The Council complies with the Transparency Agenda, Freedom of Information obligations and the requirements of the General Data Protection Regulation regarding the collection, use and transfer of personal data with an appropriately qualified and experienced Data Protection Officer in post.

To support these high standards of openness and probity the Council has in place an effective complaints policy.

### Freedom of Information

Details of how to access information held by the Council and its Freedom of Information policy are available on the Council's website at [www.bolsover.gov.uk](http://www.bolsover.gov.uk)



## Assurance from Internal and External Audit

The Council's external auditor is Mazars LLP. In accordance with their statutory requirements, their annual audit includes examining and certifying whether the financial statements are 'true and fair', and assessing our arrangements for securing economy, efficiency and effectiveness in the use of resources which also includes financial sustainability and governance. For 2020/21 the External Auditor gave an unqualified audit opinion on both the financial statements and the use of resources.

The Council's Internal Audit function is provided on a consortium basis and includes three other Councils.

The Internal Audit service is a key means of assurance. It is responsible for reviewing the adequacy of the controls throughout all areas of the Council and is compliant with the Public Sector Internal Audit Standards (PSIAS).

The Audit and Corporate Overview Scrutiny Committee approve the Internal Audit Charter, which sets out the Internal Audit role and its responsibilities and clarifies its independence, and the planned audit coverage.

The Head of Internal Audit Consortium's annual opinion as to the effectiveness of the Council's internal control environment for 2021/22 was:

*"In my opinion reasonable assurance can be provided on the overall adequacy and effectiveness of the council's framework for governance, risk management and control for the year ended 2021/22.*

*Due to the ongoing impact of COVID-19 in 2021/22, less internal audit work has been completed than usual. Audits have been undertaken in critical areas or high risk areas to ensure the Council's governance remains robust. In my opinion, sufficient work has been completed and assurances ascertained to be able to provide an unlimited opinion on the systems of governance, risk management and control in place.*

*Assurance can never be absolute. In this context 'reasonable assurance' means that arrangements are in place to manage key risks and to meet good governance principles, but there are some areas where improvements are required."*



The **Audit and Corporate Overview Scrutiny Committee** provides independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment. The Committee also oversees the Council's corporate governance arrangements. It is a statutory requirement and consists of eight Councillors appointed annually on a politically balanced basis by the Council and one co-opted member appointed by the Council.

**Its main functions include:**

- Agreeing the Annual Governance Statement and the Annual Statement of Accounts.
- Overseeing Internal Audit's independence, objectivity, performance and professionalism and supporting the effectiveness of Internal Audit.

- Considering the effectiveness of Risk Management, including the risks of bribery, fraud and corruption.
- Considering the reports of External Auditors and Inspectors.
- Ensuring effective scrutiny of the Treasury Management Strategies and associated policies.
- Receiving the Executive's budget proposals and scrutinise them in accordance with the Budget and Policy Framework Procedure Rules in the Council's Constitution.
- Receiving a quarterly update on performance against relevant Corporate Plan targets from Portfolio Holders.

The Committee's effectiveness is reviewed on an annual basis utilising CIPFA's self-assessment of good practice, specifically aimed at Audit Committees.



## Conduct

The Council's Members' Code of Conduct and Employee code of conduct sets out the standards of conduct and behaviour that are required by all Councillors and staff respectively. The Council is legally required to have a Code of Conduct for Councillors by virtue of the Localism Act 2011. The Members' code including its compliance is managed by the Council's Monitoring Officer whereas employee conduct is managed by the Human Resources Team.

In 2021 the Local Government Association (LGA) produced a model Code of Conduct following recommendation from the Committee for Standards in Public Life. The draft code was considered by the Council's Standards Committee on 5th July 2021 and recommended to the Council to adopt a new code based on the LGA model. At the meeting of the Council on 21st July 2021, the Council resolved to adopt the new Code of Conduct for Councillors as recommended by the Standards Committee.

Key elements of the code require members to register relevant interests and to declare them at times when the Council, its committees or Executive, are making decisions. The

code also sets out the standard of behaviour expected which follows the Seven Principles of Public Life also known as the Nolan Principles. These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The code also provides guidance on predisposition and predetermination when it comes to decision making.

Training on the new code of conduct has been provided to Members by the Monitoring Officer and Deputy Monitoring Officers.

In addition to the Code of Conduct members are subject to codes and protocols as set out in Part 5 of the Council's Constitution, namely:

- Social Media Guidance for Councillors;
- Gifts & Hospitality Guidance;
- Protocol on Member/Officer Relations
- Planning Protocol
- Member's Roles & Responsibilities

Training on all codes and protocols will be provided to returning and new members following the 2023 local elections.



## Whistleblowing

People who work for or with the Council are often the first to realise that there may be something wrong within the Council. However, they may feel unable to express their concerns for various reasons, including the fear of victimisation.

The Council has a Whistleblowing Policy that advises staff and others

who work for the Council how to raise concerns about activities in the workplace. The Whistleblowing policy is reviewed annually by the Standards Committee who also consider any entries on the whistleblowing register for the preceding 12 months. Full details are provided on the Council's website at [www.bolsover.gov.uk](http://www.bolsover.gov.uk)

## Anti-Fraud, Bribery and Corruption

We recognise that as well as causing financial loss, fraud and corruption also detrimentally impact service provision and morale, and undermine confidence in the Council's governance and that of public bodies generally.

There is little evidence that the incidence of fraud is currently a major issue for the Council, but the risk is increasing nationally. The Council's

policy on Anti-Fraud, Bribery and Corruption is in the final stages of being reviewed and updated. A fraud awareness training session was provided for all elected members during March 2020.

Our website tells you how you can report suspected fraud against the Council.



### 3. Significant Governance Issues

The progress made during 2021/22 on the significant issues identified in our 2020/21 Annual Governance Statement is shown below:

| Issue identified                                                                                                                                                                                                                                      | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Address the impact of Covid-19 upon the Council, local economy and community using the Council's recovery action plan.</p>                                                                                                                      | <p>The Council has used the financial support received from the Government to help alleviate the impact of Covid-19 upon the Council, local economy and community wherever possible. We worked with Public Health and partners to ensure effective and robust delivery of Covid measures. Administered grants effectively and timely to ensure business support and recovery. Implemented a new Agile Working Policy and administered the £150 Council Tax Energy Rebate scheme.</p>                                                                                                                                                                                                        |
| <p>2. To put in place arrangements to manage the increased risk of cyber-security attack which severely impacts ICT systems and data in light of new working arrangements including agile working.</p>                                                | <p>The threat of a cyber-security attack was added to the Council's strategic risk register to raise the profile of the issue. An external check by government took place to test the effectiveness of our IT security. In addition a restructure of staff has taken place and investment provided to ensure resilience by the implementation of additional security measures. Information has been provided by the IT department to staff and members to raise awareness and mystery shopper type activities have taken place as part of training for members. This issue will be included again on the Annual Governance Statement for 2022/23 as it is felt the issue still remains.</p> |
| <p>3. Regular monitoring of the new 'in-house' recycling collections service.</p>                                                                                                                                                                     | <p>Financial and performance information was monitored throughout the year and reports were provided on a quarterly basis for officers' and members' information.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>4. Ensuring The Council is prepared and informed about the much delayed outcome of the Government's reviews on Local Government finances including the Fair Funding Review, the future of New Homes Bonus and Business Rates Retention Reform.</p> | <p>Quarterly budget monitoring reports, the medium term financial plan report and the Medium Term Financial Strategy, all provided updated information on the Government reviews for members throughout the year.</p> <p>Presentations were given at both Executive and Audit and Corporate Overview Scrutiny Committee during the year for Members and at Senior Leadership Team meetings for the management team.</p>                                                                                                                                                                                                                                                                     |

**Based on our review of the governance framework, the following significant issues will be addressed in 2022/23:**

| Issue identified                                                                                                                                                                                                      | Commentary |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 1. To support residents of the district in response to the current external events including the 'cost of living crisis' and the war in Ukraine.                                                                      |            |
| 2. To continue to manage the risk of cyber-security attack through the ICT Strategic working group, monitor the increased risks due to new working arrangements including agile working and the external environment. |            |
| 3. Address the recent difficulties in the recruitment to some professional posts, including the areas of legal and audit.                                                                                             |            |
| 4. Monitor the impact of the changes to the Governance Team to ensure continuous improvement.                                                                                                                         |            |
| 5. Continue to use the Risk Management Group to review the current Risk Strategy, regularly review the Corporate Strategic Risk Register and ensure a corporate grip on all risks identified.                         |            |

These issues will be supported by a detailed action plan, progress on which will be monitored during 2022/23 and reported to senior management and to the Audit and Corporate Overview Scrutiny Committee.

No other major changes to the Council's governance framework are planned for 2022/23, but we will continue to review and adapt it so that it continues to support the Council in meeting its challenges and in fulfilling its purpose, and ensure that the framework remains proportionate to the risks that are faced.

## Coronavirus Pandemic

The 2021/22 financial year has been a year of gradually returning to business as usual wherever possible.

Our leisure centre facilities and customer contact centres opened whenever restrictions allowed and have been open continuously since July. Equipment was removed to allow social distancing in the leisure centre and screens were installed in all areas where contact was unavoidable, such as reception and payment counters. Where it has been appropriate, these measures have now been reduced.

Council property lettings were suspended and visits to resident's homes for anything other than emergency repairs were suspended at certain times in line with government guidelines, to protect the resident and our workforce. These services are now fully operational.

The Council's environmental health service has been heavily involved in carrying out compliance and enforcement activities related to Covid-19 to protect the public as the country and economy started to re-open.

Debt recovery across the Council was suspended during the national lockdowns and until after the customer contact centres re-opened to ensure every opportunity was given to customers to pay their outstanding commitments, before any reminder letters were issued. Debt recovery is now once again being undertaken.

Our revenues and benefits section, economic development team and partnership team were all heavily involved in processing and making payments under the myriad of government financial support schemes introduced for individuals and businesses. Council Tax and Business Rates relief were also administered by the revenues and benefits section.

The table below shows the main sources of financial support the Council received from the Government to support business, individuals and the Council's own additional cost pressures and losses in income due to the pandemic.



|                                                                                                                    | Amount available to spend in 2021/22                         | Amount paid at 31/3/22       |
|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------|
| Business support grant funding from Department for Business, Energy and Industrial Strategy (BEIS)                 | £8.334m for businesses (including £3.995m b/f from 2020/21)  | £5.510m in grants            |
| Test and trace support payment scheme funding from the Department of Health and Social Care                        | £0.268m for individuals (including £0.097m b/f from 2020/21) | £0.202m in payments          |
| Emergency funding to cover the Council's extra costs from the Department for Levelling Up, Housing and Communities | £0.497m                                                      | Not applicable               |
| Compensation for the Council's losses for Sales, Fees and Charges                                                  | £0.195m                                                      | Not applicable               |
| Covid-19 Additional Relief Fund (CARF) (BDC only share)                                                            | £0.595m for businesses                                       | £0.595m relief against bills |

Throughout the year staff continued to work from home in some office based services and hybrid council meetings were held. These had a combination

of remote and socially distanced attendees and were delivered via Zoom.



## 4. Opinion

The Council is satisfied that appropriate governance arrangements are in place and are fit for purpose.

We propose over the coming year to take steps to address the significant governance issues set out above to ensure that our governance arrangements remain robust.

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: \_\_\_\_\_ Date: \_\_\_\_\_

**Executive Director of Resources (Head of Paid Service)**

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**Leader**

BOLSOVER DISTRICT COUNCIL

CORPORATE GOVERNANCE CODE

BOLSOVER DISTRICT: GOVERNANCE CODE

## INTRODUCTION

1. The purpose of this Code is to state the importance to the Council of good corporate governance and to set out the Council's commitment to the principles involved.
2. The Code is based on guidance to all UK local authorities.
3. The Code is included in the Council's Constitution and therefore applies to all Members and employees of the Council and also to any individuals or bodies authorised to act on its behalf.
4. How the effectiveness of the Code is reviewed is set out in Section 4.
5. The Code will be reviewed in its entirety by no later than 31 March 2025, but minor reviews and updates will be made annually as required.

## Approvals

Approved by Audit and Corporate Overview Committee on 14<sup>th</sup> September 2021

Approved by Head of Finance and Resources and section 151 Officer  
and Head of Corporate Governance and Monitoring Officer- 31<sup>st</sup> March 2021

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## SECTION 1: THE IMPORTANCE OF GOOD CORPORATE GOVERNANCE

1.1. Corporate Governance refers to the processes by which organisations such as the Council are directed, controlled, led and held to account. It is also about culture and values - the way that Councillors (Members) and employees think and act. In summary, if management is about running the Council, corporate governance is about seeing that it is run properly.

1.2. The Council is a complex organisation which affects all who live and work in Bolsover District Council's area and businesses and organisations that are based here. It is therefore essential that there is confidence in our corporate governance, and the Council must therefore ensure that:

- as a democratic body, we engage with and account to our citizens and stakeholders effectively;
- we conduct our business in accordance with the law and to proper standards;
- public money is properly accounted for and is used economically, efficiently and effectively;
- controls are proportionate to risk so as not to impede performance;
- we continuously improve the way in which we function, in terms of effectiveness, quality, service availability, fairness, sustainability and innovation; and
- we fulfil our purpose and meet our priorities as set out in the Council Ambition.

1.3. The Council is therefore committed to good corporate governance and to doing the right things in the right way for the right people in a way which is timely, inclusive, open, honest and accountable. This Code sets out that commitment and how we evidence it.

1.4. This commitment includes improving governance on a continuing basis across the Council as a whole, through a process of evaluation and review. This is detailed further in Section 4.

## SECTION 2: THE BASIS OF THIS CODE

2.1 This Code is based on guidance provided to all UK local authorities which are centred on seven Core Principles, designed to underpin the governance arrangements of all public sector bodies.

1 Delivering Good Governance in Local Government Framework 2016, issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

2 From the International Framework: Good Governance in the Public Sector (CIPFA/International Federation of Accountants, 2014)

2.2 These Core Principles are as follows:

**A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

**B Ensuring openness and comprehensive stakeholder engagement**

**C Defining outcomes in terms of sustainable economic, social, and environmental benefits**

**D Determining the interventions necessary to optimise the achievement of the intended outcomes**

**E Developing the entity's capacity, including the capability of its leadership and the individuals within it**

**F Managing risks and performance through robust internal control and strong public financial management**

**G Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

2.3 Core Principles A and B are fundamental to the application of the other principles. Further good governance requires all of the principles to be met and through a dynamic approach good governance can be achieved.

2.4 This Code sets out our commitment to all seven of the Core Principles shown above and to the various elements of our governance framework the policies, strategies and processes - which help us to ensure that the principles are met (Section 3).

2.6 Since effective Corporate Governance relies on the way that Councillors (Members) and employees think and act, the Code also recognises the importance of the seven "Principles of Public Life" (the Nolan Principles) which are the basis of the ethical standards expected of public office holders (Appendix A). These support the seven Core Principles of this Code which in turn underpin the Council's approach to planning fair, effective and sustainable services and its responsibilities for sustainable development.

## SECTION 3: COMMITMENTS TO GOVERNANCE PRINCIPLES

**Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

The Council is accountable not only for how much it spends, but also for how we use the resources under our stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes we have achieved. In addition, we have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

**To support Principle A, the Council is committed to:**

| Behaving with integrity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | What is in place to support this?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p>A1. Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council</p> <p>A2. Ensuring members take the lead in establishing specific standard operating principles or values for the Council and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</p> <p>A3. Leading by example and using these standard operating principles or values as a framework for decision making and other actions</p> <p>A4. Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p> | <ul style="list-style-type: none"> <li>• Agreed Values</li> <li>• Organisation Development and Workforce Strategy</li> <li>• Codes of Conduct for members and employees</li> <li>• Registers of interests, gifts and hospitality</li> <li>• Induction training for members and employees</li> <li>• Members Allowances Scheme</li> <li>• Financial Regulations rules</li> <li>• Contract Procurement rules</li> <li>• Planning Protocol</li> <li>• Standards and Audit Committees</li> <li>• Anti-Fraud Bribery and Corruption Strategy</li> <li>• Anti-Money Laundering Policy</li> <li>• Whistleblowing Policy</li> <li>• Compliments, Comments and Complaints Procedure</li> <li>• Internal Audit Charter</li> <li>• Safeguarding Responsibilities</li> <li>• Health and Safety Policy</li> <li>• Single Equality Plan and review</li> <li>• Transparency around decision making</li> <li>• Member Development Plan</li> </ul> |

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| <p><b>Demonstrating strong commitment to ethical values</b></p> <p>A5. Seeking to establish, monitor and maintain the Council's ethical standards and performance</p> <p>A6. Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the Council's culture and operation</p> <p>A7. Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</p> <p>A8. Ensuring that external providers of services on behalf of the Council are required to act with integrity and in compliance with high ethical standards expected by the Council</p> | <p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Agreed Values</li> <li>• Organisation Development and Workforce Strategy</li> <li>• Codes of Conduct for members and employees</li> <li>• Registers of interests, gifts and hospitality</li> <li>• Financial Regulations rules</li> <li>• Contract Procurement rules</li> <li>• Planning Protocol</li> <li>• Induction training for members and employees</li> <li>• Regular governance awareness raising for employees</li> <li>• Planning Principles</li> <li>• Commissioning, Procurement &amp; Contract Management Strategy</li> <li>• Partnership &amp; collaborative working arrangements</li> <li>• Bolsover Sustainable Community Strategy</li> </ul> |
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| <p><b>Respecting the rule of law</b></p> <p>A9. Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</p> <p>A10. Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</p> <p>A11. Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</p> <p>A12. Dealing with breaches of legal and regulatory provisions effectively</p> | <p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Key statutory responsibilities set out in the Council's Constitution</li> <li>• Compliance with CIPFA Statement of the 'Role of the Chief Financial Officer in Local Government)</li> <li>• Protocol on Member/Officer relations (Constitution)</li> <li>• Job Descriptions</li> <li>• Regular governance awareness raising for employees</li> <li>• Standards Committee</li> <li>• Audit Committee</li> <li>• Anti-Fraud Bribery and Corruption Strategy</li> <li>• Anti-Money Laundering Policy</li> <li>• Whistleblowing Procedure</li> <li>• Complaints Procedure</li> </ul> |
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| A13. Ensuring corruption and misuse of power are dealt with effectively | <ul style="list-style-type: none"> <li>• General Data Protection Regulation guidance</li> <li>• Governance Codes of Practice</li> </ul> |
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## **Principle B. Ensuring openness and comprehensive stakeholder engagement**

Local government is run for the public good, and organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

### **To support Principle B, the Council is committed to:**

| <b>Openness</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>What is in place to support this?</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <p>B1. Ensuring an open culture through demonstrating, documenting and communicating our commitment to openness</p> <p>B2. Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided</p> <p>B3. Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</p> <p>B4. Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</p> | <ul style="list-style-type: none"><li>• Constitution</li><li>• Commissioning, Procurement &amp; Contract Management Strategy</li><li>• Contract Procedure Rules</li><li>• Whistleblowing Procedure.</li><li>• Council Ambition</li><li>• External audit and inspection reports</li><li>• Directory of published information.</li><li>• Online Council Tax information</li><li>• Reporting and publishing &amp; distribution timetables</li><li>• Delegation of Powers Scheme</li><li>• Meetings open to public</li><li>• Minutes</li><li>• Webcasting page</li><li>• Codes of Conduct for members and employees</li><li>• Bolsover TV</li><li>• Bolsover Partnership Executive Board</li><li>• Public Participation in Council and Planning meetings</li><li>• Webcasting Meetings and library of Meeting recordings</li><li>• Publishing of Delegated Decisions</li></ul> |

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| <p><b>Engaging comprehensively with institutional stakeholders</b></p> <p>B5. Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</p> <p>B6. Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</p> <p>B7. Ensuring that partnerships are based on trust, a shared commitment to change and a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit</p> | <p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Consultation and Engagement Strategy</li> <li>• Current consultations</li> <li>• Complaints Procedure</li> <li>• Partnership &amp; collaborative working arrangements via Bolsover Partnership Executive Board and Thematic Action Groups</li> </ul> |
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| <p><b>Engaging stakeholders effectively, including individual citizens and service users</b></p> <p>B8. A clear policy on the type of issues that the Council will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service provision is contributing towards the achievement of intended outcomes</p> <p>B9. Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</p> <p>B10. Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</p> | <p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Consultation and Engagement Strategy</li> <li>• Medium Term Financial Plan</li> <li>• Planning Principles</li> <li>• Complaints Procedure (and compliments)</li> <li>• Employee survey</li> <li>• Children and Young People's Participation Strategy</li> <li>• Bolsover Partnership statutory partners, public, private and the Community and Voluntary sector infrastructure provider</li> </ul> |
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| <p>B11. Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account</p> <p>B12. Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</p> <p>B13. Taking account of the interests of future generations of tax payers and service users</p> |  |
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## **Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits**

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

### **To support Principle C, the Council is committed to:**

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| <p><b>Defining outcomes</b></p> <p>C1. Having a clear vision which is an agreed formal statement of the Council's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the Council's overall strategy, planning and other decisions</p> <p>C2. Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</p> <p>C3. Delivering defined outcomes on a sustainable basis within the resources that will be available</p> <p>C4. Identifying and managing risks to the achievement of outcomes</p> <p>C5. Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available.</p> | <p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Council Ambition Planning Principles</li> <li>• Local Plan</li> <li>• Consultation and Engagement Strategy</li> <li>• Medium Term Financial Plan</li> <li>• Half-yearly performance reports to the Executive</li> <li>• Risk Management Strategy</li> <li>• Bolsover Sustainable Community Strategy</li> </ul> |
| <p><b>Sustainable economic, social and environmental benefits</b></p> <p>C6. Considering and balancing the combined economic, social and environmental impact of policies, plans</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Medium Term Financial Plan</li> <li>• Budget consultation exercises</li> <li>• Risk Management Strategy</li> </ul>                                                                                                                                                                                             |

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| <p>and decisions when taking decisions about service provision</p> <p>C7. Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints</p> <p>C8. Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p> <p>C9. Ensuring fair access to services</p> | <ul style="list-style-type: none"> <li>• Commissioning, Procurement &amp; Contract Management Strategy</li> <li>• Member workshops</li> <li>• Strategic Equality Plan</li> <li>• Equality Impact Assessments</li> <li>• Customer Focus Strategy</li> <li>• ICT &amp; Digital Strategy</li> <li>• Bolsover Sustainable Community Strategy</li> </ul> |
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## **Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes**

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised

### **To support Principle D, the Council is committed to:**

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| <p><b>Determining necessary interventions</b></p> <p>D1. Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.</p> <p>D2. Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.</p> | <p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Council Ambition</li> <li>• Reporting requirements for Full Council and Executive</li> <li>• Decision making Principles (Constitution)</li> <li>• Scrutiny committees and support</li> <li>• Risk Management Strategy</li> <li>• Consultation and Engagement Strategy</li> <li>• Medium Term Financial Plan</li> <li>• Senior Management Structure</li> <li>• Officer Delegation Scheme</li> <li>• Calendar of meetings</li> <li>• Pre-meetings</li> <li>• The Forward Plan</li> </ul> |
| <p><b>Planning interventions</b></p> <p>D3. Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</p> <p>D4. Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</p> <p>D5. Considering and monitoring risks facing each partner when working collaboratively including shared risks</p>                                                                                                                                                                                                  | <p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Council Ambition</li> <li>• Reporting and publishing &amp; distribution timetables</li> <li>• Consultation and Engagement Strategy</li> <li>• Medium Term Financial Plan</li> <li>• Partnership &amp; collaborative working arrangements</li> <li>• Half-yearly performance reports to the Executive</li> <li>• Budget and Policy Framework</li> <li>• Procedure Rules</li> <li>• Budget Monitoring &amp; Control Procedures</li> </ul>                                                |

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| D6. Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances | <ul style="list-style-type: none"> <li>• Council Procedure Rule</li> <li>• Financial Regulations</li> <li>• Senior Management Structure</li> <li>• Regular Portfolio Holder meetings</li> </ul> |
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## **Principle E: Developing the Council's capacity, including the capability of its leadership and the individuals within it**

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole.

Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity.

### **To support Principle E, the Council is committed to:**

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| <p><b>Developing Capacity</b></p> <p>E1. Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.</p> <p>E2. Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness,</p> <p>E3. Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Council's resources are allocated so that outcomes are achieved effectively and efficiently,</p> <p>E4. Recognising the benefits</p> | <p>What is in place to support this?</p> <ul style="list-style-type: none"> <li>• Scrutiny committees and support</li> <li>• Senior Management Structure</li> <li>• Reviews commissioned by Senior Management</li> <li>• External audit and inspection reports</li> <li>• Partnership &amp; collaborative working arrangements</li> <li>• Corporate Land and Buildings Strategy</li> <li>• LGA Peer Review</li> <li>• Employee Celebratory Awards</li> </ul> |
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| <p><b>Developing the capability of the leadership and other individuals</b></p> <p>E5. Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</p> <p>E6. Publishing a statement that specifies the types of decisions that are delegated</p> | <p>What is in place to support this?</p> <ul style="list-style-type: none"> <li>• Constitution</li> <li>• Protocol on Member/Officer relations (Constitution)</li> <li>• Regular meetings between Strategic Leadership Team and Lead Members</li> <li>• Delegation of Powers Scheme</li> <li>• Financial Regulation</li> <li>• Contract Procurement Rules</li> </ul> |
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| <p>and those reserved for the collective decision making of the governing body</p> <p>E7. Ensuring the leader and the senior management team have clearly defined and distinctive leadership roles within a structure, whereby the senior management team leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</p> <p>E8. Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the Council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged, ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis, ensuring personal, organisation and system-wide development through shared learning, including lessons learnt from both internal and external governance weaknesses</p> <p>E9. Ensuring that there are structures in place to encourage public participation</p> <p>E10. Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</p> <p>E11. Holding staff to account through regular performance reviews which take account of training or development needs</p> | <ul style="list-style-type: none"> <li>• Learning and Development function</li> <li>• Member Development Working Group and programme of training</li> <li>• Performance Review and Development Process</li> <li>• Consultation and Engagement Strategy</li> <li>• Organisation Development and Workforce Strategy</li> <li>• Workforce Policies</li> <li>• Code of Conduct for employees</li> <li>• Internal Communication</li> <li>• Health and Safety Policy</li> <li>• Corporate Health Standard</li> <li>• HR Policies</li> <li>• Appraisals</li> <li>• Member Inductions and midterm Member Induction refresh</li> <li>• Employee training</li> </ul> |
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## **Principle F: Managing risks and performance through robust internal control and strong public financial management**

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services.

Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

### **To support Principle F, the Council is committed to:**

| <b>Managing Risk</b>                                                                                                                | <b>What is in place to support this ?</b>                                                                                                                                                                                                                                                                                                                                                                                                 |
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| F1. Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making | <ul style="list-style-type: none"><li>• Risk management group</li><li>• Risk Management Strategy, Risk and Control Registers and Internal / External audit coverage of risk management</li><li>• Audit Committee</li><li>• Partnership and Collaborative Working arrangements</li><li>• Reporting requirements for Full Council and Executive</li><li>• Service Continuity arrangements</li><li>• Annual review of Constitution</li></ul> |
| F2. Implementing robust and integrated risk management arrangements and ensuring they are working effectively                       |                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| F3. Ensuring that responsibilities for managing individual risks are clearly allocated                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| <b>Managing Performance</b>                                                                                                                                                                            | <b>What is in place to support this ?</b>                                                                                                                                                                                                                                                                                                                      |
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| F4. Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review                                                                    | <ul style="list-style-type: none"><li>• Council Ambition</li><li>• Service Plans and service planning guidance</li><li>• Commissioning, Procurement &amp; Contract Management Strategy</li><li>• Half-yearly performance reports to the Executive</li><li>• Forward Work Programmes</li><li>• Reporting and publishing &amp; distribution timetables</li></ul> |
| F5. Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook |                                                                                                                                                                                                                                                                                                                                                                |

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| <p>F6. Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made, thereby enhancing the Council's performance and that of any organisation for which it is responsible</p> <p>F7. Providing members and senior management with regular reports on progress towards outcome achievement.</p> <p>F8. Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)</p> | <ul style="list-style-type: none"> <li>• Scrutiny committees and support</li> <li>• Scrutiny reviews</li> <li>• Report preparation guidance</li> <li>• Report screening (Full Council and Executive)</li> <li>• Member Development</li> <li>• Financial Regulations</li> <li>• Budget and Policy Framework Procedure Rules</li> <li>• Budget Monitoring &amp; Control Procedures</li> <li>• Budget – Medium Term Financial Plan</li> <li>• Annual Statement of Accounts</li> <li>• Bolsover Sustainable Community Strategy</li> </ul> |
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| <p><b>Robust Internal Control</b></p> <p>F9. Aligning the risk management strategy and policies on internal control with achieving objectives</p> <p>F10. Evaluating and monitoring risk management and internal control on a regular basis</p> <p>F11. Ensuring effective counter fraud and anti-corruption arrangements are in place</p> <p>F12. Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p> <p>F13. Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and that its recommendations are listened to and acted upon</p> | <p><b>What is in place to support this ?</b></p> <ul style="list-style-type: none"> <li>• Risk Management Strategy</li> <li>• Principal Risk Register</li> <li>• Heads of Departments Internal Control Assurances</li> <li>• Internal Audit Charter (inc Annual Plan)</li> <li>• Audit Committee Terms of Ref (Constitution)</li> <li>• Audit Committee effectiveness surveys and training</li> <li>• Financial Regulations</li> <li>• Contract Procurement Rules</li> <li>• Counter Fraud Policy &amp; Procedures</li> <li>• Anti-Money Laundering Strategy</li> <li>• Annual Governance Statement &amp; Action Plan</li> <li>• Head of Internal Audit's Annual Report</li> <li>• Audit Committee Chair's Annual Report to Executive</li> <li>• Identification of Assurance Gaps</li> </ul> |
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| <p><b>Managing Data</b></p> <p>F14.Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</p> <p>F15.Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</p> <p>F16.Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring</p> | <p><b>What is in place to support this ?</b></p> <ul style="list-style-type: none"> <li>• General Data Protection Regulation guidance</li> <li>• GDPR clauses in contracts</li> <li>• Freedom of Information guidance</li> <li>• Information Management Strategy and Action Plan</li> <li>• Acceptable Use of ICT Facilities</li> <li>• ICT Security Policy and Guidelines</li> <li>• Secure Data Transfer Standards and Procedures</li> <li>• Information Security Policy</li> <li>• Records Management Policy</li> <li>• Corporate Records Retention Scheme</li> <li>• Regular data protection training</li> </ul> |
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| <p><b>Strong public financial management</b></p> <p>F17.Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance</p> <p>F18.Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</p> | <p><b>What is in place to support this ?</b></p> <ul style="list-style-type: none"> <li>• Budget monitoring</li> <li>• Annual Governance Statement</li> <li>• External Audit reports</li> </ul> |
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**Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

**To support Principle G, the Council is committed to:**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Implementing good practice in transparency</b></p> <p>G1. Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</p> <p>G2. Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</p>                                                  | <p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"><li>• Report preparation guidance</li><li>• Report screening (Full Council and Executive)</li><li>• Website including summary and easy-to-read reports</li><li>• Compliance with access requirements</li></ul>          |
| <p><b>Implementing good practice in reporting</b></p> <p>G3. Reporting at least annually on performance, value for money and the stewardship of resources</p> <p>G4. Ensuring owners and senior management own the results</p> <p>G5. Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)</p> | <p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"><li>• Quarterly reporting of performance</li><li>• Annual Governance Statement and Action Plan</li><li>• Risk Management Strategy</li><li>• Risk and Control Registers</li><li>• Annual Statement of Accounts</li></ul> |

|                                                                                                              |  |
|--------------------------------------------------------------------------------------------------------------|--|
| G6. Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate |  |
|--------------------------------------------------------------------------------------------------------------|--|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Assurance and effective accountability</b></p> <p>G8. Ensuring that recommendations for corrective action made by external audit are acted upon</p> <p>G9. Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon</p> <p>G10. Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</p> <p>G11. Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</p> <p>G12. Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met</p> | <p><b>What is in place to support this?</b></p> <ul style="list-style-type: none"> <li>• Audit Committee Terms of Reference (Constitution)</li> <li>• Regular reporting of progress on implementing audit recommendations to Audit Committee</li> <li>• External audit and inspection reports</li> <li>• Internal Audit Charter</li> <li>• Head of Internal Audit's Annual Report</li> <li>• Internal Audit self assessment and compliance with Public Sector Internal Audit Standards</li> <li>• Partnership and collaborative working arrangements</li> <li>• Annual review of Constitution</li> </ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### **SECTION 4: HOW CORPORATE GOVERNANCE IS REVIEWED**

1. The Leader and Senior Management Team are required to ensure that each year, a review is undertaken to measure the extent to which the Council as a whole has met the requirements of this Code.
2. The results of the review are included in the Annual Governance Statement which is published with the Annual Statement of Accounts.
3. Where the review reveals possible gaps or weaknesses, action is agreed to ensure effective governance in future. Agreed action is monitored for implementation.
4. Where necessary, this Code will be amended as a result of the annual review, changes in best practice or statutory changes. Minor amendments to wording, titles and to details of 'what is in place' to support the principles (Section 3 above) may be approved by the Head of Finance but any substantive changes to the Code and the principles will require Executive approval.
5. This code will be renewed no later than 31<sup>st</sup> March 2025

## **APPENDIX A.**

### **THE SEVEN PRINCIPLES OF PUBLIC LIFE (THE NOLAN PRINCIPLES)**

These apply to anyone who works as a public office-holder. This includes people who are elected or appointed to public office, nationally and locally, and all people appointed to work in:

- the civil service
- local government
- the police
- the courts and probation services
- non-departmental public bodies
- health, education, social and care services.

#### **1. Selflessness**

Holders of public office should act solely in terms of the public interest.

#### **2. Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

#### **3. Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

#### **4. Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

#### **5. Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

#### **6. Honesty**

Holders of public office should be truthful.

#### **7. Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

**Bolsover District Council**

**Meeting of the Audit and Corporate Overview Scrutiny Committee**

**13th September 2022**

**Summary of Progress on the 2022/23 Internal Audit Plan**

**Report of the Head of the Internal Audit Consortium**

|                        |                                                                      |
|------------------------|----------------------------------------------------------------------|
| <b>Classification</b>  | This report is Public                                                |
| <b>Report By</b>       | Head of the Internal Audit Consortium                                |
| <b>Contact Officer</b> | Jenny Williams – 01246 959770<br>Jenny.williams@ne-derbyshire.gov.uk |

**PURPOSE/SUMMARY OF REPORT**

To present, for members' information, a progress report in respect of the 2022/23 Internal Audit Plan.

---

**REPORT DETAILS**

**1. Background**

- 1.1 The Public Sector Internal Audit Standards require that the Head of the Internal Audit Consortium reports periodically to the Audit and Corporate Overview Scrutiny Committee in respect of performance against the audit plan. Significant risk and control issues should also be reported.

**2. Details of Proposal or Information**

- 2.1 Appendix 1 is a summary of reports issued to date in respect of the 2022/23 Internal Audit Plan. The Appendix shows for each report the level of assurance given and the number of recommendations made / agreed where a full response has been received. This provides an overall assessment of the system's ability to meet its objectives and manage risk. The definitions of the assurance levels used

can be seen in the table below. The assurance levels have also now been linked to definitions of risk within the risk management strategy.

| <b>Assurance Level</b>       | <b>Internal Audit Definition</b>                                                                                                                                                                                  | <b>Risk Register Link</b> |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| <b>Substantial Assurance</b> | There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.                                                          | Minor / negligible impact |
| <b>Reasonable Assurance</b>  | The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.                     | Minor / moderate          |
| <b>Limited Assurance</b>     | Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.                            | Moderate / Severe Impact  |
| <b>Inadequate Assurance</b>  | There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives. | Catastrophic Impact       |

2.2 In this period 4 reports have been issued 2 with substantial assurance and 2 with reasonable assurance.

2.3 Appendix 2 provides full details of the audits completed and those in progress. It should be noted that progress against the plan has been impacted by the departure of a BDC Auditor in May 2022. A new Auditor has been appointed and started in August 2022 however initially audits will take longer to complete as training takes place.

2.4 No issues arising relating to fraud were identified.

### **3. Reasons for Recommendation**

3.1 To inform Members of progress on the 2022/23 Internal Audit Plan and to provide details of the Audit Reports issued to date.

3.2 To comply with the requirements of the Public Sector Internal Audit Standards.

#### 4 Alternative Options and Reasons for Rejection

4.1 N/A

---

### **RECOMMENDATION**

1. That the report be noted.

Approved by \*

#### **IMPLICATIONS:**

**Finance and Risk:**            Yes ☒            No ☐

**Details:**

Internal audit reviews help to ensure that processes and controls are operating effectively thereby contributing to ensuring that value for money is obtained.

On behalf of the Section 151 Officer

**Legal (including Data Protection):**            Yes ☒            No ☐

**Details:**

The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking in to account the Public Sector Internal Audit Standards or guidance”.

On behalf of the Solicitor to the Council

**Staffing:**            Yes ☐            No ☒

**Details:**

On behalf of the Head of Paid Service

## DECISION INFORMATION

|                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <b>Is the decision a Key Decision?</b><br>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:<br><br><b>Revenue - £75,000   <input type="checkbox"/>   Capital - £150,000   <input type="checkbox"/></b><br><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No |
| <b>Is the decision subject to Call-In?</b><br><i>(Only Key Decisions are subject to Call-In)</i>                                                                                                                                                                                                                                                                                                                                         | No |

|                                                                                                                                                                                                                                                                                                                                                       |          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>District Wards Significantly Affected</b>                                                                                                                                                                                                                                                                                                          | None     |
| <b>Consultation:</b><br><b>Leader / Deputy Leader   <input type="checkbox"/>   Executive   <input type="checkbox"/></b><br><b>SLT   <input type="checkbox"/>   Relevant Service Manager   <input checked="" type="checkbox"/></b><br><b>Members   <input type="checkbox"/>   Public   <input type="checkbox"/>   Other   <input type="checkbox"/></b> | Details: |

|                                                                                                             |
|-------------------------------------------------------------------------------------------------------------|
| <b>Links to Council Ambition: Customers, Economy and Environment.</b>                                       |
| Internal audit reviews help to ensure that the Council is delivering high quality, cost effective services. |

| DOCUMENT INFORMATION |                                                                            |
|----------------------|----------------------------------------------------------------------------|
| Appendix No          | Title                                                                      |
| 1                    | Summary of Internal Audit reports issued in respect of the 2022/23 to date |
| 2                    | Progress on the 2022/23 Internal Audit Plan                                |
|                      |                                                                            |

|                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Background Papers</b>                                                                                                                                                                                                                       |
| <i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i> |
|                                                                                                                                                                                                                                                |



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## **BOLSOVER DISTRICT COUNCIL**

### **Internal Audit Consortium - Report to Audit and Corporate Overview Scrutiny Committee** **Summary of Internal Audit Reports Issued 2022/23 to date**

| Report Ref No. | Report Title     | Scope and Objectives                                                                                                                           | Assurance Provided | Date          |              | Number of Recommendations |          |
|----------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------|--------------|---------------------------|----------|
|                |                  |                                                                                                                                                |                    | Report Issued | Response Due | Made                      | Accepted |
| B001           | Cash and Banking | To ensure that the systems and procedures in place are operating, that cash is held securely and that income is banked promptly and accurately | Substantial        | 14/6/22       | 5/7/22       | 0                         | 0        |
| B002           | Food Hygiene     | To review the processes and procedures in place, compliance with Legislation and the Food Standards Agency Requirements                        | Reasonable         | 30/8/22       | 20/9/22      | 7 (2M 5L)                 | Note 1   |
| B003           | Sundry Debtors   | To ensure that invoices are raised promptly and accurately and that there are debt collection procedures in place                              | Substantial        | 16/8/22       | 7/9/22       | 0                         | 0        |

| Report Ref No. | Report Title    | Scope and Objectives                                                                                            | Assurance Provided | Date          |              | Number of Recommendations |          |
|----------------|-----------------|-----------------------------------------------------------------------------------------------------------------|--------------------|---------------|--------------|---------------------------|----------|
|                |                 |                                                                                                                 |                    | Report Issued | Response Due | Made                      | Accepted |
| B004           | Risk Management | To ensure that there are procedures in place to identify and mitigate risk at a strategic and operational level | Reasonable         | 19/8/22       | 12/9/22      | 2 (1M<br>1L)              | 2        |

H = High Priority M = Medium Priority L = Low Priority

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Note 1 Response not due at time of writing report

### Bolsover District Council Internal Audit Plan 2022/23

|  |                             |
|--|-----------------------------|
|  | Complete                    |
|  | In progress                 |
|  | Ongoing throughout the year |

|  |                                            |                         |
|--|--------------------------------------------|-------------------------|
|  | <b>Main Financial Systems</b>              | <b>2022/23<br/>Days</b> |
|  | Main Accounting / Budgetary Control / MTFP | 15                      |
|  | Creditor Payments                          | 20                      |
|  | Cash and Banking                           | 18                      |
|  | Debtors                                    | 10                      |
|  | Treasury Management                        | 10                      |
|  | Council Tax                                | 10                      |
|  | NNDR                                       | 20                      |
|  | Housing Benefits                           | 20                      |
|  | Housing Repairs                            | 10                      |
|  |                                            |                         |
|  | <b>Total Main Financial Systems</b>        | <b>133</b>              |
|  |                                            |                         |
|  | <b>Corporate / Cross Cutting</b>           | <b>2022/23</b>          |
|  |                                            |                         |
|  | Corporate Governance / Assurance Statement | 2                       |
|  | Financial advice / working groups          | 20                      |
|  | Corporate Targets                          | 12                      |
|  | Data Protection                            | 12                      |
|  | Risk Management                            | CFWD from 2021/22       |
|  | <b>Total Cross Cutting</b>                 | <b>46</b>               |
|  |                                            |                         |
|  | <b>Other Operational Audits</b>            |                         |
|  |                                            |                         |
|  | Committee Processes                        | 12                      |
|  | Members Expenses                           | 10                      |
|  | Recruitment and Selection                  | 12                      |
|  | Sickness Absence / Wellbeing               | 12                      |
|  | Taxi Licensing                             | 12                      |

|  |                                                             |            |
|--|-------------------------------------------------------------|------------|
|  | Homelessness                                                | 12         |
|  | Housing Lettings & Allocations                              | 12         |
|  | Housing Building Company                                    | 12         |
|  | Pleasley Vale Outdoor Centre                                | 12         |
|  | Food Hygiene                                                | 12         |
|  | Compliance Cncl Property, Gas Electric, legionella etc      | 12         |
|  | Contract Accounts and Procedures                            | 12         |
|  | Final Accounts (contractors)                                | 5          |
|  | Pleasley Mills Property Rents                               | 12         |
|  | The Tangent                                                 | 12         |
|  | Grounds Maintenance                                         | 10         |
|  | Transport / Vehicles / Fuel                                 | 13         |
|  |                                                             |            |
|  | <b>Total Operational Areas</b>                              | <b>194</b> |
|  |                                                             |            |
|  | <b>IT Related</b>                                           |            |
|  |                                                             |            |
|  | Cyber / network security / DR                               | 15         |
|  |                                                             |            |
|  | <b>Total IT</b>                                             | <b>15</b>  |
|  |                                                             |            |
|  | <b>Special Investigations / Contingency/ emerging risks</b> | <b>40</b>  |
|  | <b>NFI Key Contact</b>                                      | <b>10</b>  |
|  | <b>Apprenticeships / training</b>                           | <b>30</b>  |
|  | <b>Audit Committee / Client Liaison</b>                     | <b>15</b>  |
|  |                                                             |            |
|  | <b>Grand Total</b>                                          | <b>483</b> |

### Reserve Areas

Right to Buy Sales  
Sheltered Housing  
Planning Fess

## **Bolsover District Council**

### **Audit and Corporate Overview Scrutiny Committee**

**13<sup>th</sup> September 2022**

### **Implementation of Internal Audit Recommendations**

### **Report of the Head of the Internal Audit Consortium**

|                        |                                       |
|------------------------|---------------------------------------|
| <b>Classification</b>  | This report is Public                 |
| <b>Report By</b>       | Head of the Internal Audit Consortium |
| <b>Contact Officer</b> | Jenny.williams@ne-derbyshire.gov.uk   |

## **PURPOSE/SUMMARY OF REPORT**

To present, for members' information, a summary of the internal audit recommendations made and implemented for the financial years 2020/21, 2021/22 and 2022/23 to date.

## **REPORT DETAILS**

### **1. Background**

- 1.1 Internal Audit make recommendations to improve the governance, risk and control processes in place. It is important to monitor the implementation of these recommendations to improve the control environment and to reduce the risk of fraud and error.

### **2. Details of Proposal or Information**

- 2.1 This report is to inform Members of the Audit and Corporate Overview Scrutiny Committee of the internal audit recommendations made and progress in respect of implementing them.
- 2.2 Appendix 1 provides an analysis of the number of recommendations made and implemented for the financial years 2020/21 – 2022/23 to date. The table also

summarises the number of recommendations that have been implemented and those that are outstanding. Below this the table details every outstanding recommendation.

- 2.3 No high priority recommendations are outstanding. Only 2 medium priority and 3 low priority recommendations are outstanding all of which relate to IT. Manager's updates in respect of the overdue recommendations can be seen at Appendix 1.

### **3. Reasons for Recommendation**

- 3.1 To inform Members of the internal audit recommendations made and outstanding so that it can be assessed if appropriate and timely action is being taken.

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

- 4.1 Not Applicable

---

## **RECOMMENDATION**

1. That the report be noted.

### **IMPLICATIONS:**

**Finance and Risk:** Yes ☒ No ☐

**Details:**

The implementation of internal audit recommendations helps to ensure that there are effective controls in place to reduce the risk of fraud and error.

