

Borough Council of
**King's Lynn &
West Norfolk**



CABINET

Agenda

**WEDNESDAY, 10 SEPTEMBER
2014
at 5.30pm**

in the

**Committee Suite
King's Court
Chapel Street
King's Lynn**



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Borough Council of
**King's Lynn &
West Norfolk**



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CABINET AGENDA

**DATE: CABINET – WEDNESDAY, 10 SEPTEMBER
2014**

**VENUE: COMMITTEE SUITE, KING'S COURT,
CHAPEL STREET, KING'S LYNN**

TIME: 5.30 pm

As required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 - There are no items to be considered in private.

**1. SUSPENSION OF STANDING ORDER 36 – RECORDING OR
BROADCASTING OF MEETINGS**

In order to comply with Statutory Instrument 2014 no 2095, The Openness of Local Government Bodies Regulations 2011, Standing Order 36 be suspended for the duration of the meeting.

2. MINUTES

To approve the Minutes of the Meeting held on 29 July 2014 (previously circulated).

3. APOLOGIES

To receive apologies for absence.

4. URGENT BUSINESS

To consider any business, which by reason of special circumstances, the Chairman proposes to accept, under Section 100(b)(4)(b) of the Local Government Act 1972.

5. DECLARATION OF INTEREST

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it relates. If a disclosable pecuniary interest is declared, the member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on an item or simply observing the meeting from the public seating area.

6. CHAIRMAN'S CORRESPONDENCE

To receive any Chairman's correspondence.

7. MEMBERS PRESENT PURSUANT TO STANDING ORDER 34

To note the names of any Councillors who wish to address the meeting under Standing Order 34.

8. CALLED IN MATTERS

To report on any Cabinet decisions called in.

9. FORWARD DECISIONS LIST

A copy of the Forward Decisions List is attached (Pages 5)

10. MATTERS REFERRED TO CABINET FROM OTHER COUNCIL BODIES

To receive any comments and recommendations from other Council bodies which meet after the dispatch of this agenda. Copies of any comments made will be circulated as soon as they are available.

- Resources and Performance Panel and Audit Committee – 2 September 2014
- Regeneration, Environment and Community Panel – 3 September 2014

11. REPORTS

1) **Statement of Accounts 2013/14 and report to those charged with Governance (Page 7)**

The report introduces the Statement of Accounts (SOA) 2013/2014 – essentially the Statement is the final accounts set out in a format which includes the Council's balance sheet and associated notes. The report also considers the report from the auditor on the audit for the accounts 2013/2014 – the International Auditing Standard (ISA 260).

2) **Annual Governance Statement for the year 2013/14 (Page 34)**

The preparation and publication of an Annual Governance Statement (AGS) is a statutory requirement. The AGS is a public statement that describes and evaluates the Council's overall governance arrangements during a particular financial year.

This report seeks Cabinet approval of the Council's Annual Governance Statement covering the 2013/14 year

3) **2015/16 Council Tax Support Scheme for Consultation (Page 58)**

The Council must review and agree its Council Tax Support scheme each financial year. This process includes consulting with major preceptors, publishing a draft Council Tax Support scheme and then consulting with interested parties before the final Council Tax Support scheme is approved. This report details the recommended draft Council Tax Support scheme to go to public consultation.

4) **Effectiveness of the Audit and Risk Committee (Page 69)**

This report provides Cabinet with the results of the 'Review of the Effectiveness of the Audit and Risk Committee' for 2013-14 and confirms that the Committee is fulfilling its stated purpose which is 'to provide 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, and to oversee the financial reporting process'.

5) **Broadband Provision in West Norfolk (Page 90)**

This report seeks agreement to earmark funds of up to £500,000 towards the Norfolk County Council-led Better Broadband for Norfolk initiative. This will be matched by government funding

through the Better Broadband for Norfolk (BBfN) programme. The commitment to spend will not be confirmed until the BBfN programme has let the next contract, towards the end of this financial year, which will provide an opportunity to assess detailed information about the programme's roll-out and the impact for West Norfolk.

6) Coastal Communities Fund Application (Page 94)

The Borough Council in partnership with Hunstanton Sailing Club & Watersports Centre (the Centre) submitted a Stage 1 application to the Coastal Communities Fund (CCF) in April 2014 for funding towards the 'Active Hunstanton' project. This report seeks authorisation to proceed with submission of a stage 2 application to the CCF. If successful, the CCF would provide the capital funding required to construct the training and competition/event facilities at the Centre and revenue support to deliver a destination marketing campaign and training and events programme.

7) Appointment of replacement representative on Coastshare (Page 103)

Following of Councillor de Winton's resignation as an Executive Board Member on Coastshare Limited, Cabinet are requested to appoint a representative to join the Coastshare Executive Board.

To: Members of the Cabinet

Councillors N J Daubney (Chairman), A Beales, Lord Howard, A Lawrence, B Long, Mrs E A Nockolds, D Pope and Mrs V Spikings.

Cabinet Scrutiny Committee

For further information, please contact:

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FORWARD DECISIONS LIST

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
10 September 2014	Accounts ISA 260	To consider the accounts	Key	Cabinet	Leader Deputy Chief Executive		Public
	Annual Governance Statement		Non	Council	Leader Executive Director – D Gates		Public
	Effectiveness of the Audit and Risk Committee		Non	Cabinet	Leader Deputy Chief Executive		Public
	2015/16 Council Tax Support Scheme for Consultation		Key	Cabinet	Housing & Community Deputy Chief Executive	Previous Scheme	Public
	Coastal Communities Fund Application	Application for funding	Key	Cabinet	Regeneration & Industrial Assets Chief Executive		Public
	Appointment of replacement representative on Coastshare	Appt of rep	Non	Cabinet	Leader Chief Executive		Public
	Broadband Provision in West Norfolk	Earmarking of funding to the Better Broadband for Norfolk Initiative	Key	Cabinet	Leader Chief Executive		Public

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
7 October 2014	King's Lynn Town Centre Action Plan - Update	Feedback from stakeholder consultation	Non	Cabinet	Regeneration and Industrial Assets and Culture Tourism & Marketing Chief Executive		Public
	Update to Freedom of Information and Data Protection Policies	Update of the Council's Freedom of Information and Data Protection Policies	Non	Council	Leader Deputy Chief Executive		Public

	Asset Management – Future Acquisition of Industrial site/s- Saddlebow	Consideration of potential site/s	Key	Cabinet	Regeneration & Industrial Assets Deputy Chief Executive	Report to 6 May Cabinet.	Public
	Asset Management : Property Investment – NORA		Key	Council	Regeneration & Industrial Assets Deputy Chief Executive		Exempt Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	Major Housing Scheme – Results of Procurement	Report setting out the results of the procurement exercise	Key	Council	Regeneration Chief Executive		Public
	Potential for Compulsory Purchase Order – Land rear of 7 Blackfriar’s Road, King’s Lynn	Consideration of the CPO of the land	Non	Council	Development Exec Dir – G Hall		Public
	Peer Challenge Report and draft action plan		Non	Cabinet	Leader Chief Executive		Public
	King's Lynn Transport Interchange	Scheme to improve the bus station and pedestrian link to the train station using S106 funding	Non	Cabinet	Regeneration & Industrial Assets Chief Executive		Public
	Community Infrastructure Levy decision (CIL)	Consideration and decision on a CIL	Key	Council	Leader Exec Dir – G Hall		Public

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
4 November 2014	Site Allocations & Development Management Policies	Latest stage in the process	Key	Council	Development Exec Dir – G Hall	Previous reports published	Public

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	(a) Be entirely within Cabinet's powers to decide	NO	
	Operational	(b) Need to be recommendations to Council	YES	
	None	(c) Be partly for recommendations to Council and partly within Cabinet's powers –	NO	
Lead Member: Cllr N Daubney E-mail: cldr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Toby Cowper E-mail: toby.cowper@west-norfolk.gov.uk Direct Dial: 01553 616523		Other Officers consulted: Management Team, Service Managers.		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications (incl S.17) YES	Equal Opportunities Implications NO	Risk Management Implications NO

Cabinet Date: 10 September 2014

1 STATEMENT OF ACCOUNTS 2013/2014 AND REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260)

Summary

The report introduces the Statement of Accounts (SOA) 2013/2014 – essentially the Statement is the final accounts set out in a format which includes the Council's balance sheet and associated notes. The report also considers the report from the auditor on the audit for the accounts 2013/2014 – the International Auditing Standard (ISA 260).

Recommendation

It is recommended that Cabinet;

- 1) approve the authority for any changes required to the Statement of Accounts is delegated to the Chief Financial Officer, in consultation with the Leader of the Council, to authorise amendments and if necessary present an updated Statement to Council.
- 2) notes the comments of the auditor in the ISA260

It is recommended that Council;

- 1) approve the Statement of Accounts for 2013/2014
- 2) notes the comments of the auditor in the ISA260

Reason for Decision

The Council must approve the Statement of Accounts for 2013/2014 before 30 September 2014 and consider the comments from the auditor on the ISA 260.

1 Introduction

- 1.1 The report introduces the Statement of Accounts for 2013/2014 – a statutory document that must be approved by the Council before 30 September 2014. The Statement has been subject to external audit by Ernst & Young (the Council’s auditors for 2013/2014) during the summer period.
- 1.2 The Council has already received a report on the outturn of the budget for 2013/2014 in June. This report presents to members the formal set of accounts that are required for audit purposes. The format of the Statement of Accounts is subject to prescription under the International Financial Reporting Standards (IFRS) which is in accordance with the relevant Audit and Account Regulations.
- 1.3 The report from the auditor on the audit for the accounts 2013/2014 – the International Auditing Standard (ISA 260) – provides members with an overview of the findings of the audit.

2 Statement of Accounts 2013/2014

- 2.1 The Council must formally approve the SOA for 2013/2014 by 30 September 2014. Ernst & Young, the external auditor has audited the document over the past few months and has indicated that they are likely to express an opinion that the accounts present fairly the position of the Council as at 31 March 2014 and its income and expenditure for the year then ended.
- 2.2 As the Council’s designated S151 Officer, the Chief Financial Officer is responsible for the SOA and certifies her acceptance of the accounts. Associated with the final accounts, the Council is required to sign off an Annual Governance Statement (AGS) which has been signed by the Leader of the Council and the Chief Executive.
- 2.4 The Balance Sheet is on page 13 of the Statement of Accounts 2013/2014 document. The Balance Sheet is a ‘snapshot’ of the Council’s financial position at the 31 March 2013.
- 2.5 The figures of interest on the Balance Sheet are: -

	As at 31/3/2013	As at 31/3/2014 Draft Accounts	As at 31/3/2014 Final Accounts	
	£m	£m	£m	
Balance of short term investment and cash and cash equivalents	25.9	27.2	27.2	This reflects the continued uncertainty in the money markets and the low interest rates currently available. This is in line with the declared strategy where the Council wished to remain flexible and avoid being locked into long term low rates.
Short term receivables	5.7	3.7	7.5	This movement is due mainly to the NNDR 'Safety Net' payment due from Central Government.
Provisions	0	0	(3.4)	A new Provisions line has been included in the Balance Sheet for 2013/2014. This represents the new provision for the Councils share of NNDR appeals £3.4m.
Short term borrowing	(6.5)	(3.0)	(3.0)	This simply reflects the Council's short term cash flow position as at 31/3/2014.
Pension Deficit	(45.9)	(44.4)	(44.4)	However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy. The deficit on the local government scheme will be dealt with over a period of 30 years by the Council paying increased contributions over the remaining working life of employees (i.e., before payments fall due), as assessed by the scheme Actuary. Further detail is presented in the Pension disclosure notes included in the Statement of Accounts.
Ongoing liabilities to the fund	(140.0)	(146.2)	(146.2)	
Value of the assets to the fund	94.1	101.7m	101.7	
Useable Reserves	22.0	24.5	25.4	The increase in the Useable Reserves is mainly due to the £1.6m which has been transferred to the Business Rate Retention Earmarked Reserve (to be called down in 2015/2016).
Unusable Reserves	93.0	91.8	92.3	Unusable Reserves have remained relatively stable

3 Amendments to the Earmarked Reserves policy

- 3.1 The policy on earmarked reserves is reported to Cabinet in February as part of the budget process and updated for any necessary adjustments as part of this report.

As part of the work on Statement of Accounts the reserve balances are reviewed. Balances held in earmarked reserves as at 31/3/2014 can be found on page 20 (note 6) of the Statement of Accounts. It is proposed to:

Increase the maximum balance on the 'Ring Fenced' reserve to £1.5m. due to additional Section 106 monies received.

Create a new category of reserve (Business Rates Retention) this is being set up to hold the accounting adjustments necessary for the Councils NNDR Safety Net and Levy payments.

4 The International Auditing Standard (ISA 260).

- 4.1 At the time of writing this report the auditor is still finalising the audit of the Council's Statement of Accounts for 2013/2014 and will verbally provide an update to the attached ISA 260 report at the Audit and risk committee meeting on the 8 September 2014.

5 Financial Implications

- 5.1 There are no financial implications that follow the presentation of the Statement of Accounts.
- 5.2 As noted in the auditors report (ISA 260), it is possible that the audit fee will be more than originally estimated by Ernst Young. Any increase on the fee will be subject to approval by the Audit Commission. In setting the budget for the audit fee for 2013/2014 a contingency sum was included based on the expectation and experience of past audits.

6. Policy Implications

- 6.1 None.

7 Statutory Considerations

- 7.1 The Statement of Accounts must be approved by the Council by 30 September 2014.

8. Consultations

Leader of Council

9. Access to Information

Council agenda/minutes
Financial Plan 2012 - 2016

Borough Council of King's Lynn & West Norfolk

Audit & Risk Committee Summary

For the year ended 31 March 2014

Audit Results Report – ISA (UK & Ireland) 260

August 2014



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- ▶ Independence and audit fees
- ▶ Appendices

Executive summary

Key findings

Audit results and other key matters

The Audit Commission's Code of Audit Practice (the Code) requires us to report to those charged with governance – the Audit & Risk Committee - on the work we have carried out to discharge our statutory audit responsibilities together with any governance issues identified.

This report summarises the findings from the 2013/14 audit which is substantially complete. It includes the messages arising from our audit of your financial statements and the results of the work we have undertaken to assess your arrangements to secure value for money in your use of resources.

Financial statements

- ▶ As of 10 August 2014, our preliminary conclusion is that we expect to issue an **unqualified opinion** on the financial statements. However, a limited number of our audit procedures remain in progress, and our quality review processes are ongoing. We will verbally update the Audit & Risk Committee on progress on 8 September.
- ▶ Our audit results demonstrate that the Council has prepared its financial statements adequately although we have identified a number of required amendments and presentational improvements.

Value for money

- ▶ We expect to conclude that you have made **proper arrangements** to secure economy, efficiency and effectiveness in your use of resources.

Whole of Government Accounts

- ▶ Our work on the National Audit Office Whole of Government Accounts submission will be completed in September.

Audit certificate

- ▶ The audit certificate is issued to demonstrate that the requirements of the Audit Commission's Code of Audit Practice have been discharged. We expect to issue the audit certificate at the same time as the audit opinion.

Extent and purpose of our work

The Council's responsibilities

The Council is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. In the Annual Governance Statement, the Council reports publicly on the extent to which it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Purpose of our work

Our audit was designed to:

- Express an opinion on the 2013/14 financial statements
- Report on any exception on the governance statement or other information included in the foreword
- Consider and report any matters that prevent us being satisfied that the Council had put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources (the Value for Money conclusion)

In addition, this report contains our findings related to the areas of audit emphasis, our views on the Council's accounting policies and judgments and significant deficiencies in internal control.

As a component auditor, we also follow the group instructions and send to the National Audit Office our group assurance certificate, audit results report and auditor's report on the consolidation schedule. This work will be completed in September.

This report is intended solely for the information and use of the Council. It is not intended to be and should not be used by anyone other than the specified party.

Addressing audit risks

Significant audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

Audit risk identified within our Audit Plan	Audit procedures performed	Assurance gained and issues arising
Significant audit risks (including fraud risks)		
<p>1. Nar Ouse Regeneration Agreement</p> <p>The Council entered into a jointly shared asset arrangement (The King's Lynn Development Partnership) with Norfolk County Council to develop land at the Nar Ouse regeneration site (NORA). Spend on the project has increased in 2013/14 and the first stage of housing development was scheduled to be well progressed by 31 March 2014.</p> <p>The Council plans to sell these houses or lease them if sales are unachievable. The accounting for the properties needed to be finalised, and the appropriate valuation basis determined.</p>	<ul style="list-style-type: none"> We considered the Council's proposal that the expenditure was capital in nature and should be classified as assets under construction within property, plant and equipment at cost in the balance sheet until sold or disposed of to the leasing company. We considered whether the Council had the powers to carry out the development, including the financing thereof. We considered the Council's updated view on the assessment of the arrangement under IAS 31, Interests in Joint Ventures, to ensure that the accounting treatment is correct and that there are no implications for group accounts purposes. We reviewed the amounts capitalised and agreed a sample of costs back to supporting invoices. We considered the presentation within the property, plant and equipment note. 	<ul style="list-style-type: none"> We agreed with the Council's assessment that the expenditure was capital and classified as assets under construction at cost to date in the balance sheet. We have no concerns to report regarding the Council's powers to carry out the arrangement, or finance it. We agreed with the continued assessment of The King's Lynn Development Partnership as a jointly controlled asset, and that there are no implications for group accounts under current IFRS requirements. There were no issues with the amounts capitalised in terms of the supporting invoices. We identified that the Council had capitalised the whole amount of expenditure and then made an adjustment for the share (£1.588 million) relating to Norfolk County Council (NCC), reflecting this as a grant received from NCC and derecognising the NCC 50% share within the movements in property plant and equipment. The Council should have just recognised its share of the assets. Whilst this did not impact the balance sheet total reserves, income and expenditure within planning and development were both overstated by £1.588 million and a number of the notes to the accounts were misstated. Officers have agreed to correct the financial statements. As of 10 August we have not yet received a revised set of accounts to check the corrections against. We will update the Audit & Risk Committee at their 8 September meeting.

Addressing audit risks

Significant audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

Audit risk identified within our Audit Plan	Audit procedures performed	Assurance gained and issues arising
Significant audit risks (including fraud risks)		
<p>2. Localisation of business rates</p> <p>There have been significant changes in the arrangements for business rates from April 2013. The changes in accounting arrangements presented a risk in terms of the financial statements.</p> <p>One of the main changes is that individual councils now need to make accounting provision for rating appeals. This was anticipated to be a significant accounting estimate.</p>	<ul style="list-style-type: none"> We considered if the Council's accounts were materially accurate in terms of NDR accounting, and compliant with the CIPFA Code of Practice, We considered the Council's estimation for business rate appeals, and the appropriate disclosure of this in the financial statements. 	<p>NDR accounting:</p> <ul style="list-style-type: none"> The Council's overall accounting entries for the changed NDR arrangements was materially accurate. However we noted the following: The Council had misclassified its share of NDR debtors in the balance sheet, and within the short term receivables note classification. The net reduction in receivables and payables was £0.116 million.

Addressing audit risks

Significant audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

Audit risk identified within our Audit Plan	Audit procedures performed	Assurance gained and issues arising
Significant audit risks (including fraud risks)		
<p>2. Localisation of business rates (continued)</p> <p>There have been significant changes in the arrangements for business rates from April 2013. The changes in accounting arrangements presented a risk in terms of the financial statements.</p> <p>One of the main changes is that individual councils now need to make accounting provision for rating appeals. This was anticipated to be a significant accounting estimate.</p>	<ul style="list-style-type: none"> We considered if the Councils were materially accurate in terms of NDR accounting, and compliant with the CIPFA Code of Practice, We considered the Council's estimation for business rate appeals, and the appropriate disclosure of this in the financial statements. 	<p>NDR Appeals provision:</p> <ul style="list-style-type: none"> The Council's £2.9 million share of the NDR appeals provision had been incorrectly deducted from short term receivables in the draft financial statements. Officers have agreed to correct for this presentational error, and include a full provisions note in the revised financial statements. Changes to the disclosures in the accounting policies and the major sources of estimation uncertainty note are also required. The requirement to provide for NDR appeals is a new requirement introduced by the 2013/14 CIPFA Code of Practice. CIPFA have not provided detailed guidance or suggestions for methodologies for the NDR provision, preferring to point Council's towards the general accounting standards for provisions. Officers prepared a detailed methodology, which we compared with our own estimate. Our view was that the Council had not considered enough years that appeals already lodged with the Valuation Office could impact, nor had considered the full impact of appeals that could be lodged relating to 2013/14 or earlier. Officers reconsidered the appeals estimate following our initial audit work and agreed to increase the provision by £0.5 million. This impacts a number of entries across the Council's accounts which we will need to check in the revised financial statements,

Addressing audit risks

Significant audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

Audit risk identified within our Audit Plan	Audit procedures performed	Assurance gained and issues arising
Significant audit risks (including fraud risks)		
3. As identified in ISA (UK & Ireland) 240, management is in a unique position to perpetrate fraud because of their ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	<ul style="list-style-type: none"> • Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; • Reviewed accounting estimates for evidence of management bias ; and • Evaluated the business rationale for any significant unusual transactions. 	<ul style="list-style-type: none"> • At 10 August elements of our journal testing remain in progress, but we have no matters to report to date. We will update the Audit & Risk Committee at their 8 September meeting. • We do not consider there is evidence of management bias in setting accounting estimates. • No matters to report regarding significant or unusual transactions.

Financial statements audit

Issues and misstatements arising from the audit

Progress of our audit

- ▶ The following areas of our work programme remain to be completed at 10 August. We will provide an update of progress at the 8 September Audit & Risk Committee meeting:
 - ▶ Receipt of a Letter of Representation at the point the financial statements are signed.
 - ▶ Receipt of a number of third party loan and investment balance confirmations.
 - ▶ Agreement of the accounting amendments and disclosures required as a result of the King's Court valuation changes.
 - ▶ Agreement of the proposed accounting amendments required to housing benefit debtors and the related provision.
 - ▶ Resolution with officers of a limited number of queries from our initial review of the financial statements.
 - ▶ Receipt and review of a fully revised set of financial statements covering all amendments agreed to date.
 - ▶ Completion of our audit work on journals, group relationships and related party disclosures
 - ▶ Completion of our internal review and quality control procedures
 - ▶ Whole of Government Accounts work

Subject to the satisfactory resolution of the above items, we propose to issue an unqualified audit report on the financial statements. We will update the Audit & Risk Committee at their 8 September meeting.

Financial statements audit

Issues and misstatements arising from the audit

Uncorrected Misstatements

- Other than items which we deem to be clearly insignificant (less than £86,000 impact), we have identified two misstatements within the draft financial statements, which management has chosen not to adjust. Both relate to the 'turnaround' impact of errors detected in the prior year. 'Turnaround impact' is the impact of uncorrected misstatements identified in the prior period on results in the current period.
- We request that uncorrected misstatements be corrected or a rationale provided as to why they are not corrected be considered and approved by the Audit & Risk Committee and provided within the 2013/14 Letter of Representation. As these errors were all identified in the 2012/13 financial statements and referred to in the 2012/13 Letter of Representation, you should ensure that the rationale previously provided regarding immateriality remains relevant, and refer to this in the 2013/14 letter of representation.
- Appendix 1 to this report sets out the uncorrected misstatements.

Corrected Misstatements

- Our audit identified eight misstatements impacting the primary financial statements which our team have highlighted to officers for amendment. Officers have agreed to correct for all of these misstatements..
- We consider three of these misstatements to be significant and include these at Appendix 2 to this report. We set out further details below where not already covered at the significant risk section.
- There are potentially additional cash flow statement implications and other disclosure implications of the agreed amendments which we will need to review against a revised set of financial statements.

Financial statements audit

Issues and misstatements arising from the audit

Corrected misstatements (continued)

Asset valuations

- We detected that the Council's in year valuation movement for the King's Court land and buildings had been posted the wrong way round. Together with additional valuation changes detected on investment properties, the Councils fixed assets were understated by £1.534m.
- As part of the above review we detected that land and building values relating to King's Court had been included incorrectly in the fixed asset register in an earlier year due to the Valuer transposing the land and building values in the valuation report. This meant that revaluation and impairment movements for King's Court were overstated in the draft 2013/14 financial statements, and that this had been replicated in earlier years.
- At 10 August officers are still assessing the impact of this transposition error as it will impact revaluation and impairment movements posted in earlier years. We are therefore currently unable to quantify the error – officers provided a proposed revised property, plant and equipment (PPE) note on 8 August and we will need to assess this and the proposed journal corrections. We will update the Audit & Risk Committee at their 8 September meeting.

Asset valuations (continued)

- This will also affect the PPE valuation cycle table which officers are assessing and planning to correct.

Financial statements audit

Issues and misstatements arising from the audit

Other Matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we are required to communicate to you significant findings from the audit and other matters that are significant to your oversight of the Council's financial reporting process including the following:

- Qualitative aspects of your accounting practices; estimates and disclosures;
- Matters specifically required by other auditing standards to be communicated to those charged with governance. For example, issues about fraud, compliance with laws and regulations, external confirmations and related party transactions; and,
- Any significant difficulties encountered during the audit; and
- Other audit matters of governance interest,

We wish to report the following matters:

Housing benefit overpayments

- As part of our consideration of the adequacy of the Council's bad debt provision we questioned the consistency of the provision with the actual receivables recorded in the Council's balance sheet. At 10 August officers were reviewing the position. We will update the Audit & Risk Committee at their 8 September meeting.

Disclosures in the draft financial statements

- We provided officers with a number of comments regarding the disclosures in the financial statements, and have agreed a relatively high number of changes with officers. Some of these are relatively minor and the most significant are included at Appendix 2.
- We have seen improvement from 2012/13, but the quality control processes for preparing the financial statements are not yet sufficiently robust. The level of disclosure errors means that audit time spent is more than planned. However, we are conscious that officers have been preparing the financial statements whilst dealing with a number of key organisational changes including the leisure trust and banking changes, and that resources are constrained. Pressures will be increased in 2014/15 when group financial statements are required, as well as potentially preparing two sets of company accounts and the accounts for the leisure trust.
- Officers should ensure that the 2014/15 draft financial statements are checked to an up to date CIPFA disclosure checklist as this has not been done since 2010/11.
- The Council does not make any disclosures regarding trading activities in the financial statements. Officers have stated that trading activities are not material, but no formal assessment has been carried out. We recommend that this is performed in advance of preparing the 2014/15 financial statements to ensure that the Council is complying with the CIPFA Code of Practice.

Financial statements audit

Issues and misstatements arising from the audit

Other Matters (continued)

Earmarked reserves

- ▶ As a result of audit queries, officers agreed to revise the earmarked reserves note, which included a specific £1.6 million reserve to cover any shortfall in retained NDR, initially described as 'other' & separately disclose this. It also proposed a move of £0.466 million from 'other reserves' to a specific 'project reserve'.
- ▶ Per the Financial Plan, 'other' reserves should not exceed £0.1 million.
- ▶ The current operational process is that Council members review the reserves policy and agree levels for earmarked reserves on an annual basis when the financial plan is agreed. They then see the movements and balances on earmarked reserves via the financial statement approval process. This can mean that agreed balances are exceeded, and are only approved retrospectively. We recommend that the Council considers whether this reporting process should be strengthened.

Treasury management

Since the mid-year treasury report went to Cabinet in November 2013 there have been two amounts invested for more than one year totalling £5 million, both with other local authorities. The approved treasury management strategy was that all investments should be short term. We have requested evidence that appropriate member approval has been obtained before making the long term investments but this had not been provided at 10 August. We will update the Audit & Risk Committee at their 8 September meeting. We note that the 2014/15 treasury management strategy was approved permitting up to £10 million to be deposited with local authorities for periods exceeding 364 days.

Audit difficulties

Our audit has taken longer to complete than we expected. We will arrange to meet with officers in September to debrief on the overall process. This is likely to result in an additional fee request but given that our audit processes are still being completed we are not yet able to quantify this.

Financial statements audit (continued)

Internal Control, Written Representations & Whole of Government Accounts

Internal Control

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

We have tested the controls of the Council only to the extent necessary for us to complete our audit. We are not expressing an opinion on the overall effectiveness of internal control. Our audit plan set out that we would carry out a substantive audit in 2013/14.

We have reviewed the Annual Governance Statement and can confirm that:

- ▶ It complies with the requirements of CIPFA/SOLACE Delivering Good Governance in Local Government Framework; and
- ▶ It is consistent with other information that we are aware of from our audit of the financial statements.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

Request for written representations

We have requested a management representation letter to gain management's confirmation in relation to a number of matters. At 10 August we do not require any specific representations in addition to the standard representations.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the National Audit Office.

This work will be completed in September and we will report any matters that arise to the Audit Committee.

Arrangements to secure economy, efficiency and effectiveness

The Code of Audit Practice (2010) sets out our responsibility to satisfy ourselves that the Borough Council of King's Lynn and West Norfolk has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In examining the Council's corporate performance management and financial management arrangements, we have regard to the following criteria and focus specified by the Audit Commission.

Criteria 1 - Arrangements for securing financial resilience

▶ *“Whether the Council has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future”*

▶ We did not identify any significant risks in relation to this criteria.

We have no issues to report in relation to this criteria.

Criteria 2 - Arrangements for securing economy, efficiency and effectiveness

▶ *“Whether the Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.”*

▶ We did not identify any significant risks in relation to this criteria.

We have no issues to report in relation to this criteria.

Independence and audit fees

Independence

- ▶ We confirm there are no changes in our assessment of independence since our confirmation in our Audit Plan dated March 2014.
- ▶ We complied with the Auditing Practices Board's Ethical Standards for Auditors and the requirements of the Audit Commission's Code of Audit Practice and Standing Guidance. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.
- ▶ We confirm that we are not aware of any relationships that may affect the independence and objectivity of the firm that we are required by auditing and ethical standards to report to you.
- ▶ We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view.

If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Audit Committee on 8 September 2014.

- ▶ We confirm that we have met the reporting requirements to the Audit Committee, as 'those charged with governance' under International Standards on Auditing (UK&I) 260. Our communication plan to meet these requirements were set out in our Audit Plan of March 2014.

Audit fees

The table below sets out the scale fee and our final proposed audit fees.

	Proposed final fee 2013-14	Scale fee 2013-14	Variation comments
	£	£	
Total audit fee – Code work	To be confirmed	67,488	
Certification of claims and returns	29,700	29,700	No proposed variation at this stage
Non-audit work	1,750	-	Group Accounts Workshop

- ▶ Our actual audit fee will be confirmed when our remaining audit procedures are complete.
- ▶ We have undertaken non-audit work outside of the Audit Commission's Audit Code requirements in respect of the Group Accounts Workshop

Appendix 1 - Uncorrected audit misstatements

- The following misstatements, which are greater than £86,000, have been identified during the course of our audit. All matters relate to the ongoing impact of errors detected in 2012/13.
- These items have not been corrected by management.