On behalf of the Section 151 Officer

**Legal (including Data Protection):** Yes ☐ No ☒

**Details:**

On behalf of the Solicitor to the Council

**Staffing:** Yes ☐ No ☒

**Details:**

On behalf of the Head of Paid Service

## DECISION INFORMATION

|                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <b>Is the decision a Key Decision?</b><br>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:<br><br><b>Revenue - £75,000   <input type="checkbox"/>   Capital - £150,000   <input type="checkbox"/></b><br><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No |
| <b>Is the decision subject to Call-In?</b><br><i>(Only Key Decisions are subject to Call-In)</i>                                                                                                                                                                                                                                                                                                                                         | No |

|                                                                                                                                                                                                                                                                                                                                                       |                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <b>District Wards Significantly Affected</b>                                                                                                                                                                                                                                                                                                          | (please state which wards or state All if all wards are affected) |
| <b>Consultation:</b><br><b>Leader / Deputy Leader   <input type="checkbox"/>   Executive   <input type="checkbox"/></b><br><b>SLT   <input type="checkbox"/>   Relevant Service Manager   <input checked="" type="checkbox"/></b><br><b>Members   <input type="checkbox"/>   Public   <input type="checkbox"/>   Other   <input type="checkbox"/></b> | Details:                                                          |

|                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Links to Council Ambition: Customers, Economy and Environment.</b>                                                                     |
| The implementation of Internal audit recommendations help to ensure that the Council is delivering high quality, cost effective services. |

| DOCUMENT INFORMATION |                                                                |
|----------------------|----------------------------------------------------------------|
| Appendix No          | Title                                                          |
| 1                    | Summary of Internal Audit Recommendations Made and Implemented |
|                      |                                                                |
|                      |                                                                |

|                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Background Papers</b><br><i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i> |
|                                                                                                                                                                                                                                                                            |

None

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# Bolsover District Council

## Summary of Internal Audit Recommendations made and implemented 2020/21 – 2022/23 (at 31st August 2022)

| Recommendations Made               | 2020/21    | 2021/22     | 2022/23     |
|------------------------------------|------------|-------------|-------------|
| Number of High Priority            | 1          | 1           | 0           |
| Number of Medium Priority          | 20         | 13          | 3           |
| Number of Low priority             | 32         | 27          | 6           |
| <b>Total</b>                       | <b>53</b>  | <b>41</b>   | <b>9</b>    |
| <b>Recommendations Implemented</b> | <b>48</b>  | <b>36</b>   | <b>0</b>    |
| High Recommendations Outstanding   | 0          | 0           | 0           |
| Medium Recommendations Outstanding | 2          | 0           | 0           |
| Low Recommendations Outstanding    | 3          | 0           | 0           |
| Not overdue yet                    | 0          | 5           | 9           |
| Total Overdue Recommendations      | 5          | 0           | 0           |
| <b>Percentage due implemented</b>  | <b>91%</b> | <b>100%</b> | <b>100%</b> |

## **BDC Internal Audit Recommendations Outstanding**

**2020/21**

| Report       | Audit                     | Directorate         | Conclusion | Recommendations |          |           | Total     | Not     | Overdue  | Implemented |
|--------------|---------------------------|---------------------|------------|-----------------|----------|-----------|-----------|---------|----------|-------------|
| Ref          |                           |                     |            | High            | Medium   | Low       |           | Overdue |          |             |
| B018         | Laptops & Removable Media | Corporate Resources | Reasonable |                 | 2        | 4         | 6         |         | 2L       | 4           |
| B022         | Network Security          | Corporate Resources | Reasonable |                 | 2        | 1         | 3         |         | 2M 1L    |             |
| <b>Total</b> |                           |                     |            |                 | <b>5</b> | <b>10</b> | <b>15</b> |         | <b>5</b> | <b>4</b>    |

**2021/22**

| Report       | Audit                     | Directorate            | Conclusion  | Recommendations |          |          | Total    | Not      |         |             |
|--------------|---------------------------|------------------------|-------------|-----------------|----------|----------|----------|----------|---------|-------------|
| Ref          |                           |                        |             | High            | Medium   | Low      |          | Overdue  | Overdue | Implemented |
| B009         | Disaster Recovery         | Strategy & Development | Substantial |                 |          | 3        | 3        | 1        |         | 2           |
| B010         | 30 Year HRA Business Plan | Both                   | Reasonable  | 1               | 2        |          | 3        | 3        |         |             |
| B014         | Housing Rents             | Strategy & Dev         | Substantial |                 | 1        | 1        | 2        | 1        |         | 1           |
| <b>Total</b> |                           |                        |             | <b>1</b>        | <b>3</b> | <b>4</b> | <b>8</b> | <b>5</b> |         | <b>3</b>    |

2022/23

| Report       | Audit            | Directorate | Conclusion  | Recommendations |          |          | Total    | Not      |          |             |
|--------------|------------------|-------------|-------------|-----------------|----------|----------|----------|----------|----------|-------------|
| Ref          |                  |             |             | High            | Medium   | Low      |          | Overdue  | Overdue  | Implemented |
| B001         | Cash and Banking | Resources   | Substantial |                 |          |          | 0        |          |          | 0           |
| B002         | Food Hygiene     |             | Reasonable* |                 | 2        | 5        | 7        | 7        |          |             |
| B003         | Sundry Debtors   | Resources   | Substantial |                 |          |          | 0        |          |          | 0           |
| B004         | Risk Management  | Resources   | Reasonable  |                 | 1        | 1        | 2        | 2        |          |             |
| <b>Total</b> |                  |             |             | <b>0</b>        | <b>3</b> | <b>6</b> | <b>9</b> | <b>9</b> | <b>0</b> | <b>0</b>    |

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## BDC Outstanding Internal Audit Recommendations as at 31st August 2022

| Audit and date audit completed         | Recommendation Outstanding                                                                                                                                                                                                                     | Priority and Original Target Date                      | Managers Comment                                                                                                                                                                                                      |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Laptops and Removable Media – March 21 | As part of its next review, the Joint Information Security Policy should be examined and updated where appropriate to reflect any lessons learned from the effects of the rapid move to home working experienced during the Covid-19 pandemic. | Low<br>January 22<br><br>Revised target date April 23  | The Joint ICT Information Security Policy will be reviewed during the implementation of M365, which is currently being trialled. The implementation of M365 will necessitate a significant re-drafting of the policy. |
| Laptops and Removable Media – March 21 | Where multiple devices of the same type are allocated to Officers or Elected Members, the need for the surplus devices is investigated and where appropriate returned to stock for redeployment.                                               | Low<br><br>April 21                                    | Not yet actioned. Responsibility for this is transferring from Governance to IT                                                                                                                                       |
| Network Security – June 2021           | All policies are reviewed and appropriately version controlled with the relevant versions added and updated on the Joint ICT Intranet site and DDDC SIDD.                                                                                      | End October 2021<br><br>Revised Target Date April 2023 | Communications have been provided the latest versions and asked to update the Intranets. Policies are being reviewed and updated alongside the introduction of M365 as this will introduce additional policies.       |
| Network Security – June 2021           | Joint ICT Strategies are updated and where extant removed from the Intranet site                                                                                                                                                               | Medium                                                 | Awaiting re-organisation and recruitment to assistant director post.                                                                                                                                                  |

| Audit and date audit completed | Recommendation Outstanding                                                                                                                  | Priority and Original Target Date                               | Managers Comment                                    |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------|
|                                | and new versions appended as appropriate.                                                                                                   | End February 2022<br><br>Revised Target date of April 2023      |                                                     |
| Network Security – June 2021   | ICT should consider the development of an I-Cloud Policy for NEDDC, BDC and DDDC and include this on the Council's Joint ICT Intranet Site. | Low<br><br>End March 2022<br><br>Revised target date April 2023 | This will be reviewed with the ICT security policy. |

## **Bolsover District Council**

### **Audit and Corporate Overview Scrutiny Committee on 13<sup>th</sup> September 2022**

#### **Review of the Internal Audit Charter**

#### **Report of the Head of the Internal Audit Consortium**

|                        |                                                                      |
|------------------------|----------------------------------------------------------------------|
| <b>Classification</b>  | This report is Public                                                |
| <b>Report By</b>       | Head of the Internal Audit Consortium                                |
| <b>Contact Officer</b> | Jenny Williams – 01246 959770<br>Jenny.williams@ne-derbyshire.gov.uk |

### **PURPOSE/SUMMARY OF REPORT**

The purpose of this report is to report to Members for information and approval the results of a review of the Internal Audit Charter. The Public Sector Internal Audit Standards (PSIAS) state that the Head of Internal Audit must periodically review the Internal Audit Charter and present it to the relevant Committee for approval.

---

### **REPORT DETAILS**

#### **1. Background**

- 1.1 The Public Sector Internal Audit Standards (PSIAS) which took effect from the 1 April 2013 require that the purpose, authority and responsibility of internal audit must be formally defined in an Internal Audit Charter (Appendix 1).

#### **2. Details of Proposal or Information**

- 2.1 The Internal Audit Charter was last formally approved by this Committee in September 2021. It was agreed that the Charter would be reviewed every year to ensure that it is kept up to date and in accordance with CIPFA recommended practice.
- 2.2 There have been no updates to the PSIAS since the last review of the Charter.

2.3 The current Internal Audit Charter has been reviewed and it is felt that it is still fit for purpose. The only update made is to reflect a change of job title from Internal Audit Consortium Manager to Head of the Internal Audit Consortium

2.4 The Internal Audit Charter is attached as Appendix 1.

### **3. Reasons for Recommendation**

3.1 To comply with the Public Sector Internal Audit Standards and to clearly set out the purpose, authority and principal responsibilities of the Internal Audit Consortium.

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

4.1 Not Applicable

---

## **RECOMMENDATIONS**

1. That Members note the outcome of the review of the Internal Audit Charter.
2. That subject to any comments Members may wish to make, that the Internal Audit Charter be agreed.
3. That the agreed Internal Audit Charter be reviewed in a years' time or sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards

### **IMPLICATIONS:**

**Finance and Risk:**            Yes ☒            No ☐

**Details:**

The adoption of a Charter in line with the PSIAS helps to ensure that the Internal Audit Consortium is operating in line with best practice and thereby providing value for money.

On behalf of the Section 151 Officer

**Legal (including Data Protection):**            Yes ☐            No ☒

**Details:**

On behalf of the Solicitor to the Council

**Staffing:** Yes ☐ No ☒

**Details:**

On behalf of the Head of Paid Service

## DECISION INFORMATION

|                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <b>Is the decision a Key Decision?</b><br>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:<br><br><b>Revenue - £75,000</b> <input type="checkbox"/> <b>Capital - £150,000</b> <input type="checkbox"/><br><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No |
| <b>Is the decision subject to Call-In?</b><br><i>(Only Key Decisions are subject to Call-In)</i>                                                                                                                                                                                                                                                                                                                                          | No |

|                                                                                                                                                                                                                                                                                                                                                  |                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <b>District Wards Significantly Affected</b>                                                                                                                                                                                                                                                                                                     | (please state which wards or state All if all wards are affected) |
| <b>Consultation:</b><br><b>Leader / Deputy Leader</b> <input type="checkbox"/> <b>Executive</b> <input type="checkbox"/><br><b>SLT</b> <input type="checkbox"/> <b>Relevant Service Manager</b> <input type="checkbox"/><br><b>Members</b> <input type="checkbox"/> <b>Public</b> <input type="checkbox"/> <b>Other</b> <input type="checkbox"/> | Details:                                                          |

|                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Links to Council Ambition: Customers, Economy and Environment.</b>                                                                                               |
| This Internal Audit Charter highlights how internal audit can contribute to ensuring that the Council has sound governance, risk and control arrangements in place. |

| DOCUMENT INFORMATION |                        |
|----------------------|------------------------|
| Appendix No          | Title                  |
| 1                    | Internal Audit Charter |
|                      |                        |
|                      |                        |

| Background Papers                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i> |
|                                                                                                                                                                                                                                                |

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## **BOLSOVER, CHESTERFIELD AND NORTH EAST DERBYSHIRE DISTRICT COUNCILS'**

### **INTERNAL AUDIT CHARTER**

#### **INTRODUCTION**

1. The Public Sector Internal Audit Standards (PSIAS) which took effect from 1 April 2013 require the adoption of an Internal Audit Charter. The Internal Audit Charter describes the purpose, authority and principal responsibilities of the Internal Audit Consortium that have been established to provide the internal audit service to the three Councils'.

#### **PSIAS/REGULATORY BASIS OF OPERATION**

2. The adoption of the PSIAS is mandatory and includes a
  - Definition of Internal Auditing
  - Code of ethics
  - International Standards for the Professional Practice of Internal Auditing

3. The Mission of Internal Audit is: -

***To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.***

4. The Internal Audit Consortium adopts the PSIAS and the purpose and definition of Internal Audit as specified by the PSIAS: -

*Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes*

5. The Internal Audit Consortium also adopts and is mindful of the Core Principles for the Professional Practice of Internal Auditing. So, the Internal Audit Consortium: -

- Demonstrates integrity.
- Demonstrates competence and due professional care
- Is objective and free from undue influence (independent)
- Aligns with the strategies, objectives, and risks of the organisation,
- Is appropriately positioned and adequately resourced
- Demonstrates quality and continuous improvement
- Communicates effectively
- Provides risk-based assurance

- Is insightful, proactive, and future-focused.
- Promotes organisational improvement.

The requirement for an internal audit function in local government is specified within the Accounts and Audit (England) Regulations 2015, which state:

*A relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.*

6. The Consortium agreement details how the Consortium will operate in terms of finance, staffing, reporting and independence.
7. Internal Audit is also governed by policies, procedures, rules and regulations established by the host Council. These include Financial Regulations, Conditions of Service, Codes of Conduct and Anti-Fraud and Corruption strategies.
8. Where key services are to be provided to one of the partner Councils' by other contractors or through a partnership, in order for internal audit to form an opinion on the risk management, governance and internal controls in place, a right of access to relevant information and documents should be included in contracts or agreements concerned.

## **DEFINITIONS**

9. The PSIAS require that the Charter must define the terms "Board" and "Senior Management" for the purposes of internal audit activity.
10. The PSIAS glossary defines the board as:  
  
*The highest level of governing body charged with the responsibility to direct and/or oversee the activities and management of the organisation. Typically this includes an independent group of directors (e.g. a board of directors, a supervisory board or a board of governors or trustees). If such a group does not exist, the "board" may refer to the head of the organisation, "Board" may refer to an audit committee to which the governing body has delegated certain functions.*
11. At Chesterfield Borough Council the "Board" will be the Standards and Audit Committee.  
At Bolsover District Council the "Board" will be the Audit and Corporate Overview Scrutiny Committee  
At North East Derbyshire District Council the "Board" will be the Audit and Corporate Governance Scrutiny Committee.
12. In addition to this the Joint Board will approve and monitor the annual business plan and financial position of the Consortium.

13. “Senior Management” – those responsible for the leadership and direction of the Council. This will be each Council’s Senior Management Team.
14. The PSIAS adopt the term “Chief Audit Executive”, this role is met by the Head of the Internal Audit Consortium.

### **SCOPE AND OBJECTIVES OF INTERNAL AUDIT**

15. The scope of the Internal Audit Consortium encompasses the examination and evaluation of the adequacy and effectiveness of each organisation’s governance, risk management and internal control processes in relation to each organisation’s defined goals and objectives.
16. The Audit Consortium’s remit covers all functions and services for which the Council’s are responsible and this extends to the entire risk management, governance and internal control processes of the organisations and not just financial controls.
17. The Consortium will objectively examine, evaluate and report on the adequacy of the risk management, governance and internal controls in place as a contribution to the proper, economic, efficient and effective use of resources.
18. The internal audit service will be delivered on the basis of a risk assessment of auditable areas at each of the partner authorities. A predominantly systems based approach to most audits will be adopted.
19. The risk management, governance and internal control processes comprises the whole network of systems established within each partner authority to provide reasonable assurance that corporate objectives will be achieved, with particular reference to: -
  - Consistency of operations with established objectives and goals,
  - The reliability and integrity of financial and operational information,
  - The effectiveness and efficiency of operations and programmes,
  - Safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity and corruption,
  - Compliance with laws, regulations, policies, procedures and contracts,
  - The economic and efficient use of resources (value for money) and effective monitoring systems and optimum use of performance management information.
20. With the introduction of the PSIAS, internal audit may also provide “consultancy” services. This work could take any form, provided that the independence of the service is not compromised, but will typically include special reviews or assignments where requested by management, which fall outside the approved plan and for which a contingency is included in the audit plan. There will be no significant consultancy work undertaken without the approval of the relevant Audit Committee.

## **RESPONSIBILITIES AND REPORTING**

21. The PSIAS requires that the Internal Audit Charter should establish the responsibilities and reporting arrangements of internal audit.
22. The Head of the Internal Audit Consortium reports directly to each Council's Audit Committee and to each Chief Financial Officer/Director. The Head of the Internal Audit Consortium also has direct access to each Council's Chief Executive / Directors, Monitoring Officer and where necessary elected Members.
23. The Head of the Internal Audit Consortium will manage the provision of the Internal Audit service to each Council by: -
  - Preparing each year in advance a risk- based audit plan for discussion and agreement by each council's Client Officer and approval by the Audit Committee. Any in-year significant changes to the audit plan shall be agreed by the respective Client Officers and Audit Committees,
  - Preparing the internal audit budget and resource plan for approval by the Joint Board,
  - Presenting an annual report to each Council's Audit Committee that meets the requirements of the PSIAS and includes: -
    - An overall opinion on the adequacy and effectiveness of the organisation's risk management, governance and internal control processes (including any qualifications to that opinion),
    - Presents a summary of the audit work from which the opinion is derived, including reliance placed on the work by other assurance bodies,
    - Draws attention to any issues the Head of the Internal Audit Consortium judges particularly relevant to the preparation of the Annual Governance Statement,
    - Compares work actually undertaken with work that was planned and to report relevant performance measures and targets.
  - Presenting periodic reports to each Audit Committee summarising all internal audit reports issued and if considered necessary providing copies of the reports,
  - Formally report the findings and recommendations of audit work to senior management and the respective Audit Committee throughout the year. Audit reports will: -
    - Include an audit opinion on the reliability of the risk management, governance and internal control processes in the system or area audited,
    - Identify inadequately addressed risks and non-effective control processes,
    - Detail management's response and timescale for corrective action,
    - Identify issues of good practice.
  - Ensuring audit work is supervised, reviewed, recorded and reported,
  - Implementing a follow up process for ensuring the effective implementation of audit recommendations or ensuring senior management are aware of the consequences of not implementing a recommendation and are prepared to accept the risk,

- Liaising as needed with the External Auditor for each Council and with other regulators,
  - Maintaining and managing a risk assessment in relation to the functions of the Consortium,
  - Ensuring that there is an up to date Audit Manual in place setting out expected standards for the service, and monitoring compliance with these standards, including in relation to the planning, conduct, quality assurance and reporting of audit assignments.
24. Senior managers should assist audit to discharge their duties by:
- The prompt provision of information and explanations,
  - Providing input to the audit plan to ensure attention is focused on areas of greatest risk,
  - Informing the Audit Consortium of any plans for change, including new systems,
  - Responding to the draft internal audit report, including provision of management responses to recommendations, within the timescale requested by the audit team,
  - Implementing agreed management actions in accordance with agreed timescales,
25. The respective Audit Committees must:
- Approve the Internal Audit Charter,
  - Approve the risk based internal audit plan,
  - Receive progress reports and an annual report from the Head of the Internal Audit Consortium in respect of the audit plan,
  - Approve any large variances or consulting services not already included in the audit plan.
26. The Joint Board will:
- Approve the internal audit budget and outturn.

## **AUDIT RESOURCES**

27. The Chief Financial Officer at each Council will ensure that the Audit Consortium has the necessary resource to enable the Head of the Internal Audit Consortium to be able to give an annual evidence-based opinion.
28. The staffing and budget of the Internal Audit Consortium will be kept under review by the Head of the Internal Audit Consortium, bearing in mind the resource requirements identified in the audit plan process. Where resources available do not match the resource requirements identified by the annual audit plans, the Head of the Internal Audit Consortium will report to the Joint Board.
29. The Head of the Internal Audit Consortium will be professionally qualified (CMIIA, CCAB or equivalent) and have wide internal audit and management experience. The Head of the Internal Audit Consortium

will ensure that the internal audit service is appropriately skilled in terms of qualifications, knowledge and experience.

### **QUALITY AND ASSURANCE PROGRAMME**

30. The PSIAS state that a quality assurance and improvement programme must include both internal and external assessments. Internal assessments should be ongoing and periodical and external assessments must be undertaken at least once every 5 years.
31. All internal audits are subject to a management quality review. Policies and procedures to guide staff in performing their duties have been established within the audit manual.
32. The internal self- assessment of internal audit will be undertaken annually by completing the checklist for assessing conformance with the PSIAS included within the PSIAS Application Note.
33. External assessment can be satisfied by either arranging a full external assessment or by undertaking a self assessment with independent validation. External assessments must be by a qualified, independent assessor from outside the organisations. The Head of the Internal Audit Consortium must discuss the format of the external assessments and the qualifications and independence of the assessor with the Audit Committee.
34. An external assessment of the internal audit function will take place at least once every 5 years and the results reported back to the Audit Committee of each Council.
35. The results of the quality and assurance programme and progress against any improvement plans must be reported in the annual report.

### **INDEPENDENCE, AUTHORITY AND ETHICS**

36. In order to achieve its objectives effectively, Internal Audit must be seen to be independent. Internal auditors must maintain an unbiased attitude that allows them to perform their engagements in such a manner that no quality compromises are made.
37. The scope of internal audit allows for unrestricted access at each partner authority to all records, personnel, premises and assets deemed necessary to obtain information and explanations as it considers necessary to fulfil its responsibilities in the course of the audit. Such access shall be granted on demand and not subject to prior notice.
38. This right of access is included in the agreement signed by the three authorities establishing the Internal Audit Consortium and in each authority's Financial Regulations. In addition, where necessary, the Head of the Internal Audit Consortium will have unrestricted access at each authority to:

- The Chief Executive / Relevant Director
  - The Chief Financial Officer
  - Members
  - The Monitoring Officer
  - The Chair and Members of the Audit Committee
  - Individual Directors / Heads of Service
  - All Other Employees
  - The External Auditor
39. The Head of the Internal Audit Consortium will confirm to the Audit Committees' at least annually, the organisational independence of the internal audit activity.
40. Independence is further achieved by:
- Reporting to the Audit Committee and senior management at each authority,
  - Not being part of system and procedures being audited,
  - Rotating responsibility for audit assignments within the audit team,
  - Completing declaration of interest forms on an annual basis,
  - Internal Audit staff not undertaking an audit in an area where they have had operational roles for at least two years.
41. If any member of the Internal Audit Consortium considers there is or could be a conflict of interest, this must be declared to the Head of the Internal Audit Consortium who will direct alternative and independent resources to the audit.
42. Where internal audit staff are required to undertake non-audit duties, the Head of the Internal Audit Consortium will make it clear that those audit staff are not fulfilling those duties as internal auditors. The Head of the Internal Audit Consortium will ensure that within the service there remains sufficient impartiality to enable the actions and activities of those internal audit staff to be subject to audit by those independent from the activity.
43. Internal auditors must conform to the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Ethics in addition to those of other professional bodies of which they hold membership.
44. The Code of Ethics promotes an ethical, professional culture to ensure fairness, objectivity and freedom from conflicts of interest. The key principles are: -
- Integrity – to establish trust thus providing reliance on their judgement;
  - Objectivity – in gathering, evaluating and communicating information about the activity or process being examined in order to make a balanced assessment of all relevant circumstances without influence;
  - Confidentiality – to respect the value and ownership of information received which should not be disclosed without appropriate authority or a legal or professional obligation to do so, nor be used for personal gain; and

- Competence – to apply knowledge, skills and experience appropriately.

## **FRAUD AND CORRUPTION**

45. Managing the risk of fraud and corruption is the responsibility of management. Each Council has an Anti Fraud and Corruption strategy and a zero tolerance towards fraud.
46. The Head of the Internal Audit Consortium should be notified of all suspected or detected fraud, corruption or impropriety in accordance with each Council's Financial Regulations and Anti Fraud and Corruption strategies, in order to inform their opinion of the risk management, governance and internal control arrangements in place.
47. Subject to availability of resources with the internal audit plan, internal audit may assist management in the investigation of suspected fraud and corruption.
48. The Head of the Internal Audit Consortium will report any instances of fraud detected as a result of audits undertaken to the Audit Committee.

## **REVIEW OF THE INTERNAL AUDIT CHARTER**

49. The Internal Audit Charter will be reviewed every year by the Head of the Internal Audit Consortium and will be reported to each Council's Audit Committee for approval.

Reviewed and Updated August 2022

## **Bolsover District Council**

### **Meeting of the Audit and Corporate Overview Scrutiny Committee on 13<sup>th</sup> September 2022**

#### **Statement of Accounts 2021/22**

#### **Report of the Assistant Director of Finance and Resources**

|                        |                                                                                                                     |
|------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Classification</b>  | This report is public                                                                                               |
| <b>Report By</b>       | Assistant Director of Finance and Resources                                                                         |
| <b>Contact Officer</b> | Assistant Director of Finance and Resources<br>Theresa Fletcher<br>01246 242548<br>theresa.fletcher@bolsover.gov.uk |

#### **PURPOSE/SUMMARY OF REPORT**

The Committee is asked to approve the audited Statement of Accounts for 2021/22, circulated as **Appendix 1**.

---

#### **REPORT DETAILS**

##### **1. Background**

- 1.1 The outturn position for the Council has previously been reported to a meeting of this Committee and the Council's Executive. The Mazars external audit team has been undertaking work on the Statement of Accounts remotely since June and the conclusions from this work so far are set out in the External Auditor's Report which is another item on this agenda.
- 1.2 **Appendix 1** to this report is the Council's Audited Statement of Accounts for 2021/22. There may be some changes still requested by the external auditor in completing the audit – which will be reported verbally at the Committee meeting. It is anticipated however, that there will be only limited changes between the version at appendix 1 and the final Statement of Accounts for 2021/22.
- 1.3 Given the possibility that issues raised may require the Statement of Accounts to be amended, it is recommended that delegated powers be given to the Chief Financial Officer in consultation with the Chair or Deputy Chair of this Committee to agree any final changes to the Council's Statement of Accounts 2021/22. It should be noted that the only changes made under these delegated powers will relate to amendments agreed with the Council's external auditors Mazars.

## **2. Reasons for Recommendation**

- 2.1 The external audit process for 2021/22 has almost concluded and the accounts as amended are expected to be given an unqualified audit opinion. The outcome of the audit so far is summarised in the external auditor's report to those charged with governance which appears elsewhere on the agenda.

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

- 3.1 There are no alternative options for consideration.

---

## **RECOMMENDATION(S)**

1. That the Committee approves the Statement of Accounts in respect of 2021/22.
2. That delegated powers are granted to the Chief Financial Officer in consultation with the Chair or Deputy Chair of this Committee to agree any changes agreed with the Council's external auditors Mazars, which may be necessary to ensure the completion of the Statement of Accounts by 30 November 2022.

Approved by the Portfolio Holder - Cllr Clive Moesby, Executive Member for Finance

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### **IMPLICATIONS:**

**Finance and Risk:**            Yes ☐            No ☒

**Details:**

There are no additional financial implications arising from this report.

On behalf of the Section 151 Officer

**Legal (including Data Protection):**            Yes ☐            No ☒

**Details:**

The process has been undertaken in accordance with the requirements of the Accounts and Audit Regulations. It should be noted that the Council is required to complete and approve the audited Statement of Accounts by the end of July under normal circumstances but the deadline has been extended to 30 November for the financial year 2021/22.

On behalf of the Solicitor to the Council

**Staffing:**            Yes ☐            No ☒

**Details:**

There are no human resource issues arising directly out of this report.

On behalf of the Head of Paid Service

## DECISION INFORMATION

|                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <b>Is the decision a Key Decision?</b><br>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:<br><br><b>Revenue - £75,000   <input type="checkbox"/>   Capital - £150,000   <input type="checkbox"/></b><br><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No |
| <b>Is the decision subject to Call-In?</b><br><i>(Only Key Decisions are subject to Call-In)</i>                                                                                                                                                                                                                                                                                                                                         | No |

|                                                                                                                                                                                                                                                                                                                                            |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>District Wards Significantly Affected</b>                                                                                                                                                                                                                                                                                               | All      |
| <b>Consultation:</b><br><b>Leader / Deputy Leader   <input type="checkbox"/>   Executive   <input type="checkbox"/></b><br><b>SLT   <input type="checkbox"/>   Relevant Service Manager   <input type="checkbox"/></b><br><b>Members   <input type="checkbox"/>   Public   <input type="checkbox"/>   Other   <input type="checkbox"/></b> | Details: |

|                                                                       |
|-----------------------------------------------------------------------|
| <b>Links to Council Ambition: Customers, Economy and Environment.</b> |
|                                                                       |

| DOCUMENT INFORMATION |                                                           |
|----------------------|-----------------------------------------------------------|
| Appendix No          | Title                                                     |
| 1                    | Bolsover District Council – Statement of Accounts 2021/22 |
|                      |                                                           |

|                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Background Papers</b><br><i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i> |
| None                                                                                                                                                                                                                                                                       |



# Statement of Accounts 2021/22

**Running Order of the Statement of Accounts Document**

**Narrative Report**

**Introduction to the Statements**

**Statement of Responsibilities for the Statement of Accounts**

**Movement in Reserves Statement**

**Expenditure and Funding Analysis**

**Comprehensive Income and Expenditure Statement**

**Balance Sheet**

**Cash Flow Statement**

**Notes to the Core Financial Statements**

- 1 Accounting Policies
- 2 Accounting Standards Issued, Not Yet Adopted
- 3 Critical Judgements in Applying Accounting Policies
- 4 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty
- 5 Material Items of Income and Expense
- 6 Events After the Balance Sheet Date
- 7 Note to the Expenditure and Funding Analysis
- 8 Expenditure and Income Analysed by Nature
- 9 Analysis of the Movement in Reserves Statement - Adjustments Between Accounting Basis and Funding Basis
- 10 Movements in Earmarked Reserves
- 11 Property, Plant and Equipment
- 12 Investment Properties
- 13 Intangible Assets
- 14 Financial Instruments
- 15 Inventories
- 16 Capital Commitments
- 17 Debtors
- 18 Cash Flow Statement - Cash and Cash Equivalents
- 19 Assets Held for Sale
- 20 Creditors
- 21 Provisions
- 22 Usable Reserves
- 23 Unusable Reserves
- 24 Cash Flow Statement - Operating Activities

|           |                                                                                       |
|-----------|---------------------------------------------------------------------------------------|
| <b>25</b> | Cash Flow Statement - Investing Activities                                            |
| <b>26</b> | Cash Flow Statement - Financing Activities                                            |
| <b>27</b> | Cash Flow Statement - Reconciliation of Liabilities arising from Financing Activities |
| <b>28</b> | Agency Services                                                                       |
| <b>29</b> | Members' Allowances                                                                   |
| <b>30</b> | Officers' Remuneration                                                                |
| <b>31</b> | External Audit Costs                                                                  |
| <b>32</b> | Grant Income                                                                          |
| <b>33</b> | Related Parties                                                                       |
| <b>34</b> | Capital Expenditure and Capital Financing                                             |
| <b>35</b> | Leases                                                                                |
| <b>36</b> | Impairment Losses                                                                     |
| <b>37</b> | Termination Benefits                                                                  |
| <b>38</b> | Defined Benefit Pension Scheme                                                        |
| <b>39</b> | Contingent Liabilities/Assets                                                         |
| <b>40</b> | Interests in Other Entities                                                           |
| <b>41</b> | Shared Services/Joint Operations                                                      |

#### **HRA Income and Expenditure Statement**

##### **Movement on the HRA Statement**

|           |                                                                              |
|-----------|------------------------------------------------------------------------------|
| <b>42</b> | Housing Stock                                                                |
| <b>43</b> | Valuation of Assets                                                          |
| <b>44</b> | Depreciation                                                                 |
| <b>45</b> | Major Repairs Reserve                                                        |
| <b>46</b> | Impairment (Including the reversal of previous years' revaluation decreases) |
| <b>47</b> | Capital Expenditure and Financing                                            |
| <b>48</b> | Capital Receipts                                                             |
| <b>49</b> | Rent Income                                                                  |
| <b>50</b> | Pension Reserve                                                              |
| <b>51</b> | Revenue Expenditure Funded from Capital Under Statute                        |

#### **The Collection Fund Accounting Statement**

|           |                                                                                   |
|-----------|-----------------------------------------------------------------------------------|
| <b>52</b> | Income from Business Ratepayers                                                   |
| <b>53</b> | Council Tax                                                                       |
| <b>54</b> | Allocation of Collection Fund Surpluses and Deficits                              |
| <b>55</b> | Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors |

#### **The Independent Auditor's Report**

#### **The Annual Governance Statement**

## **NARRATIVE REPORT**

### **Introduction**

Bolsover District Council covers an area of 62 square miles on the edge of Derbyshire in the East Midlands. With a population of 79,000 people there are sixteen town and parish councils within the district.

Operating alongside Derbyshire County Council in providing local authority services to residents, District Council services provided include:

- benefits
- economic development
- elections
- environmental health
- housing
- leisure
- planning
- waste collection

### **Organisation and Governance**

The Council has around 510 employees including 2 apprentices. The Council pays an apprenticeship levy at 0.5% of the total pay bill. This money is used to pay for apprenticeship training for new recruits and existing employees.

The Council has 37 Elected Members who are democratically accountable to their residents. Elections are held every four years, the latest being May 2019. Members follow a Code of Conduct to ensure high standards in the way they carry out their duties. The Council has an Executive consisting of the Leader and seven Members who are supported and held to account by four Scrutiny committees. More information on the Council's Governance Framework is included in the Council's Annual Governance Statement which is available on our website.

Following the local elections in May 2019, a new Council Ambition 2020-2024 was developed.

The Ambition is split into key areas of Customers, Economy and Environment, with a number of priorities supported beneath each one. The Ambition is intended to be flexible and adaptable, allowing scope for new projects to be delivered whilst being prepared to address uncertainties such as reductions in funding and income we receive, changes in legislation that affect our services or influences that affect our local communities and their way of life, such as Coronavirus.

### **Strategy and Resource Allocation**

The Code of Practice on Local Authority Accounting in the United Kingdom requires reports of financial performance to be presented according to how the authority has been managed.

The Council's internal management reporting for decision making is shown per directorate. All the services of the Council fall into either the Corporate Resources, Development or Environment and Enforcement Directorates for 2021/22.

The statutory ring-fence that exists to prevent cross subsidisation between the general fund and housing revenue account means that the Council has to breakdown the Development and Environment and Enforcement Directorates to identify the two separate elements.

In February 2021, following recommendation by Executive, the Council approved a budget for revenue and capital expenditure for the 2021/22 financial year.

### **General Fund**

Before the council tax increase a deficit of £0.291m was proposed for the original budget for the Corporate Resources Directorate and the non-HRA element of the Development and Environment and Enforcement Directorates - the General Fund.

To finance these General Fund services were income from business rates of £4.753m; Revenue Support Grant £1.195m; New Homes Bonus Grant £0.259m, Lower Tier Services Grant £0.229m and council tax income of £7.287m. The Council's element of the council tax bill for 2021/22 was increased by 2.75%. This resulted in a Band D council tax charge of £186.28 for services provided by Bolsover District Council and provided an additional £0.110m in revenue. Covid-19 related Government support amounted to £0.791m.

Between the original budget being set in February 2021 and the revised budget receiving approval in December 2021, a number of changes meant the General Fund was predicted to outturn a £0.081m deficit. A combination of extra income received from council tax, business rates and service income and vacancy management have meant an improvement of £0.211m from the original budget.

As detailed below, at net cost of service level the outturn position of £9.563m was £1.170m lower than the revised budget forecast:

|                                | Current<br>Budget<br>2021/22<br>£000 | Outturn<br>Actual<br>2021/22<br>£000 | Variance<br>2021/22<br>£000 |
|--------------------------------|--------------------------------------|--------------------------------------|-----------------------------|
| Directorates:                  |                                      |                                      |                             |
| Corporate Resources            | 2,937                                | 2,364                                | (573)                       |
| Development                    | 2,514                                | 2,193                                | (321)                       |
| Environment and<br>Enforcement | 5,282                                | 5,006                                | (276)                       |
| Net Cost of Services           | 10,733                               | 9,563                                | (1,170)                     |

The main under spends were: net debt charges and investment interest of £0.214m; £0.032m on the ICT software and related costs; £0.399m net under spend on staff related budgets; £0.052m increased planning fees. The balance was non-staff miscellaneous variances £0.447m.

The actual net cost of services shown above links to the net expenditure chargeable to the General Fund Balance in the Expenditure and Funding Analysis Note. The Expenditure and Funding Analysis Note provides a link between the funding basis that is reported for management decision making and the statutory accounting basis as reported in the Comprehensive Income and Expenditure Statement.

#### Housing Revenue Account (HRA)

The Housing Revenue Account is a legally separate account which ring-fences the income from council house rents. Rental income is then used to meet the costs of managing and maintaining the Council's housing stock, including the significant burden of debt which was assigned to the Council as part of the localisation of the HRA in March 2012.

When the original budget was proposed for the HRA there was a surplus of £0.006m. For decision making the HRA falls within the Development and the Environment and Enforcement Directorates.

During 2021/22 the Council continued to operate in accordance with Government rent policy which meant an average increase in rents to tenants of 1.5%. Rental income from dwelling rents was estimated as £20.819m with fees and charges income predicted to be £0.792m.

Movement in the HRA between original and revised budgets was managed between budget lines with no effect on the bottom line which meant the HRA surplus was predicted to remain at £0.006m by 31st March.

As detailed below, at net cost of service level the outturn position on the HRA was £0.387m more favourable than the revised budget forecast:

|                                | Current<br>Budget<br>2021/22 | Outturn<br>Actual<br>2021/22 | Variance<br>2021/22 |
|--------------------------------|------------------------------|------------------------------|---------------------|
| Directorates:                  | £000                         | £000                         | £000                |
| Development                    | 5,773                        | 5,590                        | (183)               |
| Environment and<br>Enforcement | (14,552)                     | (14,756)                     | (204)               |
| Net Cost of Services           | (8,779)                      | (9,166)                      | (387)               |

The main expenditure under spends were in relation to staff costs at £0.181m. The income position was over achieved by £0.173m due to better than anticipated property lettings.

Again, the actual net cost of services shown above links to the net expenditure chargeable to the Housing Revenue Account Balance in the Expenditure and Funding Analysis Note, providing the link between management decision making and the Comprehensive Income and Expenditure Statement.

### Capital Expenditure and Resources

The Council invested £15.546m on capital schemes in the year. This related to capital expenditure on Housing Revenue Account assets £13.093m, General Fund assets £1.983m and private sector housing improvement works £0.470m.

The following tables give an analysis of the expenditure and how it was financed:

|                                               |               |
|-----------------------------------------------|---------------|
| <u>Main capital schemes delivered in year</u> | 2021/22       |
|                                               | £000          |
| New Council Houses                            | 6,051         |
| New Bolsover Regeneration Programme           | 506           |
| Improvements to the Council's housing stock   | 6,290         |
| New technology and software                   | 269           |
| Leisure pitch, gym and equipment              | 833           |
| Replacement vehicles and plant                | 655           |
| Private Sector Disabled Facilities Grants     | 470           |
| Improvements to Council's own buildings       | 299           |
| Others                                        | 173           |
|                                               | <u>15,546</u> |

|                                          |               |
|------------------------------------------|---------------|
| <u>How schemes were paid for</u>         | 2021/22       |
|                                          | £000          |
| Prudential borrowing (HRA)               | 1,004         |
| Grants and other contributions           | 2,724         |
| Major repairs allowance                  | 5,597         |
| Reserves and revenue contributions       | 5,616         |
| Usable capital receipts from asset sales | 605           |
|                                          | <u>15,546</u> |

### Treasury Management

At 31st March 2022, the Council had a total capital financing requirement (Council debt) of £116.241m. This is a net decrease in the year of £0.342m. This reflects prudential borrowing undertaken in the year on the HRA, offset by the provision for debt repayment. The Council's debt is funded from the Public Works Loan Board (P.W.L.B.), with no new loans raised and £3.7m principal repayment made to the PWLB, during the year. The Council has a general policy of not utilising leased assets to fund capital purchases. During the year the Council continued to operate within the limits agreed in its Treasury Management Strategy.

### **Assets**

The last full valuation was undertaken as at 1st April 2018, however, an annual desk top review by the Council of all the assets it holds is undertaken at 31st March to ensure that the figures appearing in the accounts are up to date. This exercise ensures that the Statement of Accounts reflects the correct valuation of all the assets held by the Council. Adjustments are made within the Accounts to reflect these changes in asset values, but these accounting adjustments have no impact on the charges to our Council Tax payers or our housing tenants.

During 2021/22, the Council continued with its Bolsover Homes Programme building 34 new properties at a cost of £10.2m. The properties are in Bolsover, Clowne, Creswell and Whitwell.

During the year the Council sold 41 properties under the Right to Buy legislation and demolished 10.

### **Reserves and Balances**

The Council's total usable reserves and balances have decreased by £1.793m to £48.626m. These include general reserves of £4.178m (General Fund and Housing Revenue Account balances). Additionally, the Council has £5.503m that relates to unapplied revenue and capital grants, earmarked general fund revenue reserves of £18.510m, earmarked HRA reserves of £11.807m, capital receipts reserve of £5.207m and £1.123m major repairs reserve at 31st March 2022. The Council also has a Covid-19 reserve of £2.298m which contains the amount which has to be repaid to the Collection Fund in 2022/23 for the business rates deficit.

### **Collection Fund**

#### Business Rates

In 2021/22, £24.427m of Business Rates income was received from ratepayers. After taking account of appropriate charges to the collection fund, the balance is apportioned between the Government (50%), BDC (40%), Derbyshire County Council (9%) and Derbyshire Fire Authority (1%). During the year £28.168m was paid on account to the above parties with an amount of £7.992m being paid into the collection fund to repay the previous years' deficit. At 31st March 2022 there is a deficit of £7.059m. This amount will be settled by the various parties in 2022/23 and 2023/24. The Council's net share of this deficit is £2.824m.

#### Council Tax

In 2021/22 £45.797m of Council Tax income was raised. During the year £44.929m was precepted on the collection fund with £0.665m being paid in for the previous years' deficit. At 31st March 2022 there is a deficit of £0.037m. This deficit will be reclaimed from the precepting authorities during 2022/23 and 2023/24. This Council's share of the deficit is £0.006m.

### **Pension Fund Liability**

The value of what the Council owes across future years is offset by the value of assets invested in the pension fund. These figures are provided by the actuary to the Derbyshire County Council Pension Fund, Hymans Robertson LLP. The latest full valuation of the scheme was undertaken at 31st March 2019.

The Council's liabilities have decreased by £5.979m with an increase in the fair value of assets of £7.531m. The net movement is a decrease in the liability of the fund of £13.510m. The pension liability of the Council is £41.702m at 31st March 2022.

## **Risks and Opportunities**

The longer term sustainability of both our service delivery and the Council's financial position are protected by Corporate, Service and Financial Plans which cover a four year period. These are supported by a Risk Management Strategy and associated framework which identifies and mitigates the Strategic and Operational risks which could hinder or prevent our plans being achieved.

Our organisation is risk aware rather than risk averse as the decision whether to accept risk has to be taken in light of the potential benefits of a proposed course of action. The extent to which the Council is risk averse, will undoubtedly impact on its potential to progress available opportunities to secure benefits for local residents.

The risk management approach, both in the identification of risks and the action taken to address the risks, is flexible and has the ability to respond to change. National policies, service delivery arrangements, national and local circumstances, together with Council priorities have and will continue to change and evolve over time. The Council's risk management focus and arrangements are able to adjust in order to ensure that current threats and opportunities are effectively addressed and not stifled by inappropriate risk management arrangements.

Although the Council can do much to manage the risks it faces, it does need to be recognised that some of the major strategic risks are only partially within its direct influence. Key risks included in the Strategic Risk Register at present are:

- STR1 - The introduction of Government Legislation/Parliamentary uncertainty which has an adverse impact on the Council's budget or ability to carry out its statutory functions, for example the Government White Paper on Levelling Up and the potential impact of devolution.
- STR2 - Failure to deliver a balanced budget in line with the Medium Term Financial Plan, at a time when the Council's reserves are limited to 'adequate' levels.
- STR3 - The Council is affected by an operational failure which has a major impact upon the provision of services to residents, communities and/or businesses (for example ICT failure, utilities failure or building/depot failure).
- STR4 - It becomes increasingly difficult to recruit to key posts or to replace key staff who leave (for example Environmental Health Officers). Staff morale is adversely affected as a result of the pace of change, tightening financial circumstances or external circumstances.
- STR5 - Continued delivery of statutory services alongside the Council's Vision and other initiatives, projects and reforms, potentially overstressing limited resources.
- STR6 - Emergency planning and business continuity arrangements fail to meet required standards when tested by flu pandemic, natural disaster (flood) etc.
- STR7 - Lack of strategic direction from Members/Corporate Management, external partners change strategic direction.
- STR8 - Governance arrangements including performance, finance and risk management, need to be maintained in order to continue to operate effectively in a rapidly changing environment.
- STR9 - HS2, without considerable environmental mitigation measures, HS2 will have a significant impact on the visual amenity of the district, disruption to businesses, home owners and communities.
- STR10 - Failure to have in place robust, comprehensive and up-to-date policies and procedures for safeguarding children and vulnerable adults.
- STR11 - Failure to address the impact of COVID-19 upon the organisation, local economy and community.

- STR12 - Cyber security attack which severely impacts ICT systems and data. E.g. Ransomware attack rendering access to ICT unavailable for some time.
- STR13 - Significant increases to general cost of living which may impact on Council income including Council Tax, Business Rates and Rent arrears and reduced leisure income.
- STR14 - Significant increases in fuel prices (both vehicle and property) having an adverse effect on the Council's budget.
- STR15 - Homes for Ukraine Scheme including safeguarding, potential homelessness and effective co-ordination of the scheme whilst in its early stages of development.
- STR16 - The impact of Climate Change including: the impact of Government national policy and targets; the impact of statutory requirements to meet targets on the Council's budget; Failure to meet the Council's Climate Change targets; Responding to environmental changes including severe weather events.

To facilitate the effective identification of risk there is an embedded culture of risk management in place across the Council. This will help mitigate the threat that those risks which materialise will prevent the achievement of Strategic Aims / Priorities or Key Targets.

### **Performance**

The Council Ambition 2020-2024 was developed to replace the previous Corporate Plan. This document sets out the Council's key objectives, with a number of priorities supporting each one.

The Council's Ambition for 2020-2024 is - "To become a dynamic, self-sufficient and flexible Council that delivers excellent services, whilst adapting to local aspirations and acting as the economic and environmental driver for Bolsover District."

The Council's key objectives and the priorities for each are:

#### **Customers**

- Increasing customer satisfaction with our services.
- Improving customer contact and removing barriers to accessing information.
- Actively engaging with partners to benefit our customers.
- Promoting equality, diversity and supporting vulnerable and disadvantaged people.
- Providing good quality council housing where people choose to live.
- Improving health and wellbeing and increasing participation in sport and leisure activities.

#### **Economy**

- Working with partners to support enterprise, innovation, jobs and skills.
- Unlocking development potential: unlocking the capacity of major employment sites.
- Enabling housing growth: increasing the supply, quality and range of housing to meet the needs of the growing population and support economic growth.
- Making the best use of our assets.
- Ensuring financial sustainability and increasing revenue streams.
- Promoting the District and working with partners to increase tourism.

#### **Environment**

- Reducing our carbon footprint whilst supporting and encouraging residents and businesses to do the same.
- Increasing recycling.

- Ensuring a high standard of environmental cleanliness, undertaking appropriate enforcement activity where required.
- Enhancing biodiversity and developing attractive neighbourhoods that residents feel proud of and take responsibility for.
- Working with partners to reduce crime and anti-social behaviour.
- Actively engaging with partners to benefit our communities.

### The Council's Performance and Outcomes for Local Residents

The emphasis of the Statement of Accounts which follow this narrative report is upon the financial performance of the Council. Our financial performance however, needs to be considered in conjunction with our ability as a Council to provide a sustainable comprehensive range of value for money services that meet both our statutory obligations and the needs of our area. This narrative seeks to outline some of the services and projects which the Council has delivered during the course of 2021/22, linking these to our strategic objectives and plans for the future.

The Council's vision (2020-2024) for the district is to become a dynamic, self-sufficient and flexible Council that delivers excellent services, whilst adapting to local aspirations and acting as the economic and environmental driver for Bolsover District.

The Council has three aims designed to deliver this vision through priorities that cover the Council Ambition 2020-2024. In order to better understand how the Council has performed during the course of the current financial year, the table below sets out headline progress against the Council's agreed aims and priorities. The successful achievement of the Council's agreed priorities and targets is key to ensuring effective service delivery to local residents, whilst providing a sustainable future for the Council itself as an organisation. The Council prepares detailed reports concerning the performance against the Council Ambition on a quarterly basis.

A summary of progress against the Council Ambition (2021-2022) is provided below:

| <b>Aim - Our Customers, by providing excellent and accessible services</b> |                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Priorities</b>                                                          | <b>Targets</b>                                                                                                   | <b>Progress against key targets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Increasing customer satisfaction with our services.                        | Measure customer satisfaction in all front facing service areas at least every two years on a rolling programme. | <p>The Council commissioned consultants to conduct an independent survey of its tenants towards their landlord and services provided. 1,515 tenants responded, 30% response rate. Some headline findings:</p> <ul style="list-style-type: none"> <li>- Vast majority of tenants satisfied with services provided by the Council (87%)</li> <li>- 82% satisfied with the quality of their home</li> <li>- 87% satisfied with the value of rent</li> <li>- 81% satisfied with the repair service</li> <li>- Fewer satisfied that their views are listened to and acted upon (65%) and that the Council engages in a way that suits them.</li> </ul> <p>Whilst pleased with the results of the survey the Council is keen to provide a better service and has produced an action plan taking into account the results and comments received.</p> <p>An Environmental Health satisfaction survey on the Food Safety inspections was also undertaken this year. 85% expressed satisfaction with the service (64% very satisfied and 21% fairly satisfied).</p> |

|                                                                                           |                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                           | Improve the overall performance and usability of the website.                                                                 | The Council has now fully completed the accessibility changes as recommended by the Cabinet Office. It continues to receive good to excellent scores on its webpages when sampled by Silktide. The sample for January to March 2022 scored out of 100: Content - 89 (good); Accessibility 93 (excellent); User Experience - 90 (excellent); Marketing - 87 (good).                                                                                           |
| Improving customer contact and removing barriers to accessing information.                | Ensure that at least 50% of transactions are made through digital channels by December 2024.                                  | When comparing total digital transactions to non-digital channels in the contact centres - 44% are digital (outturn for 2021/22). This is expected to meet its target.                                                                                                                                                                                                                                                                                       |
| Actively engaging with partners to benefit our customers.                                 | Work with partners to deliver the Sustainable Communities Strategy and publish an evaluation report annually.                 | Delivery of this has continued with a full review of the priorities and strategy expected in May 2022. The Policy Officers continue to work with the thematic groups on delivery of partnership priorities. The new themes are:<br>Increasing Prosperity<br>Strengthen Resilience for individuals and communities<br>Promoting inclusion and/ increasing connectivity<br>Vulnerable Groups<br>Young People                                                   |
| Promoting equality, diversity and supporting vulnerable and disadvantaged people.         | Monitor Performance against the corporate equality objectives and publish information annually.                               | The second year review of the Council's Single Equality Scheme 2019-2023 has been approved at Executive and publicised internally and externally. A light touch review of the Equalities Monitoring Form has been undertaken and a refresh of the Access for All statement has started to ensure that it is still fit for purpose. The Ask Derbyshire website has been completely overhauled and is now fully accessible.                                    |
|                                                                                           | Prevent homelessness for more than 50% of those facing homelessness each year.                                                | The Council received 321 approaches for homelessness in 2021/22. As of 31/03/22, 241 of those cases had been prevented from becoming homeless (75%). 47 cases were open as of 31/03/22.                                                                                                                                                                                                                                                                      |
| Providing good quality council housing where people choose to live.                       | Reduce average relet times for standard voids (council properties) to 20 calendar days by March 2021 and maintain thereafter. | This year continued to be a challenging year for reducing the relet time to target. The Council has successfully managed to reduce it from 120 days in quarter 1 to 59 days at the end of March 2022. This function was adversely affected by Covid 19 during 2020/21 and again for periods during 2021/22. The Council is getting back on top of this target and has also approved a dedicated Voids Manager post to secure and embed further improvements. |
| Improving health, wellbeing and increasing participation in sport and leisure activities. | Increase participation / attendances in leisure, sport, recreation, health, physical and cultural activity.                   | The Go Active facility reopened fully on 19th July 2021 and outreach work commenced in schools and community sessions. To the end of March 2022 attendance figures attracted 256,375 service users against an annual target of 353,000. As with the leisure and hospitality sector generally this target has been significantly affected by Covid 19. Attendances since Christmas have recovered strongly.                                                   |

| <b>Aim - Our Environment, by protecting the quality of life for residents and businesses, meeting environmental challenges and enhancing biodiversity</b> |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Priorities</b>                                                                                                                                         | <b>Targets</b>                                                                                                                                          | <b>Progress against key targets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Reducing our carbon footprint whilst supporting and encouraging residents and businesses to do the same.                                                  | Reduce the District Council's carbon emissions by 100 tonnes CO2 in 2020/21.                                                                            | Through the Council's various schemes and projects the forecast carbon reduction is in excess of 850 tonnes per year, achieving the combined 20/21, 21/22, 22/23 target. We are now in the process of reviewing the data and policies to inform a revision to the carbon reduction strategy.                                                                                                                                                                             |
| Increasing recycling.                                                                                                                                     | Achieve a combined recycling and composting rate of 50% by March 2023.                                                                                  | Performance against this target has ranged from 44.3% (Q1), 44.9% (Q2) to 33.4% (Q3). The outturn for the year will be known later when the actual data for Q4 is confirmed. However, it is expected to be around 40% to 43%. The Council is not expecting to meet this target by March 2023. National guidance is awaited, once received the Council will take the opportunity to review whether a more radical approach is needed to meet the revised national target. |
| Ensuring a high standard of environmental cleanliness, undertaking appropriate enforcement activity where required.                                       | Sustain standards of litter cleanliness of 96% and dog fouling of 98% to ensure each year meet as assessed by Local Environment Quality Surveys (LEQS). | Currently meeting 96% of street cleanliness and 100% of dog fouling targets.                                                                                                                                                                                                                                                                                                                                                                                             |
| Enhancing biodiversity and developing attractive neighbourhoods that residents feel proud of and take responsibility for.                                 | Bring 5 empty properties back into use per year through assistance and enforcement measures.                                                            | 2 empty properties have been brought back into use. The target has not been met for 2021/22 but the Council is working with owners and partners on a number of options. A number of properties are expected to be brought back into use in 2022.                                                                                                                                                                                                                         |
| Working with partners to reduce crime and anti-social behaviour.                                                                                          | Resolve successfully 60% of cases following the issuing of a Community Protection Warning (CPW).                                                        | The Council has served 28 Community Protection Warnings during 2021/22. 78% (22) have been a success. 7% (2) are still within their monitoring period.                                                                                                                                                                                                                                                                                                                   |
|                                                                                                                                                           | Increase the number of fixed penalty notices issued for litter and dog fouling offences by 20% over a five year period.                                 | A total of 17 fixed penalty notices were issued during 2021/22 for littering. An additional 15 fixed penalty notices were served for other environmental issues such as abandoned vehicles, fly tipping and breaches of householder duty of care.                                                                                                                                                                                                                        |
| <b>Aim - Our Economy, by driving growth, promoting the District and being business and visitor friendly</b>                                               |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Priorities</b>                                                                                                                                         | <b>Targets</b>                                                                                                                                          | <b>Progress against key targets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Working with partners to support enterprise, innovation, jobs and skills.                                                                                 | Deliver a Business Growth Strategy that will support enterprise, innovation, jobs and skills and makes the best use of our assets.                      | The Council has approved its Business Growth Strategy and launched its Vision Derbyshire offer.                                                                                                                                                                                                                                                                                                                                                                          |

|                                                                                                                                                       |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ensuring financial sustainability and increasing revenue streams.                                                                                     | Optimise business growth (as measured by gross Business Rates) by £2m by March 2023.                                                          | Gross business rates grew by +1.77% (+£1,156,678) during 2021/22.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Unlocking development potential: unlocking the capacity of major employment sites.                                                                    | Working with partners to bring forward employment and development opportunities at Coalite and Clowne Garden Village strategic sites by 2023. | <p>PCT Healthcare Ltd, which trades as Peak Pharmacy, has purchased a 113,872 sq. ft. industrial unit on Plot 5 at Horizon 29 to consolidate its depots into a single purpose-built unit. Work on site will begin in June and the new unit will be handed over in April next year. It is highly likely this business will be the first occupier on the former Coalite site now it has been remediated.</p> <p>Instructions have now been issued to transport consultants to produce the detailed designs for highway improvements at Treble Bob in accordance with a scheme agreed between the developer and Derbyshire County Council. The lead time for this work is around 12 weeks, which means any resubmission for the Clowne Garden Village proposals is unlikely to be received until the latter part of 2022 or more likely, the early part of 2023.</p> |
| Enabling housing growth: increasing the supply, quality and range of housing to meet the needs of the growing population and support economic growth. | Annually review housing delivery in the district and facilitate delivery to meet the annual target of 272 new homes.                          | <p>Informal monitoring of the number of houses being built by developers on approved sites across the district indicates that the Council is on track to meet the annual target. Actual outturn will be known in June 2022. Actual for 2020/21 - 446.</p> <p>The Council also approved its Housing Strategy in 2021/22.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                       | Deliver 150 new homes through the Bolsover homes Programme by March 2024.                                                                     | <p>The first 4 sites in Whitwell are now completed which have delivered 16 new homes. A further 6 homes have been handed over at Sandy Lane, Whitwell with the remaining 15 properties on Thorpe Avenue due for hand over in batches up to the end of May 2022.</p> <p>Work is under way at Ashbourne Court, Shirebrook which is an extension to the existing sheltered housing scheme and will deliver an additional 14 properties.</p> <p>Construction is under way at The Woodland site, Whaley Thorns which will deliver a further 19 properties and these are the future homes utilising MMC (Modern Methods of Construction) building methodology and green technology to heat and ventilate.</p>                                                                                                                                                           |

|                                                                       |                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                       |                                                                                                                                       | <p>Planning permission has been received for the Market Close site in Shirebrook which along with an additional 2 satellite sites will deliver 28 properties. Planning permission has also been received for West Street in Langwith for 5 new homes and 7 at Moorfield Lane, Langwith.</p> <p>Work is ongoing on a further site with designs being finalised and preparing for planning submissions at Woburn Close, Blackwell.</p> |
| Promoting the District and working with partners to increase tourism. | Working with partners to grow the visitor economy, the number of tourists and the amount of tourism spending in the District by 2023. | The Council has approved its Tourism Strategy and appointed a dedicated Senior Economic Development Officer with responsibility for tourism and the visitor economy.                                                                                                                                                                                                                                                                 |

The above provides a 'snapshot' of the Council's performance for 2021/22. The pandemic has affected the Council's services less in 2021/22 however, its legacy is still felt in the recovery of retail standards for council tenants and leisure services participation rates and it caused additional work again for Revenues and Benefits and Environmental Health. However, both services have returned some excellent operational results in 2021/22. In another challenging year for service delivery the Council has supported the creation of a couple of key staffing posts to support its ambition around some of its targets and continues to forge ahead with its growth agenda, supporting housing and employment.

As part of the Performance Management Framework we systematically collect details of complaints and compliments. This information allows us to address any specific issues that have arisen and also to better understand where services are in need of improvement. Our performance management arrangements mean that we are well informed about any areas of concern and can manage those effectively to minimise service delivery issues and to manage expectations proactively.

### **Management Arrangements**

In July 2021, the Council approved the disestablishment of its two Joint Strategic Director posts and established one full-time Director post working solely for Bolsover District Council. The new post, Executive Director of Resources, was also designated the Head of Paid Service.

The July report approved that the new Executive Director of Resources and the existing Executive Director of Development, review the rest of the management structure in consultation with all Portfolio Holders. This review is still ongoing.

### **Outlook**

In line with good practice the Council plans its finances over the Medium Term (five years). The Council regularly reviews its spending plans in the light of changing priorities, external factors and projected financial forecasts to ensure that they remain robust and sustainable over the longer term.

While the Council faces significant financial challenges over the next five years, we have a good track record of delivering efficiencies, an experienced and well qualified management team, robust governance arrangements and a workforce committed to delivering good quality services. These key assets together with a combination of economic growth, service transformation, supported by a reasonable level of financial reserves to fund investment in service reconfiguration mean that the Council is well placed to meet these challenges. These are key factors which support my view that the Council can continue to perform effectively, whilst ensuring that it maintains a balanced budget.

### General Fund

The continued uncertainty surrounding local government funding meant we had to make significant assumptions when preparing our budgets for future years in the Council's Medium Term Financial Plan (MTFP). The delay in the outcome of the Fair Funding Review and new Business Rates Retention scheme combined with the one year 2021 Spending Review were the main issues, along with the continued financial effect of the Coronavirus Pandemic.

The Council's MTFP doesn't currently include any affects for the Fair Funding Review as so little detail about the implications are known. Latest figures for a full business rates reset are included in the plan which includes the impact of wiping out growth since 2013/14. It has been assumed that Revenue Support Grant and New Homes Bonus Grant will both disappear from 2023/24.

To help mitigate losses caused by funding changes the Council created a reserve a number of years ago from additional business rates growth. The balance accumulated has meant we are able to use the reserve to even out the losses in government funding over most of the life of the current MTFP.

When setting its budget in February 2022, the Council initially had a shortfall of £0.082m for the next financial year, £0.018m in respect of 2023/24, £0 for 2024/25 and £1.212m for 2025/26 at the end of the current planning period. As the first step to balancing its budget for future years the Council agreed to a Council Tax increase of 2.68%, generating additional revenue of £0.112m for each year. A range of other potential savings have been identified with the use of the reserve mentioned above, balancing most years. Officers do not anticipate any significant issues in resolving the budget shortfall in respect of the next 3 years of the current MTFP, however it is crucial that new income is generated by 2025/26. The detailed plans include the following:

- Seek to secure the increased income associated with increases in the number of homes and business premises operating in the District.
- Continued participation in the Derbyshire Business Rates Pool that will see all Derbyshire authorities benefit from growth within the County without having to passport part of this increase in income to the Government. This will enable the Council to retain a higher proportion of its Business Rates, while ever the Government policy allows.
- The Council established the Development Directorate during 2019/20, for which the sole aim is income generation for the Council.
- Continue with vacancy management arrangements to ensure that appropriate use is made of 'natural wastage' as a means to ensure the necessary level of financial savings.

### Housing Revenue Account

The Council continues to operate its HRA within the context of a 30 year business plan which shows the Council's housing operation to be sustainable over that period. Rent levels in the new MTFP have been set in line with government policy which is an increase of CPI (3.1%) plus 1%, applicable from 1st April 2022. The Council is working to ensure that its properties continue to meet the Decent Homes standard and provide affordable accommodation with a secure tenure which meets the housing needs of local residents. As part of this programme the Council is seeking both to maintain a high standard of housing services, whilst investing in maintaining and refurbishing existing stock.

### Capital Programme

With respect to the Capital Programme, the key general fund schemes will include disabled facilities grants of £0.500m and the vehicle replacement programme £0.766m. With regard to the HRA, it is anticipated that in 2022/23 £9m will be spent on the Bolsover Homes Programme of new build Council housing. It is planned to spend a further £5m on upgrading and refurbishing Council properties during 2022/23.

### **Covid-19 Pandemic**

The 2021/22 financial year has been a year of gradually returning to business as usual wherever possible.

Our leisure facilities and customer contact centres opened whenever restrictions allowed and have been open continuously since July. Equipment was removed to allow social distancing in the leisure centre and screens were installed in all areas where contact was unavoidable, such as reception and payment counters. Where it has been appropriate, these measures have now been reduced.

Council property lettings were suspended and visits to resident's homes for anything other than emergency repairs were suspended at certain times in line with government guidelines, to protect the resident and our workforce. These services are now fully operational.

The Council's environmental health service has been heavily involved in carrying out compliance and enforcement activities related to Covid-19 to protect the public as the country and economy started to re-open.

Debt recovery across the Council was suspended during the national lockdowns and until after the customer contact centres re-opened to ensure every opportunity was given to customers to pay their outstanding commitments, before any reminder letters were issued. Debt recovery is now once again being undertaken.

Our revenues and benefits section, economic development team and partnership team were all heavily involved in processing and making payments under the myriad of government financial support schemes introduced for individuals and businesses. Council Tax and Business Rates relief were also administered by the revenues and benefits section.

The table below shows the main sources of financial support the Council received from the Government to support business, individuals and the Council's own additional cost pressures and losses in income due to the pandemic.

|                                                                                                                    | Amount available to spend in<br>2021/22                         | Amount paid at 31/3/22       |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------|
| Business support grant funding from Department for Business, Energy and Industrial Strategy (BEIS)                 | £8.334m for businesses<br>(including £3.995m b/f from 2020/21)  | £5.510m in grants            |
| Test and trace support payment scheme funding from the Department of Health and Social Care                        | £0.268m for individuals<br>(including £0.097m b/f from 2020/21) | £0.202m in payments          |
| Emergency funding to cover the Council's extra costs from the Department for Levelling Up, Housing and Communities | £0.497m                                                         | not applicable               |
| Compensation for the Council's losses for Sales, Fees and Charges                                                  | £0.195m                                                         | not applicable               |
| Covid-19 Additional Relief Fund (CARF) (BDC only share)                                                            | £0.595m for businesses                                          | £0.595m relief against bills |

Throughout the year staff continued to work from home in some office based services and hybrid Council meetings were held. These had a combination of remote and socially distanced attendees and were delivered via Zoom.

**Theresa Fletcher**

**Assistant Director of Finance and Resources**

## Introduction to the Statements

The accounting statements that follow detail the Council's performance and have been prepared under the 2021/22 Code of Practice on Local Authority Accounting. The accounts are separated into various sections and these can be summarised as follows:

- **The Movement in Reserves Statement** – this statement shows the movement from the start of the year to the end 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 'unusable reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax or rents for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.
- **The Expenditure and Funding Analysis** - (this is not a primary statement). This shows council tax and rent payers how the funding available to the Council (government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.
- **The Comprehensive Income and Expenditure Statement** – this 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 or rents. Authorities raise taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.
- **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 fund 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 are those that the Council is not able to use to fund 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 of Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

- **The Cash Flow Statement (Indirect Method)** - 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 Council. 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.

- **The HRA Income and Expenditure Statement** – shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. 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 of which the rents are raised, is shown in the Movement on the HRA Statement.

- **The Collection Fund** – is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and National Non-Domestic Rates (NNDR) and its distribution to local government bodies and the Government.

The Council has a statutory obligation to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund therefore, is to isolate the income and expenditure relating to Council Tax and Non-Domestic Rates. The administrative costs associated with the collection process are charged to the General Fund.

The accounts are supported by the following items:

- Statement of Responsibilities
- Statement of Accounting Policies
- Notes to the Accounts
- Annual Governance Statement

## **STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

### **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 Assistant Director of Finance and Resources.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to approve the Statement of Accounts

### **The Assistant Director of Finance and Resources' Responsibilities**

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

In preparing this Statement of Accounts, the Assistant Director of Finance and Resources 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 Assistant Director of Finance and Resources 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 the Statement of Accounts gives a true and fair view of the financial position of the Council at 31 March 2022 and its income and expenditure for the year ended 31 March 2022.

Theresa Fletcher, ACMA  
Assistant Director of Finance and Resources

Date: 27 May 2022

**MOVEMENT IN RESERVES STATEMENT**

|                                                                                                          |                      | <b>General<br/>Fund<br/>Balance<br/>£000</b> | <b>Housing<br/>Revenue<br/>Account<br/>£000</b> | <b>Capital<br/>Receipts<br/>Reserve<br/>£000</b> | <b>Major<br/>Repairs<br/>Reserve<br/>£000</b> | <b>Earmarked<br/>Revenue<br/>Grants<br/>Unapplied<br/>£000</b> | <b>Capital<br/>Grants<br/>Unapplied<br/>£000</b> | <b>Total<br/>Usable<br/>Reserves<br/>£000</b> | <b>Unusable<br/>Reserves<br/>£000</b> | <b>Total<br/>Council<br/>Reserves<br/>£000</b> |
|----------------------------------------------------------------------------------------------------------|----------------------|----------------------------------------------|-------------------------------------------------|--------------------------------------------------|-----------------------------------------------|----------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------|---------------------------------------|------------------------------------------------|
| <b>Balance at</b>                                                                                        | <b>31 March 2020</b> | <b>(16,439)</b>                              | <b>(17,504)</b>                                 | <b>(2,876)</b>                                   | <b>(2,785)</b>                                | <b>(2,231)</b>                                                 | <b>(2,516)</b>                                   | <b>(44,351)</b>                               | <b>(88,481)</b>                       | <b>(132,832)</b>                               |
| <b><u>Movement in reserves during 2020/21</u></b>                                                        |                      |                                              |                                                 |                                                  |                                               |                                                                |                                                  |                                               |                                       |                                                |
| Total Comprehensive Income and Expenditure                                                               |                      | (2,910)                                      | 6,008                                           | 0                                                | 0                                             | 0                                                              | 0                                                | 3,098                                         | 6,387                                 | <b>9,485</b>                                   |
| Adjustments from income and expenditure charged under the accounting basis to the funding basis (Note 9) |                      | (3,625)                                      | (5,964)                                         | (205)                                            | 1,451                                         | 164                                                            | (986)                                            | (9,165)                                       | 9,165                                 | <b>0</b>                                       |
| <b>(Increase) / Decrease in 2020-21</b>                                                                  |                      | <b>(6,535)</b>                               | <b>44</b>                                       | <b>(205)</b>                                     | <b>1,451</b>                                  | <b>164</b>                                                     | <b>(986)</b>                                     | <b>(6,067)</b>                                | <b>15,552</b>                         | <b>9,485</b>                                   |
| <b>Balance at</b>                                                                                        | <b>31 March 2021</b> | <b>(22,974)</b>                              | <b>(17,460)</b>                                 | <b>(3,081)</b>                                   | <b>(1,334)</b>                                | <b>(2,067)</b>                                                 | <b>(3,502)</b>                                   | <b>(50,418)</b>                               | <b>(72,929)</b>                       | <b>(123,347)</b>                               |
| <b><u>Movement in reserves during 2021/22</u></b>                                                        |                      |                                              |                                                 |                                                  |                                               |                                                                |                                                  |                                               |                                       |                                                |
| Total Comprehensive Income and Expenditure                                                               |                      | (784)                                        | 4,553                                           | 0                                                | 0                                             | 0                                                              | 0                                                | 3,769                                         | (45,333)                              | <b>(41,564)</b>                                |
| Adjustments from income and expenditure charged under the accounting basis to the funding basis (Note 9) |                      | 851                                          | (979)                                           | (2,125)                                          | 211                                           | 312                                                            | (247)                                            | (1,977)                                       | 1,977                                 | <b>0</b>                                       |
| <b>(Increase) / Decrease in 2021-22</b>                                                                  |                      | <b>67</b>                                    | <b>3,574</b>                                    | <b>(2,125)</b>                                   | <b>211</b>                                    | <b>312</b>                                                     | <b>(247)</b>                                     | <b>1,792</b>                                  | <b>(43,356)</b>                       | <b>(41,564)</b>                                |
| <b>Balance at</b>                                                                                        | <b>31 March 2022</b> | <b>(22,907)</b>                              | <b>(13,886)</b>                                 | <b>(5,206)</b>                                   | <b>(1,123)</b>                                | <b>(1,755)</b>                                                 | <b>(3,749)</b>                                   | <b>(48,626)</b>                               | <b>(116,285)</b>                      | <b>(164,911)</b>                               |

## EXPENDITURE AND FUNDING ANALYSIS NOTE

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| 2020/21<br>Net<br>Expenditure<br>Chargeable<br>to the<br>General<br>Fund and<br>HRA<br>Balances<br>£000 | 2020/21<br>Adjustments<br>between<br>Funding and<br>Accounting<br>Basis<br>(Note 7)<br>£000 | 2020/21<br>Net Expenditure<br>in Comprehensive<br>Income and<br>Expenditure<br>Statement<br>£000 |                                               | 2021/22<br>Net<br>Expenditure<br>Chargeable to<br>the General<br>Fund and<br>HRA Balances<br>£000 | 2021/22<br>Adjustments<br>between<br>Funding and<br>Accounting<br>Basis<br>(Note 7)<br>£000 | 2021/22<br>Net Expenditure<br>in Comprehensive<br>Income and<br>Expenditure<br>Statement<br>£000 |
|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| 2,539                                                                                                   | 278                                                                                         | 2,817                                                                                            | Corporate Resources Directorate               | 2,364                                                                                             | 989                                                                                         | 3,353                                                                                            |
| 1,260                                                                                                   | 1,253                                                                                       | 2,513                                                                                            | Development Directorate                       | 2,193                                                                                             | 690                                                                                         | 2,883                                                                                            |
| 5,179                                                                                                   | 1,067                                                                                       | 6,246                                                                                            | Environment and Enforcement Directorate       | 5,006                                                                                             | 1,734                                                                                       | 6,740                                                                                            |
| 5,232                                                                                                   | 1,124                                                                                       | 6,356                                                                                            | Development Directorate - HRA                 | 5,590                                                                                             | 835                                                                                         | 6,425                                                                                            |
| (14,788)                                                                                                | 8,211                                                                                       | (6,577)                                                                                          | Environment and Enforcement Directorate - HRA | (14,756)                                                                                          | 6,530                                                                                       | (8,226)                                                                                          |
| <b>(578)</b>                                                                                            | <b>11,933</b>                                                                               | <b>11,355</b>                                                                                    | <b>Net Cost of Services</b>                   | <b>397</b>                                                                                        | <b>10,778</b>                                                                               | <b>11,175</b>                                                                                    |
| (5,913)                                                                                                 | (2,344)                                                                                     | (8,257)                                                                                          | <b>Other income and expenditure</b>           | 3,244                                                                                             | (10,650)                                                                                    | (7,406)                                                                                          |
| <b>(6,491)</b>                                                                                          | <b>9,589</b>                                                                                | <b>3,098</b>                                                                                     | <b>(Surplus) or Deficit</b>                   | <b>3,641</b>                                                                                      | <b>128</b>                                                                                  | <b>3,769</b>                                                                                     |
| <b>(33,943) Opening General Fund and HRA Balance</b>                                                    |                                                                                             |                                                                                                  |                                               | <b>(40,434)</b>                                                                                   |                                                                                             |                                                                                                  |
| (6,491) Plus Surplus/ less Deficit on General Fund and HRA balance in year                              |                                                                                             |                                                                                                  |                                               | 3,641                                                                                             |                                                                                             |                                                                                                  |
| <b>(40,434) Closing General Fund and HRA Balance</b>                                                    |                                                                                             |                                                                                                  |                                               | <b>(36,793)</b>                                                                                   |                                                                                             |                                                                                                  |

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

| 2020/21<br>Gross<br>Expenditure<br>£000                              | 2020/21<br>Gross<br>Income<br>£000 | 2020/21<br>Net<br>Expenditure<br>£000 |                                                                             | NOTE      | 2021/22<br>Gross<br>Expenditure<br>£000 | 2021/22<br>Gross<br>Income<br>£000 | 2021/22<br>Net<br>Expenditure<br>£000 |
|----------------------------------------------------------------------|------------------------------------|---------------------------------------|-----------------------------------------------------------------------------|-----------|-----------------------------------------|------------------------------------|---------------------------------------|
| 22,157                                                               | (19,340)                           | 2,817                                 | Corporate Resources Directorate                                             |           | 20,864                                  | (17,511)                           | 3,353                                 |
| 5,665                                                                | (3,152)                            | 2,513                                 | Development Directorate                                                     |           | 4,722                                   | (1,839)                            | 2,883                                 |
| 8,516                                                                | (2,270)                            | 6,246                                 | Environment and Enforcement Directorate                                     |           | 9,511                                   | (2,771)                            | 6,740                                 |
| <b>36,338</b>                                                        | <b>(24,762)</b>                    | <b>11,576</b>                         | <b>Cost of General Fund Services</b>                                        |           | <b>35,097</b>                           | <b>(22,121)</b>                    | <b>12,976</b>                         |
| 6,450                                                                | (94)                               | 6,356                                 | Development Directorate - HRA                                               |           | 6,603                                   | (178)                              | 6,425                                 |
| 14,654                                                               | (21,231)                           | (6,577)                               | Environment and Enforcement Directorate - HRA                               |           | 13,217                                  | (21,443)                           | (8,226)                               |
| <b>21,104</b>                                                        | <b>(21,325)</b>                    | <b>(221)</b>                          | <b>Cost of Housing Revenue Account Services (HRA)</b>                       |           | <b>19,820</b>                           | <b>(21,621)</b>                    | <b>(1,801)</b>                        |
| <b>57,442</b>                                                        | <b>(46,087)</b>                    | <b>11,355</b>                         | <b>Cost of All Services</b>                                                 |           | <b>54,917</b>                           | <b>(43,742)</b>                    | <b>11,175</b>                         |
| <b><u>Other Operating Expenditure</u></b>                            |                                    |                                       |                                                                             |           |                                         |                                    |                                       |
| 3,241                                                                |                                    | 3,241                                 | Local Council Precepts                                                      |           | 3,294                                   |                                    | 3,294                                 |
| 461                                                                  |                                    | 461                                   | Payment to the Housing Capital Receipts Pool                                | <u>9</u>  | 453                                     |                                    | 453                                   |
| 1,119                                                                |                                    | 1,119                                 | Net Loss/(Gain) on the disposal of non-current assets                       |           | 1,305                                   |                                    | 1,305                                 |
| <b><u>Financing and Investment Income and Expenditure</u></b>        |                                    |                                       |                                                                             |           |                                         |                                    |                                       |
| 4,136                                                                |                                    | 4,136                                 | External interest payable and similar charges                               | <u>14</u> | 3,770                                   |                                    | 3,770                                 |
| 825                                                                  |                                    | 825                                   | Pensions interest cost and expected return on pensions assets               | <u>38</u> | 1,134                                   |                                    | 1,134                                 |
|                                                                      | (246)                              | (246)                                 | Interest and investment income                                              | <u>14</u> |                                         | (236)                              | (236)                                 |
|                                                                      | (842)                              | (842)                                 | Movement in fair value of investment properties                             | <u>12</u> |                                         | 1,293                              | 1,293                                 |
| 437                                                                  | (735)                              | (298)                                 | Investment Properties Income and Expenditure                                | <u>12</u> | 468                                     | (774)                              | (306)                                 |
| 0                                                                    |                                    | 0                                     | Impairment Loss/(Profit) on Financial Instruments                           | <u>14</u> | (1)                                     |                                    | (1)                                   |
| 135                                                                  | (197)                              | (62)                                  | (Surpluses)/Deficit on Trading Activities                                   |           | 145                                     | (219)                              | (74)                                  |
| <b><u>Taxation and Non-Specific Grant Income and Expenditure</u></b> |                                    |                                       |                                                                             |           |                                         |                                    |                                       |
|                                                                      | (7,204)                            | (7,204)                               | Council Tax Income                                                          |           |                                         | (7,527)                            | (7,527)                               |
|                                                                      | (3,341)                            | (3,341)                               | Non-domestic Rates Income and Expenditure                                   |           |                                         | (4,687)                            | (4,687)                               |
|                                                                      | (4,705)                            | (4,705)                               | Non-ringfenced Government Grants                                            | <u>32</u> |                                         | (3,253)                            | (3,253)                               |
|                                                                      | (1,341)                            | (1,341)                               | Capital Grants and Contributions                                            | <u>32</u> |                                         | (2,571)                            | (2,571)                               |
| <b>67,796</b>                                                        | <b>(64,698)</b>                    | <b>3,098</b>                          | <b>(Surplus) or Deficit on Provision of Services</b>                        |           | <b>65,485</b>                           | <b>(61,716)</b>                    | <b>3,769</b>                          |
|                                                                      |                                    | (11,660)                              | (Surplus) or deficit on revaluation of Property, Plant and Equipment assets | <u>23</u> |                                         |                                    | (27,540)                              |
|                                                                      |                                    | 18,047                                | Remeasurement of net defined benefit/liability                              | <u>38</u> |                                         |                                    | (17,793)                              |
|                                                                      |                                    | <b>6,387</b>                          | <b>Other Comprehensive Income and Expenditure</b>                           |           |                                         |                                    | <b>(45,333)</b>                       |
|                                                                      |                                    | <b>9,485</b>                          | <b>Total Comprehensive Income and Expenditure</b>                           |           |                                         |                                    | <b>(41,564)</b>                       |

**BALANCE SHEET AS AT  
31 March 2022**

| <b>31 March<br/>2021<br/>£000</b> |                                                    | <b>NOTE</b> | <b>31 March<br/>2022<br/>£000</b> | <b>31 March<br/>2022<br/>£000</b> |
|-----------------------------------|----------------------------------------------------|-------------|-----------------------------------|-----------------------------------|
|                                   | <b>Property, Plant and Equipment</b>               | <u>11</u>   |                                   |                                   |
| 214,490                           | Council Dwellings                                  |             | 244,377                           |                                   |
| 19,630                            | Other Land and Buildings                           |             | 17,607                            |                                   |
| 2,336                             | Vehicles, Plant, Furniture and Equipment           |             | 3,019                             |                                   |
| 105                               | Infrastructure                                     |             | 103                               |                                   |
| 781                               | Community Assets                                   |             | 839                               |                                   |
| 1,720                             | Assets Under Construction                          |             | 3,257                             |                                   |
| 1,678                             | Surplus Assets Not Held for Sale                   |             | 1,511                             | 270,713                           |
| 6,557                             | <b>Investment Property</b>                         | <u>12</u>   |                                   | 5,552                             |
| 459                               | <b>Intangible Assets</b>                           | <u>13</u>   |                                   | 421                               |
| 1,007                             | <b>Long Term Investments</b>                       | <u>40</u>   |                                   | 471                               |
| 64                                | <b>Long Term Debtors</b>                           | <u>14</u>   |                                   | 72                                |
| <b>248,827</b>                    | <b>Total Long Term Assets</b>                      |             |                                   | <b>277,229</b>                    |
| 25,496                            | Short Term Investments                             | <u>14</u>   | 30,471                            |                                   |
| 132                               | Inventories                                        | <u>15</u>   | 153                               |                                   |
| 7,751                             | Short Term Debtors                                 | <u>17</u>   | 4,121                             |                                   |
| 13,400                            | Cash and Cash Equivalents                          | <u>18</u>   | 11,600                            |                                   |
| <b>46,779</b>                     | <b>Total Current Assets</b>                        |             |                                   | <b>46,345</b>                     |
| (4,565)                           | Short Term Borrowing                               | <u>14</u>   | (4,906)                           |                                   |
| (11,530)                          | Short Term Creditors                               | <u>20</u>   | (10,309)                          |                                   |
| <b>(16,095)</b>                   | <b>Total Current Liabilities</b>                   |             |                                   | <b>(15,215)</b>                   |
| (46)                              | Long Term Creditors                                | <u>14</u>   | (46)                              |                                   |
| (1,890)                           | Provisions                                         | <u>21</u>   | (2,315)                           |                                   |
| (93,400)                          | Long Term Borrowing                                | <u>14</u>   | (89,400)                          |                                   |
| (55,212)                          | Pensions Liability                                 | <u>38</u>   | (41,702)                          |                                   |
| (5,615)                           | Revenue Grants & Contributions Receipts in Advance | <u>32</u>   | (9,984)                           |                                   |
| <b>(156,163)</b>                  | <b>Total Long Term Liabilities</b>                 |             |                                   | <b>(143,447)</b>                  |
| <b>123,348</b>                    | <b>Net Assets</b>                                  |             |                                   | <b>164,912</b>                    |
| (2,182)                           | General Fund Balance                               | <u>MIRS</u> | (2,101)                           |                                   |
| (36,137)                          | Earmarked Reserves                                 | <u>10</u>   | (32,615)                          |                                   |
| (2,116)                           | Housing Revenue Account Balance                    | <u>MIRS</u> | (2,077)                           |                                   |
| (3,081)                           | Capital Receipts Reserve                           | <u>MIRS</u> | (5,208)                           |                                   |
| (3,502)                           | Capital Grants Unapplied                           | <u>MIRS</u> | (3,749)                           |                                   |
| (2,067)                           | Revenue Grants Unapplied (Earmarked)               | <u>MIRS</u> | (1,754)                           |                                   |
| (1,334)                           | Major Repairs Reserve                              | <u>45</u>   | (1,123)                           |                                   |
| <b>(50,419)</b>                   | <b>Usable Reserves</b>                             |             |                                   | <b>(48,627)</b>                   |
| (95,728)                          | Revaluation Reserve                                | <u>23</u>   | (118,951)                         |                                   |
| (36,431)                          | Capital Adjustment Account                         | <u>23</u>   | (41,918)                          |                                   |
| (64)                              | Deferred Capital Receipts                          | <u>23</u>   | (64)                              |                                   |
| 55,212                            | Pension Reserve                                    | <u>23</u>   | 41,702                            |                                   |
| 3,911                             | Collection Fund Adjustment Account                 | <u>23</u>   | 2,829                             |                                   |
| 171                               | Accumulated Absences Account                       | <u>23</u>   | 117                               |                                   |
| <b>(72,929)</b>                   | <b>Unusable Reserves</b>                           |             |                                   | <b>(116,285)</b>                  |
| <b>(123,348)</b>                  | <b>Total Reserves</b>                              |             |                                   | <b>(164,912)</b>                  |

**CASH FLOW STATEMENT FOR THE YEAR ENDED  
31 March 2022**

| <b>2020/21</b>                                                                                                                        |             | <b>2021/22</b>  |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------|
| <b>£000</b>                                                                                                                           | <b>NOTE</b> | <b>£000</b>     |
| 3,098                                                                                                                                 |             | 3,769           |
| <b>Net (surplus) or deficit on the provision of services</b>                                                                          |             |                 |
| (17,337)                                                                                                                              | <u>24</u>   | (24,025)        |
| Adjustments to net surplus or deficit on the provision of services for non-cash movements                                             |             |                 |
| 3,719                                                                                                                                 | <u>24</u>   | 6,225           |
| Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities |             |                 |
| <b>(10,520) Net cash flows from Operating Activities</b>                                                                              |             | <b>(14,031)</b> |
| 4,304                                                                                                                                 | <u>25</u>   | 12,506          |
| Investing Activities                                                                                                                  |             |                 |
| 1,662                                                                                                                                 | <u>26</u>   | 3,325           |
| Financing Activities                                                                                                                  |             |                 |
| <b>(4,554) Net increase or (decrease) in cash and cash equivalents</b>                                                                |             | <b>1,800</b>    |
| (8,846)                                                                                                                               |             | (13,400)        |
| <b>Cash and cash equivalents at the beginning of the reporting period</b>                                                             |             |                 |
| <b>(13,400) Cash and cash equivalents at the end of the reporting period</b>                                                          | <u>18</u>   | <b>(11,600)</b> |

## **1 Accounting Policies**

### **Notes to the Core Financial Statements**

#### **a) General Principles**

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the year end of 31st March 2022. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require them to be prepared in accordance with proper accounting practices. These practices primarily consist of the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, supported by International Financial Reporting Standards (IFRS).

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

The Council does not have any transactions that are reclassifiable to the Surplus or Deficit on the Provision of Services. As such we have not grouped the items in Other Comprehensive Income and Expenditure into amounts that may be reclassifiable and amounts that are not.

#### **b) Accounting Concepts**

The concepts used in selecting and applying the most appropriate policies and estimation techniques are as follows:

- The qualitative characteristics of financial information - relevance, reliability, comparability and understanding;
- Materiality (all major transactions and events are included);
- The accounting concepts of accruals, going concern and the primacy of legislative requirements.

#### **c) Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract. An exception to this principle is planning fee income. This is included in the year it is received without an adjustment for a proportion of applications where the final decision is given in the new year, based on the grounds of materiality.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- Where revenue or expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

An exception to this principle relates to electricity and other similar periodic payments which are charged at the date of meter reading rather than being apportioned between financial years. Rental income from HRA dwellings is included without an adjustment for the overlap between financial years on the grounds of materiality. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

Income and expenditure are credited and debited to the relevant service revenue account unless they properly represent capital receipts or capital expenditure.

Grant claims are submitted on an actual basis wherever possible. However if the information required is not available then a best estimate basis is adopted.

#### **d) Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

The Council has a number of Call accounts to meet short-term cash flow requirements where no notice is required to access funds.

Call accounts held to make a gain from favourable rates of interest are classed as investments and not cash equivalents. This also applies to Money Market Funds and fixed term investments.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

#### **e) Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding 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 fixed assets attributable to the service.

The Council is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation costs are therefore replaced by the contribution in the General Fund of a 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.

The Council's policy for the calculation of the statutory provision for the repayment of debt is determined each year by the Council. The Council has decided that for 2021/22 the outstanding general fund debt prior to 1 April 2007 will be repaid at a rate of 4% of outstanding debt per year until the debt is extinguished. Any prudential borrowing for the General Fund incurred after 1 April 2007 is repaid based on the life of the asset concerned.

#### **f) Council Tax and non-domestic rates - Collection Fund**

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

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

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

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

All debtor balances for the above that are past due are impaired because payments due under the statutory arrangements have not been made (fixed or determinable payments). The asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

#### **Non-Domestic Rates Appeals**

The Council will commission each year, an independent assessment at 31 March of the outstanding appeals lodged with the Valuation Office Agency (VOA). The assessment will review every individual appeal and estimate the likelihood of the appeal succeeding based on the category of appeal and previous appeal determinations.

## **g) Contingent Assets**

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the accounting statements; they are disclosed by way of a note to the accounts where it is probable that there will be an inflow of economic benefit or service potential.

## **h) 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 accounting statements; they are disclosed in a note to the accounts.

## **i) Employee Benefits**

### **Benefits Payable During Employment**

Short term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end but which can be carried forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, as this is the period in which the employee takes the benefit. The accrual is charged to the relevant service area of the Comprehensive Income and Expenditure Statement but then is reversed out through the Movement in Reserves Statement so that the annual leave is charged to revenue in the financial year in which the annual leave occurs.

### **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 in exchange for those benefits and are charged on an accruals basis to the appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement 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 General Fund balance to be charged with the amount payable by the Council to the Pension Fund or pensioner in year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with accrued debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year end.

## Post Employment Benefits

Employees of the Council are members of the Local Government Pension Scheme (LGPS), which is administered by Derbyshire County Council on behalf of Bolsover District Council. The scheme provides defined benefits to members (lump sums and pensions) earned as employees working for the Council.

## The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Derbyshire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.
- Liabilities are measured using the projected unit method and discounted at the balance sheet date rate of return on high quality corporate bonds of equivalent term to the liabilities. The discount rate is the weighted average of 'spot yields' on AA rated corporate bonds.

The change in the net pension liability is analysed into the following components:

- Service cost comprising:
  - Current Service Cost – the increase in liabilities as a result of years of service earned this year. This is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - Past Service Cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years. These costs are debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
  - Interest Cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. The cost is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Remeasurements comprising:
  - The Return on Plan Assets – excluding amounts included in net interest on the net defined benefit liability (asset) - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - debited to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions Paid to the County Pension Fund - cash paid as employer's contributions to the pension fund in settlement of liabilities. These are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pensions Reserve therefore measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows, rather than as benefits are earned by employees.

### **Discretionary Benefits**

The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

## **j) 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. Two types of events can be identified:

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

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

## **k) Exceptional Items**

Exceptional items are included in the cost of the service to which they relate or on the face of the Comprehensive Income and Expenditure Statement if that degree of prominence is necessary in order to give a fair presentation of the accounts. An adequate description of each exceptional item is given within the notes to the accounts.

## **l) Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting the opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

#### **m) Financial Instruments**

The Council is required to recognise, measure, present and disclose information about any financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Typical financial assets include bank deposits, trade receivables and other receivables, loans receivable and advances. Typical financial liabilities include trade payables and other payables, borrowings and financial guarantees. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

##### **Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

##### **Financial Assets**

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

There are three main classes of financial assets measured at:

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

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest.

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

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, 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.

When loans are made at less than market rates (a soft loan), a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the organisation, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund balance is the interest receivable for the financial year.

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

### **Expected Credit Loss Model**

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets.

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

A simplified approach can be used for certain financial assets under which impairment losses are automatically based on lifetime expected credit losses, removing the need to consider changes in credit risk since initial recognition and the possibility that the appropriate measure should be 12-month expected credit losses. The Council uses the simplified approach for trade receivables (debtors) held by the Council.

The Council is not allowed to recognise a loss allowance for expected credit loss where the counterparty for a financial asset is central government or a local authority (including parish) for which relevant statutory provisions prevent default.

## **Financial Assets Measured at Fair Value through Profit or Loss**

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

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices - the market price.
- other instruments with fixed and determinable payments - discounted cash flow analysis.
- equity shares with no quoted market prices - an estimate based on what the Council would receive if it redeemed the shares.

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

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

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

### **n) Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the balance sheet as creditors (receipts in advance). When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non Specific Grant Income (non ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure it is posted to the Capital Grants Unapplied Reserve. Where it has been applied it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

**o) Heritage Assets**

Heritage assets are a distinct class of asset which are reported separately from property, plant and equipment and intangible assets.

There is a de-minimis level of £10,000 applied to Heritage Assets in line with the accounting policy on Property, Plant and Equipment. The Heritage Assets held by the Council are currently below the de-minimis level.

**p) Intangible Assets**

Expenditure on non-monetary assets that do not have a physical substance but are identifiable and controlled by the Council as a result of past events (for example computer software) are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

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

Intangible assets are initially measured at cost. Amounts are only re-valued 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.

The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Each intangible asset is tested for impairment each year to see if there is an indication that the asset may be impaired. Any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising from the disposal of an intangible fixed asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

**q) Interests in Companies and Other Entities**

The Council has no material interests in any companies or other entities that have the nature of subsidiaries, associates or jointly controlled entities that would require it to prepare group accounts.

However, the Council has a joint venture in Dragonfly Developments Limited. This is being accounted for as a fair value through profit and loss financial asset. Group accounts are not being prepared based on materiality.

**r) Jointly Controlled Operations and Jointly Controlled Assets**

Jointly controlled operations are activities undertaken by the Council in conjunction with other operators that involve the use of assets and resources of the operators 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 share of expenditure it incurs and the share of income it earns from the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Council and other operators, with the assets being used to obtain benefit for the operators. The joint venture does not involve the establishment of a separate entity. The Council accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

The Council has the following jointly controlled operations:

Internal Audit Services - with North East Derbyshire District Council and Chesterfield Borough Council

ICT Services - with North East Derbyshire District Council and Derbyshire Dales District Council

Environmental Health Services - with North East Derbyshire District Council

The Council has jointly controlled assets with Chesterfield Borough Council and North East Derbyshire District Council regarding the operation of a crematorium. The Council holds a share of the joint crematorium committee. The Council's share of the crematorium's assets and income and expenditure for 2021/22 is 15%, (2020/21 15%). On the basis of materiality, Bolsover District Council does not include any figures for the joint crematorium within the Statement of Accounts.

**s) Inventories**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

## **t) Investment Property**

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

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

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, for sale proceeds in excess of £10,000, to the Capital Receipts Reserve.

## **u) 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 (The Council). All other leases are classified as operating leases.

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

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

### **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 inception. 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 and applied to write down the lease liability;
- a finance charge (debited to the Finance 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 by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **Operating Leases**

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (for example if there is a rent-free period at the commencement of the lease).

### **The Council as Lessor**

#### **Finance Leases**

The Council currently has no finance leases for property.

### **Operating Leases**

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained on the Balance Sheet. Rental Income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments e.g. there is a premium paid at the start of the lease. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the asset and charged as an expense over the lease term on the same basis as rental income.

## **v) Overheads and Support Services**

The costs of overheads and support services are charged to directorates in the Comprehensive Income and Expenditure Statement in accordance with the Council's arrangements for accountability and financial performance.

## **w) Property, Plant and Equipment**

Assets that have physical substance and are held for use in the production or supply of good 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.

## Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment 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 reliably measured. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (e.g. repairs and maintenance) is charged as an expense when it is incurred. A general de-minimis limit of £10,000 is applied to non-current assets.

## Measurement

Assets are initially measured at cost, comprising purchase price and any costs directly 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 Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its 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). If an asset is acquired via an exchange the cost of the acquisition is the carrying amount of the asset exchanged by the Council.

Donated assets are initially measured 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 donated asset has been made conditionally. Until all conditions are met the gain is held in the Donated Assets Account. Gains that are credited to the Comprehensive Income and Expenditure Statement are reversed out of the General Fund balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- Infrastructure, community assets and assets under construction – historic cost;
- Dwellings – current value, determined using the basis of existing use value for social housing;
- Surplus assets – fair value, estimated at highest and best use from a market participant's perspective;
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use.

Where there is no market based evidence of current value of an asset because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non property assets that have short useful lives or low values, or both, depreciated historical cost is used as a proxy for current value.

Assets included in the Balance Sheet at current value are re-valued where there have been material changes in the value, but as a minimum every five years. Valuations are undertaken by a professionally qualified valuer.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for as follows:

- 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 value 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 in the Comprehensive Income and Expenditure Statement

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

### **Impairment**

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. If there is an indication of impairment, and it is deemed material, the recoverable amount of the asset is estimated to determine the impairment loss.

Where impairment losses are identified, they are accounted for as follows:

- 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 value 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

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line 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.

### **Depreciation**

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

Depreciation is calculated on the following bases:

- Land: Not depreciated;

- Buildings: Straight-line allocation over the life of the property;
- Vehicles, plant and equipment: Straight line allocation over the life of the asset;
- Infrastructure: Straight-line allocation over life of asset;
- Council dwellings: Straight-line allocation over the life of the property;
- Community assets (subject to exceptions): Not depreciated.

Items of property, plant and equipment are not depreciated until they become available for use (i.e. when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management). Depreciation ceases at the earlier of the date that items of property, plant and equipment are classified as held for sale and the date they are derecognised.

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

Where an item of Property, Plant and Equipment has major components whose costs are significant in relation to the total cost of the item, the components are depreciated separately. The Council deems "significant" to be 25% or more of the total cost of the asset. The Council also applies the following de minimis levels with regard to component accounting.

Components are not separately identified where:

- The useful life of the asset is less than 10 years
- The depreciation charge based on the life of the component would differ from that for the total asset by less than £10,000.
- The component life must be materially different to the main asset to be treated as a component.

For grouped assets such as Council Dwellings a practical level of componentisation has been applied which links to the work programmes carried out within the capital programme. An appropriate component life has been assigned to each of these components.

### **Disposals and Non-current Assets Held for Sale**

When it becomes probable that an asset is to be sold 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 less costs to sell. Where there is a subsequent decrease to the fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous recognised losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

To be classified as held for sale an asset must meet the following criteria:

- The asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets;
- The sale must be highly probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated;
- The asset must be actively marketed for sale at a price that is reasonable in relation to its current value;
- The sale should be expected to qualify for recognition as a completed sale within one year of the date of classification and action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

If assets no longer meet the criteria to be classed 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 assets held for sale. They are adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale.

Assets that are abandoned or scrapped are not classified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset on the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement, as part of the gain or loss on the sale of assets. Receipts from disposals are credited to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for disposals, in excess of £10,000 are treated as capital receipts. A proportion of Housing receipts is payable to central government. The balance of receipts is credited to the Capital Receipts Reserve and can only be used for new capital investment or set aside to reduce the Council's underlying need to borrow. Receipts are appropriated to the Reserve from the General Fund balance in the Movement in Reserves Statement.

The gain or loss on the sale of assets is not a charge against Council Tax. Amounts are appropriated to the Capital Adjustment Account in the Movement in Reserves Statement.

## **x) 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.

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 available at the balance sheet date, 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 the financial year - where it becomes less than probable that a transfer of economic benefit will now be required (or lower settlement anticipated) the provision is reversed and credited back to the relevant service revenue account.