Balance Sheet and Statement of Comprehensive Income and Expenditure

Item of Account	Nature	Type	Balance Sheet £'000	Statement of Comprehensive Income & Expenditure £'000
	Description	F, P, J	Debit/(Credit)	Debit/(Credit)
1. Ongoing impact of the 2012/13 uncorrected misstatement relating to a 99 year lease which had been incorrectly treated as a full disposal in 2012/13.	The correct treatment under IFRS in 2012/13 would have been to retain the asset within long term assets and create a creditor for the sale proceeds, releasing them evenly over the 99 year lease. In 2013/14 this impacts: Investment property Short term lease liability Long term lease liability Reserves Income from investment property	F	497 (5) (436) (51)	(5)

Key

- ▶ F – Factual misstatement
- ▶ P – Projected misstatement based on audit sample error and population extrapolation
- ▶ J – Judgemental misstatement

Appendix 1 - Uncorrected audit misstatements (continued)

- ▶ The following misstatements, which are greater than £86,000, have been identified during the course of our audit. All matters relate to the ongoing impact of errors detected in 2012/13.
- ▶ These items have not been corrected by management.

Balance Sheet and Statement of Comprehensive Income and Expenditure

Item of Account	Nature	Type	Balance Sheet £'000	Statement of Comprehensive Income & Expenditure £'000
	Description	F, P, J	Debit/(Credit)	Debit/(Credit)
2. 2013/14 impact of the projected error in expenditure cut off testing detected in 2012/13.	As expenditure and liabilities were overstated in 2012/13 the turnaround impact is that 2013/14 expenditure is understated Expenditure Reserves	P	(338)	338
Cumulative effect of uncorrected misstatement - 2013/14 errors			-	-
Cumulative effect of uncorrected misstatement - 2013/14 errors and the impact of uncorrected misstatements identified in the prior period			(333)	333

Key

- ▶ F – Factual misstatement
- ▶ P – Projected misstatement based on audit sample error and population extrapolation
- ▶ J – Judgemental misstatement

Appendix 2 - Corrected audit misstatements

The following corrected misstatements have been identified during the course of our audit and warrant communicating to you. We have only included those errors which exceed £0.86 million as we use this figure to determine those errors significant enough to report to you. Corrected errors below that level are not included unless the type of error detected and corrected means that we consider they should be reported.

Officers have agreed to correct these items within the revised financial statements. As at 10 August we have not yet received or reviewed the revised set of statements.

Balance Sheet and Statement of Comprehensive Income and Expenditure

Item of Account	Nature	Type	Balance Sheet £'000	Statement of Comprehensive Income & Expenditure £'000
	Description	F, P, J	Debit/(Credit)	Debit/(Credit)
1. Understatement of other land and buildings due to mis-posting of valuation adjustments connected with the King's Court building and investment properties - see comments earlier in the report.	Property, Plant & Equipment - other land and buildings Other entries - to be confirmed at 10 August	F	1,534	TBC

Key

- ▶ P – Projected misstatement based on audit sample error and population extrapolation
- ▶ F – Factual misstatement
- ▶ J – Judgemental misstatement

Appendix 2 - Corrected audit misstatements

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Balance Sheet and Statement of Comprehensive Income and Expenditure

Item of Account	Nature	Type	Balance Sheet £'000	Statement of Comprehensive Income & Expenditure £'000
	Description	F, P, J	Debit/(Credit)	Debit/(Credit)
2. Overstatement of income and expenditure connected with the corrections connected with the NORA assets in the course of construction – see comments earlier in the report.	Planning and development income Planning and development expenditure	F		1,588 (1,588)

Key

- ▶ F – Factual misstatement
- ▶ P – Projected misstatement based on audit sample error and population extrapolation
- ▶ J – Judgemental misstatement

Appendix 2 - Corrected audit misstatements

The following corrected misstatements have been identified during the course of our audit and warrant communicating to you. We have only included those errors which exceed £0.86 million as we use this figure to determine those errors significant enough to report to you. Corrected errors below that level are not included unless the type of error detected and corrected means that we consider they should be reported.

Officers have agreed to correct these items within the revised financial statements. As at 10 August we have not yet received or reviewed the revised set of statements.

Balance Sheet and Statement of Comprehensive Income and Expenditure

Item of Account	Nature	Type	Balance Sheet £'000	Statement of Comprehensive Income & Expenditure £'000
	Description	F, P, J	Debit/(Credit)	Debit/(Credit)
3. NDR appeals provision incorrectly classified in the balance sheet	Short term receivables Provisions	F	2,942 (2,942)	
Cumulative effect of uncorrected misstatements exceeding tolerable error			1,534 (TBC)	TBC

Key

- ▶ F – Factual misstatement
- ▶ P – Projected misstatement based on audit sample error and population extrapolation
- ▶ J – Judgemental misstatement

Appendix 2 - Corrected audit misstatements

The following misstatements, have been identified during the course of our audit and in our professional judgement warrant communicating to you.

We identified a higher than normal number of disclosure changes, the most significant of which we highlight below.

Officers have agreed to correct these items within the revised financial statements. As at 10 August we have not yet received or reviewed the revised set of statements.

Disclosures:

Disclosure	Description of misstatement
1. Pension disclosures	Pension disclosures throughout the financial statements had not been updated for the changes in IAS 19.
2. Collection Fund	We identified a number of errors in the disclosures presented for the Collection Fund. The accounting policies connected with the collection fund had not been fully updated in the draft accounts.
3. Explanatory Foreword	Some corrections were required to the information presented in the explanatory foreword. We recommend that officers review the overall presentation of the Explanatory Foreword before the 2014/15 financial statements are prepared, as aspects are difficult to interpret and are prone to drafting error.
4. Officers' Remuneration	The note is being revised to include the s151 and Monitoring Officers; to include pension contributions which were excluded in error, and to correct for a casting error.
5. Amounts reported for resource allocation decisions	Officers reworked the resource allocation note following initial audit comment that the employee expenses appeared to be materially incorrect.
6. Group relationships	The 'Joint Arrangements' note has been reworked to better reflect group and other joint arrangements, including the investment in Alive Management Limited
7. Earmarked reserves	Reclassification of reserves from 'other' classification.

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In March 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the Chief Executive of each audited body and via the [Audit Commission's website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory	Be entirely within Cabinet's powers to decide	NO	
		Need to be recommendations to Council	YES	
		Is it a Key Decision	NO	
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
Lead Officer: Ray Harding E-mail: ray.harding@west-norfolk.gov.uk Direct Dial: 01553 616245		Other Members consulted:		
Financial Implications NO		Policy/Personnel Implications NO	Statutory Implications YES	Equalities Impact Assessment req'd NO
				Risk Management Implications YES

Date of meeting: 10 September 2014

2 ANNUAL GOVERNANCE STATEMENT FOR THE YEAR 2013/14

Summary

The preparation and publication of an Annual Governance Statement (AGS) is a statutory requirement. The AGS is a public statement that describes and evaluates the Council's overall governance arrangements during a particular financial year.

This report seeks Cabinet approval of the Council's Annual Governance Statement covering the 2013/14 year – attached at Appendix A.

Recommendation

It is recommended that the Annual Governance Statement for the 2013/14 year as attached be approved for adoption and that the Leader of the Council and the Chief Executive sign accordingly.

Reason for Decision

To comply with the statutory requirements in the Accounts and Audit Regulations (England) Regulations 2011.

1.0 Background

1.1 The Council's Local Code of Corporate Governance sets out six core principles of good governance that focus on the systems and processes for the direction and control of the Council and its activities through which it accounts to, engages with and leads the community. These core principles include:

- Focusing on the purpose of the Council
- Roles and responsibilities of members and officers

- Standards of conduct and behaviour
- Decision making, scrutiny and risk management
- Developing capacity and capability of members and officers
- Engaging with local people and stakeholders

1.2 The extent to which the Council adheres to these principles is described in the Annual Governance Statement.

1.3 The preparation and publication of an Annual Governance Statement (AGS) is a statutory requirement. The AGS is a public statement that describes and evaluates the Council's overall governance arrangements during a particular financial year. It includes a self-assessment of the effectiveness of the governance arrangements, across all areas of activity, together with a statement of the actions being taken or required to address any areas of concern.

1.4 The Statement is signed by the Leader and Chief Executive of the Council and published alongside the Statement of Accounts.

2.0 Proposed Annual Governance Statement

2.1 The Statement has been produced in accordance with relevant professional guidance and good practice – the Chartered Institute of Public Finance and Accountancy (CIPFA) published an addendum to their "Delivering Good Governance in Local Government: Framework" in late 2012. The addendum sets out the key areas which should be reflected in the Annual Governance Statement and a comprehensive review has taken place to ensure that these areas are all included in the Council's AGS for 2013/14.

2.2 The production of the statement, and the consultation process, has involved input from Management Team, the Audit Manager, the S151 Officer, the Democratic Services Manager, the ICT Manager and the remainder of extended Management Team, as well as external audit.

2.3 The Statement is required to include notification of any significant internal control issues identified and include an action plan to address them. Significant governance issues are covered in section 5 in the Statement, the Action Plan being worked on during the current 2014/15 year is on the final page.

2.4 The Statement also comments on actions progressed from the previous year (2012/13).

3.0 Policy Implications

None

4.0 Financial Implications

None

5.0 Personnel Implications

None

7.0 Statutory Considerations

7.1 The adoption of the Annual Governance Statement is required to comply with the Accounts and Audit Regulations.

8.0 Equality Impact Assessment (EIA)

None

9.0 Risk Management Implications

9.1 The Annual Governance Statement forms part of the Council's risk management process and provides reasonable assurance (as defined in section 7 of the AGS itself) that the Council is complying with the adopted Code of Corporate Governance.

9.2 Failure to maintain an effective approach to producing the AGS may lead to the Council being

- unable to meet its statutory duty
- unable to demonstrate it has effective corporate governance arrangements in place
- open to criticism from External Audit.

10.0 Recommendations

10.1 From the review undertaken, the assessment and ongoing monitoring work completed and supported by the verification work undertaken by internal audit, we have reached the opinion that key systems are operating soundly and that there are no fundamental weaknesses.

10.2 It is recommended that the Annual Governance Statement for 2013/14 as attached be approved for adoption and that the Leader of the Council and the Chief Executive sign accordingly.

11.0 Declarations of Interest / Dispensations Granted

None

Background Papers

CIPFA/SOLACE Framework including Guidance Notes and Addendum
Annual Governance Statement 2012/13

Borough Council of
**King's Lynn &
West Norfolk**



Annual Governance Statement

2014

Covers the 2013/14 year

1. Scope of responsibility

The Borough Council of King's Lynn and West Norfolk is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a statutory 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 the above.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website at www.west-norfolk.gov.uk. This Annual Governance Statement explains how this Council has complied with the code and also meets the requirements of the Accounts and Audit (England) Regulations 2011, regulation 4(3) which requires all relevant bodies to prepare an annual governance statement in relation to the effectiveness of the system of internal control.

2. The purpose of the governance framework

The governance framework comprises the systems, policies, procedures and operations by which the authority is directed and controlled, and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and outcomes and to consider whether those objectives have led to delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to

- identify and prioritise the principle risks to the achievement of the Council's policies, agreed outcomes and objectives
- evaluate the likelihood and potential impact of those risks being realised
- manage them efficiently, effectively and economically.

The governance framework has been in place at the Borough Council of King's Lynn and West Norfolk for the year ended 31 March 2014 and remains in place to date.

3. The governance framework

The Council's governance framework is made up of the many systems, policies, procedures and operations we have in place to do the following:

3.1 Publish our aims for local people and others who use our services

The Council shares a common ambition with its partners to improve the quality of life in West Norfolk. Broad aims – or outcomes – to work towards for the borough are set out in the West Norfolk Strategy:

- people benefit from a growing economy
- people live in a quality environment
- people maximise their potential
- people lead safe and healthy lives
- people live in thriving communities

These aims are shared with our key partners, many of whom form the West Norfolk Partnership, which brings together the public and voluntary sector leaders in West Norfolk. The same five outcomes – plus one which looks at how the Council wants to use its resources – have been used as the framework for the Council's Corporate Business Plan 2011/12 – 2014/15, which is the overarching strategy for the Council. By using the same outcomes as the West Norfolk Strategy, the Council can clearly show how it contributes and how its vision is aligned with our partner organisations.

The Corporate Business Plan is aligned with the Council's Financial Plan and is available on the Council's website.

3.2 Review our aims and the implications on our governance arrangements

During the 2013/14 year the Corporate Business Plan was refreshed, as the plan was halfway through its life. Officers and Councillors have worked hard to achieve the aims set out in the Corporate Business Plan and progress has been reviewed through our Corporate Business Plan Monitoring report, considered every six months by the Resources and Performance Panel. The Council's senior management team are instrumental in the achievement of our aims and through the regular meetings they hold, they ensure that our governance arrangements are consistent with, and support us in this.

3.3 Measure the quality of our services and make sure we provide them in line with our aims and that they provide value for money

The Council has a Performance Management Framework which is, in effect, a summary of the key internal processes and components through which the Council sets, delivers, monitors and reports on its priorities and services. As such the Performance Management Framework encompasses elements of strategy, finance, performance, people and risk management, and reporting and accountability. The Framework describes how the Council measures and monitors the performance of our services and is available on the Council's website.

3.4 Define and document the roles and responsibilities of the executive, non-executive, scrutiny and officer functions

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures to be followed to ensure that these are efficient, transparent and accountable to local people. This defines, amongst other things the roles of the Council, Cabinet, how the scrutiny and overview function operates, the Scheme of Delegation, and the roles and responsibilities of officers and members. The different elements of the Constitution are subject to periodic change either through national legislation or local decision. In the 2013/14 year, Standing Orders (part 4 of the Constitution) was updated to take into account The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 which required Councils to adopt the practice of recorded votes on any decision relating to the budget or council tax.

Within the Constitution, full Council sets the overall budget and policy framework of the Council, while Cabinet makes decisions within this framework, and is held to account by the overview and scrutiny arrangements. Meetings are open to the public except where exempt or confidential matters are being disclosed. In addition, senior officers of the Council can make decisions under delegated authority. The Council publishes a Forward Decision List which contains details of key decisions to be made by the Council, its bodies and Executive Directors under their delegated powers.

3.5 Develop, communicate and embed codes of conduct which define the standards of behaviour for members and staff

The Council has in place key documents which communicate the standards of behaviour required of members and all Council staff (officers). These include the

- Members Code of Conduct
- Register of Disclosable Pecuniary Interests
- Protocol for Member/Officer Relations
- Employee Handbook
- Anti-Fraud and Anti-Corruption Strategy
- Whistleblowing Policy
- Fraud Response Plan
- Disciplinary / Grievance procedures
- ICT Email Policy
- ICT Internet Policy
- ICT Security Policy
- ICT Computer Usage Policy

The Performance Management Framework describes how staff performance, including conduct, is managed. The Council also has a Harassment Procedure in place, which demonstrates the belief that all employees have a right to be treated with dignity and respect, and that the Council will take steps to ensure this right is protected. All policies are available to all staff and Councillors via the Council's Intranet.

3.6 Review the effectiveness of the decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality

Effective management is based on a framework of regular management information, financial regulations, standing orders and a structure of varying levels of responsibility. The Council has all this in place and we regularly review them to ensure they remain 'fit for purpose'.

The West Norfolk Partnership, the Council's main partnership, which consists of key local bodies, reviewed and updated its operating protocols in March 2013.

The Council has a Data Quality Policy and Strategy in place and available on its website. The document shows that the Council understands the importance of data quality and is committed to being consistent in its management of data quality within the organisation and in partnership with others, ensuring that the data produced adheres to the 7 principles of data quality.