#### **y) Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred it is charged to the relevant service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund 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, local taxation and retirement and employee benefits and do not represent usable resources for the Council.

#### **z) 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 has been charged as expenditure to the relevant service line in the Comprehensive Income and Expenditure Statement. 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 amount charged so there is no impact on the level of Council Tax.

#### **aa) Value Added Tax (VAT)**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income. Where the Council is unable to recover VAT it is charged to the appropriate service.

#### **ab) 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. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

#### **ac) Fair Value Measurement of non-financial assets**

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

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

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

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

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

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

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

#### **ad) Segmental Analysis**

The Council reports on the operation of its services with three directorates. All services of the Council fall into one of these directorates. The main service areas within each directorate are as follows:

Corporate Resources - Partnership team; Legal; Governance and Elections and Scrutiny; Procurement; Finance; Revenues and Benefits; Audit (client); ICT (client); Customer Services; Improvement Team; Leisure; Human Resources; Health and Safety; Payroll.

Development - Economic Development; Planning; Housing Revenue Account - Repairs; Property and Estates.

Environment and Enforcement - Housing Strategy; Environmental Health; Community Safety; Housing Revenue Account - Management; Streetscene; Emergency Planning.

## **2 Accounting Standards Issued, Not Yet Adopted**

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of the accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2021/22 Code:

- *IFRS16 Leases* (but only for those local authorities that have decided to adopt IFRS16 in the 2022/23 year).

- *Annual Improvements to IFRS Standards 2018-2020*. The annual IFRS improvement programme notes 4 changed standards: IFRS1; IAS37; IFRS16 and IAS41.

- *Property, Plant and Equipment*: Proceeds before intended use (Amendments to IAS 16).

The Council does not anticipate that the above amendments will have a material impact on the information provided in the financial statements.

## **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. Bolsover District Council is undertaking an ongoing review of its provision of services in response to known and likely future funding reductions. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired if it were necessary to close facilities and reduce levels of service provision.
- The Council has determined the impairment of its financial assets based on a range of factors including aged debt profiling of its debtors, including benefit overpayments, council tax and NDR.
- An exercise is undertaken to assess whether capital expenditure incurred enhances an asset. A further judgement is then made as to whether there is a consequent requirement to derecognise any existing value of any component of the asset. For Council Dwellings the Council derecognises a component when the expenditure exceeds 75% of the carrying value of the component. Expenditure on components below this value is impaired through the Comprehensive Income and Expenditure Statement.

**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 2022 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 | The Council's assets are reviewed for impairment on an annual basis by the Council's Senior Valuer. The impairment review considers the overall market conditions as well as any impairment relating to loss of economic benefit.                                                                                                                                                                     | If the level of impairment is changed this will impact on the net worth of the Council. Impairment charges are reflected in the Accounts but are reversed through the Movement in Reserves Statement so that there is no impact on the council tax or rent payer.                                                                                                                                         |
| 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.                                                                                                                                                                                                                         | It is estimated that the annual depreciation charge for plant and buildings, including council dwellings, would increase by £1,728,306 for every year that useful lives had to be reduced. As above there is no impact on the council tax or rent payer.                                                                                                                                                  |
| 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, mortality rates and expected returns on pension fund assets. A firm of accounting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. | The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the Real Discount Rate would result in an approximate 2% increase to Employer Liability resulting in an approximate monetary increase of £3,108,000.                                                                                                                     |
| Arrears                       | At 31 March 2022, the Council had a sundry debtor balance of £835,380, rents of £1,598,520, overpaid housing benefits of £1,501,936, non-domestic rates of £250,606 and council tax of £702,011. A review of impairment allowances has been undertaken based on the age of the debt, and a total allowance for impairment of £3,409,740 has been made in the Accounts.                                | If collection rates were to change, either positively or negatively, this would be reflected in the current years budgets as an increase or decrease in the provision requirements. Any change in the budgeted provision would impact on reserve balances. If collection rates were to deteriorate, an additional impairment of 10% on debtor balances would require an additional provision of £340,974. |

| Item                                 | Uncertainties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Effect if Actual Results Differ from Assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-domestic rates appeal, provision | <p>The Council has made a provision in the Collection Fund of £5,341,071 for refunding ratepayers who having made an appeal against the rateable value of their property on the rating list, who achieve a successful outcome. The appeal information relates to values going back a number of years. It is not known what the knock-on effect of successful appeals for neighbouring businesses may be.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>If appeal outcomes were considerably different to the independent assessment received, the Collection Fund would be charged with the difference. The extra cost would then be shared out amongst the major preceptors, Central Government and the Council based on their relative share. The Council's share is 40% of the provision (£2,136,429) which is held in the balance sheet.</p>                                                                                                                                                                                                                              |
| Fair value measurements              | <p>When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (ie Level 1 inputs), their fair value is measured using valuation techniques (eg quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.</p> <p>Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, the Council's Senior Valuer). Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities is disclosed in notes 11, 12 and 13.</p> | <p>The Council uses the discounted cash flow (DCF) model to measure the fair value of some of its investment properties and financial assets. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates - adjusted for regional factors (for both investment properties and some financial assets). Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.</p> |

## **5 Material Items of Income and Expense**

### 2021/22

*Remeasurement of net defined benefit/liability.* The results for the Local Government Pension Scheme for 2021/22 showed a net surplus in the Comprehensive Income and Expenditure Statement of £17.8m. Asset returns of £5.6m were significantly greater than expected when compared to 2020/21 discount rate assumptions. This was increased by the positive changes in the financial assumptions £11.4m, again due to discount rate and CPI assumptions. More detail on the assumptions is in note 38.

*Surplus or deficit on revaluation of Property, Plant and Equipment.* The £27.5m surplus is mainly due to the Council dwellings net increase on the annual revaluation being posted to the revaluation reserve as there remains no previous impairment to reverse.

### 2020/21

*Remeasurement of net defined benefit/liability.* The results for the Local Government Pension Scheme for 2020/21 showed a net deficit in the Comprehensive Income and Expenditure Statement of £18m. Asset returns of £16.8m were significantly greater than expected when compared to 2019/20 discount rate assumptions. This was offset by the negative changes in the financial assumptions £33.8m, again due to discount rate and CPI assumptions. More detail on the assumptions is in note 38.

*Surplus or deficit on revaluation of Property, Plant and Equipment.* The £11.6m surplus is mainly due to the Council dwellings increase on the annual revaluation being posted to the revaluation reserve as there remains no previous impairment to reverse.

## **6 Events After the Balance Sheet Date**

The Statement of Accounts was authorised for issue by the Assistant Director of Finance and Resources on 27 May 2022. 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 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

**7 Note to the Expenditure and Funding Analysis**

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund and HRA balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

**Adjustments between Funding and Accounting Basis****2021/22**

| <b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts</b>                    | <b>Adjustments for Capital Purposes</b> | <b>Net change for the Pensions Adjustments</b> | <b>Other Differences</b> | <b>Total Adjustments</b> |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------|--------------------------|--------------------------|
|                                                                                                                                 | (Note 1)                                | (Note 2)                                       | (Note 3)                 |                          |
|                                                                                                                                 | £'000                                   | £'000                                          | £'000                    | £'000                    |
| Corporate Resources Directorate                                                                                                 | 621                                     | 359                                            | 9                        | <b>989</b>               |
| Development Directorate                                                                                                         | 421                                     | 538                                            | (269)                    | <b>690</b>               |
| Environment and Enforcement Directorate                                                                                         | 630                                     | 1,043                                          | 61                       | <b>1,734</b>             |
| Development Directorate - HRA                                                                                                   | 150                                     | 700                                            | (15)                     | <b>835</b>               |
| Environment and Enforcement Directorate - HRA                                                                                   | 6,085                                   | 509                                            | (64)                     | <b>6,530</b>             |
| <b>Net Cost of Services</b>                                                                                                     | <b>7,907</b>                            | <b>3,149</b>                                   | <b>(278)</b>             | <b>10,778</b>            |
| <b>Other income and expenditure from the Funding Analysis</b>                                                                   | (11,229)                                | 1,134                                          | (555)                    | <b>(10,650)</b>          |
| <b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit</b> | <b>(3,322)</b>                          | <b>4,283</b>                                   | <b>(833)</b>             | <b>128</b>               |

## Adjustments between Funding and Accounting Basis

2020/21

| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts                           | Adjustments for Capital Purposes<br><br>(Note 1)<br>£'000 | Net change for the Pensions Adjustments<br><br>(Note 2)<br>£'000 | Other Differences<br><br>(Note 3)<br>£'000 | Total Adjustments<br><br>£'000 |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------|--------------------------------|
| Corporate Resources Directorate                                                                                                 | 582                                                       | (398)                                                            | 94                                         | 278                            |
| Development Directorate                                                                                                         | 211                                                       | 268                                                              | 773                                        | 1,252                          |
| Environment and Enforcement Directorate                                                                                         | 596                                                       | 455                                                              | 16                                         | 1,067                          |
| Development Directorate - HRA                                                                                                   | 750                                                       | 359                                                              | 15                                         | 1,124                          |
| Environment and Enforcement Directorate - HRA                                                                                   | 8,041                                                     | 253                                                              | (82)                                       | 8,212                          |
| <b>Net Cost of Services</b>                                                                                                     | <b>10,180</b>                                             | <b>937</b>                                                       | <b>816</b>                                 | <b>11,933</b>                  |
| <b>Other income and expenditure from the Funding Analysis</b>                                                                   | <b>(7,445)</b>                                            | <b>825</b>                                                       | <b>4,276</b>                               | <b>(2,344)</b>                 |
| <b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit</b> | <b>2,735</b>                                              | <b>1,762</b>                                                     | <b>5,092</b>                               | <b>9,589</b>                   |

## Adjustments for Capital Purposes

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

- **Other operating expenditure -**

adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

- **Financing and investment income and expenditure -**

the statutory charges for capital financing i.e. Minimum Revenue Provision and other Revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

- **Taxation and non-specific grant income and expenditure -**

capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

## Net change for the Pensions Adjustments

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

- **For services**

this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

- **For financing and investment income and expenditure**

the net interest on the defined benefit liability is charged to the CIES.

## Other Differences

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

- **For financing and investment income and expenditure**

the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

● **The charge under Taxation and non-specific grant income and expenditure**

represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

**Segmental Income**

Income received on a segmental basis is analysed below:

| <b>Services</b>                                   | <b>2021/22<br/>Income from Services<br/>£'000</b> | <b>2020/21<br/>Income from Services<br/>£'000</b> |
|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Corporate Resources Directorate                   | (2,310)                                           | (17,804)                                          |
| Development Directorate                           | (1,146)                                           | (777)                                             |
| Environment and Enforcement Directorate           | (1,932)                                           | (1,935)                                           |
| Development Directorate - HRA                     | (178)                                             | (94)                                              |
| Environment and Enforcement Directorate - HRA     | (21,063)                                          | (20,828)                                          |
| <b>Total income analysed on a segmental basis</b> | <b>(26,629)</b>                                   | <b>(41,438)</b>                                   |

**8 Expenditure and Income Analysed by Nature**

The Council's expenditure and income is analysed as follows:

| <b>Expenditure/Income</b>                              | <b>2021/22<br/>£'000</b> | <b>2020/21<br/>£'000</b> |
|--------------------------------------------------------|--------------------------|--------------------------|
| <b>Expenditure</b>                                     |                          |                          |
| Employee benefits expenses                             | 19,550                   | 16,443                   |
| Other services expenses                                | 27,086                   | 30,529                   |
| Support service recharges to capital                   | (95)                     | (93)                     |
| Depreciation, amortisation, impairment                 | 8,376                    | 10,563                   |
| Interest payments                                      | 3,770                    | 4,136                    |
| Precepts and levies                                    | 3,294                    | 3,241                    |
| Payments to Housing Capital Receipts Pool              | 453                      | 461                      |
| Loss on the disposal of assets                         | 1,305                    | 1,119                    |
| Pensions interest cost                                 | 1,134                    | 825                      |
| Investment property expenditure                        | 468                      | 437                      |
| Impairment loss on financial instruments               | (1)                      | 0                        |
| Trading activities expenditure                         | 145                      | 135                      |
| <b>Total expenditure</b>                               | <b>65,485</b>            | <b>67,796</b>            |
| <b>Income</b>                                          |                          |                          |
| Fees, charges and other service income                 | (26,629)                 | (41,438)                 |
| Grants and contributions                               | (17,113)                 | (4,649)                  |
|                                                        | (43,742)                 | (46,087)                 |
| Interest and investment income                         | (236)                    | (246)                    |
| Movement in Fair Value of Investment Property          | 1,293                    | (842)                    |
| Investment property income                             | (774)                    | (735)                    |
| Trading activities income                              | (219)                    | (197)                    |
| Income from council tax and non-domestic rates         | (12,214)                 | (10,545)                 |
| General government grants and contributions            | (5,824)                  | (6,046)                  |
| <b>Total income</b>                                    | <b>(61,716)</b>          | <b>(64,698)</b>          |
| <b>Surplus or Deficit on the Provision of Services</b> | <b>3,769</b>             | <b>3,098</b>             |

Revenue from contracts with service recipients are included in fees, charges and other service income.

## 9 **Analysis of the Movement in Reserves Statement - Adjustments Between Accounting Basis and Funding Basis**

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 arrive at 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 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. The balance is not available to be applied to funding HRA services.

**Housing Revenue Account Balance** - The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

**Major Repairs Reserve** - The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year-end.

**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 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.

| 2021/22                                                                                                                                                                                              | Usable Reserves      |                         |                          |                       |                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------|--------------------------|-----------------------|--------------------------|
|                                                                                                                                                                                                      | General Fund Balance | Housing Revenue Account | Capital Receipts Reserve | Major Repairs Reserve | Capital Grants Unapplied |
|                                                                                                                                                                                                      | £'000                | £'000                   | £'000                    | £'000                 | £'000                    |
| <b>Adjustments to Revenue Resources</b>                                                                                                                                                              |                      |                         |                          |                       |                          |
| Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements: |                      |                         |                          |                       |                          |
| Pensions costs (transferred to (or from) the Pensions Reserve)                                                                                                                                       | (3,801)              | (482)                   |                          |                       |                          |
| Council tax and NDR (transfers to or from Collection Fund)                                                                                                                                           | 1,080                |                         |                          |                       |                          |
| Holiday pay (transferred to the Accumulated Absences Reserve)                                                                                                                                        | 37                   | 17                      |                          |                       |                          |
| Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)                   | 355                  | (10,717)                |                          |                       | (1,232)                  |
| <b>Total Adjustments to Revenue Resources</b>                                                                                                                                                        | (2,329)              | (11,182)                | 0                        | 0                     | (1,232)                  |
| <b>Adjustments between Revenue and Capital Resources</b>                                                                                                                                             |                      |                         |                          |                       |                          |
| Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve                                                                                                             | 196                  | 2,987                   | (3,754)                  |                       |                          |
| Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)                                                                                            | (453)                |                         | 453                      |                       |                          |
| Posting of HRA resources from revenue to the Major Repairs Reserve                                                                                                                                   |                      | 5,386                   |                          | (5,386)               |                          |
| <b>Total Adjustments between Revenue and Capital Resources</b>                                                                                                                                       | (257)                | 8,373                   | (3,301)                  | (5,386)               | 0                        |
| <b>Adjustments to Capital Resources</b>                                                                                                                                                              |                      |                         |                          |                       |                          |
| Use of the Capital Receipts Reserve to finance capital expenditure                                                                                                                                   |                      |                         | 605                      |                       |                          |
| Use of the Capital Receipts Reserve to finance historical capital expenditure                                                                                                                        |                      |                         | 571                      |                       |                          |
| Use of the Major Repairs Reserve to finance capital expenditure                                                                                                                                      |                      |                         |                          | 5,597                 |                          |
| Application of capital grants to finance capital expenditure                                                                                                                                         |                      |                         |                          |                       | 985                      |
| <b>Total Adjustments to Capital Resources</b>                                                                                                                                                        | 0                    | 0                       | 1,176                    | 5,597                 | 985                      |
| <b>Net transfers (to)/from Earmarked Reserves</b>                                                                                                                                                    | 3,437                | 1,830                   | 0                        | 0                     | 0                        |
| <b>TOTAL ADJUSTMENTS</b>                                                                                                                                                                             | <b>851</b>           | <b>(979)</b>            | <b>(2,125)</b>           | <b>211</b>            | <b>(247)</b>             |

| 2020/21                                                                                                                                                                                              | Usable Reserves      |                         |                          |                       |                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------|--------------------------|-----------------------|--------------------------|
|                                                                                                                                                                                                      | General Fund Balance | Housing Revenue Account | Capital Receipts Reserve | Major Repairs Reserve | Capital Grants Unapplied |
|                                                                                                                                                                                                      | £'000                | £'000                   | £'000                    | £'000                 | £'000                    |
| <b>Adjustments to Revenue Resources</b>                                                                                                                                                              |                      |                         |                          |                       |                          |
| Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements: |                      |                         |                          |                       |                          |
| Pensions costs (transferred to (or from) the Pensions Reserve)                                                                                                                                       | (1,387)              | (375)                   |                          |                       |                          |
| Council tax and NDR (transfers to or from Collection Fund)                                                                                                                                           | (4,833)              |                         |                          |                       |                          |
| Holiday pay (transferred to the Accumulated Absences Reserve)                                                                                                                                        | (61)                 | (26)                    |                          |                       |                          |
| Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)                   | 1,477                | (11,899)                |                          |                       | (1,602)                  |
| <b>Total Adjustments to Revenue Resources</b>                                                                                                                                                        | (4,804)              | (12,300)                | 0                        | 0                     | (1,602)                  |
| <b>Adjustments between Revenue and Capital Resources</b>                                                                                                                                             |                      |                         |                          |                       |                          |
| Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve                                                                                                             | 0                    | 1,995                   | (1,995)                  |                       |                          |
| Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)                                                                                            | (461)                |                         | 461                      |                       |                          |
| Posting of HRA resources from revenue to the Major Repairs Reserve                                                                                                                                   |                      | 5,232                   |                          | (5,232)               |                          |
| <b>Total Adjustments between Revenue and Capital Resources</b>                                                                                                                                       | (461)                | 7,227                   | (1,534)                  | (5,232)               | 0                        |
| <b>Adjustments to Capital Resources</b>                                                                                                                                                              |                      |                         |                          |                       |                          |
| Use of the Capital Receipts Reserve to finance capital expenditure                                                                                                                                   |                      |                         | 1,329                    |                       |                          |
| Use of the Major Repairs Reserve to finance capital expenditure                                                                                                                                      |                      |                         |                          | 6,683                 |                          |
| Application of capital grants to finance capital expenditure                                                                                                                                         |                      |                         |                          |                       | 616                      |
| <b>Total Adjustments to Capital Resources</b>                                                                                                                                                        | 0                    | 0                       | 1,329                    | 6,683                 | 616                      |
| <b>Net transfers (to)/from Earmarked Reserves</b>                                                                                                                                                    | 1,640                | (891)                   | 0                        | 0                     | 0                        |
| <b>TOTAL ADJUSTMENTS</b>                                                                                                                                                                             | <b>(3,625)</b>       | <b>(5,964)</b>          | <b>(205)</b>             | <b>1,451</b>          | <b>(986)</b>             |

**10 Movements in 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 2021/22.

|                                       | Balance at<br>1 April<br>2020<br>£'000 | Transfers Out<br>2020/21<br>£'000 | Transfers in<br>2020/21<br>£'000 | Balance at<br>31 March<br>2021<br>£'000 | Transfers Out<br>2021/22<br>£'000 | Transfers In<br>2021/22<br>£'000 | Balance at<br>31 March<br>2022<br>£'000 |
|---------------------------------------|----------------------------------------|-----------------------------------|----------------------------------|-----------------------------------------|-----------------------------------|----------------------------------|-----------------------------------------|
| <b>General Fund/HRA</b>               |                                        |                                   |                                  |                                         |                                   |                                  |                                         |
| Area Based Grant                      | (75)                                   | 31                                | (4)                              | (48)                                    | 12                                | (9)                              | (45)                                    |
| Covid-19 Reserve, including S31 grant | 0                                      | 0                                 | (3,679)                          | (3,679)                                 | 3,819                             | (2,438)                          | (2,298)                                 |
| Debt repayment - HRA                  | (12,082)                               | 0                                 | 0                                | (12,082)                                | 2,858                             | 0                                | (9,224)                                 |
| General                               | (998)                                  | 203                               | (357)                            | (1,152)                                 | 241                               | (178)                            | (1,089)                                 |
| NDR Growth Protection                 | (4,127)                                | 0                                 | (2,104)                          | (6,231)                                 | 0                                 | (2,053)                          | (8,284)                                 |
| Insurance - GF                        | (535)                                  | 49                                | (30)                             | (516)                                   | 35                                | (20)                             | (501)                                   |
| Insurance - HRA                       | (151)                                  | 30                                | (40)                             | (161)                                   | 37                                | (50)                             | (174)                                   |
| IT and Office Equipment               | (212)                                  | 12                                | (171)                            | (371)                                   | 109                               | (577)                            | (839)                                   |
| Legal Costs                           | (97)                                   | 10                                | (30)                             | (117)                                   | 6                                 | (700)                            | (811)                                   |
| Local Development Scheme              | (216)                                  | 26                                | 0                                | (190)                                   | 10                                | 0                                | (180)                                   |
| New Build Reserve - HRA               | (2,660)                                | 812                               | (656)                            | (2,504)                                 | 1,058                             | (200)                            | (1,646)                                 |
| Planning Delivery                     | (20)                                   | 20                                | 0                                | 0                                       | 0                                 | 0                                | 0                                       |
| Planning Fees                         | (155)                                  | 65                                | (49)                             | (139)                                   | 65                                | (95)                             | (169)                                   |
| Transformation Reserve                | (7,461)                                | 643                               | 0                                | (6,818)                                 | 1,497                             | 0                                | (5,321)                                 |
| Vehicle Repair and Renewal - GF       | (281)                                  | 39                                | (1,290)                          | (1,532)                                 | 261                               | 0                                | (1,271)                                 |
| Vehicle Repair and Renewal - HRA      | (457)                                  | 60                                | (200)                            | (597)                                   | 247                               | (413)                            | (763)                                   |
| <b>Total Earmarked Reserves</b>       | <b>(29,527)</b>                        | <b>2,000</b>                      | <b>(8,610)</b>                   | <b>(36,137)</b>                         | <b>10,255</b>                     | <b>(6,733)</b>                   | <b>(32,615)</b>                         |

**11 Property, Plant and Equipment**

| Movements in 2021/22                                                                                 | Council Dwellings<br>£000 | Other Land and Building<br>£000 | Vehicles, Plant and Equipment<br>£000 | Leased Vehicles<br>£000 | Infrastructure Assets<br>£000 | Assets Under Construction<br>£000 | Community Assets<br>£000 | Surplus Assets<br>£000 | Total Property, Plant and Equipment<br>£000 |
|------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------|---------------------------------------|-------------------------|-------------------------------|-----------------------------------|--------------------------|------------------------|---------------------------------------------|
| <b>Cost or Valuation:</b>                                                                            |                           |                                 |                                       |                         |                               |                                   |                          |                        |                                             |
| At 1 April 2021                                                                                      | 214,490                   | 19,630                          | 7,663                                 | 0                       | 105                           | 1,720                             | 781                      | 1,678                  | 246,067                                     |
| Additions                                                                                            | 9,345                     | 246                             | 1,618                                 |                         |                               | 3,257                             |                          |                        | 14,466                                      |
| Revaluation increases/(decreases) recognised in the revaluation reserve                              | 25,275                    | (2,078)                         |                                       |                         | (2)                           |                                   | 56                       | 21                     | 23,272                                      |
| Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services   | (2,001)                   | (56)                            |                                       |                         |                               |                                   | 2                        |                        | (2,055)                                     |
| Derecognition - disposals                                                                            | (4,452)                   |                                 | (1,070)                               |                         |                               |                                   |                          | (117)                  | (5,639)                                     |
| Derecognition - other                                                                                |                           |                                 |                                       |                         |                               |                                   |                          |                        | 0                                           |
| Other movements in cost or valuation                                                                 | 1,720                     | (135)                           |                                       |                         |                               | (1,720)                           |                          | (71)                   | (206)                                       |
| <b>At 31 March 2022</b>                                                                              | <b>244,377</b>            | <b>17,607</b>                   | <b>8,211</b>                          | <b>0</b>                | <b>103</b>                    | <b>3,257</b>                      | <b>839</b>               | <b>1,511</b>           | <b>275,905</b>                              |
| <b>Accumulated Depreciation and Impairment:</b>                                                      |                           |                                 |                                       |                         |                               |                                   |                          |                        |                                             |
| At 1 April 2021                                                                                      | 0                         | 0                               | (5,327)                               | 0                       | 0                             | 0                                 | 0                        | 0                      | (5,327)                                     |
| Depreciation charge                                                                                  | (4,179)                   | (559)                           | (929)                                 |                         | (6)                           |                                   |                          |                        | (5,673)                                     |
| Depreciation written out to revaluation reserve                                                      | 3,753                     | 509                             |                                       |                         | 6                             |                                   |                          |                        | 4,268                                       |
| Depreciation written out following revaluation to the surplus/(deficit) on the provision of services | 338                       | 46                              |                                       |                         |                               |                                   |                          |                        | 384                                         |
| Derecognition - disposal                                                                             | 88                        |                                 | 1,064                                 |                         |                               |                                   |                          |                        | 1,152                                       |
| Other movements in cost or valuation                                                                 |                           | 4                               |                                       |                         |                               |                                   |                          |                        | 4                                           |
| <b>At 31 March 2022</b>                                                                              | <b>0</b>                  | <b>0</b>                        | <b>(5,192)</b>                        | <b>0</b>                | <b>0</b>                      | <b>0</b>                          | <b>0</b>                 | <b>0</b>               | <b>(5,192)</b>                              |
| <b>Net Book Value</b>                                                                                |                           |                                 |                                       |                         |                               |                                   |                          |                        |                                             |
| <b>At 31 March 2022</b>                                                                              | <b>244,377</b>            | <b>17,607</b>                   | <b>3,019</b>                          | <b>0</b>                | <b>103</b>                    | <b>3,257</b>                      | <b>839</b>               | <b>1,511</b>           | <b>270,713</b>                              |
| <b>At 31 March 2021</b>                                                                              | <b>214,490</b>            | <b>19,630</b>                   | <b>2,336</b>                          | <b>0</b>                | <b>105</b>                    | <b>1,720</b>                      | <b>781</b>               | <b>1,678</b>           | <b>240,740</b>                              |

| <b>Movements in 2020/21</b>                                                                          | <b>Council Dwellings<br/>£000</b> | <b>Other Land and Building<br/>£000</b> | <b>Vehicles, Plant and Equipment<br/>£000</b> | <b>Leased Vehicles<br/>£000</b> | <b>Infrastructure Assets<br/>£000</b> | <b>Assets Under Construction<br/>£000</b> | <b>Community Assets<br/>£000</b> | <b>Surplus Assets<br/>£000</b> | <b>Total Property, Plant and Equipment<br/>£000</b> |
|------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------|-----------------------------------------------|---------------------------------|---------------------------------------|-------------------------------------------|----------------------------------|--------------------------------|-----------------------------------------------------|
| <b>Cost or Valuation:</b>                                                                            |                                   |                                         |                                               |                                 |                                       |                                           |                                  |                                |                                                     |
| At 1 April 2020                                                                                      | 206,586                           | 18,823                                  | 7,244                                         | 0                               | 109                                   | 545                                       | 781                              | 1,478                          | <b>235,566</b>                                      |
| Additions                                                                                            | 7,594                             | 277                                     | 461                                           | 0                               | 0                                     | 1,720                                     | 0                                | 159                            | <b>10,211</b>                                       |
| Revaluation increases/(decreases) recognised in the revaluation reserve                              | 7,064                             | 513                                     | 0                                             | 0                               | (3)                                   | 0                                         | 0                                | 44                             | <b>7,618</b>                                        |
| Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services   | (4,124)                           | 17                                      | 0                                             | 0                               | 0                                     | 0                                         | 0                                | (3)                            | <b>(4,110)</b>                                      |
| Derecognition - disposals                                                                            | (3,175)                           | 0                                       | (42)                                          | 0                               | 0                                     | 0                                         | 0                                | 0                              | <b>(3,217)</b>                                      |
| Derecognition - other                                                                                | 0                                 | 0                                       | 0                                             | 0                               | 0                                     | 0                                         | 0                                | 0                              | <b>0</b>                                            |
| Other movements in cost or valuation                                                                 | 545                               | 0                                       | 0                                             | 0                               | (1)                                   | (545)                                     | 0                                | 0                              | <b>(1)</b>                                          |
| <b>At 31 March 2021</b>                                                                              | <b>214,490</b>                    | <b>19,630</b>                           | <b>7,663</b>                                  | <b>0</b>                        | <b>105</b>                            | <b>1,720</b>                              | <b>781</b>                       | <b>1,678</b>                   | <b>246,067</b>                                      |
| <b>Accumulated Depreciation and Impairment:</b>                                                      |                                   |                                         |                                               |                                 |                                       |                                           |                                  |                                |                                                     |
| At 1 April 2020                                                                                      | 0                                 | 0                                       | (4,418)                                       | 0                               | 0                                     | 0                                         | 0                                | 0                              | <b>(4,418)</b>                                      |
| Depreciation charge                                                                                  | (3,989)                           | (538)                                   | (946)                                         | 0                               | (6)                                   | 0                                         | 0                                | (2)                            | <b>(5,481)</b>                                      |
| Depreciation written out to revaluation reserve                                                      | 3,556                             | 478                                     | 0                                             | 0                               | 6                                     | 0                                         | 0                                | 2                              | <b>4,042</b>                                        |
| Depreciation written out following revaluation to the surplus/(deficit) on the provision of services | 368                               | 60                                      | 0                                             | 0                               | 0                                     | 0                                         | 0                                | 0                              | <b>428</b>                                          |
| Derecognition - disposal                                                                             | 65                                | 0                                       | 37                                            | 0                               | 0                                     | 0                                         | 0                                | 0                              | <b>102</b>                                          |
| Derecognition - other                                                                                | 0                                 | 0                                       | 0                                             | 0                               | 0                                     | 0                                         | 0                                | 0                              | <b>0</b>                                            |
| <b>At 31 March 2021</b>                                                                              | <b>0</b>                          | <b>0</b>                                | <b>(5,327)</b>                                | <b>0</b>                        | <b>0</b>                              | <b>0</b>                                  | <b>0</b>                         | <b>0</b>                       | <b>(5,327)</b>                                      |
| <b>Net Book Value</b>                                                                                |                                   |                                         |                                               |                                 |                                       |                                           |                                  |                                |                                                     |
| <b>At 31 March 2021</b>                                                                              | <b>214,490</b>                    | <b>19,630</b>                           | <b>2,336</b>                                  | <b>0</b>                        | <b>105</b>                            | <b>1,720</b>                              | <b>781</b>                       | <b>1,678</b>                   | <b>240,740</b>                                      |
| <b>At 31 March 2020</b>                                                                              | <b>206,586</b>                    | <b>18,823</b>                           | <b>2,826</b>                                  | <b>0</b>                        | <b>109</b>                            | <b>545</b>                                | <b>781</b>                       | <b>1,478</b>                   | <b>231,148</b>                                      |

## **Depreciation**

The following useful lives have been used in the calculation of depreciation:

- Council Dwellings Components
  - Land - 0 years
  - Structure - 50 years
  - Roof - 50 years
  - Kitchen - 30 years
  - Windows and doors - 40 years
  - Services - 30 years
  - Externals - 25 years
- Other Land and Buildings - 5-50 years
- Vehicles, Plant, Furniture and Equipment - 1-10 years
- Infrastructure - 15-18 years
- Surplus Assets - 5-50 years

## **Effects of Changes in Estimates**

There have been no changes in estimates during 2021/22.

## **Revaluations**

The Council carries out a programme that ensures that all Property (including Investment Property), Plant and Equipment required to be measured at fair value is revalued at least every five years, supported by an annual desk-top review. All valuations for 2021/22 were carried out internally by a suitably qualified valuer. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

The last full valuation which provided values as at 1 April 2018 was undertaken in 2018/19.

**Revaluations**

|                                | <b>Council Dwellings</b> | <b>Other Land and Buildings</b> | <b>Vehicles, Plant, Furniture and Equipment</b> | <b>Leased Vehicles</b> | <b>Infrastructure</b> | <b>Assets Under Construction</b> | <b>Community Assets</b> | <b>Surplus Assets</b> | <b>Total</b>   |
|--------------------------------|--------------------------|---------------------------------|-------------------------------------------------|------------------------|-----------------------|----------------------------------|-------------------------|-----------------------|----------------|
|                                | <b>£000</b>              | <b>£000</b>                     | <b>£000</b>                                     | <b>£000</b>            | <b>£000</b>           | <b>£000</b>                      | <b>£000</b>             | <b>£000</b>           | <b>£000</b>    |
| Carried at historical cost     | 0                        | 0                               | 8,211                                           | 0                      | 103                   | 3,257                            | 839                     | 0                     | <b>12,410</b>  |
| Valued at fair value as at:    |                          |                                 |                                                 |                        |                       |                                  |                         |                       |                |
| - 31 March 2022                | 29,887                   | (2,023)                         | 0                                               | 0                      | 0                     | 0                                | 0                       | (167)                 | <b>27,697</b>  |
| - 31 March 2021                | 7,904                    | 807                             | 0                                               | 0                      | 0                     | 0                                | 0                       | 200                   | <b>8,911</b>   |
| - 31 March 2020                | 10,515                   | (657)                           | 0                                               | 0                      | 0                     | 0                                | 0                       | 84                    | <b>9,942</b>   |
| - 31 March 2019                | 196,071                  | 19,480                          | 0                                               | 0                      | 0                     | 0                                | 0                       | 1,394                 | <b>216,945</b> |
| <b>Total Cost or Valuation</b> | <b>244,377</b>           | <b>17,607</b>                   | <b>8,211</b>                                    | <b>0</b>               | <b>103</b>            | <b>3,257</b>                     | <b>839</b>              | <b>1,511</b>          | <b>275,905</b> |

Details of the Investment Properties held on the balance sheet are provided in the following note.

**Fair Value Hierarchy - Surplus Assets**

Details of the Council's Surplus Assets and information about the fair value hierarchy as at 31 March 2022 and 2021 are as follows:

| Recurring fair value measurements using: | Other significant observable inputs<br>(Level 2)<br>£'000 | Significant unobservable inputs<br>(Level 3)<br>£'000 | Fair value as at 31 March 2022<br>£'000 |
|------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|
| Industrial Units                         | 0                                                         | 0                                                     | 0                                       |
| Shops                                    | 0                                                         | 0                                                     | 0                                       |
| Land                                     | 1,224                                                     | 287                                                   | 1,511                                   |
| <b>Total</b>                             | <b>1,224</b>                                              | <b>287</b>                                            | <b>1,511</b>                            |

Previous year comparative figures:

| Recurring fair value measurements using: | Other significant observable inputs<br>(Level 2)<br>£'000 | Significant unobservable inputs<br>(Level 3)<br>£'000 | Fair value as at 31 March 2021<br>£'000 |
|------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|
| Industrial Units                         | 60                                                        | 0                                                     | 60                                      |
| Shops                                    | 11                                                        | 0                                                     | 11                                      |
| Land                                     | 1,143                                                     | 464                                                   | 1,607                                   |
| <b>Total</b>                             | <b>1,214</b>                                              | <b>464</b>                                            | <b>1,678</b>                            |

**Transfers between Levels of the Fair Value Hierarchy**

There were no transfers between levels 1 and 2 during the year.

**Valuation techniques used to determine Level 2 and 3 Fair Values for Surplus Assets**Significant Observable Inputs - Level 2

This has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the Council's area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Significant Unobservable Inputs - Level 3

This is based on the premise that the data is not available using the market approach to make a categorisation of level 1 or 2. Therefore level 3 is based on the best information available and the assumptions that the market participants would use.

**Valuation Techniques**

There has been no change in the valuation techniques used during the year for surplus assets.

**Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs)  
Categorised within Level 3 of the Fair Value Hierarchy**

Land categorised within Level 3

|                                                                                                                                             | 31 March 2022<br>£'000 | 31 March 2021<br>£'000 |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Opening balance                                                                                                                             | 464                    | 459                    |
| Transfers into Level 3                                                                                                                      | 0                      | 0                      |
| Transfers out of Level 3                                                                                                                    | (70)                   | 0                      |
| Total gains (or losses) for the period included in Surplus or Deficit on the Provision of Services resulting from changes in the fair value | 10                     | 5                      |
| Additions                                                                                                                                   | 0                      | 0                      |
| Disposals                                                                                                                                   | (117)                  | 0                      |
| <b>Closing balance</b>                                                                                                                      | <b>287</b>             | <b>464</b>             |

**Quantitative Information about Fair Value Measurement of Surplus Assets using  
Significant Unobservable Inputs - Level 3**

|                | 31 March 2022<br>£'000 | Valuation<br>technique used to<br>measure fair value         | Unobservable<br>inputs                         | Sensitivity                                                                                                                   |
|----------------|------------------------|--------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Surplus Assets | 287                    | Income approach using a discounted cash flow (DCF) technique | Rent growth<br>Vacancy levels<br>Discount rate | Significant changes in rent growth; vacancy levels or discount rate will result in a significantly lower or higher fair value |

**Valuation Process for Surplus Assets**

The fair value of the Council's surplus assets is measured annually at each reporting date. All valuations are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

**12 Investment Properties**

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

|                                                            | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|------------------------------------------------------------|-------------------------|-------------------------|
| Rental income from investment property                     | (774)                   | (735)                   |
| Direct operating expenses arising from property investment | 468                     | 437                     |
| <b>Net (gain)/loss</b>                                     | <b>(306)</b>            | <b>(298)</b>            |

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 to undertake repairs, maintenance or enhancement.

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

|                                                | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|------------------------------------------------|-------------------------|-------------------------|
| <b>Balance at start of the year</b>            | 6,557                   | 5,557                   |
| <b>Additions:</b>                              |                         |                         |
| - purchases                                    | 0                       | 0                       |
| - construction                                 | 0                       | 0                       |
| - subsequent expenditure                       | 88                      | 158                     |
| Disposals                                      | 0                       | 0                       |
| Net gains/(losses) from fair value adjustments | (1,293)                 | 842                     |
| <b>Transfers:</b>                              |                         |                         |
| - (to)/from property, plant and equipment      | 206                     | 0                       |
| Other Changes                                  | (6)                     | 0                       |
| <b>Balance at end of year</b>                  | <b>5,552</b>            | <b>6,557</b>            |

**Fair Value Hierarchy - Investment Properties**

Details of the Council's investment properties and information about the fair value hierarchy as at 31 March 2022 and 2021 are as follows:

| Recurring fair value measurements using: | Other significant observable inputs<br>(Level 2)<br>£'000 | Significant unobservable inputs<br>(Level 3)<br>£'000 | Fair value as at 31 March 2022<br>£'000 |
|------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|
| Office units                             | 903                                                       | 0                                                     | 903                                     |
| Commercial Units                         | 4,649                                                     | 0                                                     | 4,649                                   |
| <b>Total</b>                             | <b>5,552</b>                                              | <b>0</b>                                              | <b>5,552</b>                            |

Previous year comparative figures:

| Recurring fair value measurements using: | Other significant observable inputs<br>(Level 2)<br>£'000 | Significant unobservable inputs<br>(Level 3)<br>£'000 | Fair value as at 31 March 2021<br>£'000 |
|------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|
| Office units                             | 1,263                                                     | 0                                                     | 1,263                                   |
| Commercial Units                         | 5,294                                                     | 0                                                     | 5,294                                   |
| <b>Total</b>                             | <b>6,557</b>                                              | <b>0</b>                                              | <b>6,557</b>                            |

**Transfers between Levels of the Fair Value Hierarchy**

There were no transfers between levels 1 and 2 during the year.

**Valuation techniques used to determine Level 2 and 3 Fair Values for Investment Properties**Significant Observable Inputs - Level 2

The fair value for the level 2 investment properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the Council's area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Significant Unobservable Inputs - Level 3

The level 3 investment properties are measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. The approach has been developed using the Council's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

Some of the Council's investment properties are categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonable available information that indicates that market participants would use different assumptions).

**Highest and Best Use of Investment Properties**

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

**Valuation Techniques**

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

**Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised within Level 3 of the Fair Value Hierarchy**

Investment properties categorised within Level 3

|                                                                                                                                             | 31 March 2022<br>£'000 | 31 March 2021<br>£'000 |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Opening balance                                                                                                                             | 0                      | 79                     |
| Transfers into Level 3                                                                                                                      | 0                      | 0                      |
| Transfers out of Level 3                                                                                                                    | 0                      | (79)                   |
| Total gains (or losses) for the period included in Surplus or Deficit on the Provision of Services resulting from changes in the fair value | 0                      | 0                      |
| Additions                                                                                                                                   | 0                      | 0                      |
| Disposals                                                                                                                                   | 0                      | 0                      |
| <b>Closing balance</b>                                                                                                                      | <b>0</b>               | <b>0</b>               |

Gains or losses arising from changes in the fair value of the investment property are recognised in Surplus or Deficit on the Provision of Services - Financing and Investment Income and Expenditure line.

**Quantitative Information about Fair Value Measurement of Investment Properties using Significant Unobservable Inputs - Level 3**

|                  | 31 March 2022<br>£'000 | Valuation technique used to measure fair value               | Unobservable inputs                            | Sensitivity                                                                                                                   |
|------------------|------------------------|--------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Commercial units | 0                      | Income approach using a discounted cash flow (DCF) technique | Rent growth<br>Vacancy levels<br>Discount rate | Significant changes in rent growth; vacancy levels or discount rate will result in a significantly lower or higher fair value |

**Valuation Process for Investment Properties**

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

**13 Intangible Assets**

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All 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 carrying amount of intangible assets is amortised on a straight line basis.

|                                             | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|---------------------------------------------|-------------------------|-------------------------|
| <b>Balance at start of year:</b>            |                         |                         |
| - Gross carrying amounts                    | 942                     | 902                     |
| - Accumulated depreciation                  | (483)                   | (320)                   |
| <b>Net carrying amount at start of year</b> | <b>459</b>              | <b>582</b>              |
| <b>Additions:</b>                           |                         |                         |
| - Purchases                                 | 137                     | 40                      |
| <b>Derecognition</b>                        | (2)                     | 0                       |
| <b>Amortisations:</b>                       |                         |                         |
| - Amortisation for the period               | (173)                   | (163)                   |
| - Derecognition                             | 0                       | 0                       |
| <b>Net carrying amount at end of year</b>   | <b>421</b>              | <b>459</b>              |

## **14 Financial Instruments**

### **Financial Liabilities**

The majority of the Council's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board
- short-term loans from parish councils
- trade payables for goods and services received.

The Council also held financial liabilities that are measured on different bases comprising:

- commitment to provide a loan to Dragonfly Development Limited.

### **Financial Assets**

The financial assets held by the Council during the year are accounted for under the following two classifications:

Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flow) comprising:

- cash in hand
- bank current account with Lloyds bank
- fixed term deposits with banks and building societies
- loans to other local authorities
- lease receivables detailed in note 35
- trade receivables for goods and services delivered

Fair value through profit and loss comprising:

- money market funds
- equity investment in Dragonfly Development Limited (unquoted)
- loans to Dragonfly Development Limited where the cash flows are not solely payments of principal and interest.

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

**Financial Instrument - Balances**

The financial instruments disclosed in the Balance Sheet are analysed across the following categories:

|                                               | <b>Long Term</b>                  |                                   | <b>Current</b>                    |                                   |
|-----------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                               | <b>31 March<br/>2022<br/>£000</b> | <b>31 March<br/>2021<br/>£000</b> | <b>31 March<br/>2022<br/>£000</b> | <b>31 March<br/>2021<br/>£000</b> |
| <b><u>Financial Liabilities</u></b>           |                                   |                                   |                                   |                                   |
| Loans at amortised cost:                      |                                   |                                   |                                   |                                   |
| Principal                                     | (89,400)                          | (93,400)                          | (4,721)                           | (4,306)                           |
| Accrued interest                              | -                                 | -                                 | (185)                             | (259)                             |
| <b><i>Total Borrowing</i></b>                 | <b>(89,400)</b>                   | <b>(93,400)</b>                   | <b>(4,906)</b>                    | <b>(4,565)</b>                    |
| Liabilities at amortised cost:                |                                   |                                   |                                   |                                   |
| Trade Payables                                | (46)                              | (46)                              | (4,164)                           | (4,220)                           |
| <b><i>Included in Creditors *</i></b>         | <b>(46)</b>                       | <b>(46)</b>                       | <b>(4,164)</b>                    | <b>(4,220)</b>                    |
| <b>Total Financial Liabilities</b>            | <b>(89,446)</b>                   | <b>(93,446)</b>                   | <b>(9,070)</b>                    | <b>(8,785)</b>                    |
| <b><u>Financial Assets</u></b>                |                                   |                                   |                                   |                                   |
| <u>At amortised cost:</u>                     |                                   |                                   |                                   |                                   |
| Principal                                     | -                                 | -                                 | 30,459                            | 25,456                            |
| Accrued interest                              | -                                 | -                                 | 13                                | 40                                |
| Loss allowance                                | -                                 | -                                 | (1)                               | 0                                 |
| <u>At fair value through profit + loss:</u>   | 471                               | 1,007                             | 0                                 | 0                                 |
| <b><i>Total Investments</i></b>               | <b>471</b>                        | <b>1,007</b>                      | <b>30,471</b>                     | <b>25,496</b>                     |
| <u>At amortised cost:</u>                     |                                   |                                   |                                   |                                   |
| Principal                                     | -                                 | -                                 | (403)                             | 896                               |
| <u>At fair value through profit + loss:</u>   | -                                 | -                                 | 12,003                            | 12,504                            |
| <b><i>Total Cash and Cash Equivalents</i></b> | <b>0</b>                          | <b>0</b>                          | <b>11,600</b>                     | <b>13,400</b>                     |
| <u>At amortised cost:</u>                     |                                   |                                   |                                   |                                   |
| Trade receivables                             | 72                                | 64                                | 3,948                             | 4,063                             |
| Loss allowance                                | 0                                 | 0                                 | (1,413)                           | (1,295)                           |
| <b><i>Included in Debtors**</i></b>           | <b>72</b>                         | <b>64</b>                         | <b>2,535</b>                      | <b>2,768</b>                      |
| <b>Total Financial Assets</b>                 | <b>543</b>                        | <b>1,071</b>                      | <b>44,606</b>                     | <b>41,664</b>                     |

\*The creditors line on the Balance Sheet includes £6,145,000 (£7,310,355 in 2020/21) short-term creditors that do not meet the definition of a financial liability as they relate to non-exchange transactions.

\*\*The debtors line on the Balance Sheet includes £1,586,518 (£4,983,539 in 2020/21) short-term debtors that do not meet the definition of a financial asset as they relate to non-exchange transactions.

**Financial Instruments - Gains and Losses**

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are as follows:

|                                                        | Financial Liabilities  | Financial Assets       |                                          | Total           | Total           |
|--------------------------------------------------------|------------------------|------------------------|------------------------------------------|-----------------|-----------------|
|                                                        | Amortised Cost<br>£000 | Amortised Cost<br>£000 | Fair Value through Profit + Loss<br>£000 | 2021/22<br>£000 | 2020/21<br>£000 |
| Interest expense                                       | 3,770                  | -                      | -                                        | 3,770           | 4,136           |
| <b>Interest payable and similar charges</b>            | <b>3,770</b>           | <b>0</b>               | <b>0</b>                                 | <b>3,770</b>    | <b>4,136</b>    |
| Interest income                                        | -                      | (185)                  | (34)                                     | (219)           | (223)           |
| Dividend income                                        | -                      | -                      | (17)                                     | (17)            | (23)            |
| <b>Interest and investment income</b>                  | <b>0</b>               | <b>(185)</b>           | <b>(51)</b>                              | <b>(236)</b>    | <b>(246)</b>    |
| Net impact on surplus/deficit on provision of services | <b>3,770</b>           | <b>(185)</b>           | <b>(51)</b>                              | <b>3,534</b>    | <b>3,890</b>    |
| <b>Net gain/(loss) for the year</b>                    | <b>3,770</b>           | <b>(185)</b>           | <b>(51)</b>                              | <b>3,534</b>    | <b>3,890</b>    |

## Financial Instruments - Fair Values

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For money market funds the fair value is taken from the market price. The fair values of other instruments have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2022, using the following methods and assumptions:

- Shares in Dragonfly Development Limited have been valued from the company's balance sheet net assets.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2022, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 - fair value is only derived from quoted prices in active markets for identical assets or liabilities, eg bond prices
- Level 2 - fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, eg interest rates for similar instruments
- Level 3 - fair value is determined using unobservable inputs, eg non-market data such as cash flow forecasts or estimated creditworthiness

|                                                      | Fair Value Level | 31 March 2022      |                 | 31 March 2021      |                  |
|------------------------------------------------------|------------------|--------------------|-----------------|--------------------|------------------|
|                                                      |                  | Balance Sheet £000 | Fair value £000 | Balance Sheet £000 | Fair value £000  |
| <i>Financial liabilities held at amortised cost:</i> |                  |                    |                 |                    |                  |
| Long-term loans from PWLB                            | 2                | (89,585)           | (94,911)        | (93,659)           | (109,446)        |
| Other long-term loans                                | 2                | (4,721)            | (4,820)         | (4,306)            | (4,490)          |
| <b>Total</b>                                         |                  | <b>(94,306)</b>    | <b>(99,731)</b> | <b>(97,965)</b>    | <b>(113,936)</b> |
| Liabilities for which fair value is not disclosed*   |                  | (4,210)            |                 | (4,266)            |                  |
| <b>Total Financial Liabilities</b>                   |                  | <b>(98,516)</b>    |                 | <b>(102,231)</b>   |                  |
| <i>Recorded on balance sheet as:</i>                 |                  |                    |                 |                    |                  |
| Short-term creditors                                 |                  | (10,309)           |                 | (11,530)           |                  |
| Less non-exchange transactions                       |                  | 6,145              |                 | 7,310              |                  |
| Short-term borrowing                                 |                  | (4,906)            |                 | (4,565)            |                  |
| Long-term creditors                                  |                  | (46)               |                 | (46)               |                  |
| Long-term borrowing                                  |                  | (89,400)           |                 | (93,400)           |                  |
| <b>Total Financial Liabilities</b>                   |                  | <b>(98,516)</b>    |                 | <b>(102,231)</b>   |                  |

\* The fair value of short-term financial liabilities including trade payables is assumed to approximate to the carrying amount.