3.7 Ensure the framework for identifying and managing risks, and for developing counter-fraud and anti-corruption arrangements are effective and well-maintained

The Council recognises it has a responsibility to manage both internal and external risks as a key component of good corporate governance and is committed to making sure that risk identification and management is embedded into the daily operations of the Council. Full details are contained within the Risk Management Strategy. The Corporate Risk Register is

reviewed regularly by the Council's Executive Directors and the Audit and Risk Committee receive reports on a half-yearly basis on the position of the register.

During the 2013/14 year, a review took place of the Council's fraud prevention and detection processes. As a result of this review, on 29 October 2013, a report was presented to the Audit and Risk Committee which outlined changes which were being made to the Internal Audit team and the Benefits Enquiry Unit; these were combined into an Audit and Fraud team.

The Council has in place an Anti-Fraud and Anti-Corruption Strategy, which details the approach to its arrangements. The Strategy covers the roles of elected Members, employees and Managers, the Internal Audit and Fraud team and External Audit.

Additionally, the Council is actively involved in national anti-fraud initiatives, including the Housing Benefit Matching Service with the Department for Work and Pensions, the National Anti-Fraud Network and the National Fraud Initiative.

In September 2013 a 'Baseline Personnel Security Standard' (BPSS) was introduced by the Cabinet Office to ensure that all users of the Public Services Network (PSN) meet a minimum baseline standard of security checks. This standard introduced mandatory pre-employment controls to address the problems of identity fraud, illegal working and deception generally, with the aim of protecting the reputation, integrity and financial assets of those using the PSN. As well as having implications for recruitment processes, the guidelines also required existing staff who use the PSN to comply with the standard. In response to this guidance, the Council developed a phased implementation of compliance with the standard for existing employees and has changed recruitment and appointment practices to comply with requirements in time for the 2014/15 PSN audit.

3.8 *Ensure effective management of change and transformation*

The Council has a good history of dealing with change and transformation. Recent years have necessitated considerable changes to take place in order to accommodate reductions in government grants and council tax freezes. This work has continued throughout 2013/14 with Members being actively involved in identifying and approving areas where change and transformation can take place to ensure the required savings are achieved whilst protecting front line services.

Senior officers are trained in effective project management techniques to deliver the required change and the Council's Performance Management Framework shows how the corporate aims translate into targets for staff. During the 2013/14 year a number of project groups, consisting of Service Managers from across the authority, were set up to review and implement changes in key areas, such as Asset Rationalisation, Channel Shift, Optimisation of ICT, Printing and Procurement. These projects have medium to long-term timescales in terms of delivery, and a programme of regular updates is in place.

3.9 *Ensure the authority's financial management and governance arrangements conform to the governance requirements of the latest CIPFA statements on the 'Role of the Chief Financial Officer in Local Government' and the 'Role of the Head of Internal Audit'. Where they do not, explain why and how they deliver the same impact*

The two CIPFA statements mentioned above are helpful tools to allow the Council's arrangements to be benchmarked against a clearly defined framework. Arrangements in place conform to the requirements outlined in the CIPFA 'Role of the Head of Internal Audit'.

In respect of the CIPFA statement on the 'Role of the Chief Financial Officer in Local Government', the Council's arrangements largely comply. The area where current arrangements do not comply are in the reporting line of this post. A decision was taken in December 2012 to alter the Scheme of Delegation and move the responsibility to act as the Council's Chief Financial Officer from the Deputy Chief Executive to the Chief Accountant. This post was re-designated as Chief Financial Officer.

This arrangement does not conform to the requirement for the post to report directly to the Chief Executive and be a member of the Leadership Team. Under the new arrangements, which came into force on 1 April 2013, the post reports directly to the Deputy Chief Executive, previously the Chief Financial Officer. The decision was taken as part of the Council's longer term succession planning. The Chief Financial Officer does however attend the Leadership Team meetings when a report contains financial or other relevant information. The Chief Financial Officer does have direct access to the Chief Executive, Executive Directors, Members, the Audit and Risk Committee and external audit as required, and the Council is satisfied that these arrangements deliver the same impact.

3.10 Ensure effective arrangements are in place for the discharge of the Monitoring Officer and Head of Paid Service functions

For the 2013/14 year, the Legal Services Manager was the Council's Monitoring Officer. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting with the Head of Paid Service, the Monitoring Officer will report to full Council if it is considered that any proposal, decision or omission would give rise to unlawfulness or maladministration. In addition, a report is taken to the Audit & Risk Committee on the areas of responsibility that the Monitoring Officer has.

The Chief Executive is the Council's Head of Paid Service and has overall responsibility for the management and co-ordination of the employees appointed by the Council. The Chief Executive is required to report to the Council as appropriate with regard to the way in which the different functions of the Council are co-ordinated, the number and grades of staff required for the discharge of these functions, the way in which these people are organised and managed and the way in which they are appointed.

These statutory roles have detailed job descriptions and person specifications in place and take full part in the Council's Performance Management arrangements.

3.11 Carry out the main functions of an Audit Committee, as identified in CIPFA's 'Audit Committees: Practical Guidance for Local Authorities'

Good corporate governance requires independent, effective assurance about the adequacy of financial and operational management and reporting, and this assurance is best provided by a committee that is independent from the executive and scrutiny functions, in this Council, the Audit and Risk Committee.

The Audit and Risk Committee was set up in 2006 with Terms of Reference drawn up in line with guidance from CIPFA. The Terms of Reference of the Committee were reviewed in the 2013/14 year to ensure they remain relevant and effective. The updated Terms of Reference went to the Cabinet meeting on 3 September 2013 and were adopted by Full Council on 26 September 2013. The next review will take place in 2016/17.

A review is undertaken each year of the effectiveness of the Audit and Risk Committee. For the year covered by this statement, the review was presented to the Audit and Risk

Committee on 22 July 2014. The review concluded that the Committee is functioning correctly as an audit committee and is effective in its role.

3.12 Ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is legal

The Council's Constitution provides a comprehensive framework for the management of the authority's business and ensures compliance with relevant laws, regulations, internal policies and procedures. Policy Review and Development Panels assist Cabinet and Council to ensure that compliance is considered where appropriate and report templates for those panels and for Cabinet ensure all elements are considered at the time the report is presented. Statutory Officers – Head of Paid Service, Monitoring Officer and Chief Financial Officer – are in post to monitor and ensure adherence. All initiatives undertaken, including those with financial elements, are either progressed due to being a statutory requirement or because it will contribute to a key aim of the Council. All initiatives are reviewed by regular meetings of the Management Team and senior managers in order to ensure compliance and that spend is legal. Additionally, the Chief Executive and Deputy Chief Executive meet weekly with the Leader and Deputy Leader to ensure the senior members are aware of any matters that are relevant.

3.13 Ensure arrangements are in place for whistleblowing and receiving and investigating complaints from the public

The Council has a Whistleblowing Policy in place, produced in accordance with the provisions of the Public Interest Disclosure Act 1998.

The Council has a Corporate Complaints procedure, available on the Council website or on paper on request. These are reviewed on a reactive basis and were last reviewed in early 2012. The Council also deals with any incidents of racial complaints in a similar but separate process. The complaints received are analysed and results presented to the Resources and Performance Panel on an annual basis.

3.14 Identify development needs of members and senior officers in relation to their strategic roles, supported by effective training

The Council provides a complete programme of learning and development to officers and members, demonstrated by the Workforce Learning and Development plan 2012-15. Learning and development needs for staff are identified through the performance management process, these needs are translated into a training plan. The Council has a commitment to Management Training and has a rolling programme of Management Development courses of differing levels. Following identification of strategic level needs during the early part of 2013, a plan was formulated for the development of Service Managers and training has taken place during the 2013/14 year.

Member's development needs are identified through use of a questionnaire following their election, and are also identified during the year as matters arise at meetings and questions of training needs arise. The Policy Review and Development Panels regularly receive updates on relevant topics as part of their agenda, for example planning, licensing, local flooding issues, car parking and initiatives such as the development of the Saturday Market Place. The topics are identified either by officers or members. This helps to ensure members are better informed and have input at an early stage.

Additionally, a series of briefings offered to all members, which take place before Full Council meetings, have been undertaken during this year; examples of topics covered are Council

Tax Technical Changes and Council Tax Base, Business Rates Pooling and updates on the Local Development Framework.

3.15 Establish clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The Council welcomes views from the public and community as part of the constitutional process. These views are considered through formal and informal consultation processes. Examples of these are: consultations undertaken as part of the scheme to develop the Tuesday Market Place; residents' attendance at local meetings – for example, Safer Neighbourhood Action Panels or the Town Centre Business Partnership; Council members attending Town or Parish Council meetings; or individual contact with a local ward Councillor.

In November 2013, the first meeting of a new King's Lynn Area Advisory Committee took place. The Committee initially operates until 1 May 2015 and was established as a consultative forum for the unparished areas of King's Lynn. The Committee's Terms of Reference state that its role is to encourage community engagement within King's Lynn.

The Council undertakes customer satisfaction surveys for customers who visit the Council Offices or contact us via the telephone. The Council's website has 'Govmetric' on its pages, a method through which customers can tell us how they rate the information or service.

The Council is increasingly using social media to communicate and engage. Social media guidelines were rolled out to staff during 2013/14 to ensure this form of communication is used effectively and responsibly. Results of all methods of communication are fed back into service delivery, ensuring accountability. The Council also monitors feedback from residents and service users through compliments and complaints received.

3.16 Incorporate good governance arrangements in respect of partnerships and other joint working and reflect these in the authority's overall governance arrangements

The Council participates in a range of joint working arrangements with other bodies, some of which are more significant than others in terms of the potential for a detrimental impact on the Council should the partnership fail. Formal, service delivery partnerships such as CNC Building Control, delivery of Home Improvement Agency services with Fenland District Council, car parking arrangements with North Norfolk District Council, civil parking enforcement arrangements and the joint venture agreement for housing on the NORA site with Norfolk County Council, are subject to formal governance arrangements and include processes for reviewing the delivery of benefits and arrangements for termination should the arrangement not be serving the purpose for which it was created.

The Council also operates informal, collaborative partnerships, such as the West Norfolk Partnership and the Youth Advisory Board. Although the West Norfolk Partnership, for example, is now an informal arrangement, regular reports are presented to the Resources & Performance Panel, to ensure that members are kept informed of initiatives and progress. The most recent update to Resources & Performance Panel was given in January 2014. The Council is particularly mindful of the financial and reputational risks that can arise through entering into joint working and collaborative arrangements. It therefore actively supports open and transparent arrangements in all its partnership working.

Appendix A

The table at Appendix A demonstrates how the core and supporting principles of corporate governance, as detailed in the Council's adopted Code of Corporate Governance have been upheld during the year 2013-2014.

4. Review of effectiveness

The Council has a responsibility to review the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Internal Audit and the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Audit Manager's annual report, and also by comments made by the external auditors and other review agencies and inspectorates, where undertaken.

The process of maintaining and reviewing the effectiveness of the system of internal control includes the following measures and actions:

- Overview and Scrutiny arrangements are in place; Scrutiny Panels review the work of the Council throughout the year and report annually to Council
- The Audit and Risk Committee carries out an overview of the activities of the Council's internal and external audit functions. Members of the Audit & Risk Committee are provided with copies of all reports produced by Internal Audit and the external auditors, and also receive regular reports on matters relating to finance, fraud and risk management. The Committee approves the annual plans for each, and receives regular progress reports throughout the year. The Audit Manager submits to the Committee an Annual Report and Opinion, and the external auditors submit an Annual Audit letter. The Audit Manager has included an audit opinion on the adequacy and effectiveness of the council's systems of internal control in the Annual Report and Opinion on work completed during 2013/14 which went before the Audit and Risk Committee on 22 July 2014. The report states that in the Audit Manager's opinion, the Council's control arrangements were adequate and effective in 2013-14, with sound controls in all key areas.
- The Internal Audit service is a directly employed in-house service, providing a continuous review in accordance with the Council's obligations under the Local Government Act 1972, and the Accounts and Audit Regulations 2011. Since 1 April 2013 the service has operated under the Public Sector Internal Audit Standards (PSIAS). To ensure the internal audit function meets the PSIAS requirements, regular independent external quality assessment is required. A review of the effectiveness of Internal Audit will therefore be carried out in Autumn 2014 as a self-assessment exercise which will then be examined by a reviewer assigned from the CIIA. The subsequent report will be reported to the Audit and Risk Committee.
- The Audit Manager has also completed a review of the effectiveness of the Audit & Risk Committee itself. The result was reported to the Audit and Risk Committee on 22 June 2014 and concluded that the Committee is continuing to perform effectively and the Council is meeting its requirements under the Accounts and Audit Regulations 2011.
- The Council's external auditors review the activities of the Council, approve the annual accounts and certify grant claims (where required). Conclusions and significant issues arising are detailed in various reports from the auditors. Their 'Audit Results Report' (formerly known as the 'Report to those charged with Governance (ISA 260)) went before

Cabinet on 16 September 2013; the Annual Audit Letter went before the Audit & Risk Committee on 26 November 2013. These reports from the external auditors refer to the 2012/13 financial year (the latest available) and raised no concerns of a material nature.

- A Member / Officer protocol is in place and forms part of the Council's constitution.
- Additionally, it is the responsibility of the statutory officers to report to Council on any issues concerning the review of the effectiveness of internal control arrangements. There have been no issues arising during 2013/14 which have required the full Council to exercise its role.
- In 2013/14 the Council underwent an LGA Corporate Peer Challenge and an action plan is currently in preparation for consideration by Members, this will include a fundamental review of the Council's scrutiny arrangements.

In summary, a review of arrangements for the 2013/14 year has been undertaken; the review has not highlighted any issues as significant weaknesses in governance or internal control during the year. The arrangements outlined above are in place and operating as planned.

5. Significant governance issues

There were no significant governance issues identified during the year under consideration.

A significant change to the way the Council operates will be taking place during the 2014-15 year: a new trust is being established by the Borough Council which will be responsible for the strategic direction of leisure and arts in West Norfolk, and for managing its leisure and cultural facilities. At the same time, a wholly owned Local Authority Company is being set up to deliver the operational side of leisure and cultural facilities. The governance elements of the work underway to bring this change into operation has been reflected in the Annual Governance Statement Action Plans for the 2012/13 and 2013/14 years, and to reflect the significance of this change, is also reflected in the Action Plan for the 2014/15 year.

6. Action Plan

In the Annual Governance Statement for the 2012/13 year (presented to Cabinet on 16 September 2013) an 8 point Action Plan was set out to deal with governance issues identified during the review for that year. 6 points on that Action Plan have been completed, one is being worked on but is not considered complete, and the remaining point has not been worked on and will be carried forward to this year's Action Plan. The points being carried forward relate to increasing the Council's level of Payment Card Industry Standard compliance – currently active work – and a review and refresh of the Council's Code of Corporate Governance which will be carried out during the 2014/15 year.

An Action Plan to be worked on during the 2014/15 year, containing new items identified through the review undertaken on the 2013/14 year, and the two points carried forward, is attached at Appendix B.

7. Assurance summary

From the review undertaken, the assessment and ongoing monitoring work completed¹ and supported by the verification work undertaken by internal audit, we have reached the opinion that key systems are operating soundly and that there are no fundamental weaknesses.

No system of internal control could provide absolute assurances against material misstatement or loss; this statement is intended to provide reasonable assurance. There is an on-going process for identifying, evaluating and managing key risks. These risks are reflected in the audit plan, the Corporate Risk Register and are the subject of separate reports during the course of the year.