The fair value of financial liabilities held at amortised cost is higher than their balance sheet carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date.

|                                                 |                  | 31 March 2022      |                 | 31 March 2021      |                 |
|-------------------------------------------------|------------------|--------------------|-----------------|--------------------|-----------------|
|                                                 | Fair Value Level | Balance Sheet £000 | Fair value £000 | Balance Sheet £000 | Fair value £000 |
| <i>Financial assets held at fair value:</i>     |                  |                    |                 |                    |                 |
| Money market funds                              | 1                | 12,003             | 12,003          | 12,504             | 12,504          |
| Strategic investment                            | 3                | 290                | 290             | 860                | 860             |
| Shares in unlisted companies                    | 3                | 181                | 181             | 147                | 147             |
| <i>Financial assets held at amortised cost:</i> |                  |                    |                 |                    |                 |
| Short-term bank deposits                        | 2                | 30,471             | 30,472          | 25,496             | 25,496          |
| Total                                           |                  | 42,945             | 42,946          | 39,007             | 39,007          |
| Assets for which fair value is not disclosed*   |                  | 2,204              |                 | 3,728              |                 |
| <b>Total Financial Assets</b>                   |                  | <b>45,149</b>      |                 | <b>42,735</b>      |                 |
| <i>Recorded on balance sheet as:</i>            |                  |                    |                 |                    |                 |
| Long-term debtors                               |                  | 72                 |                 | 64                 |                 |
| Short-term debtors                              |                  | 4,121              |                 | 7,751              |                 |
| Less non-financial asset element                |                  | (1,586)            |                 | (4,983)            |                 |
| Long-term investments                           |                  | 471                |                 | 1,007              |                 |
| Short-term investments                          |                  | 30,471             |                 | 25,496             |                 |
| Cash and cash equivalents                       |                  | 11,600             |                 | 13,400             |                 |
| <b>Total Financial Assets</b>                   |                  | <b>45,149</b>      |                 | <b>42,735</b>      |                 |

\* The fair value of short-term financial assets held at amortised cost, including trade receivables and cash balances are assumed to approximate to the carrying amount.

## **Financial Instruments - Risks**

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Ministry for Housing, Communities and Local Government Guidance on Local Government Investments. This guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The main risks covered are:

- Credit risk - the possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- Liquidity risk - the possibility that the Council might not have the cash available to make contracted payments on time.
- Market risk - the possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

### **Credit Risk - Treasury Investments**

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit of £5m is placed on the amount of money that can be invested with a single counterparty including unsecured investments in banks, building societies and companies. The Council also sets limits on investments in certain sectors. No more than £5m can be invested for a period longer than one year.

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating and remaining time to maturity:

| Credit Rating               | 31 March 2022     |                    | 31 March 2021     |                    |
|-----------------------------|-------------------|--------------------|-------------------|--------------------|
|                             | Long-term<br>£000 | Short-term<br>£000 | Long-term<br>£000 | Short-term<br>£000 |
| AAA                         | 0                 | 30,471             | 0                 | 25,496             |
| A                           | 0                 | 0                  | 0                 | 0                  |
| <b>Total</b>                | <b>0</b>          | <b>30,471</b>      | <b>0</b>          | <b>25,496</b>      |
| Credit risk not applicable* | 471               | 0                  | 1,007             | 0                  |
| <b>Total Investments</b>    | <b>471</b>        | <b>30,471</b>      | <b>1,007</b>      | <b>25,496</b>      |

\* Credit risk is not applicable to shareholdings where the Council has no contractual right to receive any sum of money.

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies. At 31st March 2022, £1,243 of the loss allowance related to treasury investments (2021: zero).

### Credit Risk - Trade and Lease Receivables

The Council's credit risk on lease receivables is mitigated by its legal ownership of the assets leased, which can be repossessed if the debtor defaults on the lease contract.

The Council includes trade and lease receivables in the same category of debtors - trade receivables. The following analysis summarises the Council's trade receivables by due date. Only those receivables meeting the definition of a financial asset are included.

|                          | 31 March<br>2022<br>£000 | 31 March<br>2021<br>£000 |
|--------------------------|--------------------------|--------------------------|
| Past due < 3 months      | 2,132                    | 2,185                    |
| Past due 3 - 6 months    | 331                      | 428                      |
| Past due 6 - 12 months   | 437                      | 486                      |
| Past due 12+ months      | 1,048                    | 964                      |
| <b>Total Receivables</b> | <b>3,948</b>             | <b>4,063</b>             |

Loss allowances on trade and receivables have been calculated by reference to the Council's historic experience of default.

Receivables are collectively assessed for credit risk in the following groupings:

|                                        | Range of allowances set | 31 March 2022<br>Gross receivable<br>£000 | Loss allowance<br>£000 | 31 March 2021<br>Gross receivable<br>£000 | Loss allowance<br>£000 |
|----------------------------------------|-------------------------|-------------------------------------------|------------------------|-------------------------------------------|------------------------|
| Individuals - HRA tenants              | 1% - 100%               | 1,599                                     | (1,188)                | 1,710                                     | (1,155)                |
| Private sector                         | .5% - 100%              | 817                                       | (225)                  | 568                                       | (140)                  |
| Government/Local authority/prepayments | zero                    | 1,532                                     | 0                      | 1,785                                     | 0                      |
|                                        |                         | <b>3,948</b>                              | <b>(1,413)</b>         | <b>4,063</b>                              | <b>(1,295)</b>         |

Receivables are written off to the surplus or deficit on the provision of services when all avenues to collect the debt are exhausted.

### Credit Risk - Loans and Loan Commitments

In furtherance of the Council's service objectives it has lent money to Dragonfly Development Limited. It has also committed to lend Dragonfly Development Limited a further loan should it be requested at market rates of interest.

The amounts recognised on the balance sheet, and the Council's total exposure to credit risk from the instruments are:

| Borrower                      | Exposure type                  | 31 March 2022<br>Balance Sheet<br>£000 | Risk exposure<br>£000 | 31 March 2021<br>Balance Sheet<br>£000 | Risk exposure<br>£000 |
|-------------------------------|--------------------------------|----------------------------------------|-----------------------|----------------------------------------|-----------------------|
| Dragonfly Development Limited | Loan at market rate            | 290                                    | 290                   | 860                                    | 860                   |
| Dragonfly Development Limited | Loan commitment at market rate | (1,267)                                | (1,267)               | (1,267)                                | (1,267)               |
|                               |                                | <b>(977)</b>                           | <b>(977)</b>          | <b>(407)</b>                           | <b>(407)</b>          |

The Council manages the credit risk inherent in its loans for service purposes and loan commitments in line with its published Investment Strategy. These are included on the balance sheet at fair value and therefore already include an allowance for loss.

## Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates.

The maturity analysis of financial instruments is as follows:

| Time to maturity<br>(years) | Discounted<br>(principal) |                  | Undiscounted<br>(principal plus interest) |                  |
|-----------------------------|---------------------------|------------------|-------------------------------------------|------------------|
|                             | 31 March 2022             | 31 March 2021    | 31 March 2022                             | 31 March 2021    |
|                             | £000                      | £000             | £000                                      | £000             |
| Not over 1                  | (9,070)                   | (8,785)          | (12,314)                                  | (12,239)         |
| Over 1 but not over 2       | (3,400)                   | (4,000)          | (6,522)                                   | (7,244)          |
| Over 2 but not over 5       | (12,246)                  | (12,646)         | (20,435)                                  | (21,330)         |
| Over 5 but not over 10      | (23,800)                  | (22,800)         | (34,375)                                  | (34,154)         |
| Over 10 but not over 20     | (50,000)                  | (49,000)         | (59,175)                                  | (59,849)         |
| Over 20 but not over 40     | 0                         | (5,000)          | 0                                         | (5,175)          |
| <b>Total</b>                | <b>(98,516)</b>           | <b>(102,231)</b> | <b>(132,821)</b>                          | <b>(139,991)</b> |

## Market Risk - Interest Rate Risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates - the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
- Borrowings at fixed rates - the fair value of the borrowing will fall (no impact on revenue balances).
- Investments at variable rates - the interest income credited to the Comprehensive Income and Expenditure Statement will rise.
- Investments at fixed rates - the fair value of the assets will fall (no impact on revenue balances).

Investments measured at amortised cost and loans borrowed, are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Treasury Management Strategy aims to mitigate these risks with a treasury indicator which provides maximum limits for fixed and variable interest rate exposure. The Council finance team will monitor market and forecast interest rates within the year, to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns.

If all interest rates had been 1% higher (with all variables held constant) the financial effect would be:

|                                                              | <b>31 March<br/>2022<br/>£000</b> | <b>31 March<br/>2021<br/>£000</b> |
|--------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Increase in interest payable on variable rate borrowings     | 7                                 | 6                                 |
| Increase in interest receivable on variable rate investments | (225)                             | (164)                             |
| Decrease in fair value of investments held at FVPL           | 0                                 | 0                                 |
| Impact on Surplus or Deficit on the Provision of Services    | (218)                             | (158)                             |
| Impact on Comprehensive Income and Expenditure               | (218)                             | (158)                             |
| Share of overall impact credited to the HRA                  | 45                                | 33                                |

\* No impact on Comprehensive Income and Expenditure

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

### **Market Risk - Interest Rate Risk**

The Council's investment in equity shares would be subject to the risk of falling share prices if the shares were listed on the stock exchange. The shares are not currently listed on the stock exchange so this is not an issue for this financial year.

**Market Risks: Foreign exchange risk** - The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no intentional exposure to loss arising from movements in exchange rates.

**15 Inventories**

|                           | Balance<br>at start of<br>year | Purchases    | Expenses<br>in year | Written off<br>balances | Balance<br>at end of<br>year |
|---------------------------|--------------------------------|--------------|---------------------|-------------------------|------------------------------|
|                           | £000                           | £000         | £000                | £000                    | £000                         |
| <b>Building Materials</b> |                                |              |                     |                         |                              |
| 2020/21                   | 69                             | 1,015        | (993)               | 0                       | 91                           |
| 2021/22                   | 91                             | 1,132        | (1,114)             | 0                       | 109                          |
| <b>Sports</b>             |                                |              |                     |                         |                              |
| 2020/21                   | 2                              | 17           | (16)                | 0                       | 3                            |
| 2021/22                   | 3                              | 12           | (13)                | 0                       | 2                            |
| <b>Catering</b>           |                                |              |                     |                         |                              |
| 2020/21                   | 4                              | 1            | (4)                 | 0                       | 1                            |
| 2021/22                   | 1                              | 37           | (37)                | 0                       | 1                            |
| <b>Fuel</b>               |                                |              |                     |                         |                              |
| 2020/21                   | 22                             | 334          | (327)               | 0                       | 29                           |
| 2021/22                   | 29                             | 482          | (472)               | 0                       | 39                           |
| <b>Stationery</b>         |                                |              |                     |                         |                              |
| 2020/21                   | 1                              | 0            | 0                   | 0                       | 1                            |
| 2021/22                   | 1                              | 0            | 0                   | 0                       | 1                            |
| <b>COVID-19 Supplies</b>  |                                |              |                     |                         |                              |
| 2020/21                   | 3                              | 30           | (26)                | 0                       | 7                            |
| 2021/22                   | 7                              | 0            | (6)                 | 0                       | 1                            |
| <b>Total 2020/21</b>      | <b>101</b>                     | <b>1,397</b> | <b>(1,366)</b>      | <b>0</b>                | <b>132</b>                   |
| <b>Total 2021/22</b>      | <b>132</b>                     | <b>1,663</b> | <b>(1,642)</b>      | <b>0</b>                | <b>153</b>                   |

**16 Capital Commitments**

The Council has the following capital commitments:

| Capital Commitments                | 31 March 2022<br>£000 | 31 March 2021<br>£000 |
|------------------------------------|-----------------------|-----------------------|
| Disabled Facilities Grants         | 116                   | 140                   |
| Fleet Vehicles                     | 540                   | 118                   |
| The Arc, Asset Management Plan     | 37                    | 10                    |
| Pleasley Vale Works                | 24                    | 17                    |
| New Bolsover Model Village Project | 137                   | 279                   |
| B @ Home Programme                 | 22                    | 22                    |
| HRA Small Capital Schemes          | 153                   | 33                    |
| HRA Safe and Warm                  | 43                    | 49                    |
| ICT Schemes                        | 7                     | 0                     |
| Playing Pitch Improvements         | 364                   | 0                     |
| Shirebrook Crematorium             | 145                   | 0                     |
| The Tangent                        | 44                    | 0                     |
| Electric Charging Points           | 0                     | 27                    |
| <b>Total</b>                       | <b>1,632</b>          | <b>695</b>            |

**17 Debtors**

|                                                          | <b>31 March 2022<br/>£000</b> | <b>31 March 2021<br/>£000</b> |
|----------------------------------------------------------|-------------------------------|-------------------------------|
| Trade receivables                                        | 1,342                         | 1,161                         |
| Prepayments                                              | 376                           | 386                           |
| Other receivable amounts                                 | 817                           | 1,221                         |
|                                                          | 2,535                         | 2,768                         |
| Statutory receivable amounts (non-exchange transactions) | 1,586                         | 4,983                         |
| <b>Total</b>                                             | <b>4,121</b>                  | <b>7,751</b>                  |

**18 Cash Flow Statement - Cash and Cash Equivalents**

The balance of cash and cash equivalents is made up of the following elements:

|                          | <b>31 March 2022<br/>£000</b> | <b>31 March 2021<br/>£000</b> |
|--------------------------|-------------------------------|-------------------------------|
| Cash held by the Council | (403)                         | 896                           |
| Bank call accounts       | 12,003                        | 12,504                        |
| <b>Total</b>             | <b>11,600</b>                 | <b>13,400</b>                 |

**19 Assets Held for Sale**

|                                      | <b>31 March 2022<br/>£'000</b> | <b>31 March 2021<br/>£'000</b> |
|--------------------------------------|--------------------------------|--------------------------------|
| Balance outstanding at start of year | 0                              | 0                              |
| Balance outstanding at year-end      | <b>0</b>                       | <b>0</b>                       |

**20 Creditors**

|                                                       | <b>31 March 2022<br/>£000</b> | <b>31 March 2021<br/>£000</b> |
|-------------------------------------------------------|-------------------------------|-------------------------------|
| Trade payables                                        | (2,815)                       | (3,333)                       |
| Other payable amounts                                 | (1,349)                       | (887)                         |
|                                                       | (4,164)                       | (4,220)                       |
| Statutory payable amounts (non-exchange transactions) | (6,145)                       | (7,310)                       |
| <b>Total</b>                                          | <b>(10,309)</b>               | <b>(11,530)</b>               |

**21 Provisions**

|                                    | <b>Legal Costs</b> | <b>Non-domestic Rates</b> | <b>Total</b>   |
|------------------------------------|--------------------|---------------------------|----------------|
|                                    | <b>£000</b>        | <b>£000</b>               | <b>£000</b>    |
| <b>Balance at 1 April 2021</b>     | (178)              | (1,711)                   | (1,889)        |
| Provisions made in 2021/22         | 0                  | (621)                     | (621)          |
| Amounts used in 2021/22            | 0                  | 195                       | 195            |
| Unused amounts reversed in 2021/22 | 0                  | 0                         | 0              |
| <b>Balance at 31 March 2022</b>    | <b>(178)</b>       | <b>(2,137)</b>            | <b>(2,315)</b> |

The Legal Costs provision has been created for costs which are potentially to be incurred relating to the MMI scheme of arrangement and future, currently unknown claims.

The Local Government Finance Act 2012 introduced a business rates retention scheme. Billing authorities are required to make a provision for any potential liabilities as a result of refunding ratepayers who have appealed against the rateable value of their properties. The provision includes an amount for appeals lodged to date but yet to be determined by the Valuation Office Agency (VOA) plus an amount for appeals expected but not yet lodged with the VOA. As the outcome of any appeals are determined by the VOA, it is uncertain when the claims will be settled. As there are still claims outstanding from pre 2010 it has been decided to classify the provision as long term. This provision relates to only the Council's share of the potential costs which is 40%.

**22 Usable Reserves**

Movements in the Council's usable reserves are detailed in the Movement in Statement and note 9 .

**23 Unusable Reserves**

|                                    | 2021/22<br>£000  | 2020/21<br>£000 |
|------------------------------------|------------------|-----------------|
| Revaluation Reserve                | (118,951)        | (95,728)        |
| Capital Adjustment Account         | (41,919)         | (36,431)        |
| Pensions Reserve                   | 41,702           | 55,212          |
| Deferred Capital Receipts Reserve  | (63)             | (63)            |
| Collection Fund Adjustment Account | 2,829            | 3,911           |
| Accumulated Absences Account       | 117              | 171             |
| <b>Total</b>                       | <b>(116,285)</b> | <b>(72,928)</b> |

**Revaluation Reserve**

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

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

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

|                                                                                                                            | 2021/22<br>£000  | 2020/21<br>£000 |
|----------------------------------------------------------------------------------------------------------------------------|------------------|-----------------|
| <b>Balance at 1 April</b>                                                                                                  | <b>(95,728)</b>  | <b>(87,322)</b> |
| Upward revaluation of assets                                                                                               | (31,032)         | (13,650)        |
| Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services       | 3,492            | 1,990           |
| (Surplus) or deficit on revaluation of non current assets not posted to the Comprehensive Income and Expenditure Statement | (27,540)         | (11,660)        |
| Difference between fair value depreciation and historical cost depreciation                                                | 2,274            | 2,060           |
| Accumulated gains on assets sold or scrapped                                                                               | 2,043            | 1,194           |
| Amount written off to the Capital Adjustment Account                                                                       | 4,317            | 3,254           |
| <b>Balance at 31 March</b>                                                                                                 | <b>(118,951)</b> | <b>(95,728)</b> |

**Capital Adjustment Account**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to an historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve are provided in note 9.

|                                                                                                                                                            | 2021/22<br>£000 | 2020/21<br>£000 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Balance at 1 April</b>                                                                                                                                  | <b>(36,431)</b> | <b>(35,663)</b> |
| <i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</i>                        |                 |                 |
| - Charges for depreciation and impairment of non current assets                                                                                            | 7,454           | 9,165           |
| - Derecognition of property, plant and equipment                                                                                                           | 2,201           | 1,368           |
| - Amortisation of intangible assets                                                                                                                        | 66              | 163             |
| - Revenue Expenditure Funded from Capital Under Statute                                                                                                    | 845             | 1,245           |
| - 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 | 2,288           | 1,747           |
| - Financial Instruments impairment                                                                                                                         | (1)             | 0               |
|                                                                                                                                                            | 12,853          | 13,688          |
| Adjusting amounts written out of the Revaluation Reserve                                                                                                   | (4,317)         | (3,254)         |
| Net written out amount of the cost of non current assets consumed in the year                                                                              | <b>8,536</b>    | <b>10,434</b>   |
| <i>Capital financing applied in the year:</i>                                                                                                              |                 |                 |
| - Use of Capital Receipts Reserve to finance new capital expenditure                                                                                       | (605)           | (1,329)         |
| - Use of Capital Receipts Reserve to finance historical capital expenditure                                                                                | (571)           | 0               |
| - Use of the Major Repairs Reserve to finance new capital expenditure                                                                                      | (5,597)         | (6,683)         |
| - Application of grants to capital financing from the Capital Grants Unapplied Account                                                                     | (2,794)         | (738)           |
| - Statutory provision for the financing of capital investment charged against the General Fund and HRA balances                                            | (705)           | (700)           |
| - Capital expenditure charged against the General Fund and HRA balances                                                                                    | (38)            | 0               |
| - Capital expenditure charged against reserves                                                                                                             | (5,580)         | (910)           |
|                                                                                                                                                            | <b>(15,890)</b> | <b>(10,360)</b> |
| Redemption of long term investment - loan repayment (Dragonfly)                                                                                            | <b>571</b>      | <b>0</b>        |
| Redemption of long term investment - loan repayment                                                                                                        | <b>2</b>        |                 |
| Movements in the market value of investment properties debited or credited to the Comprehensive Income and Expenditure Statement                           | <b>1,293</b>    | <b>(842)</b>    |
| <b>Balance at 31 March</b>                                                                                                                                 | <b>(41,919)</b> | <b>(36,431)</b> |

**Pensions Reserve**

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

|                                                                                                                                                                                    | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Balance at 1 April</b>                                                                                                                                                          | <b>55,212</b>           | <b>35,403</b>           |
| Actuarial gains or losses on pensions assets and liabilities                                                                                                                       | (17,793)                | 18,047                  |
| 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 | 7,115                   | 4,510                   |
| Employer's pension contributions and direct payments to pensioners payable in the year                                                                                             | (2,832)                 | (2,748)                 |
| <b>Balance at 31 March</b>                                                                                                                                                         | <b>41,702</b>           | <b>55,212</b>           |

**Deferred Capital Receipts Reserve**

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non current assets where the 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. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

|                                                                                                                                        | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Balance at 1 April - Rent to Mortgage - Property Charge</b>                                                                         | <b>(63)</b>             | <b>(63)</b>             |
| Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement | 0                       | 0                       |
| Transfer to the Capital Receipts Reserve upon receipt of cash                                                                          | 0                       | 0                       |
| <b>Balance at 31 March - Rent to Mortgage - Property Charge</b>                                                                        | <b>(63)</b>             | <b>(63)</b>             |

**Collection Fund Adjustment Account**

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers, compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

|                                                                                                                                                                                                                                                        | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Balance at 1 April</b>                                                                                                                                                                                                                              | <b>3,911</b>            | <b>(922)</b>            |
| 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 | (1,082)                 | 4,833                   |
| <b>Balance at 31 March</b>                                                                                                                                                                                                                             | <b>2,829</b>            | <b>3,911</b>            |

**Accumulated Absences Account**

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences, principally holidays, earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account.

|                                                                                                                                                          | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Balance at 1 April</b>                                                                                                                                | <b>171</b>              | <b>84</b>               |
| Settlement or cancellation of accrual made at the end of the preceding year                                                                              | (171)                   | (84)                    |
| Amounts accrued at the end of the current year                                                                                                           | 117                     | 171                     |
| Amount by which Officer remuneration charged to the CIES is different from remuneration chargeable in the year in accordance with statutory requirements | (54)                    | 87                      |
| <b>Balance at 31 March</b>                                                                                                                               | <b>117</b>              | <b>171</b>              |

**24 Cash Flow Statement - Operating Activities**

The cash flows for operating activities include the following items:

|                    | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|--------------------|-------------------------|-------------------------|
| Interest received  | (227)                   | (418)                   |
| Interest paid      | 3,769                   | 4,136                   |
| Dividends received | 0                       | 0                       |

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

|                                                                                                  | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|--------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Depreciation                                                                                     | (5,849)                 | (5,644)                 |
| Impairment and downward valuations                                                               | (1,672)                 | (3,683)                 |
| Increase/(decrease) in creditors                                                                 | (5,442)                 | (3,973)                 |
| (Increase)/decrease in debtors                                                                   | (592)                   | 319                     |
| (Increase)/decrease in inventories                                                               | 21                      | 30                      |
| Movement in pension liability                                                                    | (4,283)                 | (1,762)                 |
| Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised | (4,488)                 | (3,114)                 |
| Other non-cash items charged to the net surplus or deficit on the provision of services          | (1,720)                 | 490                     |
|                                                                                                  | <b>(24,025)</b>         | <b>(17,337)</b>         |

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

|                                                                                                    | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|----------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Proceeds from the sale of property, plant and equipment, investment property and intangible assets | 3,183                   | 1,995                   |
| Any other items for which the cash effects are investing or financing cash flows                   | 3,042                   | 1,724                   |
|                                                                                                    | <b>6,225</b>            | <b>3,719</b>            |

**25 Cash Flow Statement - Investing Activities**

|                                                                                                    | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|----------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Purchase of property, plant and equipment, investment property and intangible assets               | 14,643                  | 10,217                  |
| Purchase of short term and long term investments                                                   | 41,003                  | 92,002                  |
| Other payments for investing activities                                                            | 10                      | 0                       |
| Proceeds from the sale of property, plant and equipment, investment property and intangible assets | (3,183)                 | (1,995)                 |
| Proceeds from short term and long term investments                                                 | (36,571)                | (94,500)                |
| Other receipts from investing activities                                                           | (3,396)                 | (1,420)                 |
| <b>Net cash flows from investing activities</b>                                                    | <b>12,506</b>           | <b>4,304</b>            |

**26 Cash Flow Statement - Financing Activities**

|                                                                                           | 2021/22<br>£000 | 2020/21<br>£000 |
|-------------------------------------------------------------------------------------------|-----------------|-----------------|
| Cash receipts of short term and long term borrowings                                      | (754)           | (813)           |
| Cash payments for the reduction of the outstanding liabilities relating to finance leases | 0               | 0               |
| Repayments of short term and long term borrowing                                          | 4,413           | 2,665           |
| Council Tax and NNDR adjustments                                                          | 3,659           | 1,852           |
|                                                                                           | (334)           | (190)           |
| <b>Net cash flows from financing activities</b>                                           | <b>3,325</b>    | <b>1,662</b>    |

**27 Cash Flow Statement - Reconciliation of Liabilities arising from Financing Activities**

|                                                    | 1 April<br>2021<br>£'000 | Financing<br>cash flows<br>£'000 | Non-cash changes<br>Acquisition<br>£'000 | Other<br>£'000 | 31 March<br>2022<br>£'000 |
|----------------------------------------------------|--------------------------|----------------------------------|------------------------------------------|----------------|---------------------------|
| Long-term borrowings                               | (93,400)                 | 0                                | -                                        | 4,000          | (89,400)                  |
| Short-term borrowings                              | (4,566)                  | 3,659                            | -                                        | (4,000)        | (4,907)                   |
| - Lease liabilities                                | 0                        | 0                                | 0                                        | 0              | 0                         |
| <b>Total liabilities from financing activities</b> | <b>(97,966)</b>          | <b>3,659</b>                     | <b>0</b>                                 | <b>0</b>       | <b>(94,307)</b>           |

|                                                    | 1 April<br>2020<br>£'000 | Financing<br>cash flows<br>£'000 | Non-cash changes<br>Acquisition<br>£'000 | Other<br>£'000 | 31 March<br>2021<br>£'000 |
|----------------------------------------------------|--------------------------|----------------------------------|------------------------------------------|----------------|---------------------------|
| Long-term borrowings                               | (97,100)                 | 0                                | -                                        | 3,700          | (93,400)                  |
| Short-term borrowings                              | (2,718)                  | 1,852                            | -                                        | (3,700)        | (4,566)                   |
| - Lease liabilities                                | 0                        | 0                                | 0                                        | 0              | 0                         |
| <b>Total liabilities from financing activities</b> | <b>(99,818)</b>          | <b>1,852</b>                     | <b>0</b>                                 | <b>0</b>       | <b>(97,966)</b>           |

**28 Agency Services**

The Council undertakes agency work for Derbyshire County Council in carrying out the duties of roadside verge grass cutting, weed control and tree maintenance. The annual expenditure on the service was £229,859 with an income of £68,345 for 2021/22, (£204,779 and £68,344 in 2020/21).

**29 Members' Allowances**

The Council paid the following amounts to elected members during the year. This expenditure is included within the People Directorate line of the Comprehensive Income and Expenditure Statement.

|              | 2021/22<br>£000 | 2020/21<br>£000 |
|--------------|-----------------|-----------------|
| Allowances   | 446             | 435             |
| Expenses     | 9               | 6               |
| <b>Total</b> | <b>455</b>      | <b>441</b>      |

**30 Officers' Remuneration**

Council employees (excluding senior employees) receiving more than £50,000 remuneration (excluding pension contributions) were paid the following amounts:

| <b>Remuneration Band</b> | <b>Number of Employees<br/>2021/22</b> | <b>Number of Employees<br/>2020/21</b> |
|--------------------------|----------------------------------------|----------------------------------------|
| £50,000 - £54,999        | 2                                      | 4                                      |
| £55,000 - £59,999        | 0                                      | 1                                      |
| £60,000 - £64,999        | 0                                      | 0                                      |
| £75,000 - £79,999        | 0                                      | 0                                      |
| £105,000 - £109,999      | 0                                      | 0                                      |

**Senior Employees**

The definition of a senior employee is:

- \* an employee whose salary is £150,000 or more
- \* an employee whose salary is £50,000 or more who is a statutory chief officer as per section 2(6) of the Local Government and Housing Act 1989 as amended
- \* an employee whose salary is £50,000 or more who is a non-statutory chief officer as per section 2(7) of the Local Government and Housing Act 1989 as amended
- \* an employee whose salary is £50,000 or more who reports directly to the Head of Paid Service

The following changes in respect of the Council's Senior Employees occurred during 2021/22 and are relevant to the table on the following page, or remuneration paid to the Council's Senior Employees.

**Council report - 12 July 2021**

The Joint Director of Corporate Resources post was disestablished.

The Joint Director of Environment and Enforcement post was disestablished.

A new post of Executive Director of Resources was established. This was designated Head of Paid Service.

The Director of Development was renamed the Executive Director of Strategy and Development.

**Council report - 8 September 2021**

All Head of Service posts were renamed as Assistant Director.

**Council report - 3 November 2021**

The Joint Assistant Director of Transformation and Organisation post was disestablished.

A new post of Assistant Director of Street Scene was established.

The Joint Assistant Director of Street Scene post was disestablished.

A new post of Assistant Director of Corporate Governance and Monitoring Officer was established.

The Joint Assistant Director of Corporate Governance and Monitoring Officer was disestablished.

To aid understanding, in 2021/22 it has been decided to include for the first time, all members of the Senior Leadership Team in the table on the following page regardless of whether they report directly to the Head of Paid Service. However, their remuneration is not included in the table for 2020/21 as they were not classed as Senior Employees for the purpose of this note during that year. Their details were listed in the table of Council's employees earning above £50,000 in 2020/21.

The remuneration paid to the Council's senior employees (who earn £50,000 or more and are either statutory chief officers and/or report directly to the Head of Paid Service) is as follows:

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| Post Title                                                                           |         | Salary<br>(including<br>fees +<br>allowances)<br><br>£ | Expenses/<br>Allowances<br><br>£ | Benefits<br>in Kind<br><br>£ | Compen-<br>sation for<br>loss of office<br>* (see following<br>page)<br><br>£ | Pension<br>Contribution<br><br>£ | Total<br>Remuneration<br>(including<br>pension<br>contributions)<br><br>£ | Net<br>Charge<br>to<br>NEDDC<br><br>£ | Net<br>Charge<br>to BDC<br><br>£ |
|--------------------------------------------------------------------------------------|---------|--------------------------------------------------------|----------------------------------|------------------------------|-------------------------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------|---------------------------------------|----------------------------------|
| <b>Employed by Bolsover DC</b>                                                       |         |                                                        |                                  |                              |                                                                               |                                  |                                                                           |                                       |                                  |
| Executive Director of Resources (start date 2/8/21)                                  | 2020/21 | 0                                                      | 0                                | 0                            | 0                                                                             | 0                                | 0                                                                         | -                                     | 0                                |
|                                                                                      | 2021/22 | 70,228                                                 | 0                                | 0                            | 0                                                                             | 10,464                           | 80,692                                                                    | -                                     | 80,692                           |
| Executive Director of Strategy and Development                                       | 2020/21 | 94,743                                                 | 0                                | 0                            | 0                                                                             | 14,117                           | 108,860                                                                   | -                                     | 108,860                          |
|                                                                                      | 2021/22 | 94,818                                                 | 62                               | 0                            | 0                                                                             | 14,110                           | 108,990                                                                   | -                                     | 108,990                          |
| Assistant Director - Finance and Resources - Section 151 Officer                     | 2020/21 | 54,798                                                 | 0                                | 0                            | 0                                                                             | 8,165                            | 62,963                                                                    | -                                     | 62,963                           |
|                                                                                      | 2021/22 | 60,943                                                 | 0                                | 0                            | 0                                                                             | 9,070                            | 70,013                                                                    | -                                     | 70,013                           |
| Assistant Director - Leader's Executive Team/Partnerships                            | 2020/21 | 55,748                                                 | 0                                | 0                            | 0                                                                             | 8,306                            | 64,054                                                                    | -                                     | 64,054                           |
|                                                                                      | 2021/22 | 59,116                                                 | 0                                | 0                            | 0                                                                             | 8,797                            | 67,913                                                                    | -                                     | 67,913                           |
| Assistant Director - Corporate Governance and Monitoring Officer (start date 5/2/22) | 2020/21 | 0                                                      | 0                                | 0                            | 0                                                                             | 0                                | 0                                                                         | -                                     | 0                                |
|                                                                                      | 2021/22 | 9,158                                                  | 0                                | 51                           | 0                                                                             | 1,365                            | 10,574                                                                    | -                                     | 10,574                           |

The remuneration paid to the Council's senior employees (who earn £50,000 or more and are either statutory chief officers and/or report directly to the Head of Paid Service) is as follows:

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| Post Title                                                                                     |         | Salary<br>(including<br>fees +<br>allowances)<br><br>£ | Expenses/<br>Allowances<br><br>£ | Benefits<br>in Kind<br><br>£ | Compen-<br>sation for<br>loss of office<br>* (see following<br>page)<br><br>£ | Pension<br>Contribution<br><br>£ | Total<br>Remuneration<br>(including<br>pension<br>contributions)<br><br>£ | Net<br>Charge<br>to<br>NEDDC<br><br>£ | Net<br>Charge<br>to BDC<br><br>£ |
|------------------------------------------------------------------------------------------------|---------|--------------------------------------------------------|----------------------------------|------------------------------|-------------------------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------|---------------------------------------|----------------------------------|
| Assistant Director - Street Scene (start date 3/3/22) (not previously included, see note)      | 2020/21 | 0                                                      | 0                                | 0                            | 0                                                                             | 0                                | 0                                                                         | -                                     | 0                                |
|                                                                                                | 2021/22 | 5,129                                                  | 0                                | 0                            | 0                                                                             | 764                              | 5,893                                                                     | -                                     | 5,893                            |
| Assistant Director - Development and Planning (not previously included, see note)              | 2020/21 | 0                                                      | 0                                | 0                            | 0                                                                             | 0                                | 0                                                                         | -                                     | 0                                |
|                                                                                                | 2021/22 | 59,178                                                 | 0                                | 0                            | 0                                                                             | 8,818                            | 67,996                                                                    | -                                     | 67,996                           |
| Assistant Director - Housing Repairs and Property Services (not previously included, see note) | 2020/21 | 0                                                      | 0                                | 0                            | 0                                                                             | 0                                | 0                                                                         | -                                     | 0                                |
|                                                                                                | 2021/22 | 58,503                                                 | 94                               | 0                            | 0                                                                             | 8,717                            | 67,314                                                                    | -                                     | 67,314                           |
| Assistant Director - Housing Management and Enforcement (not previously included, see note)    | 2020/21 | 0                                                      | 0                                | 0                            | 0                                                                             | 0                                | 0                                                                         | -                                     | 0                                |
|                                                                                                | 2021/22 | 58,503                                                 | 543                              | 306                          | 0                                                                             | 8,717                            | 68,069                                                                    | -                                     | 68,069                           |
| Joint Director of Corporate Resources (leave date 1/8/21)                                      | 2020/21 | 87,707                                                 | 0                                | 0                            | 0                                                                             | 13,068                           | 100,775                                                                   | 50,388                                | 50,387                           |
|                                                                                                | 2021/22 | 29,832                                                 | 62                               | 0                            | 0                                                                             | 4,445                            | 34,339                                                                    | 17,138                                | 17,201                           |
| Joint Assistant Director - Transformation/Organisation (leave date 12/11/21)                   | 2020/21 | 56,637                                                 | 0                                | 0                            | 0                                                                             | 8,439                            | 65,076                                                                    | 32,538                                | 32,538                           |
|                                                                                                | 2021/22 | 36,448                                                 | 0                                | 0                            | 0                                                                             | 5,431                            | 41,879                                                                    | 20,940                                | 20,939                           |

The remuneration paid to the Council's senior employees (who earn £50,000 or more and are either statutory chief officers and/or report directly to the Head of Paid Service) is as follows:

| Post Title                                                                             |         | Salary<br>(including<br>fees +<br>allowances)<br><br>£ | Expenses/<br>Allowances<br><br>£ | Benefits<br>in Kind<br><br>£ | Compen-<br>sation for<br>loss of office<br>* (see following<br>page)<br><br>£ | Pension<br>Contribution<br><br>£ | Total<br>Remuneration<br>(including<br>pension<br>contributions)<br><br>£ | Net<br>Charge<br>to<br>NEDDC<br><br>£ | Net<br>Charge<br>to BDC<br><br>£ |
|----------------------------------------------------------------------------------------|---------|--------------------------------------------------------|----------------------------------|------------------------------|-------------------------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------|---------------------------------------|----------------------------------|
| Joint Assistant Director - Governance -<br>Monitoring Officer (leave date 4/2/22)      | 2020/21 | 59,827                                                 | 0                                | 328                          | 0                                                                             | 8,914                            | 69,069                                                                    | 34,535                                | 34,534                           |
|                                                                                        | 2021/22 | 52,247                                                 | 62                               | 306                          | 0                                                                             | 7,785                            | 60,400                                                                    | 30,678                                | 29,722                           |
| <b>Employed by North East Derbyshire DC</b>                                            |         |                                                        |                                  |                              |                                                                               |                                  |                                                                           |                                       |                                  |
| Joint Director of Environment and<br>Enforcement (leave date 1/8/21)                   | 2020/21 | 87,480                                                 | 0                                | 0                            | 0                                                                             | 12,735                           | 100,215                                                                   | 50,108                                | 50,107                           |
|                                                                                        | 2021/22 | 30,186                                                 | 0                                | 0                            | 0                                                                             | 4,385                            | 34,571                                                                    | 17,286                                | 17,285                           |
| Joint Assistant Director - Environmental<br>Health (not previously included, see note) | 2020/21 | 0                                                      | 0                                | 0                            | 0                                                                             | 0                                | 0                                                                         | 0                                     | 0                                |
|                                                                                        | 2021/22 | 62,621                                                 | 0                                | 205                          | 0                                                                             | 9,051                            | 71,877                                                                    | 35,939                                | 35,938                           |

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

| Exit Package cost band<br>(including special<br>payments) | Number of compulsory<br>redundancies |          | Number of other<br>departures agreed |          | Total number of exit<br>packages by cost band |          | Total cost of exit packages<br>in each band |               |
|-----------------------------------------------------------|--------------------------------------|----------|--------------------------------------|----------|-----------------------------------------------|----------|---------------------------------------------|---------------|
|                                                           | 2021/22                              | 2020/21  | 2021/22                              | 2020/21  | 2021/22                                       | 2020/21  | 2021/22<br>£                                | 2020/21<br>£  |
| £0 - £20,000                                              | 0                                    | 1        | 2                                    | 3        | 2                                             | 4        | 5,876                                       | 20,934        |
| £20,001 - £40,000                                         | 0                                    | 0        | 0                                    | 1        | 0                                             | 1        | 0                                           | 22,891        |
| £40,001 - £60,000                                         | 0                                    | 0        | 0                                    | 0        | 0                                             | 0        | 0                                           | 0             |
| £60,001 - £80,000                                         | 0                                    | 0        | 0                                    | 0        | 0                                             | 0        | 0                                           | 0             |
| £80,001 - £100,000                                        | 0                                    | 0        | 0                                    | 0        | 0                                             | 0        | 0                                           | 0             |
| £100,001 - £150,000                                       | 0                                    | 0        | 0                                    | 0        | 0                                             | 0        | 0                                           | 0             |
| <b>Termination Benefit Cost</b>                           | <b>0</b>                             | <b>1</b> | <b>2</b>                             | <b>4</b> | <b>2</b>                                      | <b>5</b> | <b>5,876</b>                                | <b>43,825</b> |

The total cost of £5,876 (£43,825 20/21) in the table above is for exit packages that have been agreed, accrued for and charged to the Council's Comprehensive Income and Expenditure Statement in the current year.

**31 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:

|                                                                                                                      | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|----------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Fees payable to the Auditor with regard to external audit services carried out by the appointed auditor for the year | 48                      | 47                      |
| Fees payable to the Auditor for the certification of grant claims and returns for the year                           | 17                      | 14                      |
| Fees payable to the Auditor in respect of other services                                                             | 10                      | 0                       |
| <b>Total</b>                                                                                                         | <b>75</b>               | <b>61</b>               |

The External Auditor of the Council has been Mazars LLP since 1/4/18.

**32 Grant Income**

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2021/22:

|                                                           | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|-----------------------------------------------------------|-------------------------|-------------------------|
| <b>Credited to Taxation and Non Specific Grant Income</b> |                         |                         |
| New Burdens Grants                                        | (28)                    | (8)                     |
| New Homes Bonus                                           | (725)                   | (953)                   |
| Section 31 Grant                                          | (897)                   | (1,265)                 |
| Revenue Support Grant                                     | (1,195)                 | (1,188)                 |
| Covid-19 Emergency Funding for Local Government           | (408)                   | (1,291)                 |
| Better Care Fund not yet used                             | (667)                   | (753)                   |
| Local Authority Delivery Grant - Green Homes Grant        | (328)                   | (410)                   |
| Homes England Capital Grant                               | (1,338)                 | 0                       |
| Capital Grants and Contributions                          | (238)                   | (178)                   |
| <b>Total</b>                                              | <b>(5,824)</b>          | <b>(6,046)</b>          |

**Grant Income note continued from previous page**

|                                                   | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|---------------------------------------------------|-------------------------|-------------------------|
| <b>Credited to Services</b>                       |                         |                         |
| New Burdens Grants                                | (459)                   | 0                       |
| Homelessness Prevention Grant                     | (197)                   | 0                       |
| Business Rates Cost of Collection Allowance       | (93)                    | 0                       |
| Housing Benefit Subsidy                           | (13,744)                | (15,162)                |
| Housing Benefit Admin Grant                       | (330)                   | (341)                   |
| Discretionary Housing Payments Grant              | (43)                    | 0                       |
| ERDF                                              | (127)                   | 0                       |
| Miscellaneous Contributions to Holding Accounts   | 0                       | (498)                   |
| Disabled Facilities Grants                        | (470)                   | (383)                   |
| Covid-19 Control Outbreak Management (COMF) Grant | (88)                    | 0                       |
| Covid-19 Fees + Charges Compensation Grant        | (284)                   | 0                       |
| Covid Support Funding payable to Businesses       | (519)                   | (2,360)                 |
| Other Government Grants                           | (78)                    | 0                       |
| Other Non-Government grants and contributions     | (681)                   | 0                       |
| <b>Total</b>                                      | <b>(17,113)</b>         | <b>(18,744)</b>         |

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

|                                                       | 2021/22<br>£000 | 2020/21<br>£000 |
|-------------------------------------------------------|-----------------|-----------------|
| <b>Revenue grant receipts in advance</b>              |                 |                 |
| S106 Contributions                                    | (1,467)         | (1,523)         |
| Other Government Grants                               | (260)           | 0               |
| Covid-19 Control Outbreak Management (COMF) Grant     | (40)            | 0               |
| Covid-19 related grants to businesses and individuals | (2,890)         | (4,092)         |
| Council Tax Energy Rebate Grant                       | (5,327)         | 0               |
| <b>Total</b>                                          | <b>(9,984)</b>  | <b>(5,615)</b>  |

### 33 Related Parties

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence 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 and prescribes the terms of many of the transactions that the Council has with other parties (e.g. housing benefits). Grants received from government departments are set out in the previous note.

#### Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2021/22 is shown in a previous note. During 2021/22 payments for works and services to the value of £114,323 were made to organisations such as Parish Councils in which members had an interest. Amounts for works and services to the value of £280,723 were received from organisations in which members had an interest. Council Members make disclosures of relevant interests to the Council's Assistant Director - Corporate Governance, which are formally recorded on a publicly available Register of Interests and also make declarations on individual committee decisions. The Council also nominates Members to sit on outside bodies. A number of Council Members are also Members of local parish councils, or various local voluntary organisations, which the Council supports financially. Where necessary, Members declared such interests when relevant to their duties and thus no further disclosure is considered necessary.

Officers

In addition to the Register of Interest, Senior Officers were required to complete a Declaration of Related Party Transactions Pro-forma for the year 2021/22. During 2021/22 payments for works and services to the value of £22,276 were received from, or made to organisations in which senior officers had an interest.

Other significant transactions with related parties are as follows:-

|                                              | <b>Receipts<br/>£000</b> | <b>Payments<br/>£000</b> |
|----------------------------------------------|--------------------------|--------------------------|
| Barlborough Parish Council                   | (21)                     | 0                        |
| Blackwell Parish Council                     | (17)                     | 0                        |
| Clowne Parish Council                        | (13)                     | 0                        |
| Derbyshire County Council                    | (2,483)                  | 976                      |
| Derbyshire Unemployed Working Centre         | 0                        | 20                       |
| Dragonfly Ltd                                | (22)                     | 0                        |
| Elmton with Creswell Parish Council          | (19)                     | 0                        |
| North East Derbyshire Citizens Advice Bureau | 0                        | 42                       |
| Pinxton Parish Council                       | (85)                     | 0                        |
| Pleasley Parish Council                      | (13)                     | 0                        |
| Police and Crime Commissioner                | 0                        | 12                       |
| Shirebrook Town Council                      | (15)                     | 0                        |
| South Normanton Parish Council               | 0                        | 16                       |
| <b>Total</b>                                 | <b>(2,688)</b>           | <b>1,066</b>             |

**34 Capital Expenditure and Capital Financing**

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue, as assets are used by the Council, 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. The CFR is analysed in the second part of this note.

|                                                             | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|-------------------------------------------------------------|-------------------------|-------------------------|
| <b>Opening Capital Financing Requirement</b>                | 116,581                 | 115,286                 |
| <u>Capital Investment:</u>                                  |                         |                         |
| Property, Plant and Equipment                               | 14,466                  | 10,211                  |
| Investment Properties                                       | 88                      | 158                     |
| Intangible Assets                                           | 137                     | 41                      |
| Revenue Expenditure Financed from Capital Under Statute     | 845                     | 1,245                   |
| Financial Asset                                             | 10                      | 0                       |
| <u>Sources of Finance:</u>                                  |                         |                         |
| Capital Receipts                                            | (605)                   | (1,329)                 |
| Capital Receipts - Loan Repayment                           | (571)                   | 0                       |
| Government Grants and Other Contributions                   | (2,794)                 | (738)                   |
| Major Repairs Allowance                                     | (5,597)                 | (6,683)                 |
| Sums Set Aside from Revenue:                                |                         |                         |
| - Direct Revenue Contributions                              | (38)                    | 0                       |
| - Reserve Contributions                                     | (5,580)                 | (910)                   |
| - Minimum Revenue Provision                                 | (705)                   | (700)                   |
| <b>Closing Capital Financing Requirement</b>                | <b>116,237</b>          | <b>116,581</b>          |
| <u>Explanation of Movements in Year</u>                     |                         |                         |
| Increase in Underlying Need to Borrow                       | (363)                   | (1,995)                 |
| Minimum Revenue Provision                                   | 705                     | 700                     |
| <b>(Increase)/Decrease in Capital Financing Requirement</b> | <b>344</b>              | <b>(1,295)</b>          |

**35 Leases****Authority as Lessee**

The Council is not currently a lessee for finance or operating lease purposes.