We are satisfied that an on-going process for identifying, evaluating and managing key risks exists. We propose over the coming year to take steps to address matters identified to further enhance our governance arrangements. We are satisfied that the steps outlined at Appendix B 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:

Cllr Nick Daubney
Leader of the Council
?? September 2014

Ray Harding
Chief Executive
?? September 2014

¹ By the Audit and Risk Committee

APPENDIX A: APPLICATION OF THE PRINCIPLES OF GOOD GOVERNANCE

Principles	Requirements	Evidence
1. Focusing on the purpose of the Council and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area		
1.1 Exercising leadership by clearly communicating the Council's purpose and vision and its intended outcome for citizens and service users	<ul style="list-style-type: none"> Develop & promote the authorities' purpose & vision 	Corporate Business Plan West Norfolk Strategy Website and / or PR activity
	<ul style="list-style-type: none"> Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements 	Code of Corporate Governance Review of Corporate Business Plan
	<ul style="list-style-type: none"> Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners 	WN Partnership working protocol CNC Building Control Care and Repair Refuse contract MRF Partnership Revenues and Benefits Car Park management Civil Parking Enforcement
	<ul style="list-style-type: none"> Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance 	Annual Financial Statement of Accounts
1.2 Ensuring that users receive a quality service whether directly, or in partnership or by commissioning	<ul style="list-style-type: none"> Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available 	Corporate Business Plan Annual Directorate Plans Medium term financial strategy
	<ul style="list-style-type: none"> Put in place effective arrangements to identify and deal with failure in service delivery 	Complaints procedure
1.3 Ensuring that the Council makes best use of resources and that tax payers and service users receive value for money	<ul style="list-style-type: none"> Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions. Explore and rigorously test opportunities for shared services and joint procurement 	Performance Reports Benchmarking Environment Monitoring Report Car parking arrangements Joint refuse contract procurement MRF joint procurement

2. Members and officers working together to achieve a common purpose with clearly defined functions and roles		
2.1 Ensuring effective leadership throughout the Council by being clear about executive and non executive functions and of the roles and responsibilities of the scrutiny function	<ul style="list-style-type: none"> Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach to putting this into practice 	Constitution Record of delegated decisions Scheme of Delegation Portfolio Holders areas of responsibility on website
	<ul style="list-style-type: none"> Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers 	Constitution Member / Officer protocol
2.2 Ensuring that a constructive working relationship exists between elected Members and officers and that the responsibilities of Members and officers are carried out to a high standard	<ul style="list-style-type: none"> Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required 	Constitution Member / Officer Protocol Standing Orders Financial Regulations
	<ul style="list-style-type: none"> Make a chief executive or equivalent responsible and accountable for all aspects of operational management 	Conditions of employment Scheme of delegation Statutory provisions Job description / specification Performance management framework
	<ul style="list-style-type: none"> Develop protocols to ensure that the leader and chief executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained 	Member / officer protocol
	<ul style="list-style-type: none"> Make a senior officer (the s151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control 	Section 151 responsibilities Financial Regulations Statutory provision Statutory reports Budget documentation Job description / specification
	<ul style="list-style-type: none"> Make a senior officer (usually the Monitoring Officer) responsible to the authority for ensuring that agreed procedures are followed and regulations complied with 	Monitoring Officer provision Statutory provision Job description / specification

2.3 Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other	<ul style="list-style-type: none"> Develop protocols to ensure effective communication between members and officers in their respective roles 	Member / officer protocol
	<ul style="list-style-type: none"> Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable) 	Pay & conditions Member Allowance Scheme Independent Allowances Panel Published pay and expenses of senior officers Published remuneration and expenses of members
	<ul style="list-style-type: none"> Ensure that effective mechanisms exist to monitor service delivery 	Performance management framework Performance reporting schedule Meeting schedule Panel and Cabinet reports
	<ul style="list-style-type: none"> Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other stakeholders, and that they are clearly articulated and disseminated 	Corporate Business Plan Directorate Plans Performance Management Framework Budgets Budget consultation with business ratepayers
	<ul style="list-style-type: none"> When working in partnership, ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority. 	WN Partnership working protocols CNC Partnership Agreement MRF Joint Venture Guidance from insurers when sitting on outside bodies Safer Neighbourhood Action Panels (SNAP) Norfolk Waste Partnership
	<ul style="list-style-type: none"> When working in partnership: <ul style="list-style-type: none"> Ensure that there is clarity about the legal status of the partnership Ensure that representatives of organisations both understand and make clear to all other partnerships the extent of their authority to bind their organisations to partnership decisions 	WN Partnership working protocols Care & Repair Car Park management Civil Parking Enforcement CCTV

3. Promoting the values of the Council and demonstrating the values of good governance through behaviour		
3.1 Ensuring Council Members and officers exercise leadership by behaving in ways that uphold high standards of conduct and exemplify effective governance	<ul style="list-style-type: none"> Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect 	Members Code of Conduct Corporate Business Plan Code of Corporate Governance Extended Management Team meetings Staff Briefing sessions Management Team updates
	<ul style="list-style-type: none"> Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols 	Members / officers' code of conduct & protocols Performance appraisal system Induction process Complaints procedures Anti-fraud & anti-corruption policy Whistle Blowing Policy Data Protection Act 1998 staff guidance Equality Policy Computer Usage Policy Travelling Abroad with Council Devices Policy Equality Monitoring
	<ul style="list-style-type: none"> Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice 	Standing orders Codes of conduct Financial regulations Register of Interests Employee Handbook Harassment Procedure
3.2 Ensuring that organisational values are put into practice and are effective	<ul style="list-style-type: none"> Develop and maintain shared values including the leadership values for both the organisation and staff reflecting public expectations, and communicate these with members, staff, the community and partners 	Codes of conduct Corporate Business Plan feeding down to PRP targets Internal Affairs Members Bulletin Whistleblowing Policy Website/Intranet
	<ul style="list-style-type: none"> Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and 	Codes of conduct Internal Audit Strategic Plan Constitution Audit & Risk Committee

	<p>monitor their continuing effectiveness in practice</p>	<p>Equalities Impact Assessment process Equality Policy Officer membership of professional bodies</p>
	<ul style="list-style-type: none"> Develop and maintain an effective standards committee 	<p>Terms of reference Reports to Council</p>
	<ul style="list-style-type: none"> Use the organisation's shared values to act as a guide for decision-making and as a basis for developing positive and trusting relationships within the authority 	<p>Decision-making practices Directorate Plans Financial Regulations Contract Standing Orders Weekly meetings of Management Team and CEO / Deputy CEO and Leader / Deputy Leader Portfolio Holder meetings with senior management</p>
	<ul style="list-style-type: none"> In pursuing partnership working, agree a set of values against which decision-making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively 	<p>Partnership working protocols CNC Partnership Agreement Civil parking enforcement arrangements</p>
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk		
4.1 Exercising leadership by being rigorous and transparent about how decisions are taken and listening to and acting upon the outcome of constructive scrutiny	<ul style="list-style-type: none"> Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible 	<p>Cabinet Scrutiny Committee Audit & Risk Committee Policy Development & Review Panels Scrutiny and Overview Liaison Committee Agendas and minutes of meetings Internal Audit provision</p>
	<ul style="list-style-type: none"> Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based 	<p>Record of decisions and supporting materials Agendas and minutes of meetings</p>
	<ul style="list-style-type: none"> Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice 	<p>Members' code of conduct Register of Interests Employee handbook Declaration of Interests – standing item on meeting agendas</p>

	<ul style="list-style-type: none"> Develop and maintain an effective audit committee which is independent of the executive and scrutiny functions 	<p>Audit and Risk Committee - Terms of reference and associated annual review Membership of the Cttee Member training programme</p>
	<ul style="list-style-type: none"> Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints 	<p>Complaints procedure</p>
4.2 Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs	<ul style="list-style-type: none"> Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for purpose – relevant, timely and gives clear explanations of technical issues and their implications 	<p>Members induction scheme Training for committee chairs and panel members Cabinet / Portfolio report templates Standard timetable for production and circulation of agendas Clear scheme of delegation Data Quality Strategy Data Analyst post Data observatory Biennial Quality of Life survey</p>
	<ul style="list-style-type: none"> Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision-making and used appropriately 	<p>Record of decisions and supporting materials Reports available prior to meetings Section 151 Officer, Monitoring Officer and professional Officers available for queries</p>
4.3 Making sure that an effective risk management system is in place	<ul style="list-style-type: none"> Ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their jobs 	<p>Corporate Risk Register Risk Management Strategy Financial Regulations Directorate Plans Equality Impact Assessments Risk section in cabinet reports Anti-Fraud and Anti-Corruption Policy</p>
	<ul style="list-style-type: none"> Ensure that effective arrangements for whistle-blowing are in place to which officers, staff and all those contracting with or appointed by the authority have access 	<p>Whistle-blowing policy on Intranet and Website</p>

4.4 Recognising the limits of lawful action and observing both the specific requirements of legislation and the general responsibilities placed on local authorities by public law, but also accepting responsibility to use their legal powers to the full benefit of the citizens and communities in their area	<ul style="list-style-type: none"> Actively recognise the limits of lawful activity placed upon them by, for example, the ultra vires doctrine but also strive to utilise their powers to the full benefit of their communities 	Constitution Monitoring Officer provisions Statutory provisions
	<ul style="list-style-type: none"> Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on authorities by public law 	Monitoring Officer provisions Professional standards for Officers
	<ul style="list-style-type: none"> Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedures and decision-making processes 	Monitoring Officer provisions Job description / specification Member / Officer protocols Statutory provisions
5. Developing the capacity and capability of Members to be effective and ensuring that officers – including the statutory officers – also have the capability and capacity to deliver effectively		
5.1 Making sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles	<ul style="list-style-type: none"> Provide induction programmes tailored to individual needs and opportunities for members and officers to upgrade their knowledge on a regular basis 	Training and development plan – Members and Officers Induction programme – Members and Officers Ad hoc courses and seminars (CPD)
	<ul style="list-style-type: none"> Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority 	Job description / person specifications Membership of senior management Workforce Learning and Development plan
5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group	<ul style="list-style-type: none"> Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively 	Training & development programmes – Members and Officers Performance Management process
	<ul style="list-style-type: none"> Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed 	Members training programme Continuing Professional Development (CPD)

	<ul style="list-style-type: none"> Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs 	<p>Cabinet Scrutiny Committee</p> <p>Monitoring of members' attendance at Panels</p> <p>Member's training needs questionnaire</p>
5.3 Encouraging new talent for membership of the Council so that best use can be made of resources in balancing continuity and renewal	<ul style="list-style-type: none"> Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority 	Information on website
	<ul style="list-style-type: none"> Ensure that career structures are in place for members and officers to encourage participation and development 	<p>Succession planning</p> <p>Member training</p> <p>Workforce Learning and Development plan</p>
6. Engaging with local people and other stakeholders to ensure robust local public accountability		
6.1 Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders including partnerships, and develops constructive accountability relationships	<ul style="list-style-type: none"> Make clear to themselves, all staff and the community to whom they are accountable and for what 	<p>Code of Corporate Governance</p> <p>Corporate Business Plan</p> <p>Scrutiny Panels</p> <p>Media releases</p>
	<ul style="list-style-type: none"> Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required 	WN Partnership provides mechanism for strengthening links with key stakeholders
	<ul style="list-style-type: none"> Produce an annual report on the activity of the scrutiny function 	Annual Reports of the Chairs of the Panels
6.2 Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery	<ul style="list-style-type: none"> Ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure they operate effectively 	<p>Website</p> <p>Customer Information Centre</p> <p>Community Information Points</p> <p>Press releases</p> <p>Communications Plan</p> <p>Social Media</p>
	<ul style="list-style-type: none"> Hold meetings in public unless there are good reasons for confidentiality 	<p>Constitution</p> <p>Agendas and minutes</p> <p>Safer Neighbourhood Action Panels (SNAP)</p>
	<ul style="list-style-type: none"> Ensure that arrangements are in place to enable the authority to engage with all sections of the 	<p>Equalities Policy</p> <p>Customer surveys by CIC</p> <p>Customer comment form</p>

	community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands	Safer Neighbourhood Action Panels (SNAP) Biennial Quality of Life survey
	<ul style="list-style-type: none"> Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanisms for those consultees to demonstrate what has changed as a result 	Equality Impact Assessments Local Development Framework – Statement of Community Involvement
	<ul style="list-style-type: none"> On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial settlements as well as information about its outcomes, achievements and the satisfaction of services users in the previous period 	Annual financial statements Corporate Business Plan Corporate Monitoring Report Media releases
	<ul style="list-style-type: none"> Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so 	Constitution Corporate Business Plan Minutes of meetings FOI Publication Scheme Website – transparency pages Media releases
6.3 Making best use of resources by taking an active and planned approach to meet responsibility to staff.	<ul style="list-style-type: none"> Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making 	Internal consultation and engagement Internal communications channels Senior MT/Union meetings

APPENDIX B: ACTION PLAN FOR THE 2014/15 YEAR

	Issue	Action	Responsible Officer	Target Date
1	Increase level of Payment Card Industry Standard compliance (Carried forward from 2013/14)	Ensure the Council's level of compliance is compatible with that required to process payments on behalf of other organisations.	Deputy Chief Executive	March 2015
2	Code of Corporate Governance (Carried forward from 2013/14)	Review and refresh the Code of Corporate Governance in line with revised guidance issued from CIPFA in Dec 2012	Executive Director, Central Services	March 2015
3	Leisure Trust and Local Authority Company – governance arrangements	Ensure that robust governance arrangements are in place for the commencement of the new arrangements and beyond	Executive Director, Commercial Services	March 2015
4	Requirements of the Baseline Personnel Security Standards (BPSS) for the Public Services Network	Work towards ensuring the Council complies with the BPSS requirements set out by the Cabinet Office before the next BPSS audit in June 2015	Deputy Chief Executive	March 2015
5	Public Services Network (PSN) compliance	Investigate 2 factor authentication for remote workers	Deputy Chief Executive	March 2015
6	Secure integrity of the Council's data	Investigate email encryption for non-PSN accounts / devices	Deputy Chief Executive	March 2015
7	Requirement to operate multi-company functionality within the Council's financial systems	Action the upgrade to the financial system to facilitate Multi Company Accounting and statutory reporting requirements	Deputy Chief Executive	July 2014

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards NONE	Mandatory	Be entirely within Cabinet's powers to decide	YES	
		Need to be recommendations to Council	NO	
		Is it a Key Decision	YES	
Lead Member: Cllr Nick Daubney E-mail: cldr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted: Cllr Adrian Lawrence		
Lead Officer: Dave Thomason, Deputy Chief Executive E-mail: david.thomason@west-norfolk.gov.uk Direct Dial:01553 616246		Other Members consulted:		
Other Officers consulted: Lorraine Gore Management Team				
Financial Implications YES	Policy/Personnel Implications YES	Statutory Implications YES	Equal Impact Assessment YES If YES: Pre-screening/ Full Assessment YES	Risk Management Implications YES

Date of meeting: 10 September 2014

3 2015/2016 DRAFT COUNCIL TAX SUPPORT SCHEME FOR CONSULTATION

Summary

The Council must review and agree its Council Tax Support scheme each financial year. This process includes consulting with major preceptors, publishing a draft Council Tax Support scheme and then consulting with interested parties before the final Council Tax Support scheme is approved. This report details the consultation responses from Norfolk County Council and Norfolk's Police and Crime Commissioner, and the recommended draft Council Tax Support scheme to go to public consultation.