**Authority as Lessor****Operating Leases**

With regard to the Council's activity as a lessor, the rental income from leases relating to retail, commercial and industrial units amounted to £919,230 in 2021/22 (£874,641 in 2020/21).

The Council leases out a number of properties for commercial purposes. The minimum lease payments receivable under non cancellable leases in future years are:

|                                                   | <b>31 March<br/>2022<br/>£000</b> | <b>31 March<br/>2021<br/>£000</b> |
|---------------------------------------------------|-----------------------------------|-----------------------------------|
| Not later than one year                           | (187)                             | (170)                             |
| Later than one year and not later than five years | (590)                             | (611)                             |
| Later than five years                             | (178)                             | (141)                             |
| <b>Total</b>                                      | <b>(955)</b>                      | <b>(922)</b>                      |

### **36 Impairment Losses**

Impairment losses and impairment reversals charged to the Surplus or Deficit on the Provision of Services and to Other Comprehensive Income and Expenditure are included in the Property, Plant and Equipment Note 11.

Details of impairment charged to the HRA for 2021/22 are in note 46 .

### **37 Termination Benefits**

The Council terminated the contracts of a number of employees in 2021/22, incurring liabilities of £5,876 (£43,825 in 2020/21) - see note 30 for the number of exit packages and total cost per band.

### **38 Defined Benefit Pension Scheme**

#### **Participation in pension scheme**

As part of the terms and conditions of employment of its officers and other employees, 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 (LGPS), administered by Derbyshire 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 pension's liabilities with investment assets.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

#### **Transactions relating to post-employment benefits**

The Council recognises 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 the Council is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment 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:

| <b>Local Government Pension Scheme</b>                                                                                                         | <b>2021/22</b>  | <b>2020/21</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|
|                                                                                                                                                | <b>£000</b>     | <b>£000</b>    |
| <u>Comprehensive Income and Expenditure Statement</u>                                                                                          |                 |                |
| <i>Cost of Services:</i>                                                                                                                       |                 |                |
| <u>Service cost comprising:</u>                                                                                                                |                 |                |
| - Current service cost                                                                                                                         | 5,936           | 3,642          |
| - (Gain)/loss from Settlements                                                                                                                 | 0               | 0              |
| - Administration cost                                                                                                                          | 45              | 43             |
| <u>Financing and Investment Income and Expenditure:</u>                                                                                        |                 |                |
| Net interest expense                                                                                                                           | 1,134           | 825            |
| <i>Total Post-employment benefit charged to the surplus or deficit on the provision of services</i>                                            | 7,115           | 4,510          |
| <i>Other Post-employment benefits charged to the Comprehensive Income and Expenditure Statement</i>                                            |                 |                |
| <u>Remeasurement of the net defined benefit liability comprising:</u>                                                                          |                 |                |
| - Return on plan assets (excluding the amount included in the net interest expense)                                                            | (5,556)         | (16,778)       |
| - Actuarial gains and losses arising on changes in demographic assumptions                                                                     | (984)           | 2,083          |
| - Actuarial gains and losses arising on changes in financial assumptions                                                                       | (11,391)        | 33,854         |
| - Actuarial gains and losses arising on changes in other experience                                                                            | 138             | (1,112)        |
| <b><i>Total remeasurements recognised in other comprehensive income and expenditure</i></b>                                                    | <b>(17,793)</b> | <b>18,047</b>  |
| <i>Total Post-employment benefits charged to the Comprehensive Income and Expenditure Statement</i>                                            | <b>(10,678)</b> | <b>22,557</b>  |
| <u>Movement in Reserves Statement</u>                                                                                                          |                 |                |
| - Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code | 4,283           | 1,762          |
| <b>Actual amount charged against the General Fund Balance for pensions in the year:</b>                                                        |                 |                |
| Employers' contributions payable to scheme                                                                                                     | 2,832           | 2,748          |

### 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 plan is as follows:

| <b>Local Government Pension Scheme</b>                       | <b>2021/22<br/>£'000</b> | <b>2020/21<br/>£'000</b> |
|--------------------------------------------------------------|--------------------------|--------------------------|
| Present value of the defined benefit obligation              | (158,234)                | (164,213)                |
| Fair value of plan assets                                    | 116,532                  | 109,001                  |
| Sub-total                                                    | (41,702)                 | (55,212)                 |
| Other movements in the liability                             | 0                        | 0                        |
| <b>Net liability arising from defined benefit obligation</b> | <b>(41,702)</b>          | <b>(55,212)</b>          |

### Reconciliation of the Movements in the Fair Value of the Scheme Assets:

| <b>Local Government Pension Scheme</b>                                                 | <b>2021/22<br/>£'000</b> | <b>2020/21<br/>£'000</b> |
|----------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Opening fair value of scheme assets                                                    | 109,001                  | 90,168                   |
| Interest income                                                                        | 2,177                    | 2,072                    |
| Remeasurement gain/(loss):                                                             |                          |                          |
| - The return on plan assets, excluding the amount included in the net interest expense | 5,556                    | 16,778                   |
| Contributions from employer                                                            | 2,832                    | 2,748                    |
| Contributions from employees into the scheme                                           | 726                      | 682                      |
| Benefits paid                                                                          | (3,760)                  | (3,447)                  |
| <b>Closing fair value of scheme assets</b>                                             | <b>116,532</b>           | <b>109,001</b>           |

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

| <b>Local Government Pension Scheme - Funded Liabilities</b>                | <b>2021/22<br/>£'000</b> | <b>2020/21<br/>£'000</b> |
|----------------------------------------------------------------------------|--------------------------|--------------------------|
| Opening balance at 1 April                                                 | (164,213)                | (125,571)                |
| Current service cost                                                       | (5,981)                  | (3,685)                  |
| Interest cost                                                              | (3,311)                  | (2,897)                  |
| Contributions from scheme participants                                     | (726)                    | (682)                    |
| Remeasurement (gains) and losses:                                          |                          |                          |
| - Actuarial gains and losses arising on changes in demographic assumptions | 984                      | (2,083)                  |
| - Actuarial gains and losses arising on changes in financial assumptions   | 11,391                   | (33,854)                 |
| - Actuarial gains and losses arising on changes in other experience        | (138)                    | 1,112                    |
| Losses/(gains) on curtailment                                              | 0                        | 0                        |
| Benefits paid                                                              | 3,760                    | 3,447                    |
| <b>Closing balance at 31 March</b>                                         | <b>(158,234)</b>         | <b>(164,213)</b>         |

| <b>Local Government Pension Scheme assets comprised:</b> | <b>Fair value of scheme assets</b> |                          |
|----------------------------------------------------------|------------------------------------|--------------------------|
|                                                          | <b>2021/22<br/>£'000</b>           | <b>2020/21<br/>£'000</b> |
| Cash and cash equivalents                                | 5,970                              | 6,928                    |
| Equity instruments:                                      |                                    |                          |
| - Consumer                                               | 1,675                              | 1,846                    |
| - Manufacturing                                          | 1,175                              | 1,074                    |
| - Energy and utilities                                   | 422                                | 392                      |
| - Financial institutions                                 | 726                                | 824                      |
| - Health and care                                        | 1,078                              | 966                      |
| - Information technology                                 | 1,600                              | 1,496                    |
| - Other                                                  | 8,215                              | 21,918                   |
| Sub-total equity                                         | 14,891                             | 28,516                   |
| Bonds:                                                   |                                    |                          |
| - Corporate (Investment)                                 | 15,161                             | 14,179                   |
| - UK Government                                          | 9,884                              | 9,189                    |
| - Other                                                  | 2,103                              | 1,951                    |
| Sub-total bonds                                          | 27,148                             | 25,319                   |

| Local Government Pension Scheme assets comprised continued: | Fair value of scheme assets |                  |
|-------------------------------------------------------------|-----------------------------|------------------|
|                                                             | 2021/22<br>£'000            | 2020/21<br>£'000 |
| Property:<br>- UK                                           | 8,895                       | 8,278            |
| Private equity:<br>- All                                    | 5,365                       | 4,048            |
| Investment funds:<br>- Equities                             | 46,476                      | 29,152           |
| - Infrastructure                                            | 7,787                       | 6,760            |
| Sub-total other investment funds                            | 54,263                      | 35,912           |
| Total assets                                                | 116,532                     | 109,001          |

### 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 level etc. The County Council Fund liabilities have been assessed by Hymans Robertson LLP, 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 2019.

The significant assumptions used by the actuary have been:

| Local Government Pension Scheme         | 2021/22    | 2020/21    |
|-----------------------------------------|------------|------------|
| Mortality assumptions:                  |            |            |
| Longevity at 65 for current pensioners: |            |            |
| - Men                                   | 21.1 years | 21.3 years |
| - Women                                 | 23.8 years | 23.9 years |
| Longevity at 65 for future pensioners:  |            |            |
| - Men                                   | 22.2 years | 22.5 years |
| - Women                                 | 25.6 years | 25.8 years |
| Rate of inflation (CPI)                 | 3.20%      | 2.85%      |
| Rate of increase in salaries            | 3.90%      | 3.55%      |
| Rate of increase in pensions            | 3.20%      | 2.85%      |
| Rate for discounting scheme liabilities | 2.70%      | 2.00%      |

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the previous table. 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 estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

| <b>Impact on the Defined Benefit Obligation in the Scheme</b> | <b>Approximate increase to Employer Liability</b><br>% | <b>Approximate monetary amount</b><br>£'000 |
|---------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------|
| 0.1% decrease in Real Discount Rate                           | 2                                                      | 3,108                                       |
| 1 year increase in member life expectancy                     | 4                                                      | 6,329                                       |
| 0.1% increase in the Salary Increase Rate                     | 0                                                      | 397                                         |
| 0.1% increase in the Pension Increase Rate                    | 2                                                      | 2,685                                       |

### **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 17 years. Funding levels are monitored on an annual basis. The triennial valuation was completed on 31 March 2019.

The scheme has been required to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Council anticipates to pay £2.656m in expected contributions to the scheme in 2022/23.

The weighted average duration of the defined benefit obligation for scheme members is 17.9 years, 21/22 (17.9 years 2020/21).

**39 Contingent Liabilities/Assets**

There are no contingent liabilities or assets.

**40 Interests in Other Entities**

During 2016/17 the Council entered into a joint venture with Woodhead Regeneration Ltd. Both parties purchased 50% of the shares in Dragonfly Development Limited for £50,000. Parties have equal controlling interests with two Directors on the Board. Both parties are committed to remain in the joint venture for a minimum of 5 years and thereafter either party can, if they choose, seek to exit the joint venture serving 12 months notice.

Dragonfly Development Limited has been created to deliver residential and commercial developments on Council and privately owned land. The driver for creating the company is to stimulate economic growth by delivering housing and commercial developments whilst generating income for the Council.

Dragonfly Development Limited agreed during 2017/18 to develop 3 residential sites in the area covered by Bolsover District Council. This is to be funded by a commercial loan of up to £3.2m, as well as a further share purchase of up to £0.500m. Woodhead Regeneration Ltd will match any share purchase made by the Council to maintain the equal controlling interest.

The amounts recognised on the balance sheet as long term investments are:

|                                  | <b>Share<br/>Purchase<br/>£</b> | <b>Commercial Loan</b> |                       |
|----------------------------------|---------------------------------|------------------------|-----------------------|
|                                  |                                 | <b>Principal    £</b>  | <b>Interest<br/>£</b> |
| <b>Balance at 1 April 2021</b>   | 125,114                         | 859,848                | 21,891                |
| Advances repaid in year          | 0                               | (571,000)              | 0                     |
| Advances made in year            | 0                               | 0                      | 0                     |
| Movement in impairment allowance | (310)                           | 1,469                  | 0                     |
| Interest charge in year          | 0                               | 0                      | 34,251                |
| Interest paid to BDC in year     | 0                               | 0                      | 0                     |
| <b>Balance at 31 March 2022</b>  | 124,804                         | 290,317                | 56,142                |

#### **41 Shared Services/Joint Operations**

During 2021/22 the Council had partnership agreements with North East Derbyshire District Council (NEDDC), Chesterfield Borough Council (CBC) and Derbyshire Dales District Council (DDDC) in the following areas:

- Internal Audit
- ICT Service
- Environmental Health Service
- Chesterfield and District Joint Crematorium

The Internal Audit Consortium is hosted by CBC and also includes BDC and NEDDC . The accounts reflect the payments made to CBC towards the costs of operation.

NEDDC hosts the joint ICT service which covers BDC and DDDC for the provision of the Council's IT. The accounts reflect payments to NEDDC for the Council's costs of the service provided.

NEDDC also hosts the joint Environmental Health Service. The accounts reflect payments to NEDDC for the Council's costs of the service provided.

There are no assets or liabilities for the above joint operations to be included in the accounts.

The Chesterfield and District Joint Crematorium Committee is a Jointly Controlled Operation between the Council, NEDDC and CBC. The function of the Chesterfield and District Joint Crematorium Committee is to discharge the crematorium functions of each of the constituent Councils. Each Council's share of member representation, financial surplus and deficit is based on the number of cremations of deceased inhabitants of each constituent Council's area. The accounts reflect payments from CBC for the Council's share of the financial surplus.

There are no assets or liabilities for the Chesterfield and District Joint Crematorium Committee included in the accounts on the grounds of materiality.

**HRA INCOME AND EXPENDITURE STATEMENT**

| <b>2020/21<br/>£000</b> |                                                                                                                                                                                      | <b>NOTE</b> | <b>2021/22<br/>£000</b> | <b>2021/22<br/>£000</b> |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------|-------------------------|
|                         | <b>Expenditure</b>                                                                                                                                                                   |             |                         |                         |
| 5,812                   | Repairs and maintenance                                                                                                                                                              |             | 6,020                   |                         |
| 5,696                   | Supervision and management                                                                                                                                                           |             | 5,945                   |                         |
| 208                     | Rent, rates, taxes and other charges                                                                                                                                                 |             | 295                     |                         |
| 8,041                   | Depreciation and impairment of non-current assets                                                                                                                                    |             | 6,085                   |                         |
| 8                       | Debt management costs                                                                                                                                                                |             | 8                       |                         |
| 1,338                   | Special Services                                                                                                                                                                     |             | 1,475                   |                         |
| <b>21,103</b>           | <b>Total Expenditure</b>                                                                                                                                                             |             |                         | <b>19,828</b>           |
|                         | <b>Income</b>                                                                                                                                                                        |             |                         |                         |
| (20,330)                | Dwelling rents                                                                                                                                                                       |             | (20,618)                |                         |
| (124)                   | Non-dwelling rents                                                                                                                                                                   |             | (99)                    |                         |
| (439)                   | Charges for services and facilities                                                                                                                                                  |             | (419)                   |                         |
| (431)                   | Contributions towards expenditure                                                                                                                                                    |             | (493)                   |                         |
| <b>(21,324)</b>         | <b>Total Income</b>                                                                                                                                                                  |             |                         | <b>(21,629)</b>         |
|                         | <b>Net Expenditure or Income of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement</b>                                                   |             |                         |                         |
| (221)                   |                                                                                                                                                                                      |             |                         | (1,801)                 |
| 818                     | HRA share of Corporate and Democratic Core                                                                                                                                           |             |                         | 831                     |
| <b>597</b>              | <b>Net Expenditure or (Income) for HRA Services HRA share of the operating income and expenditure included in the whole authority Comprehensive Income and Expenditure Statement</b> |             |                         | <b>(970)</b>            |
| 1,114                   | (Gain) or loss on sale of HRA non-current assets                                                                                                                                     |             |                         | 1,495                   |
| 3,924                   | Interest payable and similar charges                                                                                                                                                 |             |                         | 3,547                   |
| (2)                     | HRA Interest and investment income                                                                                                                                                   |             |                         | (1)                     |
| 375                     | Net interest on the net defined benefit liability (asset)                                                                                                                            | <u>50</u>   |                         | 482                     |
| <b>6,008</b>            | <b>(Surplus) or deficit for the year on HRA Services</b>                                                                                                                             |             |                         | <b>4,553</b>            |

**Movement on the HRA Statement**

|                                                                                                   | <b>2021/22<br/>£000</b> | <b>2020/21<br/>£000</b> |
|---------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>HRA Balance at the end of the previous year</b>                                                | <b>(2,116)</b>          | <b>(2,155)</b>          |
| (Surplus) or deficit for the year on the HRA Income and Expenditure Statement                     | 4,553                   | 6,008                   |
| Adjustments between accounting basis and funding basis under statute (including reserve movement) | (979)                   | (5,964)                 |
| Net (increase) or decrease in year on the HRA and HRA reserves                                    | 3,574                   | 44                      |
| Transfers (to) or from earmarked reserves                                                         | (3,535)                 | (5)                     |
| (Increase) or decrease in year on the HRA balance                                                 | 39                      | 39                      |
| <b>HRA Balance at the end of the current year</b>                                                 | <b>(2,077)</b>          | <b>(2,116)</b>          |

**Notes to the Housing Revenue Account****42 Housing Stock**

The number and types of dwelling in the Council's housing stock are as follows:

|              | 31 March 2022 | 31 March 2021 |
|--------------|---------------|---------------|
| Houses       | 2,185         | 2,193         |
| Bungalows    | 1,938         | 1,944         |
| Flats        | 701           | 704           |
| Sheltered    | 189           | 189           |
| <b>Total</b> | <b>5,013</b>  | <b>5,030</b>  |

In 2021/22, 41 properties were sold under the 'Right to Buy' provisions (35 in 2020/21), none were sold outside the 'Right to Buy' provisions (0 in 2020/21) and 10 properties were demolished (0 in 2020/21). In 2021/22, 4 bungalows, 1 flat and 29 houses were completed (3 bungalows, 12 flats and 5 houses in 20/21).

**43 Valuation of Assets**

The total balance sheet valuations of land, houses and other property within the HRA are as follows:

|                                                         | 31 March 2022<br>£'000 | 31 March 2021<br>£'000 |
|---------------------------------------------------------|------------------------|------------------------|
| Council Dwellings                                       | 242,525                | 211,711                |
| Council Dwellings (Garages)                             | 1,851                  | 2,779                  |
| Other Property                                          | 116                    | 116                    |
| Other Equipment                                         | 350                    | 341                    |
| Other Vehicles                                          | 205                    | 210                    |
| Non Operational Land (Surplus Assets Not Held for Sale) | 890                    | 1,003                  |
| Assets Under Construction                               | 3,257                  | 17,203                 |
| <b>Total</b>                                            | <b>249,194</b>         | <b>233,363</b>         |

The vacant possession value of the dwellings within the HRA (valued in accordance with Guidance) as at 31 March 2022 was £581,849,988 (£510,689,445 in 2020/21). The difference between the vacant possession value and the balance sheet value of dwellings within the HRA show the economic cost of providing council housing at less than market rents. The social housing regional adjustment factor for East Midlands is 42% which takes into account the reduction in value arising from sitting tenants rights.

**44 Depreciation**

Council Houses have been depreciated on a straight line method (excluding the land value of the property). Other housing property has been depreciated using the straight line method based upon the independent valuation of the asset and the finite useful life. The total charges within the HRA are as follows:

| Operational Assets       | 2021/22<br>£'000 | 2020/21<br>£'000 |
|--------------------------|------------------|------------------|
| Houses                   | 4,131            | 3,929            |
| Other Property (Garages) | 48               | 60               |
| Other Equipment          | 242              | 286              |
| <b>Total</b>             | <b>4,421</b>     | <b>4,275</b>     |

**45 Major Repairs Reserve**

This reserve is credited with the depreciation charged to the Housing Revenue Account as well as additional voluntary contributions from the Housing Revenue Account.

The reserve is only available for funding major repairs to the housing stock or the repayment of Housing Revenue Account debt. Any unspent sums are carried forward for use in future years.

|                                                                                    | <b>2021/22<br/>£'000</b> | <b>2020/21<br/>£'000</b> |
|------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Balance brought forward 1 April</b>                                             | (1,334)                  | (2,785)                  |
| Transferred to Reserve in year                                                     | (5,386)                  | (5,232)                  |
| Amounts used to finance Capital Expenditure on land, houses and other HRA property | 5,597                    | 6,683                    |
| <b>Balance as at 31 March</b>                                                      | <b>(1,123)</b>           | <b>(1,334)</b>           |

**46 Impairment** (Including the reversal of previous years' revaluation decreases)

The position of the HRA properties reviewed for impairment at 31/3/22 is:

|                                          | <b>2021/22<br/>£'000</b> | <b>2020/21<br/>£'000</b> |
|------------------------------------------|--------------------------|--------------------------|
| Dwellings (including land)               | (27,365)                 | (6,864)                  |
| Other land and buildings                 | (5)                      | (19)                     |
| <b>Revaluation (Increase) / Decrease</b> | <b>(27,370)</b>          | <b>(6,883)</b>           |

**47 Capital Expenditure and Financing**

|                                                    | <b>2021/22<br/>£'000</b> | <b>2020/21<br/>£'000</b> |
|----------------------------------------------------|--------------------------|--------------------------|
| Expenditure on HRA land, houses and other property | <b>13,163</b>            | <b>10,202</b>            |
| Financed by:                                       |                          |                          |
| Major Repairs Reserve                              | 5,597                    | 6,683                    |
| Borrowing                                          | 1,004                    | 1,976                    |
| Grants and Contributions                           | 2,149                    | 100                      |
| Usable Capital Receipts                            | 605                      | 996                      |
| Revenue and Reserves Contributions                 | 3,808                    | 447                      |
| <b>Total</b>                                       | <b>13,163</b>            | <b>10,202</b>            |

**48 Capital Receipts**

|                     | <b>2021/22<br/>£'000</b> | <b>2020/21<br/>£'000</b> |
|---------------------|--------------------------|--------------------------|
| Council House Sales | 2,246                    | 1,792                    |
| Land Sales          | 741                      | 203                      |
| <b>Total</b>        | <b>2,987</b>             | <b>1,995</b>             |

**49 Rent Income**

At 31 March 2022 approximately 3.89% of lettable properties were empty (31 March 2021, 4.24%).

The rent arrears as a proportion of gross rent income and excluding refunds are £1,598,520 (7.44%) compared with £1,709,514 (8.08%) in 2020/21.

An allowance for impairment of £1,188,238 has been made in the accounts for potentially uncollectable rent arrears (2020/21 £1,154,736).

**50 Pension Reserve**

The amount charged to the HRA for providing pensions is the amount payable for the year in line with statutory requirement governing the pension scheme of £482,308. This is the difference between the interest income on plan assets £925,913 credit (£941,500 credit 20/21) and the interest cost on defined obligations £1,408,221 debit (£1,316,373 debit 20/21) apportioned by the HRA share of total basic salaries.

**51 Revenue Expenditure Funded from Capital Under Statute**

The Council's Net Cost of Service on the Housing Revenue Account includes expenditure of £0.245m (£0.842m 20/21). This payment did not result in the development of an asset owned by the Council.

## THE COLLECTION FUND ACCOUNTING STATEMENT

| 2020/21<br>NNDR<br>£000 | 2020/21<br>Council<br>Tax<br>£000 |                                                                      | 2021/22<br>NNDR<br>£000 | 2021/22<br>Council<br>Tax<br>£000 | 2021/22<br>Total<br>£000 | Note |
|-------------------------|-----------------------------------|----------------------------------------------------------------------|-------------------------|-----------------------------------|--------------------------|------|
|                         |                                   | <b><u>INCOME</u></b>                                                 |                         |                                   |                          |      |
|                         | (43,683)                          | Council Tax Payers                                                   |                         | (45,797)                          | (45,797)                 | 53   |
| (20,785)                |                                   | Income from Business Ratepayers                                      | (24,427)                |                                   | (24,427)                 | 52   |
| 0                       |                                   | Transitional Protection Payment Receivable                           | 0                       |                                   | 0                        |      |
|                         |                                   | <u>Contribution towards Previous Year's Collection Fund Deficit:</u> |                         |                                   |                          |      |
| 0                       |                                   | Central Government                                                   | (3,996)                 |                                   | (3,996)                  |      |
| 0                       | (105)                             | Bolsover District Council                                            | (3,197)                 | (110)                             | (3,307)                  |      |
| 0                       | (451)                             | Derbyshire County Council                                            | (719)                   | (453)                             | (1,172)                  |      |
| 0                       | (26)                              | Derbyshire Fire Authority                                            | (80)                    | (26)                              | (106)                    |      |
| 0                       | (74)                              | Derbyshire Police Authority                                          | 0                       | (76)                              | (76)                     |      |
| <b>(20,785)</b>         | <b>(44,339)</b>                   |                                                                      | <b>(32,419)</b>         | <b>(46,462)</b>                   | <b>(78,881)</b>          |      |
|                         |                                   | <b><u>EXPENDITURE</u></b>                                            |                         |                                   |                          |      |
|                         |                                   | <u>Apportionment of Previous Year's Collection Fund Surplus:</u>     |                         |                                   |                          |      |
| 545                     |                                   | Central Government                                                   | 0                       |                                   | 0                        |      |
| 1,128                   |                                   | Bolsover District Council                                            | 0                       |                                   | 0                        |      |
| 776                     |                                   | Derbyshire County Council                                            | 0                       |                                   | 0                        |      |
| 25                      |                                   | Derbyshire Fire Authority                                            | 0                       |                                   | 0                        |      |
|                         |                                   | <u>Precepts:</u>                                                     |                         |                                   |                          |      |
|                         | 7,260                             | Bolsover District Council                                            |                         | 7,397                             | 7,397                    |      |
|                         | 29,915                            | Derbyshire County Council                                            |                         | 30,464                            | 30,464                   |      |
|                         | 1,723                             | Derbyshire Fire Authority                                            |                         | 1,746                             | 1,746                    |      |
|                         | 5,024                             | Derbyshire Police Authority                                          |                         | 5,322                             | 5,322                    |      |
|                         |                                   | <u>Business Rates:</u>                                               |                         |                                   |                          |      |
| 13,801                  |                                   | Central Government                                                   | 14,084                  |                                   | 14,084                   |      |
| 11,040                  |                                   | Bolsover District Council                                            | 11,267                  |                                   | 11,267                   |      |
| 2,484                   |                                   | Derbyshire County Council                                            | 2,535                   |                                   | 2,535                    |      |
| 276                     |                                   | Derbyshire Fire Authority                                            | 282                     |                                   | 282                      |      |
| 94                      |                                   | Cost of Collection                                                   | 93                      |                                   | 93                       |      |
|                         |                                   | <u>Charges to the Collection Fund:</u>                               |                         |                                   |                          |      |
| (28)                    | 173                               | Write-offs of uncollectable amounts                                  | 66                      | 123                               | 189                      |      |
| 269                     | 689                               | Impairment of Debts                                                  | 9                       | 23                                | 32                       |      |
| 1,651                   |                                   | Impairment of Appeals                                                | 1,551                   |                                   | 1,551                    |      |
| 60                      |                                   | Reconciliation Adjustments for disregarded amounts                   | 60                      |                                   | 60                       |      |
| 224                     |                                   | Transitional Protection Payments                                     | 336                     |                                   | 336                      |      |
| <b>32,345</b>           | <b>44,784</b>                     |                                                                      | <b>30,283</b>           | <b>45,075</b>                     | <b>75,358</b>            |      |
| 11,560                  | 445                               | <b>(Surplus) / Deficit for the year</b>                              | (2,136)                 | (1,387)                           | (3,523)                  |      |
|                         |                                   | <b><u>COLLECTION FUND BALANCE</u></b>                                |                         |                                   |                          | 54   |
| (2,365)                 | 979                               | Balance brought forward at 1 April                                   | 9,195                   | 1,424                             | 10,619                   |      |
| 11,560                  | 445                               | (Surplus)/ Deficit arising during the year                           | (2,136)                 | (1,387)                           | (3,523)                  |      |
| 9,195                   | 1,424                             | (Surplus)/ Deficit c/fwd 31st March                                  | 7,059                   | 37                                | 7,096                    |      |
|                         |                                   |                                                                      |                         |                                   |                          |      |

## **52 Income from Business Ratepayers**

The Council collects business rates for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government.

In 2013/14, the administration of business rates changed following the introduction of the business rates retention scheme which aims to give Councils a greater incentive to grow businesses but also increases the financial risk due to volatility and collection rates. Instead of paying business rates to the central pool, local authorities retain a proportion of the total collectable rates due. In the case of Bolsover the local share is 40%. The remainder is distributed to preceptors, Central Government (50%), Derbyshire County Council (9%) and Derbyshire Fire Authority (1%).

During 2021/22 Bolsover was a member of the Derbyshire Business Rates pool. This consists of 8 Derbyshire district or borough Councils; Derbyshire County; Derby City and Derbyshire Fire Authority. Instead of each district or borough Council paying a proportion of their growth above the baseline over to Government, it is kept within the pool and distributed amongst all the members on an agreed basis.

The business rates shares payable for 2021/22 were estimated before the start of the financial year as £11.267m to Bolsover District Council, £14.084m to Central Government, £2.535m to Derbyshire County Council and £0.281m to Derbyshire Fire Authority. These sums have been paid in 2021/22 and charged to the collection fund in year.

When the Business Rates scheme was introduced, Central Government set a baseline level for each authority identifying the expected level of retained business rates and a top up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs due from authorities payable to Central Government are used to finance the top ups to those authorities who do not achieve their targeted baseline funding. Bolsover paid a tariff from the General Fund in 2021/22 to the value of £5.694m.

The total non-domestic rateable value at 31st March 2022 was £66,507,349 (£65,371,231 for 2020/21). The general national non-domestic multiplier for the year was 51.2p (51.2p in 2020/21). The small business non-domestic multiplier for the year was 49.9p (49.9p in 2020/21).

The total income collected from business rate payers in 2021/22 was £24.4m (£20.8m in 2020/21). Additional income in the form of Covid-19 business rates relief was received from Government and applied to business rate payers accounts during 2021/22. This amounted to £2.8m and meant total income to be credited to the collection fund in respect of 2021/22 would eventually be £27.2m. Note 55 gives more detail on Covid-19 implications for business rates.

### 53 Council Tax

Council Tax derives from charges raised according to the value of residential properties which have been classified into 9 valuation bands (A-H) for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the Council for the forthcoming year and dividing this by the Council Tax base (i.e. the equivalent numbers of Band D dwellings).

The increase in the tax base between financial years is as a result of a combination of new builds and a reduction in the level of Council Tax discounts and exemptions. The tax base for 2021/22 is follows:

| Estimated No. of Taxable Properties after effects of Discounts Exemptions + Other Adjustments |           |        | 2021/22                     | 2020/21                     |
|-----------------------------------------------------------------------------------------------|-----------|--------|-----------------------------|-----------------------------|
| Band                                                                                          |           | Ratio  | Band D Equivalent Dwellings | Band D Equivalent Dwellings |
| -A                                                                                            | 25.64     | 5 / 9  | 14.24                       | 13.84                       |
| A                                                                                             | 15,185.45 | 6 / 9  | 10,123.63                   | 10,323.38                   |
| B                                                                                             | 5,298.11  | 7 / 9  | 4,120.75                    | 4,046.33                    |
| C                                                                                             | 3,842.04  | 8 / 9  | 3,415.14                    | 3,537.30                    |
| D                                                                                             | 2,445.23  | 9 / 9  | 2,445.23                    | 2,383.81                    |
| E                                                                                             | 1,005.00  | 11 / 9 | 1,228.33                    | 1,226.26                    |
| F                                                                                             | 304.83    | 13 / 9 | 440.31                      | 429.89                      |
| G                                                                                             | 135.58    | 15 / 9 | 225.97                      | 196.91                      |
| H                                                                                             | 6.38      | 18 / 9 | 12.77                       | 11.78                       |
| Council Taxbase prior to adjustment for Collection Rate                                       |           |        | 22,026.39                   | 22,169.49                   |

**54 Allocation of Collection Fund Surpluses and Deficits**

Under normal circumstances, Collection Fund surpluses declared by the billing authority in relation to Council Tax are apportioned to the relevant precepting bodies based on precept amounts, in the subsequent financial year. Deficits are proportionately charged to the relevant precepting bodies in the following year. For Bolsover, the Council Tax precepting bodies are Derbyshire County Council, Derbyshire Police Authority and the Derbyshire Fire Authority.

Similarly, NNDR surpluses declared by the billing authority in relation to the Collection Fund are apportioned to the relevant precepting bodies in the subsequent financial year in their respective proportions, as detailed in note 52. Deficits are proportionately charged to the relevant precepting bodies in the following year.

As a result of the Covid-19 pandemic, there was likely to be a larger than normal deficit on both Collection Funds. The Government introduced legislation during 2020/21 to implement that 'the repayment of Collection Fund deficits arising in 2020/21, will be spread over the next 3 years rather than the usual period of a year'. 2021/22 is the first year deficits arising in 2020/21 have been repaid under this arrangement.

The following table shows the cumulative deficit on the Council Tax and Business Rates Collection Fund at 31/3/22 and the years over which the deficits will be collected.

| <b>2020/21<br/>NNDR<br/>£000</b>           | <b>2020/21<br/>Council<br/>Tax<br/>£000</b> |                             | <b>2021/22<br/>NNDR<br/>£000</b> | <b>2021/22<br/>Council<br/>Tax<br/>£000</b> | <b>2021/22<br/>Total<br/>£000</b> |
|--------------------------------------------|---------------------------------------------|-----------------------------|----------------------------------|---------------------------------------------|-----------------------------------|
| 3,678                                      | 235                                         | Bolsover District Council   | 2,824                            | 6                                           | 2,830                             |
| 827                                        | 970                                         | Derbyshire County Council   | 635                              | 25                                          | 660                               |
| 0                                          | 163                                         | Derbyshire Police Authority | 0                                | 4                                           | 4                                 |
| 92                                         | 56                                          | Derbyshire Fire Authority   | 70                               | 2                                           | 72                                |
| 4,598                                      | 0                                           | Central Government          | 3,530                            | 0                                           | 3,530                             |
| 9,195                                      | 1,424                                       | (Surplus)/Deficit           | 7,059                            | 37                                          | 7,096                             |
| To be collected during 2022/23             |                                             |                             | 4,851                            | 341                                         | 5,192                             |
| To be collected/(allocated) during 2023/24 |                                             |                             | 2,208                            | (304)                                       | 1,904                             |
| Total Deficit                              |                                             |                             | 7,059                            | 37                                          | 7,096                             |

During 2021/22, Bolsover received £1.94m in S31 grants to offset the reliefs given to businesses who are still struggling with the impacts of Covid-19. Under current collection fund accounting rules, S31 grants received in 2021/22 are not intended to be discharged against the collection fund deficit until 2022/23. This amount is therefore held in the Covid-19 reserve at 31 March 2022 until it is needed to fund the collection fund deficit in 2022/23.

## **55 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

There have been no prior period adjustments made to the Council's 2020/21 published financial statements during 2021/22.

## **Bolsover District Council**

### **Meeting of the Audit and Corporate Overview Scrutiny Committee on 13<sup>th</sup> September 2022**

#### **Assessment of Going Concern Status**

#### **Report of the Assistant Director of Finance and Resources**

|                        |                                                                                                                     |
|------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Classification</b>  | This report is public                                                                                               |
| <b>Report By</b>       | Assistant Director of Finance and Resources                                                                         |
| <b>Contact Officer</b> | Assistant Director of Finance and Resources<br>Theresa Fletcher<br>01246 242548<br>theresa.fletcher@bolsover.gov.uk |

#### **PURPOSE/SUMMARY OF REPORT**

To inform the Committee of an assessment of the Council as a going concern for the purposes of producing the Statement of Accounts for 2021/22.

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#### **REPORT DETAILS**

##### **1. Background**

- 1.1 The concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.
- 1.2 Local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If an authority were in financial difficulty, the prospects are that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year.
- 1.3 Where the assessment determines the going concern status is not proven, particular care would be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at their book values and

provisions may be needed for closure costs or redundancies. An inability to apply the going concern concept would potentially have a fundamental impact on the financial statements.

- 1.4 As with all principal local authorities, the Council is required to compile its Statement of Accounts in accordance with the Code which is published by the Chartered Institute of Public Finance and Accountancy (CIPFA), accounts drawn up under the Code therefore assume that a local authority's services will continue to operate for the foreseeable future.
- 1.5 Given the significant reduction in funding for local government in recent years and the potential threat this poses to the ongoing viability of councils as a consequence, external auditors continue to place a greater emphasis on local authorities undertaking an assessment of the going concern basis on which they prepare their financial statements.
- 1.6 Similarly, our current medium term financial plan (MTFP) was revised in December 2021 based on assumptions that reflected what we knew about the economic effects of the Covid-19 pandemic at the time. We have since seen the economic effects of the war in Ukraine and significant increases to general cost of living that may increase our costs and/or reduce our income. We need to be confident that we understand and have taken into account any threats to financial sustainability.
- 1.7 This report sets out the position for Bolsover District Council and provides justification for the 2021/22 financial statements being prepared on a going concern basis.

### **The Assessment**

- 1.8 The provisions in the 2021/22 Code section 3.4 (Presentation of Financial Statements) on the going concern accounting requirements, reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, it would not therefore be appropriate for their financial statements to be prepared on anything other than a going concern basis.
- 1.9 The requirements to use the going concern basis of accounting mean that authorities do not apply paragraph 25 of IAS 1 Presentation of Financial Statements mandating management to make an assessment of the authority's ability to continue as a going concern. However, this reporting requirement is separate from the need for local authorities to report on the impact of financial pressures in the Narrative Report and, for example, other relevant liquidity reporting requirements such as those under the Code's adoption of IFRS 7 Financial Instruments: Disclosures.
- 1.10 The main factors which underpin this assessment are:
  - The Council's current financial position;
  - The Council's projected financial position;
  - The Council's balance sheet;
  - The Council's cash flow;

- The Council's governance arrangements;
- The regulatory and control environment applicable to the Council as a local authority.

Each of the above is considered in more detail below.

## **The Council's Current Financial Position – Revenue Resources**

### General Fund

- 1.11 As reported to Executive in July, the Council under spent on the General Fund revenue budget in 2021/22 by £1.146m. As at 31 March 2022, the Council held a General Fund Balance of £2.101m and held Earmarked Reserves totalling £18.510m. The Council also held a Covid-19 Section 31 grant specific, reserve of £2.298m for the repayment of the Council's share of the collection fund deficit. Excluding the Covid reserve, the Earmarked Reserves balance has increased by £1.396m during the year which is £1.146m higher than originally forecast, reflecting the favourable outturn and is in preparation for future expenditure. The adequacy of reserves and balances and the ongoing requirement for specified earmarked reserves, is reviewed on a regular basis.

### Housing Revenue Account (HRA)

- 1.12 The financial performance in 2021/22 resulted in a net under spend of £0.234m on the HRA revenue budget. As at 31 March 2022 the Council held an HRA Balance of £2.077m which was in line with the revised budget. Earmarked Reserves totalling £11.807m were held and the net reserve movement during 2021/22 was a decrease of £3.537m. The level of adequate reserves and balances and the ongoing requirement specified earmarked reserves, is reviewed on an annual basis. The HRA has a 30 year Business Plan which is showing as affordable with the required estimated resources available to meet the plan. The Central Government imposed rent increase restrictions which the Council had to apply were lifted for 2020/21 onwards and we are now able to increase our rents in line with the guidelines in place, which gives us further financial capacity to support our plan.
- 1.13 The Section 151 Officer is satisfied that the Council's financial outturn for both General Fund and HRA, does not present any material uncertainties regarding the Council's ability to continue as a going concern.

### Covid -19

- 1.14 During 2021/22 the Council received from the Government £0.497m in emergency funding to cover the Council's extra costs and pressures. A further £0.195m was received in compensation for the Council's losses of sales and charges income.
- 1.15 As discussed in paragraph 1.6, the assumptions around Covid-19 were updated and the MTFP revised in December 2021. Government funding to Local Authorities for Covid-19 ceased during 2021/22 and the assumptions in the Council's MTFP are that our income and expenditure should be back to pre-Covid levels.

- 1.16 The Section 151 Officer is confident that in the short term, any losses due to Covid-19 will be met by either the use of the balance of emergency funding carried over from 2021/22 or the Council's own reserves and balances. It is felt that this does not present any material uncertainties regarding the Council's ability to continue as a going concern.

### **The Council's Projected Financial Position – Revenue Resources**

- 1.17 The financial projection for 2022/23 to 2025/26 was approved by Members in February 2022 in the MTFP. The Council set a balanced budget for 2022/23 with a small deficit of £0.082m to be met by a 2.68% increase in Council Tax. The requirement to achieve financial savings over the medium term was 2023/24 £0.018m; 2024/25 zero and 2025/26 £1.212m.
- 1.18 To help mitigate losses caused by changes in Government funding the NNDR Growth Protection Reserve was created a number of years ago. Extra income received from all sources of Government funding was transferred into the reserve if the budget for that year had already been in surplus when the extra funding was realised. The balance accumulated means we are able to use the reserve to even out the government funding losses over the first three years of the current MTFP.
- 1.19 A transfer from general fund to the reserve will be made in 2022/23 of £0.004m. Latest estimates for transfers back to general fund are £3.262m 2023/24; £2.990m in 2024/25 and £1.802m for 2025/26.
- 1.20 The Council's Section 151 Officer made a formal statement in February 2022 as part of the approval on the robustness of estimates and the adequacy of reserves, as contained within the MTFP. We have revisited the underlying assumptions and plan in the light of issues discussed in paragraph 1.6 and are satisfied at this stage that the financial plan remains intact. We will continue to review the performance against our 2022/23 budget and ensure our MTFP is updated as part of our 2022/23 budget preparations to reflect any significant changes. At this stage we are satisfied that the Council's forecast financial position does not present any material uncertainties regarding the Council's ability to continue as a going concern.

### **The Council's Balance Sheet as at 31 March 2022**

- 1.21 The Council's net assets amounted to £164.912m and Usable Reserves totalled £48.627m. We are satisfied that there are no material liabilities or underlying issues regarding the strength of the Council's balance sheet which present any material uncertainties regarding the Council's ability to continue as a going concern.

### **The Council's Cash Flow**

- 1.22 The Council maintains short and long term cash flow projections and manages its cash, investments and borrowing in line with the Council approved Treasury Management Strategy. As at the 31 March 2022, the Council has long term borrowing commitments of £89.4m, held £30m in short term investments and had

£11.6m in Cash and Cash Equivalents. The Council has adequate financial resources to meet its immediate financial obligations. We are satisfied that there are no significant issues regarding the strength of the Council's underlying cash flow which present any material uncertainties regarding the Council's ability to continue as a going concern.

### **The Council's Governance Arrangements**

- 1.23 The Council has a well-established and robust corporate governance framework. This includes the statutory elements such as Head of Paid Service, the Monitoring Officer and the Section 151 Officer in addition to the current political arrangements. An overview of this governance framework is provided within the Annual Governance Statement.
- 1.24 Whilst it is not possible to provide absolute assurance, the review process as outlined in the Annual Governance Statement does conclude that the existing arrangements remain fit for purpose and help provide reasonable assurance of their effectiveness. There are no plans for the Council to be reorganised or dissolved and we expect to operate under the current framework in the near future. We are satisfied that there are no significant issues regarding the Council's governance framework which present any material uncertainties regarding the Council's ability to continue as a going concern.

### **The External Regulatory and Control Environment**

- 1.25 As a principal local authority the Council has to operate within a highly legislated and controlled environment. An example of this is the requirement for a balanced budget each year combined with the legal requirement for the Council to have regard to consideration of such matters as the robustness of budget estimates and the adequacy of reserves. In addition to the legal framework and central government control there are other factors such as the role undertaken by the external auditor as well as the statutory requirement in some cases for compliance with best practice and guidance published by CIPFA and other relevant bodies.
- 1.26 The provisions in the Code on the going concern requirements reflect the economic and statutory environment in which local authorities operate. We are satisfied that there are no significant issues regarding the external regulatory and control environment which present any material uncertainties regarding the Council's ability to continue as a going concern.

### **Material Uncertainties**

- 1.27 The Council is aware that there is a requirement to consider any material uncertainties which would impact on the Council's ability to continue as a going concern.
- 1.28 We are satisfied that there are no material uncertainties which, under the Code, represent significant issues regarding the Council's ability to continue as a going concern.

## **2. Reasons for Recommendation**

- 2.1 It is considered that having regard to the Council's arrangements and such factors as highlighted in this report that the Council remains a going concern and the Council's accounts for 2021/22 have appropriately been prepared on this basis. This report gives the assessment by the Council's Section 151 Officer in support of presenting the Accounts for approval and provides assurance to Mazars, the Council's external auditor.

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

- 3.1 No alternative options are offered, the going concern status has been determined.

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## **RECOMMENDATION(S)**

1. That the Committee accepts the outcome of the assessment of the Council's going concern status for the purposes of preparing the Statement of Accounts for 2021/22.

Approved by the Portfolio Holder - Cllr Clive Moesby, Executive Member for Finance

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### **IMPLICATIONS:**

**Finance and Risk:**            Yes ☐            No ☒

**Details:**

There are no additional financial implications arising from this report.

On behalf of the Section 151 Officer

**Legal (including Data Protection):**            Yes ☐            No ☒

**Details:**

There are no legal or data protection issues arising directly from this report.

On behalf of the Solicitor to the Council

**Staffing:**            Yes ☐            No ☒

**Details:**

There are no human resource issues arising directly out of this report.

On behalf of the Head of Paid Service

## DECISION INFORMATION

|                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <b>Is the decision a Key Decision?</b><br>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:<br><br><b>Revenue - £75,000   <input type="checkbox"/>   Capital - £150,000   <input type="checkbox"/></b><br><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No |
| <b>Is the decision subject to Call-In?</b><br><i>(Only Key Decisions are subject to Call-In)</i>                                                                                                                                                                                                                                                                                                                                         | No |

|                                                                                                                                                                                                                                                                                                                                            |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>District Wards Significantly Affected</b>                                                                                                                                                                                                                                                                                               | None     |
| <b>Consultation:</b><br><b>Leader / Deputy Leader   <input type="checkbox"/>   Executive   <input type="checkbox"/></b><br><b>SLT   <input type="checkbox"/>   Relevant Service Manager   <input type="checkbox"/></b><br><b>Members   <input type="checkbox"/>   Public   <input type="checkbox"/>   Other   <input type="checkbox"/></b> | Details: |

|                                                                       |
|-----------------------------------------------------------------------|
| <b>Links to Council Ambition: Customers, Economy and Environment.</b> |
|                                                                       |

| DOCUMENT INFORMATION |       |
|----------------------|-------|
| Appendix No          | Title |
|                      |       |
|                      |       |

|                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Background Papers</b><br><i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i> |
| None                                                                                                                                                                                                                                                                       |

## **Bolsover District Council**

### **Meeting of the Audit & Corporate Overview Scrutiny Committee on 13 September 2022**

#### **Scrutiny Annual Report 2021/22**

#### **Report of the Chair of Audit & Corporate Overview Scrutiny Committee**

|                        |                                                                                                                                             |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Classification</b>  | This report is Public                                                                                                                       |
| <b>Report By</b>       | Joanne Wilson, Scrutiny & Elections Officer, 01246 242385, <a href="mailto:joanne.wilson@bolsover.gov.uk">joanne.wilson@bolsover.gov.uk</a> |
| <b>Contact Officer</b> | Joanne Wilson, Scrutiny & Elections Officer, 01246 242385, <a href="mailto:joanne.wilson@bolsover.gov.uk">joanne.wilson@bolsover.gov.uk</a> |

#### **PURPOSE/SUMMARY OF REPORT**

- To provide members of the Scrutiny Committee with an extract from the Scrutiny Annual Report for 2021/22 for consideration and approval.

---

#### **REPORT DETAILS**

##### **1. Background**

- 1.1 The main purpose of the report is to allow Members to review the content to be included in the Scrutiny Annual Report 2021/22, in relation to the work of the Committee.
- 1.2 The wider report will provide an overview on the core activity for each of the Committee's and details some of the impacts as a result of past recommendations.

## **2. Details of Proposal or Information**

- 2.1 Part 2, Article 6.1 of the constitution requires the Council to appoint four Scrutiny Committees to discharge the functions conferred by section 21 of the Local Government Act 2000 and regulations under section 32 of the Local Government Act 2000.
- 2.2 Within the Terms of Reference (Part 2, Article 6.2), the four Scrutiny Committees have delivered the following functions:-  
(1) review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions;  
(2) make reports and/or recommendations to the Council and/or the Executive in connection with the discharge of any functions;  
(3) consider any matter affecting the area or its inhabitants;  
(4) exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the Executive; and  
(5) assist the Council and the Executive with the development of future policies and strategies.
- 2.3 In relation to the attached extract summarising work undertaken, the Committee have conducted their proceedings in accordance with the Terms of Reference at Part 3.6 and the Scrutiny Procedure Rules set out in Part 4 of the Constitution.