Recommendations:

Members:

- 1) Note the consultation responses from Norfolk County Council and Norfolk's Police and Crime Commissioner**
- 2) Members agree the Council Tax Support scheme for 2014/2015 as updated for changes in Benefit Legislation during 2014/2015 together with uprating of allowances and premiums for pension age claimants as the draft Council Tax Support scheme for 2015/2016 to go to public consultation.**
- 3) Agree a consultation period running online over a six week period from 19 September 2014 to 31 October 2014.**

4) Note that a further report detailing the proposed final Council Tax Support scheme for 2015/2016 will be presented to Cabinet, for recommendation to Council, before 31 January 2015

Reason for Decision

To ensure a Council Tax Support scheme for 2015/2016 is agreed by full Council by 31 January 2015

1. Background

1.1. Council Tax Benefit (CTB) was abolished on 31 March 2013 and from April 2013 billing authorities have implemented their own local schemes of Council Tax Support (CTS) to assist people on low incomes with their council tax costs.

1.2. Central government have prescribed some elements of a local CTS scheme:

- Pension age claimants are protected from any changes and continue to receive the same level of support as under CTB
- Vulnerable groups must be considered for protection from any reduction in support
- Work incentives should be promoted

Other than this the Council is free to design its own CTS scheme.

1.3. The Council must review and approve its CTS scheme each year. Part of this process is to consult with the Council's major preceptors, agree a draft CTS scheme for consultation and then consult with any interested parties.

1.4. Norfolk County Council and the Police and Crime Commissioner have been contacted and their views are included in section 5.

1.5. This report recommends the draft CTS scheme to go to public consultation. The results of the consultation and the proposed CTS scheme for 2015/2016 will be brought back to Members later in the year.

2. Review of 2014/2015 CTS Scheme

2.1 2014/2015 was the first year that a reduced CTS scheme was introduced. The 2013/2014 CTS scheme was the same as the old CTB scheme as the Council received a Transitional Funding grant from central government. This grant was only available for one year.

2.2 The current caseload breakdown for 2014/2015 is as follows:

Caseload	Number of claims	Spend
Total Caseload	12,464	£9,768,609
Pension Age	6,693	£5,552,462
Working Age – all	5,771	£4,216,147
~Working Age – Protected *	3,542	£3,036,480
~Working Age – Not Protected	2,229	£1,179,667

**excludes War Pensioners as these are a local income disregard rather than a newly protected group*

2.3 The spend on protected groups and the costs of the work incentives within the scheme are shown below:

Cost of Protections	Number of claims	Spend
Total	3,542	£3,044,929
Child < 5	1,488	£1,275,630
Disability Premium	1,453	£1,245,479
Carer's Allowance	601	£515,371
War Pensioners	22	£8,449

Cost of Incentives	Number of claims	Extra Cost
Extra Earnings disregard	680	£70,914

2.4 Feedback on the CTS scheme has been collected for the first three months of 2014/2015 and the following comments have been raised:

- **Self Employed:** The CTS scheme now includes an assumption that self-employed claimants are earning at least the minimum wage for each hour worked rather than being able to declare a nil income. Some customers have commented on the perceived fairness of this rule. There is a six month 'new business' start-up period allowed for self-employed claimants and this rule also reflects how self-employed claimants will be treated under Universal Credit. There is one formal appeal lodged with the Valuation Tribunal due to the calculation of self-employed earnings.
- **Capital limits:** Some customers with more than £6,000 in savings and capital had not realised, from the literature provided, that their CTS would stop. These queries have all been dealt with and this feedback will be considered when designing communications if there are any future changes to the capital limits.

- **Non Dependent Deductions:** The CTS scheme introduced a flat rate, £10 deduction for any non-dependent living in the claimant's property. Previously the amount of the deduction depended on the non-dependent's income. There have been queries regarding the deduction which have all been dealt with.

2.5 1,350 claimants who were previously receiving full help with their council tax bill had a cut in their CTS for 2014/2015 and had a council tax bill to pay for the first time. Of these approximately 600 received a Reminder Notice for non-payment in May 2014 and 96 subsequently received a summons for non-payment in June 2014.

2.6 As far as the Council is aware there have been no challenges to the CTS scheme through Judicial Review and no complaints lodged with the Local Government Ombudsman. There is only one formal appeal lodged with the Valuation Tribunal.

2.7 The cost of the 2014/2015 scheme is £9.8m (as at 1 July 2014), a reduction of £1.06m on the 2013/2014 CTS scheme which had no cuts to the level of support and cost £10.86m.

2.8 As CTS is now a council tax discount it impacts on the taxbase. The cost of £9.8m reduces the taxbase by 6,486 band D properties. Part of this is offset by Government grant, although this is now rolled into the Council's overall formula funding and not identified separately. Overall growth in the taxbase also offsets part of the cost. The Council's taxbase is growing and as at 1 July 2014 the taxbase is 47,085 compared to 46,779 shown in the Financial Plan.

2.9 As at 1 July 2014 the Discretionary Hardship fund has received 97 applications and has paid £13,424 in additional help. The original £10,000 fund has been increased by a further £20,000 and there is £16,576 of the £30,000 fund remaining.

3. Council Tax Support Scheme for 2015/2016

3.1 A summary of the proposed draft CTS scheme for 2015/2016 to go to consultation is shown below. This reflects the current CTS Scheme for 2014/2015.

CTS Scheme Principle: An equal cut is made to everyone apart from those in a protected group.

The key points are:

- The maximum amount of CTS is 75% of a person's weekly entitlement
- Child Benefit and Child Maintenance are included as income
- Second Adult Rebate is removed

- A weekly deduction for each non-dependent of £10 is made regardless of their income
- The maximum amount of Capital allowed is £6,000
- No Tariff Income is assumed for capital under £6,000
- Self Employed people are assumed to have an income of at least the minimum wage

The following are protected groups and the changes listed above will not apply:

- Those who have reached the qualifying age for State Pension Credit
- Households with at least one child under the age of 5
- Those entitled to the Disability Premium as part of their needs calculation
- Those in receipt of Carer's Allowance

Work incentives remain at an extra £10 and the disregards are:

- | | |
|-----------------------|-----|
| • Single | £15 |
| • Couple | £20 |
| • Disabled or a Carer | £30 |
| • Lone Parent | £35 |

The following local disregards will continue to apply:

- War Pensions will be fully disregarded in the income calculation

3.2 At this stage no amendments are proposed to the principles of the CTS scheme however updates will be made to reflect changes to Housing Benefit legislation during 2014/2015 and to uprate allowances and premiums in line with the CTS scheme for pension age claimants.

3.3 Keeping the CTS scheme rules in line with the Housing Benefit and Pensioner schemes ensures all schemes continue to be calculated on the same basis, making it clearer for customers and simpler for staff to administer.

3.4 The scheme will not contain any transitional provisions however a Discretionary Hardship fund will continue to assist any person in receipt of CTS who is experiencing hardship and having difficulty paying their Council Tax bill. The hardship provisions form part of the Council Tax Discretionary Reliefs policy agreed by Members in 2014.

3.5 Recommendation: Members agree the Council Tax Support scheme for 2014/2015 as updated for changes in Benefit Legislation during 2014/2015 together with uprating of allowances and premiums for pension age claimants as the draft Council Tax Support scheme for 2015/2016 to go to public consultation.

4. Other Options Considered

4.1. The Council is able to adopt any scheme of CTS for its working age claimants. As CTS is now a discount rather than a benefit it reduces the

Council Taxbase which impacts on the Council's income. The Council receives a CTS grant as part of its Formula Funding, although the actual amount is no longer identified separately by Central Government.

- 4.2. The Council could decide to revert to a CTS Scheme that reflects the old scheme of Council Tax Benefit, with no cuts to support for any group. This scheme would not fit within the projections in the Financial Plan.
- 4.3. Any CTS Scheme that does not meet the Council's projections will impact financially on the Borough Council as well as the County Council, Police and Crime Commissioner and the Parish Councils in proportion to their percentage of the council tax charge.
- 4.4. The cost of a scheme with no cuts is estimated at £10,822,740 with an impact on the taxbase of 7,164 band D properties. The deficit between this and the current CTS scheme is an estimated £1,054,131 which would be split across the preceptors. This would mean a £801,140 deficit for Norfolk County Council, a £147,578 deficit for the Police and Crime Commissioner and a £105,413 deficit for the Borough and Parish Councils.
- 4.5. The impact on individual parish and town councils, through a reduction in council tax base, will vary throughout the Borough according to the distribution of CTS applicants. The Council will continue to distribute a CTS grant to the parishes.
- 4.6. Pension age claimants are excluded from any revised CTS scheme so to continue to meet the projections in the Financial Plan a significant reduction in the level of support has to be continued for working age claimants. There are limited options available to achieve this and there is not the scope for any alternative scheme to be significantly different to the CTS scheme agreed for 2014/2015.
- 4.7. The draft CTS scheme for 2015/2016 is designed to protect vulnerable groups and incentivise work whilst meeting the projections in the Financial Plan. The scheme has been subject to a full Consultation exercise and Equality Impact Assessment, available in the Cabinet Reports of 21 August 2012 and 4 December 2012.

5. Requirement To Consult

- 5.1. Before agreeing a CTS scheme the regulations require the Council to consult any major precepting authorities, publish its draft scheme and then consult with other interested persons.
- 5.2. Views have been sought from Norfolk County Council and Norfolk's Police and Crime Commissioner. The County Council have responded that they support the principles and endorse the design of the scheme. A response has yet to be received from the Police Authority. Members will be updated at the meeting of the Cabinet.

5.3 An online consultation exercise for the draft 2015/2016 CTS scheme is proposed for a six week period from 19 September 2014 to 31 October 2014. Hard copies of the consultation questionnaire will also be available. Feedback from the consultation and any subsequent amendments proposed to the final CTS scheme for 2015/2016 will be brought back to Cabinet before 31 January 2015.

5.4 Recommendation: Members note the consultation responses from Norfolk County Council and Norfolk's Police and Crime Commissioner

5.5 Recommendation: Members agree a consultation period running online over a six week period from 19 September 2014 to 31 October 2014

6. Next Steps

6.1. Once the consultation period has closed the results will be collated and used to inform any changes recommended to the draft 2015/2016 CTS scheme.

6.2. The consultation responses and details of the proposed final CTS scheme for 2015/2016 will be brought back to Members for agreement. Full Council must agree the final CTS scheme by 31 January 2015.

6.3. Recommendation: Members note that a further report detailing the proposed final Council Tax Support scheme for 2015/2016 will be presented to Cabinet, for recommendation to Council, before 31 January 2015.

7. Policy Implications

7.1. The draft CTS Scheme for 2015/2016 is a continuation of an existing policy.

8. Financial Implications

8.1. The funding for the CTS scheme for 2015/2016 is now rolled into the Council's overall Formula Funding for the year and is no longer identified separately by Central Government.

8.2. The taxbase figures in the Financial Plan 2013/2017 assume the CTS scheme, and the corresponding reduction in the taxbase, remains at the same level as 2014/2015.

8.3. The modelled figures for the 2015/2016 CTS scheme show the projected cost to be £9,964,180 which equates to a reduction in the taxbase of 6,596 band D properties. The impact on the taxbase is within the projections in the Financial Plan.

8.4. The Council will continue to pay a CTS grant to the affected parishes as detailed in the Financial Plan. The grant is paid in proportion to the cost of the CTS scheme for each parish.

9. Personnel Implications

9.1. None

10. Statutory Considerations

10.1. The Council is required to agree a CTS Scheme for the forthcoming financial year by the 31 January of the preceding year.

11. Equality Impact Assessment (EIA)

11.1. See Appendix A

12. Risk Management Implications

12.1. CTS is funded by a fixed grant paid by Central Government at the start of the year. The amount of the grant was only identified individually in year one of the new CTS scheme in 2013/2014 and represented a 10% cut based on the cost of the old scheme of Council Tax Benefit. The amount of the CTS grant is no longer identified separately by Central Government.

12.2. The CTS scheme for 2015/2016 is designed to meet the taxbase projections as detailed in the Financial Plan. However any increases in demand or changes in the composition of the caseload, for example an increase in the number of pension age claimants, during the year could represent a financial risk by reducing the taxbase further. The impact of the CTS scheme is, and will continue to be, reviewed monthly.


13. Declarations of Interest / Dispensations Granted

13.1. None

14. Background Papers

14.1. None

**Appendix A: Pre Screening Equality Impact Assessment
(also see 4 December 2012 Cabinet Report)**

<p>Pre-Screening Equality Impact Assessment</p>		<p>Borough Council of King's Lynn & West Norfolk</p>			
<p>Name of policy/service/function</p>		<p>Local Council Tax Support Scheme</p>			
<p>Is this a new or existing policy/service/function?</p>		<p>Continuation of an Existing Policy</p>			
<p>Brief summary/description of the main aims of Policy being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p>		<p>Local Council Tax Support (CTS) schemes were introduced from 1 April 2013, replacing the existing national scheme of Council Tax Benefit (CTB) to help those on low incomes with their Council Tax bills.</p> <p>Each council is free to design their own CTS scheme although certain parameters have been set by Government:</p> <ul style="list-style-type: none"> • Pensioners must be protected from any reduction in support • Vulnerable groups must be considered for protection from any reduction in support • Work incentives should be promoted <p>Government have also reducing the funding available for CTS schemes by 10% in 2013/2014. From 2014/2015 the funding is rolled into the council's formula funding and not identified separately. As pensioners are protected from any reduction this becomes nearly a 25% reduction in support for working age people.</p> <p>The 2014/2015 CTS scheme for the Borough was agreed on 24 January 2013 and includes protection for the following groups:</p> <ul style="list-style-type: none"> • Pensioners • Households with a child under 5 • People entitled to the Disability Premium in CTB • People in receipt of Carer's Allowance <p>The 2015/2016 CTS scheme is a continuation of the 2014/2015 CTS scheme</p>			
<p>Question</p>		<p>Answer</p>			
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p>					
		Positive	Negative	Neutral	Unsure
	Age		√		
	Disability	√			
	Gender				√

Please tick the relevant box for each group. NB. Equality neutral means no negative impact on any group.	Gender Re-assignment				√
	Marriage/civil partnership				√
	Pregnancy & maternity				√
	Race				√
	Religion or belief				√
	Sexual orientation				√
	Other (eg low income)		√		
Question	Answer	Comments			
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	Yes	<p>The legislation for local CTS schemes states pensioners must be protected from any reduction in the level of support they receive. As the funding has been reduced this means a bigger cut falls on working age people.</p> <p>The legislation also compels councils to have regard to the impact on vulnerable groups and the promotion of work incentives</p>			
3. Could this policy/service be perceived as impacting on communities differently?	Yes	See 2			
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	Yes	<p>Pensioners are protected as they are not expected to return to work to increase their income to pay for any reduction in council tax support.</p> <p>Children under 5 are protected in accordance with Child Poverty.</p> <p>Those entitled to the Disability Premium in CTB are protected to reflect their higher living costs.</p> <p>People receiving Carer's Allowance are protected as it is harder for them to take on work or work extra hours to increase their income</p> <p>Work Incentives are promoted to encourage people back into work to increase their income. This is in line with the government's welfare reform principles.</p>			
5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	No	<p>Actions:</p> <p>A full EIA has been completed as part of the Cabinet Report of 4 December 2012</p>			

		Actions agreed by EWG member:
Assessment completed by: Name	Joanne Stanton	
Job title	Revenues and Benefits Manager	
Date	19 June 2014	

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	Be entirely within Cabinet's powers to decide	YES	
		Need to be recommendations to Council	NO	
		Is it a Key Decision	NO	
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted: Audit and Risk Committee		
Lead Officer: Kate Littlewood E-mail: kate.littlewood@west-norfolk.gov.uk Direct Dial: 01553 616252		Other Officers consulted: Deputy Chief Executive Chief Financial Officer Democratic Services Officer		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment Req'd NO	Risk Management Implications YES

Date of meeting: 3rd September 2014

4 REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE

Summary

This report provides Cabinet with the results of the 'Review of the Effectiveness of the Audit and Risk Committee' for 2013-14 and confirms that the Committee is fulfilling its stated purpose which is 'to provide 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, and to oversee the financial reporting process'.