## **3. Reasons for Recommendation**

- 3.1 The attached extract provides an overview of the work completed by Members of the Audit & Corporate Overview Scrutiny Committee during 2021/22, and reviews the impact of work completed.
- 3.2 Members are asked to note the report as required by Article 6.3(2) of the Council's Constitution.

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

- 4.1 This report and the appendix have been prepared on behalf of the Scrutiny Committee with a view to informing Council of the Committee's undertaking of their statutory responsibilities.
- 4.2 Members are required to report to Council on an annual basis as determined in the Constitution.
- 4.3 Completion of an Annual Report has been identified as part of the Committees improvement plan following the recent self-assessment and as such cannot be rejected.

---

## **RECOMMENDATION(S)**

1. That Members review the contents of the appendix and if satisfied it is a true account, approve it for inclusion in the wider Scrutiny Annual Report 2021/22.
2. That Committee Members encourage all other Members and senior officers of the Council to provide feedback to the Scrutiny & Elections Officer on the conduct and impact of the Committee as part of the Committee's Improvement Plan.

### **IMPLICATIONS:**

**Finance and Risk:**            Yes ☐            No ☒

**Details:**

None from this report.

On behalf of the Section 151 Officer

**Legal (including Data Protection):**            Yes ☒            No ☐

**Details:**

The Scrutiny Committee function is a statutory requirement pursuant to s.21 of the Local Government Act 2000 and subsequent legislation which added to/amended these powers e.g. the Local Government and Public Involvement in Health Act 2007.

On behalf of the Solicitor to the Council

**Staffing:**            Yes ☐            No ☒

**Details:**

None from this report.

On behalf of the Head of Paid Service

## DECISION INFORMATION

|                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <b>Is the decision a Key Decision?</b><br>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:<br><br><b>Revenue - £75,000</b> <input type="checkbox"/> <b>Capital - £150,000</b> <input type="checkbox"/><br><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No                                       |
| <b>Is the decision subject to Call-In?</b><br><i>(Only Key Decisions are subject to Call-In)</i>                                                                                                                                                                                                                                                                                                                                          | No                                       |
| <b>District Wards Significantly Affected</b>                                                                                                                                                                                                                                                                                                                                                                                              | N/A                                      |
| <b>Consultation:</b><br><b>Leader / Deputy Leader</b> <input type="checkbox"/> <b>Executive</b> <input type="checkbox"/><br><b>SLT</b> <input type="checkbox"/> <b>Relevant Service Manager</b> <input type="checkbox"/><br><b>Members</b> <input type="checkbox"/> <b>Public</b> <input type="checkbox"/> <b>Other</b> <input type="checkbox"/>                                                                                          | Yes<br><br>Details:<br>Committee Members |

|                                                                            |
|----------------------------------------------------------------------------|
| <b>Links to Council Ambition: Customers, Economy and Environment.</b>      |
| Scrutiny evaluates delivery against all Corporate Ambitions and Priorities |

| DOCUMENT INFORMATION |                                                   |
|----------------------|---------------------------------------------------|
| Appendix No          | Title                                             |
| 1.                   | ACOSC Extract from Scrutiny Annual Report 2021-22 |

|                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Background Papers</b>                                                                                                                                                                                                                       |
| <i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i> |
| Committee minutes<br>2021/22 Review work                                                                                                                                                                                                       |

## Audit and Corporate Overview Scrutiny Committee

### Background

This is the first year that the Committee has existed as a combination of the former Audit Committee and Budget Scrutiny Committee. For this reason it was felt that the new committee should use the guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA) '*Audit Committees: Practical Guidance for Local Authorities and Police, 2018 Edition*' to undertake a self-assessment against the good practice framework in the publication.

This self-assessment provided a high-level review that incorporated the key principles set out in CIPFA's Position Statement. Where an audit committee has a high degree of performance against the good practice principles, then it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are considered essential factors in developing an effective audit committee.

From the self-assessment an action plan was produced covering the 8 issues that were identified. The majority of the issues identified could be addressed by:

1. The production of an annual report to Council, detailing the work of the Committee and its achievements from the year.
2. The identification of any potential skill gaps the Committee may have, that could be addressed by training.

The production of this annual report will resolve 6 of the identified issues. The production of the action plan resulting from the self-assessment means a further issue is resolved as long as the action plan is reviewed by the Committee for progress throughout the year. For the final issue, Members have recently been asked to complete a skills gap questionnaire that will be analysed and fed back to the Committee for action during 2022/23. External training opportunities are also being flagged and brought to their attention.

### The Role and Purpose of Audit and Corporate Overview Scrutiny Committee

Audit Committees are seen as a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management. The purpose of an audit committee is to provide those charged with governance, independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. By overseeing both internal and external audit, it makes an important contribution to ensuring that effective assurance arrangements are in place.

At Bolsover, this committee is also responsible for receiving and scrutinising the Executive's Budget proposals in accordance with the Budget and Policy

Framework Procedure Rules in the Council's Constitution. More details of the responsibilities of the Committee are set out in the Council's Constitution (Part 3).

## **Audit and Corporate Overview Committee Business**

During 2021/22, Members received a range of reports to Committee. Some have been routine reports for monitoring, others have been linked to development of new policies and others have been to provide information and guidance to help Members of the Committee carry out their role effectively.

During the year the Committee received the following reports:

- Procurement Strategy 2020-2025
- Treasury Management Strategy 2022/23
- Capital Strategy 2022/23
- Corporate Investment Strategy 2022/23
- Corporate Ambitions Performance – quarterly monitoring reports
- Budget Monitoring Reports – quarterly (1, 2, 3 + outturn)
- Corporate Debt Monitoring Performance – annual report 2020/21
- Strategic Risk Register and Partnership Arrangements report
- Report of the Internal Auditor, Summary of progress on the Internal Audit plan– quarterly reports
- Implementation of Internal Audit recommendations – ½ yearly report
- Internal Audit Consortium – annual report 2020/21
- Report to those charged with Governance (audit completion report)
- Results of the external review of Internal Audit
- Assessment of Going Concern Status
- Review of the Internal Audit Charter
- Report of the External Auditor – Auditor's Annual Report 2020/21
- Report of the External Auditor – External Audit progress report
- Revised Budgets 2021/22
- Setting of Council Tax 2022/23
- Proposed Budget, Medium Term Financial Plan (MTFP) 2021/22 – 2024/25
- External review of Internal Audit – action plan progress
- Report of the Internal Auditor, Internal Audit plan approved for 2021/22
- BDC Statement of Accounts 2020/21
- Annual Governance Statement and Local Code of Corporate Governance 2020/21
- Accounting Policies 2021/22
- Report of the Internal Auditor, Internal Audit plan approved for 2022/23
- Audit and Corporate Overview Scrutiny Committee – Self-assessment for effectiveness and resulting action plan
- CIPFA Fraud and Corruption Tracker Survey 2021
- Treasury management briefing by BDC's advisors, Arlingclose

## **The Committee's Main Achievements/Outcomes**

The Committee aims to add value to the organisation through its activity and in particular has:

- Reviewed non-financial performance against the Council's Ambition targets on a quarterly basis and invited officers to attend the Committee meetings to help Members understand where performance was not on target.
- Scrutinised the Medium Term Financial Plan prior to recommending to Executive the budget proposals in accordance with the Budget and Policy Framework Procedure Rules.
- Scrutinised the statement of accounts prior to approval thereby ensuring that they are an accurate reflection of the Council's finances.
- Reviewed the Code of Corporate Governance and approved the Annual Governance Statement to ensure it is a true and fair view of the Council's governance and risk management arrangements.
- Reviewed the strategic risk register to ensure that risks are being appropriately mitigated thus providing additional assurance that risk is being managed appropriately.

## **Conclusion and Feedback**

In conclusion, it is considered that the Committee has made a positive contribution to the Council's overall governance and control arrangements, including risk management. The Committee will carry out a self-assessment on an annual basis to consider its performance against the good practice framework.

## **Bolsover District Council**

### **Meeting of the Audit and Corporate Overview Scrutiny Committee on 13<sup>th</sup> September 2022**

#### **Anti-Fraud, Bribery and Corruption Policy**

#### **Report of the Assistant Director of Finance and Resources**

|                        |                                                                                                                     |
|------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Classification</b>  | This report is public                                                                                               |
| <b>Report By</b>       | Assistant Director of Finance and Resources                                                                         |
| <b>Contact Officer</b> | Assistant Director of Finance and Resources<br>Theresa Fletcher<br>01246 242548<br>theresa.fletcher@bolsover.gov.uk |

#### **PURPOSE/SUMMARY OF REPORT**

To enable the Committee to consider the Anti-fraud, Bribery and Corruption Policy attached at **Appendix 1**.

---

#### **1. Report Details**

- 1.1 The Council is opposed to all forms of fraud and corruption and wishes to promote a culture of openness and honesty consistent with the principles for conduct identified by the committee for Standards in Public Life, and expects all those who work for and with the Council to adopt the highest standards of propriety and accountability.
- 1.2 The Anti-Fraud, Bribery and Corruption policy aims to help employees (including temporary and agency workers), Elected Members and Co-opted Members on the Council's committees, to understand their roles in the Council regarding fraud, bribery and corruption. Employees must ensure they adhere to legal and contractual requirements and ensure that all procedures and practices remain above reproach.
- 1.3 This policy also aims to help partners, contractors, suppliers, voluntary organisations and members of the public to understand how and when to contact the Council with their concerns.
- 1.4 The policy refers to the following legislation:

- The Fraud Act 2006 - which refers to there being 3 ways fraud can be committed,
- The Theft Act 1968 - which defines theft and corruption,
- The Bribery Act 2010 - introduced to update and enhance UK Law on bribery, it introduced a new strict liability offence for companies and partnerships of failing to prevent bribery. This includes local authorities.
- The Criminal Finance Act 2017 - introduced 2 new criminal offences relating to tax evasion.

1.5 It sets out appropriate and proportionate safeguards and reporting arrangements, designed to detect and avoid involvement in the crimes described in the above legislation.

## 2. **Reasons for Recommendation**

2.1 The current policy is at least 6 years old so this new policy is a complete re-write. The Policy has been updated to take account of all legislative and operational changes to ensure it is fit for purpose.

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

3.1 No alternatives found – the Council is required to have a policy and this ensures we set the standard at a sufficiently high level to send a clear message that fraud, bribery or corruption will not be tolerated, that all reported or identified instances will be dealt with in a professional and timely manner, that we are committed to preventing and detecting fraud, bribery or corruption and that those perpetrating the aforementioned acts will be dealt with swiftly and firmly and be prosecuted using all the sanctions available.

---

## **RECOMMENDATION(S)**

1. That the Committee considers the Anti-Fraud, Bribery and Corruption Policy and recommends it to Executive for approval as set out in **Appendix 1**.

Approved by the Portfolio Holder - Cllr Clive Moesby, Executive Member for Finance

---

### **IMPLICATIONS:**

**Finance and Risk:**            Yes ☐            No ☒

#### **Details:**

The financial issues are covered in the Policy which is attached at **Appendix 1** to this report.

There are no new financial implications arising from this report.

On behalf of the Section 151 Officer

**Legal (including Data Protection):** Yes ☐ No ☒

**Details:**

Legal implications are covered throughout the Policy but there are no new ones arising specifically from the report.

On behalf of the Solicitor to the Council

**Staffing:** Yes ☐ No ☒

**Details:**

There are no human resource issues arising directly out of this report.

On behalf of the Head of Paid Service

## DECISION INFORMATION

|                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <b>Is the decision a Key Decision?</b><br>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:<br><br><b>Revenue - £75,000</b> <input type="checkbox"/> <b>Capital - £150,000</b> <input type="checkbox"/><br><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No |
| <b>Is the decision subject to Call-In?</b><br><i>(Only Key Decisions are subject to Call-In)</i>                                                                                                                                                                                                                                                                                                                                          | No |

|                                                                                                                                                                                                                                                                                                                                                  |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>District Wards Significantly Affected</b>                                                                                                                                                                                                                                                                                                     | All      |
| <b>Consultation:</b><br><b>Leader / Deputy Leader</b> <input type="checkbox"/> <b>Executive</b> <input type="checkbox"/><br><b>SLT</b> <input type="checkbox"/> <b>Relevant Service Manager</b> <input type="checkbox"/><br><b>Members</b> <input type="checkbox"/> <b>Public</b> <input type="checkbox"/> <b>Other</b> <input type="checkbox"/> | Details: |

**Links to Council Ambition: Customers, Economy and Environment.**

## DOCUMENT INFORMATION

| Appendix No | Title                                     |
|-------------|-------------------------------------------|
| 1           | Anti-Fraud, Bribery and Corruption Policy |
|             |                                           |

|                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Background Papers</b>                                                                                                                                                                                                                       |
| <i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i> |
| None                                                                                                                                                                                                                                           |



# **ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY**

(August 2022)



**We speak your language**

---

**Polish**

**Mówimy Twoim językiem**

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**Slovak**

**Rozprávame Vaším jazykom**

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**Chinese**

**我们会说你的语言**

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## CONTROL SHEET FOR ANTI-FRAUD, BRIBERY + CORRUPTION POLICY

| <b>Policy Details</b>                                                                                                   | <b>Comments / Confirmation<br/>(To be updated as the document progresses)</b> |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Policy title                                                                                                            | Anti-Fraud, Bribery and Corruption Policy                                     |
| Current status – i.e. first draft, version 2 or final version                                                           | First draft                                                                   |
| Policy author (post title only)                                                                                         | Assistant Director of Finance + Resources                                     |
| Location of policy (whilst in development)                                                                              | S/Drive                                                                       |
| Relevant Cabinet Member (if applicable)                                                                                 | Executive Member for Finance                                                  |
| Equality Impact Assessment approval date                                                                                | n/a                                                                           |
| Partnership involvement (if applicable)                                                                                 | n/a                                                                           |
| Final policy approval route i.e. Executive/ Council                                                                     | Executive                                                                     |
| Date policy approved                                                                                                    |                                                                               |
| Date policy due for review (maximum three years)                                                                        | 3 years                                                                       |
| Date policy forwarded to Performance & Communications (to include on Extranet and Internet if applicable to the public) |                                                                               |

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| 1  | Introduction                                                                                                                                                                                                                                                                                                                                            |
| 2  | Scope of the Policy                                                                                                                                                                                                                                                                                                                                     |
| 3  | Definitions <ul style="list-style-type: none"><li>Fraud and Corruption</li><li>Bribery</li><li>Tax Evasion</li></ul>                                                                                                                                                                                                                                    |
| 4  | Corporate Framework                                                                                                                                                                                                                                                                                                                                     |
| 5  | The Policy Statement                                                                                                                                                                                                                                                                                                                                    |
| 6  | Identifying the Risk of Fraud, Bribery or Corruption and Risk Mitigation                                                                                                                                                                                                                                                                                |
| 7  | Responsibilities <ul style="list-style-type: none"><li>Monitoring Officer</li><li>Chief Financial Officer</li><li>Executive Directors, Assistant Directors and Service Managers</li><li>Employees</li><li>Elected Members and Co-opted Members</li><li>Internal Audit</li><li>External Audit</li><li>Revenues and Benefits</li><li>Committees</li></ul> |
| 8  | Prevention of Fraud, Bribery and Corruption <ul style="list-style-type: none"><li>Employee Recruitment and Management</li><li>Contractors and Suppliers</li><li>Collaboration and Working with Others</li></ul>                                                                                                                                         |
| 9  | Detection and Investigation <ul style="list-style-type: none"><li>Whistleblowing</li><li>Investigation</li></ul>                                                                                                                                                                                                                                        |
| 10 | Deterrence <ul style="list-style-type: none"><li>Training and Awareness</li><li>Courses of Action</li></ul>                                                                                                                                                                                                                                             |

## **1. Introduction**

- 1.1 This Council is opposed to all forms of fraud and corruption and wishes to promote a culture of openness and honesty consistent with the principles for conduct identified by the committee for Standards in Public Life, and expects all those who work for and with the Council to adopt the highest standards of propriety and accountability.

## **2. Scope of the Policy**

- 2.1 This policy aims to help employees (including temporary and agency workers), Elected Members and Co-opted Members on the Council's committees, to understand their roles in the Council regarding fraud, bribery and corruption. Employees must ensure they adhere to legal and contractual requirements and ensure that all procedures and practices remain above reproach.
- 2.2 This policy also aims to help partners, contractors, suppliers, voluntary organisations and members of the public to understand how and when to contact the Council with their concerns.
- 2.3 In adopting this Policy the Council is setting the standard at a sufficiently high level and is sending a clear message that:
- Fraud, bribery or corruption will not be tolerated.
  - All reported or identified instances will be dealt with in a professional and timely manner.
  - It is committed to preventing and detecting fraud, bribery or corruption.
  - Those perpetrating fraud, bribery or corruption will be dealt with swiftly and firmly and be prosecuted using all the sanctions available.
- 2.4 The Council acknowledges that the vast majority of local government employees and those that work with them act with honesty and integrity at all times to safeguard the public resources they are responsible for. However, there are a few people who may not act in this way.
- 2.5 Consequently, any allegations involving this Council (received in any way, including those made anonymously), will be taken seriously and be investigated in an appropriate manner. There is a need to ensure that allegations are not frivolous or vexatious, as in the case of reporting employees this could result in disciplinary action.
- 2.6 When fraud, bribery or corruption has occurred because of a breakdown in the Council's systems or procedures, senior management will ensure that appropriate improvements in controls are implemented to avoid recurrence.
- 2.7 To assist all employees and Members in their awareness of this approach to fraud, management will ensure:
- Participation in training and awareness programmes covering fraud detection and prevention.
  - Ensure employees understand internal controls are designed and intended to prevent and detect fraud.

- Encourage employees to report suspected fraud directly to those responsible for investigations without fear of disclosure or retribution – as set out in the Council's Whistleblowing Policy.

### 3. Definitions

#### 3.1 Fraud and Corruption

According to the Fraud Act 2006, fraud can be committed in the following three ways:

- Fraud by False Representation - A person commits an offence when they dishonestly make a false representation, and intend, by making the representation to make a gain for themselves or another, or cause loss to another person or expose another to a risk of loss. A representation is false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading.
- Fraud by Failing to Disclose Information - An offence is committed where a person dishonestly fails to disclose to another person information, which they are under a legal duty to disclose and intends, by failing to disclose the information to make a gain for themselves or another, or cause loss to another or expose another person to a risk of loss.
- Fraud by Abuse of Position - An offence is committed where a person occupies a position in which they are expected to safeguard, or not to act against, the financial interests of another person, dishonestly abuses that position, and intends, by means of the abuse of that position to make a gain for themselves or another, or cause loss to another person or expose another to a risk of loss.

3.2 The term fraud is generally used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusions. This list is not intended to be exhaustive, merely an exemplification of possible frauds.

3.3 This policy therefore covers all financial impropriety including theft or corruption, which is described in more detail below:

- According to the 1968 Theft Act, "a person shall be guilty of theft if they dishonestly appropriate property belonging to another with the intention of permanently depriving the other of it."
- Corruption is the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the audited body, its Members or employees.

3.4 Actions constituting fraud or corruption may include, but are not limited to:

- Any dishonest or fraudulent act against the Council.
- Forgery or alteration of any record or account belonging to the Council.
- Forgery or alteration of a cheque or any other financial document.
- Misappropriation of funds, securities, supplies or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Profiteering as a result of insider knowledge of Council activities.
- Disclosing confidential and proprietary information to outside parties.
- Destruction, removal or inappropriate use of records, furniture, fixtures and equipment.
- Failure to declare an interest.

### **3.5 Bribery**

The Bribery Act 2010 was introduced to update and enhance UK law on bribery including foreign bribery. Notably, it introduced a new strict liability offence for companies and partnerships of failing to prevent bribery. The introduction of this new corporate criminal offence places a burden of proof on local authorities to show they have adequate procedures in place to prevent bribery.

3.6 The Council could be guilty of an offence if an 'associated person' carries out an act of bribery in connection with its business. A person will be 'associated' where that person performs services for or on behalf of the Council, and could include contractors and sub-contractors. The Bribery Act also provides for strict penalties for active and passive bribery by individuals as well as companies.

3.7 Bribery can be described as the receiving of an inducement for an action which is illegal, unethical or in breach of trust. Inducements can take the form of gifts, fees, rewards or other advantages such as retaining business.

3.8 The Bribery Act created four prime offences:

- Two general offences covering the offering, promising or giving of a bribe, and the requesting, agreeing to receive or accepting a bribe.
- A discrete offence of bribery of a foreign public official.
- A new offence of a commercial organisation failing to prevent a bribe being paid.

3.9 A statutory defence to the strict liability offence of 'failing to prevent bribery' is the introduction of internal adequate procedures. The Council provides for such arrangements through this policy and associated documents, the appointment of the Council's Monitoring Officer to deal with all matters relating to bribery and corruption, management's commitment to a zero tolerance culture and training of relevant employees.

### **3.10 Tax Evasion**

The Criminal Finance Act 2017, introduced two new criminal offences; one relating to UK tax evasion and one relating to foreign tax evasion. The new offences are designed to help the Government counter circumstances where a body's employees facilitate tax evasion by their customers or suppliers. Although tax evasion does not have a direct impact on the Council, under the new legislation there is a strict liability for failing to prevent the facilitation of tax evasion by one of its associates, such as an employee or contractor. This could arise, for example, if a Council employee conspired with a supplier to falsify the amount paid on an invoice so that the supplier evaded paying income or corporate taxes.

3.11 There are three tests that must be passed before an offence is committed:

- Criminal tax evasion by a taxpayer (either an individual or a legal entity).
- Criminal facilitation of the offence by a person associated with the body, by taking steps with a view to: being knowingly concerned in; or aiding, abetting, counselling or procuring the tax evasion by the taxpayer and
- The body not preventing a person associated with it from committing the criminal facilitation.

3.12 Similar to the Bribery Act 2010, there is a statutory defence of having 'reasonable prevention procedures' in place. HMRC has issued guidance on this setting out six risk principles that all organisations are expected to consider when reviewing whether they have proportionate and reasonable risk protocols in place.

#### **4. Corporate Framework**

4.1 The Council has a wide range of interrelated policies and procedures that provide an effective deterrent to fraudulent activity and provide the means for reporting or detecting fraud or corruption. These have been formulated in line with appropriate legislative requirements and it is important that all employees and Members know about them. The Council's 'Plans and Strategies Control Log' ensures the documents are regularly reviewed and updated.

4.2 They include:

- The Council's Constitution
- Financial Regulations and Contract Procurement Rules
- Local Codes of Conduct for Members and Officers
- Local Code of Corporate Governance
- Confidential Reporting Policy – Contractors, Sub-Contractors and Agency Workers
- Accounting procedures and records
- Sound internal control systems
- Effective internal audit
- Effective recruitment and selection procedures
- Disciplinary Procedure
- Grievance Procedure
- Confidential Reporting Policy - Employees
- The Whistleblowing Policy
- Anti-Money Laundering Policy
- Overt Surveillance Use Policy
- Corporate Enforcement Policy
- Planning Protocol

4.3 Managers must ensure that all employees have access to the relevant rules and regulations and receive suitable training.

4.4 Members and employees must ensure that they read and understand the rules and regulations that apply to them and act in accordance with them.

#### **5. The Policy Statement**

5.1 Bolsover District Council wishes to promote a culture of openness and honesty consistent with the principles for conduct identified by the Committee for Standards in Public Life, and expects all those who work for and with the Council to adopt the highest standards of propriety and accountability.

5.2 The Council has in place a clear network of systems and procedures to assist it in the prevention and investigation of fraud, bribery and corruption. The Council is committed to ensuring that these arrangements keep pace with future developments, in both

preventative and detection techniques, regarding fraudulent or corrupt activity that may affect its operation or related responsibilities.

## **6. Identifying the Risk of Fraud, Bribery or Corruption and Risk Mitigation**

- 6.1 In having a risk management strategy, which includes risk mitigation measures, the Council aims to detect fraud, bribery or corruption and deter potential perpetrators of such activity. This policy sets out exactly what steps to take on suspecting fraud, bribery or corruption.
- 6.2 In having a continuous programme of awareness and regular updates and training for new and existing employees, and in referring to this Policy in its quotation/tender documents with suppliers and its procurement guide, the Council aims to mitigate the risk of fraud, bribery or corruption taking place.

## **7. Responsibilities**

- 7.1 The primary responsibility for the prevention, detection and investigation of fraud, bribery or corruption rests with senior management, who are also responsible for managing the risk of such occurrences. However, the Council requires all employees and Elected Members to act honestly and with integrity at all times and to guard the resources for which they are responsible. Fraud and corruption can pose a significant threat to these resources and must therefore also be their concern.
- 7.2 In doing so, and having regard for the Council's codes of conduct, there is a requirement for all employees and Elected Members or persons acting on behalf of the Council to notify the Council immediately of any financial or accounting irregularity, or suspected irregularity, or of any circumstances which may suggest the possibility of such loss or irregularity, including those affecting cash, stores, property, remuneration or allowances.
- 7.3 The purpose of this Policy document is to also set out specific responsibilities with regards to the prevention and detection of fraud, bribery and corruption as follows:
- 7.4 **Monitoring Officer** (the Solicitor to the Council) is responsible for:
  - Preparing a report to Council where it appears that the authority has or is about to do anything which would be in contravention of the law or which would constitute maladministration.
  - Promoting good governance in the Council.
  - The maintenance and operation of the Council's Whistleblowing Policy.
- 7.5 **Chief Financial Officer** (the Section 151 Officer) is responsible for:
  - Ensuring proper arrangements are made for the Council's financial affairs.
  - Ensuring the Council implements appropriate measures to prevent and detect fraud, bribery and corruption, and protect the Council's assets from fraud and loss.
  - Ensuring that the Council has put in place effective arrangements for internal audit and that it is adequately resourced and maintained.
  - Supporting the Council's internal audit arrangements and ensuring that the Audit and Corporate Overview Scrutiny Committee receives the necessary advice and information, so that both functions can operate effectively.

- Ensuring that this Policy is current.
- The maintenance and operation of this Policy.
- The maintenance and operation of the Council's Anti-Money Laundering Policy.

7.6 The **Monitoring Officer** and/or the **Chief Financial Officer** shall be responsible for initiating action if fraud, bribery or corruption may have been identified.

7.7 **Executive Directors, Assistant Directors and Service Managers** are responsible for:

- Ensuring that adequate systems of internal control exist within their areas of responsibility, and that such controls, checks and supervision operate in such a way as to prevent or detect fraudulent activity.
- Ensuring that duties are organised in such a way that no one person can carry out a complete transaction without some form of checking or intervention being built into the process (separation of duties). This is considered a fundamental control in systems, particularly within financial procedures and when involving significant transactions.
- Regularly assessing the types of risks and scope for potential fraud associated with the operations in their area.
- Ensuring all employees receive fraud awareness training. The level and extent of this will depend on the work that individual employees carry out.
- Reminding employees, who are an integral part of the control framework, of fraud and risk issues.
- Implementing audit recommendations promptly.
- Responding to reports of possible financial impropriety in accordance with the Council's Whistleblowing Policy, this Policy and the Anti-Money Laundering Policy.

7.8 **Employees** are responsible for:

- A duty to act if they believe there is a possibility of fraud, bribery, corruption or poor value for money taking place or rules are being breached.
- Their own conduct and for contributing towards the safeguarding of corporate standards including abiding by the Council's Local Code of Conduct for Employees (which includes declaration of interests, private working, use of Council resources, registering gifts or hospitality, whistleblowing etc.) and by following any code of conduct relating to their personal professional qualifications.
- Acting with propriety in the use of official resources and in the handling and use of corporate funds whatever they involve.
- Remaining aware of the codes, protocols, policies and procedures as referred to in this Policy document.
- Be alert to any financial transactions that may suggest money laundering (separate policy and procedures are available for cases of possible money laundering).

7.9 **Elected Members and Co-opted Members** of the Council are responsible for:

- Raising and reporting any issues that they have reason to believe may involve fraud, bribery or corruption of any kind.
- Their own conduct and for contributing towards the safeguarding of corporate standards, as detailed in the Local Code of Conduct for Members and the

Protocol on Member/Officer Relations both contained in the Council's Constitution.

- Ensuring they avoid any situation where there is potential for a conflict of interest.
- Familiarising themselves with the codes, protocols, policies and procedures as referred to in this Policy document.

**7.10 Internal Audit** is responsible for:

- Maintaining a corporate fraud risk register and undertaking a programme of proactive activities to identify potential cases of fraud, bribery or corruption.
- Investigating or assisting with the investigation of all fraud, bribery and corruption as commissioned by the Chief Financial Officer/Monitoring Officer.
- Reporting to and liaising with the Police and other external agencies on individual cases, subject to 10.8.
- Making appropriate arrangements to co-ordinate the Council's work on National Fraud initiatives.
- Co-ordinating the Council's response to external fraud surveys.
- Issuing advice and guidance to Members, management and Officers in relation to fraud and corruption related legislation and procedures.
- Promoting fraud awareness and training through the dissemination of fraud bulletins, e-learning tools, marketing and other initiatives.

**7.11 External Audit** is responsible for:

- Stewardship of public money.
- Considering if the Council has adequate arrangements in place to prevent and detect fraud and corruption.

**7.12 Revenues and Benefits team** is responsible for:

- Investigating allegations of council tax fraud including Council Tax Reduction Scheme, discounts and exemptions.
- Providing information and evidence to the DWP Single Fraud Investigation Service (SFIS) to support their investigations on allegations of Housing Benefit fraud and social security benefits.
- Investigating potential fraud regarding Business rates reliefs and exemptions.

**7.13 Role of Committees**

- The Standards Committee has responsibility to promote and maintain high standards of conduct for Elected Members and Co-opted Members.
- The Audit and Corporate Overview Scrutiny Committee has responsibility for the risk management framework and the associated control environment, corporate governance arrangements and the overview of the Council's anti-fraud, bribery and corruption arrangements.

## **8. Prevention of Fraud, Bribery and Corruption**

### **8.1 Employee Recruitment and Management**

A key preventative measure against fraud is to deter employees who might undertake such activities. The Council recognises that effective recruitment processes are essential to ensure the integrity of all new employees. These include:

- The checking of identity documents.
- Reference and qualification checks for new employees.

- Checks for appropriate posts through the Disclosure and Barring Service.
- Detailed appraisal of employees' performance and ability during probationary periods and throughout their entire employment.

## **8.2 Contractors and Suppliers**

The Council will ensure that all contracts conform to the highest standards possible and ensure that those organisations that work with the Council to deliver services are made aware of the Council's strong anti-fraud, bribery and corruption principles, including the Whistleblowing policy.

- 8.3 Where appropriate the Council may exclude suppliers, contractors and service providers from public contracts following conviction for certain offences including participation in criminal organisations, fraud, corruption, bribery or money laundering.
- 8.4 The Council will seek an assurance that those tendering to provide supplies, goods, services and works to the Council have adequate anti-fraud, bribery or corruption recruitment procedures and controls in place; have not colluded with others during the tendering process; or canvassed or solicited any Elected Member or employee of the Council in connection with the award or future award of contracts.
- 8.5 In awarding any contract, the Council will act in accordance with its Contracts and Procurement Regulations. Within its contract terms, the Council may exercise its right to terminate a contract and recover its losses if there is evidence of fraud, bribery or corruption in connection with a Council contract by the contractor, its employees or anyone acting on the contractor's behalf.
- 8.6 The Council may seek the strongest available sanctions against the contractor, their employees or anyone acting on behalf of the contractor who commits fraud, bribery or corruption against the Council and will request that the organisation concerned takes appropriate action against any individual concerned.
- 8.7 Where contractors are involved with the administration of Council finances or those for which the Council has responsibility, the Council will conduct internal audit reviews and pro-active anti-fraud, bribery or corruption exercises as part of the contract management process.

## **8.8 Collaboration and Working with Others**

The Council is committed to working and co-operating with other organisations such as the police, to prevent organised fraud, bribery and corruption. Wherever possible and legal, the Council will assist and exchange information with other appropriate bodies to assist in investigations to combat fraud, bribery and corruption.

- 8.9 The Council is committed to participation in the National Fraud Initiative. The Council provides information from relevant databases for matching against similar information of other Local Authorities and participating organisations.

## **9. Detection and Investigation**

- 9.1 The range of preventative systems within the Council, particularly internal control systems, can provide indicators of fraud, bribery or corruption (and error) and can help to detect any inappropriate activity.

9.2 Management have responsibility for preventing and detecting fraud, bribery or corruption, and proactive exercises will be conducted by Internal Audit in targeted service areas where there is considered to be a high risk from fraud. However, despite the best efforts of managers and auditors, many irregularities are discovered often by chance or through the alertness of others and will come to the attention of the Council through its whistleblowing arrangements.

### **9.3 Whistleblowing**

Employees – The Council operates a Confidential Reporting Policy (Whistleblowing Policy) in accordance with the provisions of the Public Interest Disclosure Act 1998, which is intended to encourage and enable all employees of the Council, including trainees and agency workers, to raise concerns about any financial or other malpractice in the Council. Everything will be done to protect confidentiality. They will be advised of the action that has been taken as far as the law will allow. The Whistleblowing Policy is on the Council's extranet.

9.4 Where Members of the Council and Co-opted Members of Committees come into possession of information which may indicate a fraudulent or corrupt act is being perpetrated against the Council, they should report this to either one of the Executive Directors, the Monitoring Officer, the Chief Financial Officer, the Internal Audit Consortium Manager or the Chairman of the Audit and Corporate Overview Scrutiny Committee, in accordance with the Protocol on Officer/Member Relations (part 5.4 of the Constitution) which complements the Local Code of Conduct for Members.

9.5 Customers, suppliers, contractors and members of the public can raise their concerns either via:

- Contacting the Council's Internal Audit Service (01246 242424) or via post at the Council's Offices.
- By email at [enquiries@bolsover.gov.uk](mailto:enquiries@bolsover.gov.uk)
- The Protect helpline (formally Public Concern at Work) (020 3117 2550 and 020 7404 6609) email [Whistle@protect-advice.org.uk](mailto:Whistle@protect-advice.org.uk)

9.6 Council Tax Reduction Scheme fraud can be reported via the following channels:

- By email to [Benefits@bolsover.gov.uk](mailto:Benefits@bolsover.gov.uk)
- Directly contacting the Revenues and Benefits team (01246 242436)

### **9.7 Investigation**

Investigations will be carried out in response to referrals of potential fraud. When information relating to fraud or corruption is obtained it is reviewed and subject to an informal risk assessment. Some are followed up with a full investigation and others may be better dealt with as management issues. Where appropriate management shall:

- Report all allegations immediately to Internal Audit and senior management.
- Follow any guidance provided.
- Where appropriate, contact other agencies, e.g. the Police.
- Where appropriate, support the Council's investigation and disciplinary procedures.

9.8 Depending on the nature and anticipated extent of the information obtained, Internal Audit will normally work closely with:

- Senior management

- Human Resources
- Legal Services
- Other agencies, such as the Police and the Office of Fair Trading.

9.9 This is to ensure that all allegations and evidence are properly investigated and reported upon, and that where appropriate, losses are recovered for the Council. Where financial impropriety is discovered the matter may be referred to the Police. Referral to the Police will not prohibit subsequent or concurrent action under the disciplinary procedures.

9.10 Reporting cases in accordance with the Policy and the Whistleblowing policy is essential and ensures the consistent treatment of information regarding fraud, bribery or corruption; facilitates the proper investigation of suspected cases and protects the interests of individuals and the Council.

9.11 The Council will treat all information received confidentially and will not disclose or discuss investigations with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of people suspected but subsequently found innocent of wrongful conduct and to protect the Council from potential civil liability. Any processing of personal data will comply with the Data Protection Act and the data protection principles.

## **10. Deterrence**

10.1 The Council recognises that fraud, bribery and corruption are costly, both in terms of reputation risk and financial losses. The prevention of fraud is therefore a key objective of the authority and respective measures are outlined below.

10.2 There are a number of ways in which we deter potential fraudsters from committing or attempting fraudulent or corrupt acts, whether they are inside or outside of the Council, and these include:

- Publicising the fact that the Council is firmly set against fraud, and corruption at every appropriate opportunity.
- Acting robustly and decisively when fraud, bribery and corruption is suspected.
- Prosecution of offenders.
- Taking action to effect maximum recovery for the Council.
- Use of the Proceeds of Crime Act where appropriate to maximise the penalty and the level of recovery by the Council.
- Having sound internal control systems, that still allow for innovation and efficiency, but at the same time minimising the opportunity for fraud, bribery and corruption.
- Reporting to the media any action taken relating to acts of impropriety, subject to the usual restrictions on reporting legal proceedings.

## **10.3 Training and Awareness**

It is the responsibility of management to communicate the Anti-Fraud, Bribery and Corruption Policy to their employees and to promote within their teams a greater awareness of and alertness to the signs of fraud and corruption.

10.4 Through induction training the Council ensures that all employees are clear about their responsibilities and duties in this respect, particularly those officers involved in internal

control systems. Senior management should ensure Members are aware of this Policy initially via the induction process and then reminding them of this Policy via Council publications.

### **10.5 Courses of Action**

Mechanisms exist within the Council to act in cases of fraud, bribery or corruption. These include the following:

#### **10.6 Disciplinary Action**

Gross misconduct and other fraudulent or corrupt conduct will normally lead to dismissal. Failure to comply or breach any sections contained within this Policy could also be regarded by the Council as gross misconduct. Such actions will be dealt with in accordance with the Council's disciplinary procedures.

#### **10.7 Prosecution**

The Council will seek full redress through the legal processes available to counter any internal or external fraudulent activities perpetrated against it. This redress will be achieved through criminal and/or civil courts as considered appropriate.

10.8 The Head of Paid Service, in consultation with the Monitoring Officer, the Chief Financial Officer, the Human Resources Manager, the Internal Audit Consortium Manager and other external agencies as appropriate, will decide whether to formally refer the case to the Police for prosecution. Other external agencies involved may include Government Departments and the Crown Prosecution Service.

10.9 The Council will take all reasonable steps to recover any money or goods.

## **Bolsover District Council**

### **Audit & Corporate Overview Scrutiny Committee**

**13th September**

### **Ambition Plan Targets Performance Update – April to June 2022**

**(Q1 – 2021/22)**

### **Report of the Information, Engagement & Performance Manager**

|                        |                                                                                       |
|------------------------|---------------------------------------------------------------------------------------|
| <b>Classification</b>  | This report is Public                                                                 |
| <b>Report By</b>       | Kath Drury, Information, Engagement and Performance Manager                           |
| <b>Contact Officer</b> | Kath Drury <a href="mailto:kath.drury@bolsover.gov.uk">kath.drury@bolsover.gov.uk</a> |

### **PURPOSE/SUMMARY OF REPORT**

To report the Quarter 1 outturns for the Council's Ambition targets 2020-2024

Out of the 31 targets:

- 22 (71%) are on track
- 1 (3%) achieved its annual outturn for 2021/22
- 1 (3%) continues to be on alert
- 7 (23%) achieved previously.

Out of the 47 performance indicators:

- 29 (62%) have a positive outturn
- 14 (29%) have a negative outturn
- 4 (8%) are within target

### **REPORT DETAILS**

#### **1 Background**

1.1 The attached appendices contain the performance outturn as of 30<sup>th</sup> June 2022.

#### **2. Details of Proposal or Information**

2.1 A summary of performance by Council Ambition aim is provided below:

## 2.2 Our Customers – Providing excellent and accessible services

- 10 targets in total
- 9 targets are on track
- 1 target continues to be on alert as it remains some way off its original target:
  - **CUS.07** - *Reduce average relet times for standard voids (council properties) to 20 calendar days by March 2021 and maintain thereafter*

## 2.2 Our Environment – protecting the quality of life for residents and businesses, meeting environmental challenges and enhancing biodiversity

- 11 targets in total
- 8 targets are on track
- 3 targets achieved previously (ENV 07, ENV 09, ENV 10)

## 2.4 Our Economy – by driving growth, promoting the District and being business and visitor friendly

- 10 targets in total
- 5 targets are on track
- 1 target achieved its annual outturn for 2021/22 (ECO 05)
- 4 targets achieved previously (ECO 08, ECO 09, ECO 04, ECO 01)

2.6 A summary of supporting indicators by Council Ambition aim is provided below:

### 2.7 Our Customers

Out of the 29 performance indicators:

- 16 (55%) have a positive outturn
- 10 (35%) have a negative outturn
- 3 (10%) indicators are within target

### 2.8 Our Environment

Out of the 14 performance indicators:

- 10 (71%) have a positive outturn
- 3 (21%) has a negative outturn
- 1 (7%) indicator is within target

### 2.9 Our Economy

Out of the 4 performance indicators:

- 3 (75%) have a positive outturn
- 1 (25%) have a negative outturn

2.10 Details have been provided in the appendices for those at exception.

### **3 Reasons for Recommendation**

- 3.1 Out of the 31 Council plan targets, 22 are on track (71%), 1 achieved its outturn for 2021/22 (3%), 1 is on alert (3%), and 7 achieved previously (23%).
- 3.2 Out of the 47 service indicators, 29 have a positive outturn (62%), 14 have a negative outturn (29%), 4 are within target (8%).
- 3.3 This is an information report to keep Members informed of progress against the Council Ambition targets and supporting indicators noting achievements and any areas of concern.

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

- 4.1 Not applicable to this report as providing an overview of performance against agreed targets

---

### **RECOMMENDATION(S)**

1. That quarterly outturns against the Council Ambition 2020-2024 targets and relevant performance indicators be noted.

#### **IMPLICATIONS:**

##### **Finance and Risk:**

Yes ☐

No ☒

Details:

On behalf of the Section 151 Officer

##### **Legal (including Data Protection):**

Yes ☐

No ☒

Details:

On behalf of the Solicitor to the Council

##### **Staffing:**

Yes ☐

No ☒

Details:

On behalf of the Head of Paid Service

### **DECISION INFORMATION**

|                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <b>Is the decision a Key Decision?</b><br>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:<br><br><b>Revenue - £75,000   <input type="checkbox"/>   Capital - £150,000   <input type="checkbox"/></b><br><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No |
| <b>Is the decision subject to Call-In?</b><br><i>(Only Key Decisions are subject to Call-In)</i>                                                                                                                                                                                                                                                                                                                                         | No |

|                                                                                                                                                                                                                                                                                                                                                       |                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>District Wards Significantly Affected</b>                                                                                                                                                                                                                                                                                                          | None                                                                                                        |
| <b>Consultation:</b><br><b>Leader / Deputy Leader   <input type="checkbox"/>   Executive   <input type="checkbox"/></b><br><b>SLT   <input checked="" type="checkbox"/>   Relevant Service Manager   <input type="checkbox"/></b><br><b>Members   <input type="checkbox"/>   Public   <input type="checkbox"/>   Other   <input type="checkbox"/></b> | Cabinet Members/SLT informed on route via the quarterly performance process<br><br>Details:<br>Ward Members |

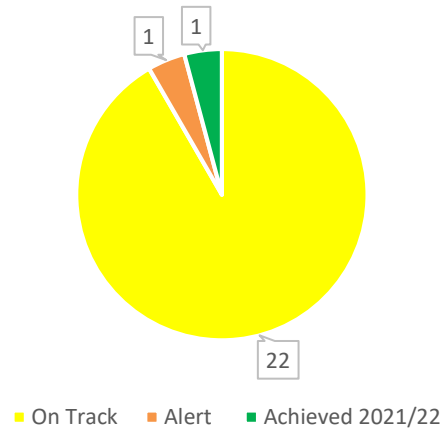
|                                                                       |
|-----------------------------------------------------------------------|
| <b>Links to Council Ambition: Customers, Economy and Environment.</b> |
| All                                                                   |

| DOCUMENT INFORMATION |                                                        |
|----------------------|--------------------------------------------------------|
| Appendix No          | Title                                                  |
| 1                    | Quarterly Performance Update for Q1 April to June 2022 |
| 2                    | Full list of Council Ambition Targets                  |

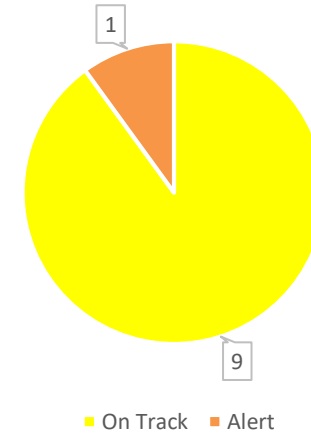
|                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Background Papers</b><br><i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i> |
| All details on the PERFORM system                                                                                                                                                                                                                                          |

**Bolsover District Council - Quarterly Performance Report (QPR)**  
**Q1 – April to June 2022**  
**Council Targets to deliver the Ambition 2020 – 2024**

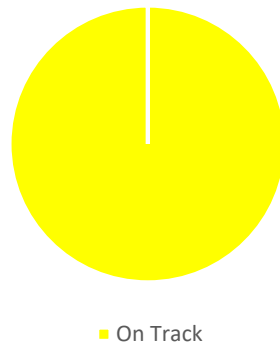
Council Targets (24 Targets)



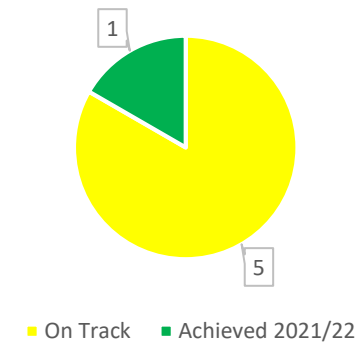
Customer (Targets 10)



Environment (Targets 8)



Economy (6 Targets)



### Status Key

| Target Status |          | Usage                                                                                                                                                                                                                                                                                                                                                    |
|---------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Yellow        | On Track | The target is progressing well against the intended outcomes and intended date.                                                                                                                                                                                                                                                                          |
| Green         | Achieved | The target has been successfully completed within the target date.                                                                                                                                                                                                                                                                                       |
| Orange        | Alert    | <ul style="list-style-type: none"> <li>To reflect any target that does not meet the expected outturn for the reporting period (quarterly).</li> <li>The target is six months off the intended completion date and the required outcome may not be achieved.</li> <li>To flag annual targets within a council plan period that may not be met.</li> </ul> |

## Council plan targets achieved and by exception

### 296 Achieved 2021/22

|                                                                                                                              |                                             |                  |                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------|
| ECO.05 - Annually review housing delivery in the district and facilitate delivery to meet the annual target of 272 new homes | Strategy & Development<br><i>Cllr Peake</i> | Achieved 2021/22 | The number of gross housing completions between April 1 <sup>st</sup> 2021 and March 31 <sup>st</sup> 2022 is 556. |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------|

### Alert

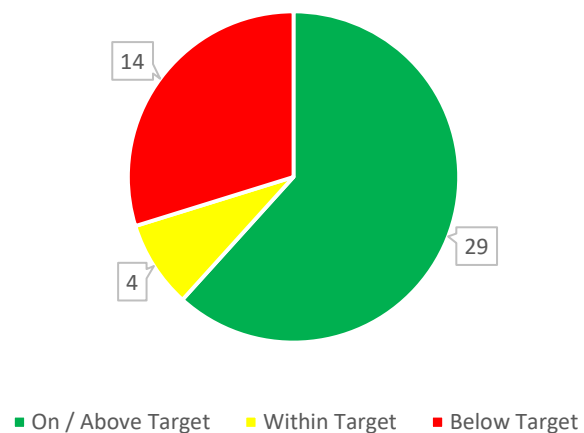
|                                                                                                                                       |                                               |       |                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CUS.07 - Reduce average relet times for standard voids (council properties) to 20 calendar days by March 2021 and maintain thereafter | Strategy and Development<br><i>Cllr Peake</i> | Alert | The average relet time for Q1 is 78 calendar days. This is higher than Q4 2021/22 (59 days) due to the letting of a couple of Safe & Warm properties which had been empty for some time whilst works were completed and some void properties that had been held for re-housing options around the Blackwell scheme. |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Appendix 2 contains the full Ambition target listing

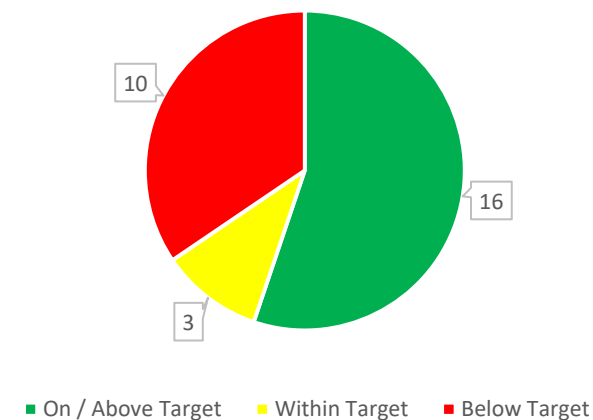
## Performance indicators supporting the Council aims

297

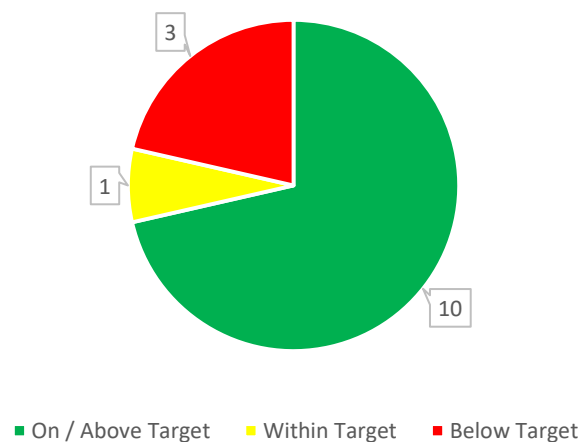
Service Indicators (47 Targets)



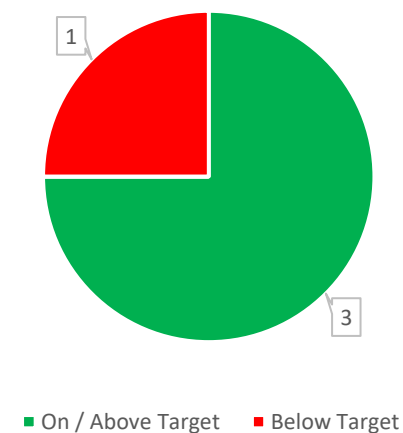
Customers (29 Targets)



Environment (14 Targets)



Economy (4 Targets)



## Our Customers – Providing excellent and accessible services

| Customer Services                                                              | Q2<br>2021/22<br>Outturn | Q3<br>2021/22<br>Outturn | Q4<br>2021/22<br>Outturn | Q1<br>2022/23<br>Outturn | Q1<br>Target | Status          |
|--------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|-----------------|
| CUS 01. % external (incoming) telephone calls answered within 20 seconds       | 65%                      | 75%                      | 69%                      | <b>75%</b>               | 75%          | On/Above Target |
| CUS 02 - % customer enquiries dealt with at first point of contact (Quarterly) | 0%                       | 93%                      | 96%                      | <b>89%</b>               | 60%          | On/Above target |

| Leisure                                                                                                                                          | Q2<br>2021/22<br>Outturn | Q3<br>2021/22<br>Outturn | Q4<br>2021/22<br>Outturn | Q1<br>2022/23<br>Outturn | Q1<br>Target | Status       |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|--------------|
| LE 01 Number of people participating in Council leisure, sport, recreational, health, physical and cultural activity each year                   | 74,230                   | 65,532                   | 72,703                   | <b>83,337</b>            | 88,250       | Below Target |
| LE 02. Deliver a health intervention programme which provides 500 adults per year with a personal exercise plan via the exercise referral scheme | 377                      | 527                      | 577                      | <b>102</b>               | 125          | Below Target |

### Exceptions

| Quarter | Value  | Target | Exception                                                                                                                                                                                |
|---------|--------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1      | 83,337 | 88,250 | During quarter 1 we attracted 83,337 attendances to leisure facility based activities, community outreach programmes and school delivery. Participation continues to improve post Covid. |
| Q4      | 72,703 | 88,250 |                                                                                                                                                                                          |

| Quarter | Value | Target |  | LE 02. Deliver a health intervention programme which provides 500 adults per year with a personal exercise plan via the exercise referral scheme |
|---------|-------|--------|--|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1      | 102   | 125    |  | Referrals continue to pick up and Leisure are also catching up with the backlog due to capacity issues. Expected to be back on track by Q2.      |
| Q4      | 577   | 500    |  |                                                                                                                                                  |

| Performance                                                 | Q2<br>2021/22<br>Outturn | Q3<br>2021/22<br>Outturn | Q4<br>2021/22<br>Outturn | Q1<br>2022/23<br>Outturn | Q1<br>Target | Status |                 |
|-------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|--------|-----------------|
| CSI 19 % FOI/EIR requests responded to in 20 working days ) | 100%                     | 100%                     | 100%                     | 100%                     | 95%          |        | On/Above Target |

| Corporate customer standards and complaints                                             | Q2<br>2021/22<br>Outturn | Q3<br>2021/22<br>Outturn | Q4<br>2021/22<br>Outturn | Q1<br>2022/23<br>Outturn | Q1<br>Target | Status |                         |
|-----------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|--------|-------------------------|
| CSP 11 % of Telephone calls answered within 20 seconds (Corporate) (Quarterly)          | 89%                      | 92%                      | 95%                      | 90%                      | 93%          |        | Below Target            |
| CSP 16 % written complaints responded to in 15 working days (Quarterly)                 | 96%                      | 99%                      | 78%                      | 91%                      | 97%          |        | Below Target            |
| CSP 20 % written comments acknowledged within 3 working days (Quarterly)                | 100%                     | 100%                     | 100%                     | 100%                     | 100%         |        | On / Above Target       |
| CSP 21 % Stage 3 complaints responded to in 20 working days (Quarterly)                 | 100%                     | 60%                      | 100%                     | 53%                      | 100%         |        | Below Target            |
| CSP 23 Number of formal complaints (Stage 2) received per 10,000 population (Quarterly) | 5.5                      | 4.3                      | 3.5                      | 3.1                      | 25           |        | Below Target (Positive) |

| Quarter | Value | Target |  | <b>CSP 11 % of Telephone calls answered within 20 seconds (Corporate) (Quarterly)</b>                                                                                                                  |
|---------|-------|--------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1      | 90%   | 93%    |  | 90% of all calls received corporately were answered within 20 seconds. The target was slightly missed as there remains a significant volume of calls specifically in relation to Revenues and Benefits |
| Q4      | 95%   | 93%    |  |                                                                                                                                                                                                        |

| Quarter | Value | Target |  | <b>CSP 16 % written complaints responded to in 15 working days (Quarterly)</b>                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------|-------|--------|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1      | 91%   | 97%    |  | <p>20 out of the 24 formal investigations were responded to within 15 working days. 2 were slightly outside of the target. The remaining 2 are open but within timescale.</p> <p>The Council also received 38 M.P. enquiries (subject to the same 15 working day corporate timescale) during this period. 27 were responded to within 15 working days, 4 were slightly outside of the target. The remaining 7 are open but within timescale.</p> <p>Overall this gives an average of 90.5%</p> |
| Q4      | 78%   | 97%    |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Quarter | Value | Target |  | <b>CSP 21 % Stage 3 complaints responded to in 20 working days (Quarterly)</b>                                                                                                                                                                                                                                                                                                                        |
|---------|-------|--------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1      | 53%   | 100%   |  | <p>7 of the 15 of the Internal Review complaints received were responded to within 20 working days with 4 being slightly out of timescale and 1 outstanding but within timescales.</p> <p>Significant increase in Internal Reviews requested this quarter and a combination of staffing as a result of flexible retirement and partial delays from responding departments as contributed to this.</p> |
| Q4      | 100%  | 100%   |  |                                                                                                                                                                                                                                                                                                                                                                                                       |

| Revenues and Benefits                                                                           | Q2<br>2021/22<br>Outturn | Q3<br>2021/22<br>Outturn | Q4<br>2021/22<br>Outturn | Q1<br>2022/23<br>Outturn | Q1<br>Target | Status |                         |
|-------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|--------|-------------------------|
| Rs 06 - % Council Tax arrears collected                                                         | 13.7%                    | 19.4%                    | 28.8%                    | 9.8%                     | 10%          |        | Within Target           |
| Rs 07 - % NNDR arrears collected                                                                | 7%                       | 20.9%                    | 63.8%                    | 40.3%                    | 20%          |        | On/Above Target         |
| Rs 09 - % Council Tax Collected                                                                 | 95.9%                    | 94.7%                    | 97.30%                   | 95.07%                   | 97.8%        |        | Below target            |
| Rs 10- % Non-domestic Rates Collected                                                           | 89.7%                    | 90.5%                    | 108.40%                  | 105.5%                   | 98.5%        |        | On/Above Target         |
| Rs 11- Benefit overpayments as a % of benefit awarded                                           | 2.65%                    | 4.22%                    | 2.2                      | 5.9%                     | 6%           |        | Within Target           |
| Rs 12- % Recovery of overpayments within the benefits system                                    | 54.06%                   | 52.12%                   | 59.79%                   | 26.17%                   | 17%          |        | On/Above Target         |
| Rs 20 - % Telephone Abandonment: Revenues                                                       | 3%                       | 1.8%                     | 2.2                      | 3.5%                     | 10%          |        | Below Target (Positive) |
| Rs 21 - % Calls answered within 20 seconds: Revenues                                            | 80%                      | 84.7%                    | 79.6%                    | 77.9%                    | 65%          |        | Above Target            |
| Rs 22 - Telephone Abandonment: Benefits                                                         | 1.5%                     | 1.5%                     | 1.1%                     | 1.6%                     | 3%           |        | Below Target (Positive) |
| Rs 23 - % Calls answered within 20 seconds: Benefits                                            | 89.3%                    | 94.2%                    | 92.1%                    | 92%                      | 78%          |        | On/Above Target         |
| Rs 181 - Time taken to process Housing Benefit/Council Tax Benefit new claims and change events | 4.2                      | 4.4                      | 3.5                      | 5                        | 10           |        | Below Target (Positive) |

### Exception

| Quarter | Value  | Target | Rs 09 - % Council Tax Collected                                                                                                                                                            |
|---------|--------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1      | 95.07% | 97.8%  | Collection rates below target- impact of cash postings not being allocated for last week of quarter 1 due to system issue. Also likely to be affected by current cost of living situation. |

|    |       |       |  |
|----|-------|-------|--|
| Q4 | 97.3% | 97.8% |  |
|----|-------|-------|--|

| Property Services and Housing Repairs                                        | Q2<br>2021/22<br>Outturn | Q3<br>2021/22<br>Outturn | Q4<br>2021/22<br>Outturn | Q1<br>2022/23<br>Outturn | Q1<br>Target | Status          |
|------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|-----------------|
| PS&HR 01. % of properties receiving gas appliance servicing within 12 months | 56.1%                    | 79.9%                    | 100%                     | 25%                      | 25%          | On/Above Target |
| PS&HR 02. Fit 100 wet rooms a year, cumulative target.                       | 39                       | 104                      | 142                      | 24                       | 25           | Within Target   |

| Housing Management                                                                                 | Q2<br>2021/22<br>Outturn | Q3<br>2021/22<br>Outturn | Q4<br>2021/22<br>Outturn | Q1<br>2022/23<br>Outturn | Q1<br>Target | Status                  |
|----------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|-------------------------|
| HOUS 01. 60% satisfaction with support received for clients experiencing domestic abuse            | 76%                      | 66%                      | 70%                      | 74%                      | 60%          | On / Above Target       |
| HOUS 02. 60% satisfaction with support received for clients receiving parenting support            | 100%                     | 90%                      | 100%                     | 100%                     | 60%          | On / Above Target       |
| HOU 03 - Proportion of rent collected (inclusive of all charges e.g. heating, support charges etc) | New KPI                  |                          |                          | 84.44%                   | 90%          | Below Target            |
| HOU04 – Proportion of current tenants over 12 weeks in arrears                                     | New KPI                  |                          |                          | 9.66%                    | 5%           | Above Target (negative) |
| HOUS 05. Achieve an average turnaround time of 20 working days for standard voids                  | 89                       | 84                       | 59                       | 78                       | 20           | Above Target (negative) |

| Housing Management                                                             | Q2<br>2021/22<br>Outturn | Q3<br>2021/22<br>Outturn | Q4<br>2021/22<br>Outturn | Q1<br>2022/23<br>Outturn | Q1<br>Target | Status                  |
|--------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|-------------------------|
| HOUS 06. Achieve an average turnaround time of 30 working days for major voids | 109                      | 118                      | 118                      | 109                      | 30           | Above target (negative) |

### Exceptions

| Quarter | Value  | Target |  | HOUS 03. Proportion of rent collected (inclusive of all charges e.g. heating, support charges etc)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------|--------|--------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1      | 84.44% | 90%    |  | As reported previously the Covid19 pandemic has had a significant impact on our rent arrears and ability to recover arrears. This is noted in the significant increase in arrears in 2020/21. The team continue to work hard with tenants to signpost to support agencies and offer appropriate assistance. We continue to be supportive yet are now in a position to take enforcement action where it is reasonable and proportionate to do so. We have recently had a reorganisation within the Housing Department and also set up a new Income Management Team whose main focus will be rental income and collection of rent arrears. An investment in software has also been made to provide more timely analysis around rent arrears, this is now in the early stages of implementation with an implementation by end of Q3 |
|         |        |        |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Quarter | Value | Target |  | HOUS 04. Proportion of current tenants over 12 weeks in arrears                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------|-------|--------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1      | 9.66% | 5%     |  | As reported previously the Covid19 pandemic has had a significant impact on our rent arrears and ability to recover arrears. This is noted in the significant increase in arrears in 2020/21. The team continue to work hard with tenants to signpost to support agencies and offer appropriate assistance. We continue to be supportive yet are now in a position to take enforcement action where it is reasonable and proportionate to do so. We have recently had a reorganisation within the Housing Department and also set up a new Income Management Team whose main focus will be rental income and collection of rent arrears. An investment in software has also been made to provide more timely analysis around rent arrears, this is now in the early stages of implementation with an implementation by end of Q3 |

| Quarter Value Target |    |    |  | HOUS 05. Achieve an average turnaround time of 20 working days for standard voids                                                                                                                                                                               |
|----------------------|----|----|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1                   | 78 | 20 |  | The average days for Q1 are 78, this is due to the letting of a couple of Safe & Warm properties which had been empty for some time whilst works were completed and some void properties that had been held for re-housing options around the Blackwell scheme. |
| Q4                   | 59 | 20 |  |                                                                                                                                                                                                                                                                 |

| Quarter Value Target |     |    |  | HOUS 06. Achieve an average turnaround time of 30 working days for major voids                                                                                                                                                                                                     |
|----------------------|-----|----|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1                   | 109 | 30 |  | The average number of days is 109, the cumulative value of which has reduced from 159 over the last 7 quarters.<br>We are working with Members and Directors in identifying some new measures that do reflect the current achievable averages and reflect the progress being made. |
| Q4                   | 118 | 30 |  |                                                                                                                                                                                                                                                                                    |

## Our Environment – protecting the quality of life for residents and businesses, meeting environmental challenges and enhancing biodiversity

| Environmental Health                                                                                       | Q2<br>2021/22<br>Outturn | Q3<br>2021/22<br>Outturn | Q4<br>21/222<br>Outturn | Q1<br>2022/23<br>Outturn | Q1<br>Target | Status          |
|------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|-------------------------|--------------------------|--------------|-----------------|
| EH 01 - Percentage of noise complaints responded to within 3 working days.                                 | 82%                      | 92%                      | 88%                     | <b>88%</b>               | 90%          | Within Target   |
| EH02 - Percentage of complaints about licensable activities responded to within 3 working days.            | 96%                      | 100%                     | 97%                     | <b>95%</b>               | 90%          | On/Above Target |
| EH03 - Percentage of high risk food interventions undertaken against programme (A, B and C rated premises) | 169%                     | 100%                     | 130%                    | <b>91%</b>               | 100%         | Below Target    |

| Environmental Health                                                                                                                                                                                         | Q2<br>2021/22<br>Outturn | Q3<br>2021/22<br>Outturn | Q4<br>21/222<br>Outturn | Q1<br>2022/23<br>Outturn | Q1<br>Target | Status          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|-------------------------|--------------------------|--------------|-----------------|
| EH04 - Percentage of business enquiries responded to within 3 working days.                                                                                                                                  | 96%                      | 88%                      | 90%                     | 94%                      | 90%          | On/Above Target |
| EH 06. The number of targeted proactive littering/dog fouling patrols carried out                                                                                                                            | New Target               |                          |                         | 40                       | 36           | On/Above Target |
| EH 07 - Percentage of LA-IPPC(A20/LAPPC(Part B) processes inspected in accordance with risk rated inspection programme                                                                                       | 100%                     | 100%                     | 100%                    | 100%                     | 100%         | On/Above Target |
| EH 09 - Enforcement visits to business premises to check compliance with waste arrangements                                                                                                                  | 76                       | 74                       | 96                      | 13                       | 11           | On/Above Target |
| EH 11 - Number of litter/waste/dog fouling proactive community patrols/events                                                                                                                                | New Target               |                          |                         | 4                        | 3            | On/Above Target |
| EH 12 - Percentage of all fly-tipping reports referred for investigation responded within 3 working days                                                                                                     | New Target               |                          |                         | 97%                      | 90           | On/Above Target |
| EH 13 - Percentage of waste crime cases (Duty of Care/Fly tipping) where sufficient evidence to prosecute has been identified, that are progressed to legal services, with a prosecution file within 60 days | New Target               |                          |                         | 0%                       | 100%         | Below Target    |

### Exceptions

| Quarter Value Target |      |      |  | EH03 - Percentage of high risk food interventions undertaken against programme (A, B and C rated premises)                                                                                                                                            |
|----------------------|------|------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1                   | 91%  | 100% |  | In Q1 two C Rated premises were not inspected. In May one premises was not operating when visited but have started trading in June. The missed June visit is programmed to be done within 28 days of the due inspection date in line with FSA target. |
| Q4                   | 130% | 100% |  |                                                                                                                                                                                                                                                       |

| Quarter Value Target |    |      |  | EH 13. Percentage of waste crime cases (Duty of Care/Fly tipping) where sufficient evidence to prosecute has been identified, that are progressed to legal services, with a prosecution file within 60 days                                                                                           |
|----------------------|----|------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1                   | 0% | 100% |  | One case where the offence took place in February was progressed to legal services in May 2022, outside of the 60 day target. This has been due to staff fluctuations. The Team is fully staffed and a new ICT system in use from June 2022 to ensure effective monitoring of prosecution case files. |

| Streetscene                                                                           | Q2<br>2021/22<br>Outturn | Q3<br>2021/22<br>Outturn | Q4<br>2021/22<br>Outturn | Q1<br>2022/23<br>Outturn | Q1<br>Target | Status |                         |
|---------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|--------|-------------------------|
| SS 01 Remove 95% of hazardous Fly Tipping within 24 hours of being reported           | 100%                     | 100%                     | 100%                     | 100%                     | 95%          |        | On/Above Target         |
| SS 02 Remove 95% of non-hazardous Fly Tipping within 5 working days of being reported | 95%                      | 97%                      | 95%                      | 98%                      | 95%          |        | On/Above Target         |
| SS 03 Undertake Local Environmental Quality Surveys Detritus                          | 16%                      | 8%                       | 8%                       | 14%                      | 12%          |        | Above Target (Negative) |
| SS 04 Undertake Local Environmental Quality Surveys Weeds                             | 7%                       | 3%                       | 5%                       | 6%                       | 14%          |        | Below Target (Positive) |

### Exception

| Quarter Value Target |     |     |  | SS 03 Undertake Local Environmental Quality Surveys Detritus                                                                                                                                                                                                  |
|----------------------|-----|-----|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1                   | 14% | 12% |  | Q1 (2022/23) LEQS's established 14% of streets and relevant land surveyed fell below grade B cleanliness standards and outside the 12% target standard set. Throughout the Quarter 1 period environmental conditions has had an impact on survey performance. |
| Q4                   | 8%  | 12% |  |                                                                                                                                                                                                                                                               |

## Our Economy – by driving growth, promoting the District and being business and visitor friendly

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| Planning                                                                                                                                                  | Q2<br>2021/22<br>Outturn | Q3<br>2021/22<br>Outturn | Q4<br>2021/22<br>Outturn | Q1<br>2022/23<br>Outturn | Q4<br>Target | Status |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|--------|-------------------|
| PLA 157A Determining "Major" applications within target deadlines                                                                                         | 100%                     | 100%                     | 100%                     | 100%                     | 70%          |        | On / Above Target |
| PLA 157B Determining "Minor" applications within target deadlines                                                                                         | 100%                     | 100%                     | 96%                      | 100%                     | 80%          |        | On / Above Target |
| PLA 157C Determining "Other" applications within target deadlines                                                                                         | 96%                      | 99%                      | 100%                     | 100%                     | 80%          |        | On / Above Target |
| PLA 01. Determining 'Discharge of Condition' applications within national target deadlines and comparison with realtime performance (Exec EoT Agreements) | 65%                      | 96%                      | 69%                      | 60%                      | 80%          |        | Below Target      |




### Exception

| Quarter Value Target |     |     |  | PLA 01. Determining 'Discharge of Condition' applications within national target deadlines and comparison with realtime performance (Exec EoT Agreements)                                                                                                                                                                                                                                                                                                           |
|----------------------|-----|-----|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1                   | 60% | 80% |  | <p>15 out of 25 DOC applications dealt with within 8 weeks or an agreed EOT - 69%</p> <p>This performance target is linked to our Service Plan target 05 - identify and remove barriers to timely decision making on planning applications.</p> <p>We identified these particular types of applications as a local indicator to allow us to monitor our performance and start to improve our response times on them, as these are essentially the last stage of</p> |

|    |     |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----|-----|-----|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |     |     |  | <p>the planning process before developments commence on site. Nationally they are not monitored, so there is no penalty to the LPA for not determining them within agreed timescales, however we want to try and improve our local performance with these applications to align with our excellent performance on other nationally monitored timescales (majors / minors and others).</p> <p>Over the last 7 quarters we have averaged 74% against the target of 80% so we are now slowly getting back on target.</p> <p>As reported in earlier quarters we are continuing to focus on these application and improve our performance overall.</p> |
| Q4 | 69% | 80% |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## Appendix 2 Full Ambition Target Listing by Aim



### Status Key

| Target Status                                                                              | Usage                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  On Track | The target is progressing well against the intended outcomes and intended date.                                                                                                                                                                                                            |
|  Achieved | The target has been successfully completed within the target date.                                                                                                                                                                                                                         |
|  Alert    | To reflect any target that does not meet the expected outturn for the reporting period (quarterly).<br>The target is six months off the intended completion date and the required outcome may not be achieved.<br>To flag annual targets within a council plan period that may not be met. |

### Full Ambition Target Listing by Aim

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#### Aim: Our Customers – providing excellent and accessible services

| Council Plan Target<br>(Target date 31/03/24<br>unless stated otherwise)                                                                        | Directorate/<br>Portfolio<br>Holder   | Q1 2022/23 Progress Update                                                                   |                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CUS.01 - Measure customer satisfaction in all front facing service areas at least every two years on a rolling programme                        | Resources<br><i>Cllr McGregor</i>     |  On track  | Overall satisfaction figure for the BDC Housing Service/Council Tenant Satisfaction:<br><br>How satisfied/dissatisfied are you with the overall service provided by BDC's Housing Service:<br>Very satisfied      43.02%<br>Fairly satisfied      44.06%<br>Total      87.08% |
| CUS.02 - Improve the overall performance and usability of the website by achieving a minimum score of 90% using the Silktide* tool by Dec 2022. | Resources<br><i>Councillor Downes</i> |  On track | No data is available at present as the Silktide system has been upgraded and we need to undertake some training before we can access our scores.                                                                                                                              |

| Council Plan Target<br>(Target date 31/03/24<br>unless stated otherwise)                                              | Directorate/<br>Portfolio<br>Holder           | Q1 2022/23 Progress Update |                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CUS.03 - Ensure that at least 50% of transactions are made through digital channels by Dec 2024                       | Resources<br><i>Cllr Downes</i>               | On track                   | <p>Data from Customer Services for Q1 :</p> <p>Online Digital Transactions - 32,087 this is including Voter Registrations, Housing, Revenues and Planning online forms accessed via the website</p> <p>Tel and Non Digital contact - 40,010 all staff assisted transactions</p> <p>Total contact transactions 72,097 = 44.5 % via a digital method</p> |
| CUS.04 - Work with partners to deliver the Sustainable Communities Strategy and publish an evaluation report annually | Strategy & Development<br><i>Cllr Dooley</i>  | On track                   | We have currently been working with the thematic groups and updating the priorities for each group. This will then form the Sustainable Community Strategy. We have had to push this back to September due to workloads currently with the SPF and investment plan that goes with it                                                                   |
| CUS.05 - Monitor performance against the corporate equality objectives and publish information annually               | Resources<br><i>Cllr McGregor</i>             | On track                   | The revised Access for All statement has been approved at SLT and will be issued to Service Managers. Transgender guidance for Leisure Services has been reviewed and re-issued. A number of reasonable adjustments and hate crime incidents have been handled by the team this quarter.                                                               |
| CUS.06 - Prevent homelessness for more than 50% of people who are facing homelessness each year                       | Resources<br><i>Cllr Peake</i>                | On track                   | <p>Quarter 1 2022/2023</p> <p>132 approaches</p> <p>80 Prevented</p> <p>52 Still Open</p> <p>60% Prevented.</p>                                                                                                                                                                                                                                        |
| CUS.07 - Reduce average relet times for standard voids (council properties) to 20                                     | Strategy and Development<br><i>Cllr Peake</i> | Alert                      | The average days for Q1 are 78, this is due to the letting of a couple of Safe & Warm properties which had been empty for some time whilst works were completed and some void properties that had been held for re-housing options around the Blackwell scheme.                                                                                        |

| Council Plan Target<br>(Target date 31/03/24<br>unless stated otherwise)                                                             | Directorate/<br>Portfolio<br>Holder | Q1 2022/23 Progress Update |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |        |                  |        |       |        |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------|------------------|--------|-------|--------|
| calendar days by March 2021 and maintain thereafter                                                                                  |                                     |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |        |                  |        |       |        |
| CUS.08 - Maintain high levels of tenant satisfaction with council housing and associated services                                    | Resources<br><br>Cllr Peake         | On Track                   | <p>Results and information from the Star Survey has been presented to Members and Senior management. Overall satisfaction figure for the BDC Housing Service/Council Tenant Satisfaction:</p> <p>How satisfied/dissatisfied are you with the overall service provided by BDC's Housing Service:</p> <table><tr><td>Very satisfied</td><td>43.02%</td></tr><tr><td>Fairly satisfied</td><td>44.06%</td></tr><tr><td>Total</td><td>87.08%</td></tr></table> <p>An action plan has been put together to concentrate on the areas of improvement.</p> <p>Customer satisfaction data can now be extracted from the hand held devices used by the Repairs team. For May and June it was 100%. Data not held for April.</p> | Very satisfied | 43.02% | Fairly satisfied | 44.06% | Total | 87.08% |
| Very satisfied                                                                                                                       | 43.02%                              |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |        |                  |        |       |        |
| Fairly satisfied                                                                                                                     | 44.06%                              |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |        |                  |        |       |        |
| Total                                                                                                                                | 87.08%                              |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |        |                  |        |       |        |
| CUS.09 - Increase participation/attendances in leisure, sport, recreation, health, physical and cultural activity by 3,000 per year. | Resources<br><br>Councillor Downes  | On Track                   | During quarter 1 we attracted 83,337 attendances to leisure facility based activities, community outreach programmes and school delivery. A significant increase from Q4 2021/22 and recovering post Covid.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                |        |                  |        |       |        |
| CUS.10 - Deliver a health intervention programme which provides 500 adults per year with a personal exercise plan via the            | Resources<br><br>Councillor Downes  | On Track                   | 102 people enrolled on the health referral programme across the district. Slightly behind the quarter target, but we are expecting to catch up at Q2.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                |        |                  |        |       |        |

| Council Plan Target<br>(Target date 31/03/24<br>unless stated otherwise) | Directorate/<br>Portfolio<br>Holder | Q1 2022/23 Progress Update |  |
|--------------------------------------------------------------------------|-------------------------------------|----------------------------|--|
| exercise referral<br>scheme                                              |                                     |                            |  |

**Aim: Our Environment – protecting the quality of life for residents and businesses, meeting environmental challenges and enhancing biodiversity**

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| Council Plan Target (Target date 31/03/24<br>unless stated otherwise)                                                                                                | Directorate/<br>Portfolio<br>Holder | Q1 2022/23 Progress Update |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ENV.01 - Develop an externally facing climate change communication strategy targeting communities and stakeholders by October 2020 and deliver an annual action plan | Resources<br><i>Cllr Dooley</i>     | On track                   | <p>InTouch - Future First Homes (p.2), sixty trees planted in Bolsover (p.10), Alliance Transport Technologies article (p.10)</p> <p>Bolsover TV - Water Lane Repairs (April 15)</p> <p>Environment newsletter - Earth Day, accessible trails open in Pleasley and swapping disposable coffee pods for recyclable ones (7 April), Earth Day, Creswell Craggs Rail Trail and using loose leaf tea instead of tea bags (21 April).</p> <p>May 2022:</p> <p>Bolsover TV - Bird Ringing and Future First Homes (6 May)</p> <p>Environment newsletter - Compost awareness week, walk to school week and advising to buy energy efficient appliances (5 May), World Bee Day, Every Flower Counts, Bike Week and advice on saving energy (15 May).</p> <p>June 2022:</p> <p>Bolsover TV - Barlborough tree planting and plastics recycling (3 June), Charlie's Place (24 June)</p> <p>Environment newsletter - 30 Days Wild, Let it Bloom June, World Environment Day and advice on turning devices off at the plug (2 June), Clean Air Day, Plastic Free Beauty Day, World Refill Day,</p> |

| Council Plan Target (Target date 31/03/24 unless stated otherwise)                                                                                                         | Directorate/<br>Portfolio<br>Holder       | Q1 2022/23 Progress Update |                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                            |                                           |                            | <p>plastics recycling and advice on composting (16 June), Plastic Free July, Don't Step on a Bee day and advice on a more eco-friendly commute (30 June).</p> <p>Social Media - used to support all of the above stories and to continue to drive traffic to the TV and newsletters.</p> <p>Website - Press releases written for the bigger of the above stories and included on the news page.</p> |
| ENV.02 Reduce the District Council's carbon emissions by - 100 tonnes CO2 in 20/21 - 125 tonnes CO2 in 21/22 - 200 tonnes CO2 in 22/23 - 300 tonnes CO2 in 23/24           | Strategy & Development<br><br>Cllr Dooley | On track                   | Q1 22/23 - We have installed External Wall Insulation (EWI) to 100 properties. The average CO emission per hard to treat property (HTT) is 6 tonnes, if we were to estimate a saving of 50 % through the installations undertaken this would equate to 300 tonnes.                                                                                                                                  |
| ENV.03 - Achieve a combined recycling and composting rate of 50% by March 2023.                                                                                            | Resources<br><br>Cllr Watson              | On track                   | Q1 (2022\23) performance is estimated based on Q1 2021\202 Waste Data Flow figures of 4,270 tonnes of recyclable\ compostable materials collected, equating to a combined recycling and composting rate of 44.3% (approx.). This will be updated when the actual figures become available from WDF September 2022                                                                                   |
| ENV.04 - Sustain standards of litter cleanliness to ensure 96% of streets each year meet an acceptable level as assessed by Local Environment Quality Surveys (LEQS).      | Resources<br><br>Cllr Watson              | On track                   | Q1 (2022\23) LEQS's established 3% of streets and relevant land surveyed fell below grade B cleanliness standards representing 97% fell within the 96% target standard set.                                                                                                                                                                                                                         |
| ENV.05 - Sustain standards of dog fouling cleanliness to ensure 98% of streets each year meet an acceptable level as assessed by Local Environment Quality Surveys (LEQS). | Resources<br><br>Cllr Watson              | On track                   | Q1 (2022\23) LEQS's established 0% of streets and relevant land surveyed fell below grade B cleanliness standards and within the 2% target standard set.                                                                                                                                                                                                                                            |

| Council Plan Target (Target date 31/03/24 unless stated otherwise)                                                          | Directorate/<br>Portfolio<br>Holder           | Q1 2022/23 Progress Update |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ENV.06 - Carry out 144 targeted proactive littering/dog fouling patrols per year (in 2022/23 and review number for 2023/24) | Resources<br><i>Cllr Watson</i>               | On track                   | <p>A new council target to reflect and capture the Council's approach in providing a high visibility service that supports the outcome of cleaner streets and public spaces. (Replaces - <i>Increase the number of fixed penalty notices issued for litter and dog fouling offences by 20% over a five year period</i>).</p> <p>The target is 36 per quarter (overall 144 for the year).</p> <p>Qtr 1 performance was 40 – 2022/23 will be the baseline year for this new target, so the 36 per quarter target may increase for future years. During Qtr1 we over performed, doing an extra 4 patrols to what was planned</p>                                                                                                                                                                                                                                                                                                    |
| ENV.08 - Bring 5 empty properties back into use per year through assistance and enforcement measures.                       | Strategy and Development<br><i>Cllr Peake</i> | On track                   | <p>Through intervention from the Westlea working group, a further long term empty property is being put up for auction in July 2022. The Council will endeavour to engage with the new owner to ensure that the property is brought back into use and meets a lettable and decent standard for new tenants. A further 4 empty properties are also in the process of being renovated and the Council is in regular contact with the new owners to encourage them to bring them up to a decent standard and act responsibly.</p> <p>The Council is continuing with the forced sale of a problematic property in Langwith, due to unpaid charges registered against this. It is expected that this process take between a further 3 and 6 months, providing the charges aren't paid off by the owners - however it is anticipated that this is unlikely to happen. It is expected that the new owner purchases the property for</p> |

| Council Plan Target (Target date 31/03/24 unless stated otherwise)                                         | Directorate/<br>Portfolio<br>Holder | Q1 2022/23 Progress Update |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                            |                                     |                            | <p>renovation and the Council will offer help and support throughout this process, to ensure that it is brought back to use. The owners of the property have recently made contact with the Council, however this will not delay proceedings whilst there is an outstanding charge on the property.</p> <p>The property in Whitwell - that Action Housing were hoping to lease and repair - has stalled due to Homes England changing their funding criteria, which would have been used to fund this project. Officers from the Council are continuing to identify alternative funding opportunities which could help to bring this property back into use.</p> |
| ENV.11 - Resolve successfully 60% of cases following the issuing of a Community Protection Warning by 2024 | Resources<br><i>Cllr Peake</i>      | On track                   | <p>Quarter 1 there has been 5 CPWs served.</p> <p>Of the 33 CPWs served so far this year 24 (72%) have been a success, 4 have failed (12%), 1 was cancelled because the tenancy was terminated (4%) and 0 (0%) are within their monitoring period.</p> <p>The cases are continually monitored for the duration of the case (usually 12 months) and are only deemed to be failed if the case progresses to a Community Protection Notice (CPN).</p> <p>Combining those within their monitoring period (and the cancelled one) and the successful CPW the outturn is 72%.</p>                                                                                      |

**Aim: Our Economy – by driving growth, promoting the District and being business and visitor friendly**

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| Council Plan Target (Target date 31/03/24 unless stated otherwise)                                                                                     | Directorate/<br>Portfolio<br>Holder         | Q1 2022/23 Progress Update |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ECO.02 - Optimise business growth (as measured by gross Business Rates) by £2m by March 2023.                                                          | Resources<br><i>Cllr Moesby</i>             | On track                   | Quarter 1 22/23: Outturn Q1 22/23 = £66,496,826, Baseline(Outturn 21/22) £66,507,349 = difference -10,523, -0.02%                                                                                                                                                                                                                                                                                                                                                                                              |
| ECO.03 - Working with partners to bring forward employment and development opportunities at Coalite and Clowne Garden Village strategic sites by 2023. | Strategy & Development<br><i>Cllr Smyth</i> | On track                   | Coalite: Build out is now pending approval of various amendments to the consented scheme; the 4 associated applications are currently in planning pending determination.<br><br>Clowne Garden Village: Instructions have been issued to transport consultants to produce the detailed designs for highway improvements at Treble Bob in accordance with a scheme agreed 'in principle' between the developer and Derbyshire County Council. It is anticipated that this work should now be nearing completion. |
| ECO.05 - Annually review housing delivery in the district and facilitate delivery to meet the annual target of 272 new homes                           | Strategy & Development<br><i>Cllr Peake</i> | Achieved 2021/22           | The number of gross housing completions between April 1 <sup>st</sup> 2021 and March 31 <sup>st</sup> 2022 is 556.                                                                                                                                                                                                                                                                                                                                                                                             |
| ECO.06 - Work with partners to deliver an average of 20 units of affordable homes each year.                                                           | Strategy & Development<br><i>Cllr Peake</i> | On track                   | To date there have been a total of 43 affordable homes delivered in the last financial year which is ahead of this target. A further 78 affordable units have been granted permission and these will be developed over the next few years.                                                                                                                                                                                                                                                                     |
| ECO.07 - Deliver 150 new homes through the Bolsover Homes Programme by March 2024                                                                      | Strategy & Development<br><i>Cllr Peake</i> | On track                   | The first 4 sites in Whitwell are now completed which have delivered 16 new homes. A further 19 homes have been handed over at Sandy Lane Whitwell with the remaining 2 properties on Thorpe Ave, due for hand over in batches up to the end of August 2022.                                                                                                                                                                                                                                                   |

| Council Plan Target (Target date 31/03/24 unless stated otherwise)                                                                             | Directorate/<br>Portfolio<br>Holder              | Q1 2022/23 Progress Update |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                |                                                  |                            | <p>Work is underway at Ashbourne Court which is an extension to the existing sheltered scheme and will deliver an additional 14 properties.</p> <p>Construction is under way at The Woodland site which will deliver a further 19 properties and these are the future homes utilising MMC building methodology and green technology to heat and ventilate. Completion is forecast for the end of 2022.</p> <p>Construction is due to commence in August 2022 on the Market Close site in Shirebrook which batched with an additional 2 satellite sites will deliver 28 properties. Construction is due to commence in August 2022 on the West Street site in Whaley Thorns. Planning permission has been received for 5 new homes and 7 at Moorfield Lane, Whaley Thorns. Construction is forecast to start on site in October 2022, subject to Executive approval.</p> <p>Work is ongoing on a further site with designs being finalised and preparing for planning submissions at Woburn Close, Blackwell and Briar Close Shirebrook.</p> |
| ECO.10 - Working with partners to grow the visitor economy, the number of tourists and the amount of tourism spending in the District by 2023. | Strategy & Development<br><br><i>Cllr Downes</i> | On track                   | Q1 - tourism officer now in post and currently working up bids to the Shared Prosperity fund for money for additional support for the visitor economy including enhanced marketing, support for local visitor economy businesses, and provision of business growth fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## **Bolsover District Council**

### **Meeting of the Audit & Corporate Overview Scrutiny Committee on 13 September 2022**

#### **Scrutiny Committee Work Programme 2022/23**

#### **Report of the Scrutiny & Elections Officer**

|                        |                                                                                                                                             |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Classification</b>  | This report is Public                                                                                                                       |
| <b>Report By</b>       | Joanne Wilson, Scrutiny & Elections Officer, 01246 242385, <a href="mailto:joanne.wilson@bolsover.gov.uk">joanne.wilson@bolsover.gov.uk</a> |
| <b>Contact Officer</b> | Joanne Wilson, Scrutiny & Elections Officer, 01246 242385, <a href="mailto:joanne.wilson@bolsover.gov.uk">joanne.wilson@bolsover.gov.uk</a> |

#### **PURPOSE/SUMMARY OF REPORT**

- To provide members of the Scrutiny Committee with an overview of the meeting programme of the Committee for 2022/23.

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#### **REPORT DETAILS**

##### **1. Background**

- 1.1 The main purpose of the report is to inform members of the meeting programme for the year 2021/22 and planned agenda items (Appendix 1).
- 1.2 This programme may be subject to change should additional reports/presentations be required, or if items need to be re-arranged for alternative dates.
- 1.3 Review Scopes submitted will be agreed within Informal Session in advance of the designated meeting for Member approval to ensure that there is sufficient time to gather the information required by Members and to enable forward planning of questions.
- 1.4 Members may raise queries about the programme at the meeting or at any time with the Scrutiny & Elections Officer should they have any queries regarding future meetings.

- 1.5 All Scrutiny Committees are committed to equality and diversity in undertaking their statutory responsibilities and ensure equalities are considered as part of all Reviews. The selection criteria when submitting a topic, specifically asks members to identify where the topic suggested affects particular population groups or geographies.
- 1.6 The Council has a statutory duty under s.149 Equality Act 2010 to have due regard to the need to advance equality of opportunity and to eliminate discrimination.
- 1.7 As part of the scoping of Reviews, consideration is given to any consultation that could support the evidence gathering process.

## **2. Details of Proposal or Information**

- 2.1 Attached at Appendix 1 is the meeting schedule for 2021/22 and the proposed agenda items for approval/amendment.

## **3. Reasons for Recommendation**

- 3.1 This report sets the formal Committee Work Programme for 2021/22 and the issues identified for review.
- 3.2 The Scrutiny Programme enables challenge to service delivery both internally and externally across all the Council Ambitions.
- 3.3 The Scrutiny functions outlined in Part 3.6(1) of the Council's Constitution requires each Scrutiny Committee to set an annual work plan.

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

- 4.1 There is no option to reject the report as the Scrutiny functions outlined in Part 3.6(1) of the Council's Constitution requires each Scrutiny Committee to set an annual work plan.

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## **RECOMMENDATION(S)**

- 1. That Members review this report and the Programme attached at Appendix 1 for approval and amendment as required. All Members are advised to contact the Scrutiny & Elections Officer should they have any queries regarding future meetings.

**IMPLICATIONS:****Finance and Risk:** Yes ☐ No ☒**Details:**

None from this report.

On behalf of the Section 151 Officer

**Legal (including Data Protection):** Yes ☒ No ☐**Details:**

In carrying out scrutiny reviews the Council is exercising its scrutiny powers as laid out in s.21 of the Local Government Act 2000 and subsequent legislation which added to/amended these powers e.g. the Local Government and Public Involvement in Health Act 2007.

On behalf of the Solicitor to the Council

**Staffing:** Yes ☐ No ☒**Details:**

None from this report.

On behalf of the Head of Paid Service

**DECISION INFORMATION**

|                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <b>Is the decision a Key Decision?</b><br>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:<br><br><b>Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/></b><br><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No                                       |
| <b>Is the decision subject to Call-In?</b><br><i>(Only Key Decisions are subject to Call-In)</i>                                                                                                                                                                                                                                                                                                                                   | No                                       |
| <b>District Wards Significantly Affected</b>                                                                                                                                                                                                                                                                                                                                                                                       | N/A                                      |
| <b>Consultation:</b><br><b>Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/></b><br><b>SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/></b><br><b>Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></b>                                                                                                               | Yes<br><br>Details:<br>Committee Members |

**Links to Council Ambition: Customers, Economy and Environment.**

All

| DOCUMENT INFORMATION |                              |
|----------------------|------------------------------|
| Appendix No          | Title                        |
| 1.                   | ACOSC Work Programme 2022/23 |

| Background Papers                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i> |
| Previous versions of the Committee Work Programme.                                                                                                                                                                                             |

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## Audit & Corporate Overview Scrutiny Committee

### Work Programme 2022/23

#### Formal Items – Report Key

| Treasury Management | Capital | Borrowing & Investment | Budget Monitoring | Audit/Risk | Performance | Update from Scrutiny Chairs |
|---------------------|---------|------------------------|-------------------|------------|-------------|-----------------------------|
|                     |         |                        |                   |            |             |                             |

| Date of Meeting                   | Items for Agenda                                                                               | Lead Officer                                             |
|-----------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>Thursday 26 May 2022, 10am</b> | • Report of External Audit                                                                     | Mazars                                                   |
|                                   | • Member Training 2022/23 – Member Discussion                                                  | Feedback from Committee Members on training requirements |
|                                   | • Corporate Ambitions Performance Update – January to March 2022 (Q4 – 2022/23)                | Information, Engagement and Performance Manager          |
|                                   | • Audit & Corporate Overview Scrutiny Committee Work Programme 2022/23 – Approval of Programme | Scrutiny & Elections Officer                             |
| <b>Tuesday 26 July 2022, 10am</b> | • Budget Monitoring Report – Financial Outturn 2021/22                                         | Treasurer and Section 151 Officer                        |
|                                   | • Annual Corporate Debt Monitoring Performance Report 2021/22                                  | Treasurer and Section 151 Officer                        |
|                                   | • Budget Monitoring Report – Quarter 1 – April to June 2022/23                                 | Treasurer and Section 151 Officer                        |
|                                   | • Report of Internal Audit – Summary of progress on the Internal Audit Plan                    | Head of Internal Audit Consortium                        |
|                                   | • Internal Audit Consortium Annual Report 2021/22                                              | Head of Internal Audit Consortium                        |
|                                   | • Briefing on CIPFA Publication – Internal Audit Untapped Potential                            | Head of Internal Audit Consortium                        |
|                                   | • Audit & Corporate Overview Scrutiny Committee Work Programme 2022/23                         | Scrutiny & Elections Officer                             |

| Date of Meeting          | Items for Agenda                                                                 | Lead Officer                                                    |
|--------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------|
| 323<br>Tues 13 Sept 10am | • Report to those charged with Governance – Mazars Audit Completion report       | Mazars                                                          |
|                          | • Strategic Risk Register and partnership arrangements                           | Director of Corporate Resources                                 |
|                          | • Annual Governance Statement and Local Code of Corporate Governance             | Assistant Director of Governance/Monitoring Officer             |
|                          | • Report of Internal Audit – Summary of progress on the Internal Audit Plan      | Head of Internal Audit Consortium                               |
|                          | • Implementation of Internal Audit Recommendations                               | Head of Internal Audit Consortium                               |
|                          | • Review of the Internal Audit Charter                                           | Head of Internal Audit Consortium                               |
|                          | • BDC Statement of Accounts 2021/22                                              | Treasurer and Section 151 Officer                               |
|                          | • Assessment of Going Concern Status                                             | Treasurer and Section 151 Officer                               |
|                          | • Scrutiny Annual Report – Approval of Audit & Corporate Overview section        | Treasurer and Section 151 Officer/ Scrutiny & Elections Officer |
|                          | • Anti-Fraud, Bribery and Corruption Policy                                      | Treasurer and Section 151 Officer                               |
|                          | • Corporate Ambitions Performance Update – April to June 2022 (Q1 – 2022/23)     | Information, Engagement and Performance Manager                 |
|                          | • Audit & Corporate Overview Scrutiny Committee Work Programme 2022/23           | Scrutiny & Elections Officer                                    |
| Tues 29 Nov 10am         | • Budget Monitoring Report – Quarter 2 – July to September 2022/23               | Treasurer and Section 151 Officer                               |
|                          | • Revised Budgets 2022/23                                                        | Treasurer and Section 151 Officer                               |
|                          | • Setting of Council Tax 2023/24                                                 | Treasurer and Section 151 Officer                               |
|                          | • Corporate Ambitions Performance Update – July to September 2022 (Q2 – 2022/23) | Information, Engagement and Performance Manager                 |
|                          | • Audit & Corporate Overview Scrutiny Committee Work Programme 2022/23           | Scrutiny & Elections Officer                                    |

| Date of Meeting                  | Items for Agenda                                                                    | Lead Officer                                             |
|----------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>Tues 24 Jan 2023, 10am</b>    | • Report of External Auditor – Auditor's Annual Report 2021/22                      | Mazars                                                   |
|                                  | • Report of External Auditor - External Audit Progress Report                       | Mazars                                                   |
|                                  | • Strategic Risk Register and partnership arrangements                              | Executive Director of Resources                          |
|                                  | • Report of Internal Audit – Summary of progress on the Internal Audit Plan         | Head of Internal Audit Consortium                        |
|                                  | • Treasury Management Briefing                                                      | Treasurer and Section 151 Officer and Arlingclose        |
|                                  | • Proposed Budget – Medium Term Financial Plan 2023/24 to 2026/27                   | Treasurer and Section 151 Officer                        |
|                                  | • Treasury Management Strategy                                                      | Treasurer and Section 151 Officer / Principal Accountant |
|                                  | • Capital Strategy                                                                  | Treasurer and Section 151 Officer / Principal Accountant |
|                                  | • Corporate Investment Strategy                                                     | Treasurer and Section 151 Officer / Principal Accountant |
|                                  | • Audit & Corporate Overview Scrutiny Committee Work Programme 2022/23              | Scrutiny & Elections Officer                             |
|                                  | • Update from Scrutiny Chairs (Verbal report)                                       | Scrutiny & Elections Officer                             |
| <b>Thurs 16 March 2023, 10am</b> | • Report of Internal Audit – Summary of progress on the Internal Audit Plan 2022/23 | Head of Internal Audit Consortium                        |
|                                  | • Implementation of Internal Audit Recommendations                                  | Head of Internal Audit Consortium                        |
|                                  | • Report of Internal Audit – Internal Audit Plan 2023/24                            | Head of Internal Audit Consortium                        |
|                                  | • Audit & Corporate Overview Committee – Self-assessment for effectiveness          | Treasurer and Section 151 Officer                        |
|                                  | • Accounting Policies 2022/23                                                       | Treasurer and Section 151 Officer                        |
|                                  | • Corporate Ambitions Performance Update – October to December 2022 (Q3 – 2022/23)  | Information, Engagement and Performance Manager          |
|                                  | • Audit & Corporate Overview Scrutiny Committee Work Programme 2022/23              | Scrutiny & Elections Officer                             |