Recommendation

To note the contents of the report.

Reason for Decision

To ensure the Council continues to meet its obligations under the Accounts and Audit Regulations 2011.

1.0 BACKGROUND

1.1 The Audit and Risk Committee was set up in 2006, with Terms of Reference drawn up in line with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). These were reviewed during 2013-14 and approved by Council 26th September 2013.

- 1.2 Under the Accounts and Audit Regulations 2011, a council is required '*to ensure that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of its functions*'.
- 1.3 Good corporate governance requires independent, effective assurance about the adequacy of financial and operational management and reporting. This assurance is best delivered by a committee that is independent from the executive and scrutiny functions. This is provided by the Audit and Risk Committee.
- 1.4 In order to ensure that this monitoring of governance is carried out effectively, a regular review of the role and activities of the Audit and Risk Committee is necessary.
- 1.5 The previous review indicated that the Committee was providing an effective service. However it was recommended that:
 - The Terms of Reference needed to be reviewed and presented to Council for approval. An issue identified to be included in the review was the opportunity, if required, for Internal and External audit to meet with the Committee without Senior Management present.
 - Identify if any specific training was required by Members of the Committee, in particular it was noted that training on the Annual Governance Statement would be useful.
 - The Risk Management Strategy was due for review.

All the recommendations have been completed with the exception of the Risk Management Strategy review, which will be carried out shortly.

2.0 REVIEW DETAILS

- 2.1 The review was completed by the Audit Manager using a checklist compiled by CIPFA. The completed checklist is attached as Appendix 1 of this report. In addition information has been compiled on the reports considered by the Committee. The resulting draft report was then considered by the Chair and Vice Chair of the Audit and Risk Committee.
- 2.2 The responses in the checklist are ticked as:
 - 'Y' – Yes. The criteria have been met and no action is required.
 - 'P' – Partial. The criteria have only been met in part, some action may be required.
 - 'N' – No. The criteria have not been met and action may be required.
- 2.3 The review indicates that the Committee is functioning correctly as an audit committee and is effective in its role.

3.0 ITEMS CONSIDERED DURING 2013-14

- 3.1 Throughout 2013-14 the Audit and Risk Committee held 10 meetings and received a total of 29 reports on a number of issues, including:

Internal Audit

- Internal Audit Annual Report 2012-13.
- Review of the Effectiveness of the Internal Audit Service.
- Internal Audit Strategic Plan 2013-14, Quarterly Progress Reports.
- Internal Audit Benchmarking Exercise
- Proposed Audit and Fraud Team
- Strategic Internal Audit Plan 2014-17

External Audit

- 2012-13 External Audit Plan
- Report to those charged with Governance (ISA 260).
- Annual Audit Letter
- 2013-14 External Audit Plan
- Annual Certification of Claims and Returns 2012-13 draft report

Finance

- Revenue Outturn 2012-13.
- Capital Programme and Resources 2012-16
- Annual Treasury Report 2012-13.
- Mid-year review Treasury Report 2013-14.
- Treasury Management 2014-15

Fraud

- Benefit Investigations Unit Annual Report.
- Benefit Investigations Unit Half Year Report.
- National Fraud Initiative – update on work

Corporate Governance and Risk

- Corporate Risk Monitoring Report – 6-monthly report (2 reports).
- Annual Governance Statement.
- Review of the Effectiveness of the Audit and Risk Committee.
- Updated Terms of Reference for the Audit and Risk Committee
- Business Continuity Management Policy Statement and Strategy
- Business Continuity update.

A summary of the content of each report and the subsequent discussion has been compiled by Democratic Services and is attached as Appendix 2.

- 3.2 Training was provided to Committee members during the year on the Annual Governance Statement and on the Council's anti-fraud measures. Financial training was provided in respect of the Statement of Accounts and Treasury Management.
- 3.3 In October 2013 the Committee attended a tour of the Hunstanton Sailing Club to look at the work undertaken with grant funds from the Council. Although the tour was undertaken in the role of members of the Resources and Performance Panel, it also had some relevance to the Audit and Risk Committee role in its duty to oversee the appropriate use of the Council's finances.

4.0 OUTCOMES

- 4.1 The outcome of this report will be to:
- Show evidence that the Audit and Risk Committee is effective in its role.
 - Satisfy the requirement of an annual review of the effectiveness of the Audit and Risk Committee.

5.0 CONCLUSIONS

- 5.1 During 2013-14 the Audit and Risk Committee received and commented on all relevant reports and actively monitored risk and internal controls. As a result it is continuing to perform effectively and the Council is meeting its requirements under the Accounts and Audit Regulations 2011.
- 5.2 The comments of the Audit and Risk Committee on the report at its meeting on 22 July 2014 are attached as Appendix 3.

6.0 Policy Implications

- 6.1 There are no policy implications.

7.0 Financial Implications

- 7.1 There are no financial implications.

8.0 Personnel Implications

- 8.1 There are no personnel implications

9.0 Statutory Considerations

- 9.1 The Council can demonstrate that it is meeting the requirements under the Accounts and Audit Regulations 2011.

10.0 Equality Impact Assessment (EIA)

- 10.1 There are no equality implications.

11.0 Risk Management Implications

- 11.1 Having an effective Audit and Risk Committee is an important element in the Council's risk management framework.

12.0 Declarations of Interest / Dispensations Granted

- 12.1 None required.

Background Papers

None.

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2013-14**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
1. ESTABLISHMENT, OPERATION AND DUTIES						
Role and Remit						
1.1	Does the audit committee have written Terms of Reference?	Y			The Terms of Reference were reviewed and approved by Cabinet on 26 th September 2013.	
1.2	Do the Terms of Reference cover the core functions of an audit committee as identified in the CIPFA guidance?	Y				
1.3	Are the Terms of Reference approved by the council and reviewed periodically?	Y			Reviewed every 3 years. The next review is due in May 2016.	
1.4	Can the audit committee access other committees and full council as necessary?	Y			All Members attend Full Council and can attend any other Panel or Committee meeting under Standing Order 34.	
1.5	Does the authority's Annual Governance Statement include a description of the audit committee's establishment and activities?	Y			Section 4 'Review of Effectiveness' includes a description of the Audit and Risk Committee's function.	
1.6	Does the audit committee periodically assess its own effectiveness?	Y			An annual review is carried out.	
Membership, Induction and Training						
1.9	Has the membership of the audit committee been formally agreed and a quorum set?	Y			Formally appointed by Council. Quorum set through Standing Orders.	
1.10	Is the chair independent of the executive function?	Y				
1.11	Has the audit committee chair previous knowledge of, or received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime?	Y			Experience through personal work life. Previous member of the Audit and Risk Committee and attended all training offered to the Committee.	

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2013-14**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
1.12	Are new audit committee members provided with appropriate induction?	Y			Training is offered to all Members by Democratic Services.	
1.13	Have all member's skills and experiences been assessed and training given for identified gaps?		P		An analysis of skills and experiences is not carried out. However, a training programme has been designed to cover all previously identified training needs and Members can request specific training if necessary.	No action required.
1.14	Has each member declared his or her business interests?	Y			Records of interests are kept by Democratic Services. A standing item of each agenda requires Members to declare any relevant interests.	
1.15	Are members sufficiently independent of other key committees of the council?		P		Independent of the Cabinet, but all members of the Audit and Risk Committee also sit as the Resources and Performance Panel.	No action required.
Meetings						
1.16	Does the committee meet regularly?	Y			10 meetings held in 2013-14.	
1.17	Do the Terms of Reference set out the frequency of meetings?	Y			Minimum of 4 meetings a year, but this can be increased if necessary.	
1.18	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	Y			A calendar of meetings is published for each year and dates are co-ordinated with Cabinet and specific key events.	
1.19	Are members attending meetings on a regular basis and if not, is appropriate action taken?	Y			A record of attendance is kept by Democratic Services. Any persistent non-attendance is brought to the attention of the relevant party leader.	
1.20	Are members free and open without political influences being displayed?	Y				
1.21	Does the authority's s151 officer or deputy attend all meetings?	Y			Executive Director, Resources is the Deputy s151 Officer and attends all the meetings. The Chief Financial Officer, as s151 Officer, attends for specific financial reports.	
1.22	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	Y			Relevant officers attend to present the reports and answer questions.	

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2013-14**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
1.23	Are decisions reached promptly?	Y			A decision is made at the end of each item on the agenda.	

2. INTERNAL CONTROL						
2.1	Does the audit committee consider the findings of the annual review of effectiveness of the system of internal control (as required by the Accounts and Audit Regulations) including the review of the effectiveness of the system of internal audit?	Y			Audit Manager's Annual Report presented on 22 nd July 2014. The effectiveness review of the Internal Audit will be started in August and should be presented to the Committee on 25 th November.	
2.2	Does the audit committee have responsibility for review and approval of the Annual Governance Statement and does it consider it separately from the accounts?	Y			To be presented to a Special Meeting on 8 th September 2014 as a separate report from the Statement of Accounts 2013-14.	
2.3	Does the audit committee consider how meaningful the Annual Governance Statement is?	Y			Prior to it being presented last year, the Committee received a training session on the relevance and content of the AGS.	
2.4	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	Y			Various reports are presented to the Committee throughout the year relating to internal audit, external audit, finance, fraud, corporate governance and risk.	
2.5	Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	Y			The Chair and Vice Chair attend joint sift meetings with their counterparts on the Regeneration, Environment and Community Panel to review the Cabinet Forward Decisions list.	
2.6	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	Y			The report setting the Strategic Internal Audit Plan each year contains reference to the consideration of risk management.	
2.7	Does the audit committee review the authority's strategic risk register at least annually?	Y			Update reports are presented twice a year in April/May and October/November.	
2.8	Does the audit committee monitor how the authority assesses risk?	Y			Included in the 6-monthly reports and the review of the Risk Management Strategy every 3 years.	The Risk Management Strategy will be reviewed as soon as possible.

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2013-14**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
2.9	Do the audit committee's Terms of Reference include oversight of the risk management processes?	Y			Sec 4.1(a) and (b) refers.	
2.10	Does the audit committee take a role in overseeing anti-fraud and whistleblowing arrangements?	Y			Sec 4.1(a) refers.	

3. FINANCIAL REPORTING & REGULATORY MATTERS						
3.1	Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	Y			Terms of Reference Sec 3.1(a) and (c) refers. The timetable of meetings includes provision for Special Meetings in June and September each year to consider the Statement of Accounts.	
3.2	Does the audit committee consider specifically: <ul style="list-style-type: none"> ▪ The suitability of accounting policies and treatments ▪ Major judgements made ▪ Large write-offs ▪ Changes in accounting treatment ▪ The reasonableness of accounting estimates ▪ The narrative aspects of reporting? 	Y			The financial reports presented cover all the aspects stated.	
3.3	Is an audit committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Y			Special Meeting in September each year.	
3.4	Does the audit committee review management's letter of representation?	Y			Management responses are included in the covering reports to the external auditors report and in the discussion at the meeting.	
3.5	Does the audit committee annually review the accounting policies of the authority?	Y			Included in the Statement of Accounts report.	
3.6	Does the audit committee gain an understanding of management's procedures for preparing the authority's annual accounts?	Y			The Chief Financial Officer and Executive Director, Resources attend the meeting to answer questions, and in 2013-14 the presentation included training on the preparation of the Statement of Accounts.	

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2013-14**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
3.7	Does the audit committee have a mechanism to keep it aware of topical legal and regulatory issues, for example by receiving circulars and through training?	Y			'Members Bulletin' is circulated to all Members and contains updates and circulars.	
4. INTERNAL AUDIT						
4.1	Does the audit committee approve annually, and in detail, the internal audit strategic and annual plans including consideration of whether the scope of internal audit work addresses the authority's significant risks?	Y			The Internal Audit Strategic Plan 2014-17 was presented on 25 th February 2014. Details of how the plan is compiled are included in the covering report.	
4.2	Does internal audit have an appropriate reporting line to the audit committee?	Y			Direct access to the Chair and, included in the revised Terms of Reference, the potential for Internal Audit to meet with the Committee, without Senior Management being present, if necessary.	
4.3	Does the audit committee receive periodic reports from the internal audit service including an annual report from the Audit Manager?	Y			The Committee receives quarterly reports on progress against the Strategic Plan, and the Audit Manager presents the Annual Report in June/ July.	
4.4	Are follow-up audits by Internal Audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	Y			Included in the quarterly progress reports. Officers can be asked to attend the meetings to answer questions if progress is not satisfactory.	
4.5	Does the audit committee hold periodic private discussions with the Audit Manager?			N	The facility is available within the Terms of Reference if required.	No action required.
4.6	Is there appropriate co-operation between the internal and external auditors?	Y			Meetings are held to discuss the content of the respective audit plans.	
4.7	Does the audit committee review the adequacy of internal audit staffing and other resources?	Y			Included in the Strategic Audit Plan report and the quarterly progress reports.	
4.8	Has the audit committee evaluated whether its internal audit service complies with Public Sector Internal Audit Standards (PSIAS)?			N	The PSIAS have only applied since 1 st April 2013. Prior to this CIPFA's Code of Practice applied and compliance with this was evaluated on an annual basis through the review of the effectiveness of Internal Audit.	A review of Internal Audit's compliance with PSIAS is planned to commence in August and will be externally verified. The

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2013-14**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
						results will be reported to the Committee.
4.9	Are internal audit performance measures monitored by the audit committee?	Y			Performance Indicators are set as part of the Strategic Plan and monitored in the quarterly reports.	
4.10	Has the audit committee considered the information it wishes to receive from internal audit?	Y			Requests for specific items or training are made. In 2013-14 more information on anti-fraud measures was requested and training provided.	

5. EXTERNAL AUDIT						
5.1	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognising the statutory duties of external audit)?	Y			Ernst Young attended meetings in April 2013, September 2013, November 2013 and March 2014 to present their reports and answer questions.	
5.2	Does the audit committee hold periodic private discussions with the external auditor?			N	The facility is available within the Terms of Reference if required.	No action required.
5.3	Does the audit committee review the external auditor's annual report to those charged with governance?	Y			Report is presented at the Special Meeting in September.	
5.4	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	Y			Recommendations are taken into account when preparing the Internal Audit Strategic Plan.	
5.5	Are reports on the work of external audit and other inspection agencies presented to the committee, including the Audit Commission's annual audit inspection letter?	Y			Audit Plan 2012/13 – April 2013 Report to those charged with governance (ISA260) – September 2013 Annual Audit Letter – November 2013 Audit Plan 2013/14 – March 2014	
5.6	Does the audit committee assess the performance of external audit?	Y			Considered as reports are presented.	

**Borough Council of King's Lynn and West Norfolk
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1
For the year 2013-14**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
6. ADMINISTRATION						
Agenda Administration						
6.1	Does the audit committee have a delegated secretary from Committee/Member Services?	Y			Wendy Vincent, Democratic Services.	
6.2	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	Y			A timetable is set for the year detailing meeting dates and deadlines for reports to be submitted.	
6.3	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	Y			Included in the timetable for the year.	
6.4	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?			N	'Any Other Business' is not an agenda item. Only 'Urgent Business' is accepted under Standing Order 7.	
Papers						
6.5	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	Y			The timetable is designed to ensure the timing and frequency of routine reports is appropriate. Ad hoc reports are presented as they arise and in line with Cabinet requirements if necessary.	
6.6	Does the audit committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?			N	The format is a corporate template.	No action required.
Actions Arising						
6.7	Are minutes prepared and circulated promptly to the appropriate people?	Y			Minutes are produced within a week of the meeting.	
6.8	Do action points indicate who is to perform what and by when?	Y			If action is required.	

APPENDIX 2 - ISSUES DISCUSSED AT MEETINGS OF AUDIT & RISK COMMITTEE 2013 - 2014

<u>Date of Meeting/Length of Meeting</u>	<u>Details</u>	<u>Outcome</u>
28.05.13 – MEETING CANCELLED		
10.06.13 (69 mins)		
ARC6: Cabinet Report: Revenue Outturn 2012/2013	The Principal Accountant presented the report which set out in summary the revenue outturn for 2012/13 for the General Fund (council tax accounts). The report showed details of the major differences between actual costs/income and the revised estimates for 2012/2013 reported in February 2013 monitoring.	<p>RESOLVED: That Cabinet be informed that the Resources and Performance Panel – Audit and Risk Committee supports the recommendations as set out in the report to Cabinet.</p> <p><i>Please following the link below to view minutes detailing debate by the Committee:</i></p> <p>http://www.west-norfolk.gov.uk/pdf/10-06-13%20-%20Audit%20and%20Risk%20Minutes.pdf</p>
ARC7: Cabinet Report: Capital Programme and Resources 2012/2016	The Chief Accountant explained that the report provided details of the outturn of the 2012/2013 Capital Programme and outlined amendments and rephrasing to the spending on schemes, revising the programme for 2013/2016.	<p>RESOLVED: That Cabinet be informed that the Resources and Performance Panel – Audit and Risk Committee supports the recommendations as set out in the report to Cabinet.</p> <p><i>Please following the link below to view minutes detailing debate by the Committee:</i></p> <p>http://www.west-norfolk.gov.uk/pdf/10-06-13%20-%20Audit%20and%20Risk%20Minutes.pdf</p>
ARC8: Cabinet Report: Annual Treasury Report 2012/2013	<p>The Chief Accountant presented the Annual Treasury Report which covered:</p> <ul style="list-style-type: none"> • The Council's overall borrowing need. • The Council's treasury position performance. • The Strategy for 2012/2013. • The economy in 2012/2013. • Borrowing rates in 2012/2013. • The borrowing outturn for 2012/2013. • Compliance with treasury limits and prudential indicators. • Investment rates for 2012/2013. • Investment outturn for 2012/2013. 	<p>RESOLVED: That Cabinet be informed that the Resources and Performance Panel – Audit and Risk Committee supports the recommendations as set out in the report to Cabinet.</p> <p><i>Please following the link below to view minutes detailing debate by the Committee:</i></p> <p>http://www.west-norfolk.gov.uk/pdf/10-06-13%20-%20Audit%20and%20Risk%20Minutes.pdf</p>

	<ul style="list-style-type: none"> Debt rescheduling. 	
ARC9: Internal Audit Plan 2012/13 – Progress Report for the Quarter January to March 2013	The Audit Manager reminded Members that the Strategic Audit Plan 2012/15, endorsed by the Audit and Risk Committee on 31 January 2012, set out the work Internal Audit expected to carry out during the year 2012/13.	RESOLVED: The Committee approved the report on the Internal Audit Workplan for January to March 2013.
ARC10: National Fraud Initiative (NFI)	The Audit Manager advised that the report updated the Committee on the work carried out since the last report presented on 28 August 2012. However, it did not cover the results on the work on the Benefit matches as this was covered by a separate detailed report presented on a 6-monthly basis by the Fraud Investigations Manager.	RESOLVED: (1) The Committee noted the results of the work completed so far on the matches produced by the NFI and confirmed the approach to the investigations and the resources allocated to it. (2) The Audit Manager to propose that empty homes be included within the NFI.
25.06.13 (22 mins)		
ARC19: Internal Audit Annual Report 2012/2013	The Deputy Chief Executive explained that the report provided Members with an overview of the work undertaken by the Internal Audit Section during 2012/2013 financial year against the Strategic Audit Plan 2012/2015, and provided an assurance opinion to support the Annual Governance Statement.	RESOLVED: The Committee noted the report.
ARC20: Review of the Effectiveness of the Internal Audit Service	In presenting the report, the Deputy Chief Executive explained that the review of the effectiveness of the Internal Audit 2012-2013 had been completed with reference to the Chartered Institute of Public Finance Accountants (CIPFA) 'Code of Practice for Internal Audit in Local Government in the United Kingdom.'	RESOLVED: The Committee noted the contents of the review and the resulting 'Actions Required.'
ARC21: Corporate Risk Monitoring Report 2013	The Deputy Chief Executive advised that the report presented the changes to the Risk Register since the last monitoring report in September 2012 and gave details of the risks falling into the 'Very High' category and the associated work to mitigate the effects.	RESOLVED: The Committee noted the report.
23.07.13 (28 mins)		
ARC30: Annual Report of Benefit Investigations Unit	The Fraud Investigations Manager presented the report which provided Members with information regarding the work undertaken during the 2012/2013 financial year and looked forward into 2013/2014.	RESOLVED: The Committee noted the report.
ARC31: Review of the Effectiveness of the Audit and Risk Committee	The Audit Manager presented the report which provided Members with the results of the Review of the Effectiveness of the Audit and Risk Committee for 2012/2013.	RESOLVED: The Committee noted the contents of the review and the resulting 'Actions Required.'

27.08.13 (52 mins)		
ARC40: Annual Governance Statement	The Performance and Efficiency Manager gave a presentation on the Annual Governance Statement.	RESOLVED: That the content of the presentation be noted.
ARC41: Cabinet Report: Updated Terms of Reference for the Audit and Risk Committee	The Audit Manager presented the report which proposed the updated Terms of Reference for the Audit and Risk Committee. The Audit Manager explained that the main change provided for the Committee to meet in private with the External and Internal Auditors.	RESOLVED: That Cabinet be informed that the Resources and Performance Panel supports the recommendations as set out in the report to Cabinet. <i>Please following the link below to view minutes detailing debate by the Committee:</i> http://www.west-norfolk.gov.uk/pdf/27.08.2013%20-%20Audit%20&%20Risk%20Committee%20-%20Minutes.pdf
ARC42: Cabinet Report: Business Continuity Management Policy Statement and Strategy	The District Emergency Planning Officer explained that the Council's Policy Statement on Business Continuity Management was agreed by full Council in November 2011; the Policy Statement had been updated to reflect the changes to the Council's Management structure with effect from April 2013.	RESOLVED: That Cabinet be informed that the Resources and Performance Panel supports the recommendations as set out in the report to Cabinet. <i>Please following the link below to view minutes detailing debate by the Committee:</i> http://www.west-norfolk.gov.uk/pdf/27.08.2013%20-%20Audit%20&%20Risk%20Committee%20-%20Minutes.pdf
ARC43: Business Continuity Annual Update	The District Emergency Planning Officer explained that the report provided an update to the Committee on the current position of the Council's Business Continuity arrangements and outlined the work that was to be undertaken over the coming months.	RESOLVED: (1) The Committee noted the progress made, endorsed the approach being taken to the Council's Business Continuity arrangements and determined that annual updates on the subject were provided to the Committee. (2) A Training Session on Business Continuity/ Emergency Planning be arranged as part of the Audit and Risk Committee Agenda and all Members be invited to attend.
ARC44: Internal Audit Plan 2013/14 – Progress Report for the Quarter April to June 2013	The Audit Management explained that the report showed the Internal Audit activity for the quarter April to June 2013 against the Strategic Audit Plan 2013/14.	RESOLVED: The Committee approved the report on the Internal Audit work plan for April to June 2013.

09.09.13 Special Meeting - Accounts (90 mins)		
ARC51: Cabinet Report Statement of Accounts 2012/2013 Report to those charged with Governance (ISA (UK&I) 260)	The Chief Financial Officer presented a report that introduced the Statement of Accounts 2012/2013 – essentially the Statement was the final accounts set out in a format which included the Council's balance sheet and associated notes. The report also considered the report from the auditor on the audit for the accounts 2012/13 – the International Auditing Standard (ISA 260).	RESOLVED: That Cabinet be informed that the Resources and Performance Panel – Audit and Risk Committee supports the recommendations as set out in the report to Cabinet. <i>Please following the link below to view minutes detailing debate by the Committee:</i> http://www.west-norfolk.gov.uk/pdf/Special%20AR090913.pdf
ARC52: Cabinet Report Annual Governance Statement (AGS)	In presenting the report, the Performance and Efficiency Manager explained that the preparation and publication of an Annual Governance Statement (AGS) was a statutory requirement,. The AGS was a public statement that described and evaluated the Council's overall governance arrangements during a particular financial year.	RESOLVED: That Cabinet be informed that the Resources and Performance Panel – Audit and Risk Committee supports the recommendations as set out in the report to Cabinet. <i>Please following the link below to view minutes detailing debate by the Committee:</i> http://www.west-norfolk.gov.uk/pdf/Special%20AR090913.pdf
24.09.13 NO MEETING		
29.10.13 (31 mins)		
ARC60: Internal Audit Plan 2013/14 – Progress Report for the Quarter July to September 2013	The Audit Manager presented the report which showed the Internal Audit activity for the quarter July to September 2013 against the Strategic Audit Plan 2013/14.	RESOLVED: Members noted the report on the Internal Audit Work Plan for July to September 2013.
ARC61: Internal Audit Benchmarking Exercise	The Audit Manager explained that the Internal Audit Team took part in the Benchmarking exercise undertaken by the Chartered Institute of Public Financial Accountant (CIPFA) earlier this year. The report summarised the adoption of a revised timetable for future Audit and Risk Committee meetings.	RESOLVED: The Committee noted the report and approved the adoption of a revised timetable for Audit and Risk Committee meetings.

ARC62: Proposed Audit and Fraud Team	The Committee received and considered the report that proposed that both Internal Audit and the Benefits Enquiry Unit were facing changes in the future and it seemed opportune to consider the changing needs of each service and the requirements of the Council. The report looked at reviewing the two teams and combining the units into an Audit and Fraud Team gaining some resource on the audit/fraud activities and reducing the administrative support, providing a saving of £16,061 pa.	RESOLVED: The Committee noted the report.
ARC63: Corporate Risk Monitoring Report October 2013	The Audit Manager explained that the report presented the changes to the Risk Register since the last monitoring report in June 2013 and gave details of the risks falling into the 'Very High category and the associated work to mitigate the effects	RESOLVED: The Committee noted the report.
ARC64: Cabinet Report: Mid Year Treasury Review	<p>The Chief Financial Officer explained that the Mid Year Review Report had been prepared in compliance with CIPFA's Code of Practice, and covered the following:</p> <ul style="list-style-type: none"> • An economic update for the first six months of 2013/2014. • A review of the Treasury Management Strategy Statement and Annual Investment Strategy 2013/2014. • The Council's capital expenditure (prudential indicators). • A review of the Council's investment portfolio for 2013/2014. • A review of the Council's borrowing strategy for 2013/2014. • A review of any debt rescheduling undertaken during 2013/2014. • A review of compliance with Treasury and Prudential Limits for 2013/2014. 	<p>RESOLVED: That The Panel support the recommendation to Cabinet as follows:</p> <p>Cabinet is asked to note the report and the treasury activity.</p> <p><i>Please following the link below to view minutes detailing debate by the Committee:</i></p> <p>http://www.west-norfolk.gov.uk/pdf/29.10.2013%20-%20Audit%20and%20Risk%20Committee%20-%20Minutes.pdf</p>
26.11.13 – (28 mins)		
ARC73: Annual Audit Letter – Year ending 31 March 2013	Mr R Murray, Ernst & Young presented the Annual Audit Letter to the Committee.	RESOLVED: Members noted the Annual Audit Letter for year ending 31 March 2013.
ARC74: Benefits Investigations Unit Half-Year Report	The Fraud Investigations Manager presented the report which provided Members with information regarding the work undertaken during the first half of 2013/2014 financial year.	RESOLVED: The Committee noted the report.
07.01.14 NO MEETING		

25.02.14 – (60 mins)		
ARC 83: Certification of Claims and Returns Annual report 2012/2013	Mr R Murray, Ernst & Young presented the Certification of Claims and Returns Annual report 2012/2013.	RESOLVED: Members noted the Annual Certification of Claims and returns – 2012/2013 report.
ARC84: Internal Audit Plan 2013/2014 – Progress report for the Quarter October to December 2013.	The Audit Manager presented the report which showed the Internal Audit activity for the quarter October to December 2013 against the Strategic Audit Plan 2013/14.	RESOLVED: The Committee noted the report.
ARC85: Strategic Audit Plan 2014/2017	The Audit Manager presented the report which provided the Committee with the opportunity to review the proposed Strategic Internal Plan for 2014/2017.	RESOLVED: The Committee noted the Strategic Internal Audit Plan for 2014/2017.
ARC86: Cabinet Report: Treasury Management 2014/2015	<p>The Principal Accountant presented the report which advised that the Council was required to receive and approve a Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy which covered:</p> <ul style="list-style-type: none"> • Capital Plans, including Prudential Indicators. • A Minimum Revenue Provision (MRP) Policy. • The Treasury Management Strategy. • An Investment Strategy. 	<p>RESOLVED: That the Committee support the recommendations to Cabinet as follows:</p> <p>Cabinet is asked to recommend to Council:</p> <ol style="list-style-type: none"> 1) The Treasury Management Strategy Statement 2014/2015, including treasury indicators for 2014/2017. 2) The Investment strategy 2014/2015. 3) The Minimum Revenue Provision Policy 2014/2015. 4) Adopt the revised Treasury Management Practices (TMPs). <p><i>Please following the link below to view minutes detailing debate by the Committee:</i></p> <p>http://www.west-norfolk.gov.uk/pdf/AR250214%20.pdf</p>
26.03.14 – (27 mins)		
ARC95: External Audit Plan Year End 31 March 2014	Members were informed that a letter referring to the 2012/2013 Housing and Council Tax Subsidy Benefit Fee Certification Fee which was issued as part of the annual report and detailed the outcome from Ernst and Young's audit work on the Borough Council's grant claims had been included with the paperwork for tonight's meeting.	RESOLVED: The Committee noted and agreed the External Audit Plan for Year End 31 March 2014.

	Mr R Murray, Ernst and Young presented the External Audit Plan for Year End 31 March 2014 which set out how the External Auditors intended to carry out their responsibilities as auditor.	
29.04.14 – (57 mins)		
ARC104: Presentation on Anti-Fraud by the Audit Manager	<p>The Audit Manager gave a Powerpoint presentation, which included the following:</p> <ul style="list-style-type: none"> • What is fraud? • Why should it be a concern? • What the Council do to avoid fraud? • Sources of Information. • Other interested parties. 	RESOLVED: The Committee noted the content of the presentation.
ARC105: Single Fraud Investigation Service Update	<p>In presenting the report, the Audit Manager explained that the Single Fraud Investigation Service (SFIS) was a government project to transfer the investigation of Benefits fraud to a new service within the Department of Work and Pensions.</p> <p>The Audit Manager advised the Committee that once she had assessed the level of workload that would be left with the Council once SFIS had been implemented, a further report would be presented to Members.</p>	RESOLVED: To agree in principle that the Council will need to retain an investigative resource post-SFIS and that the approach taken is the most appropriate.
ARC106: Cabinet Report: Anti-Fraud and Anti-Corruption Strategy, Whistleblowing Policy and the Fraud Response Plan	The Audit Manager presented the report and reminded the Committee that the Council had a suite of anti-fraud documents in place for a number of years, with amendments being made to take account of new legislation, in particular the Bribery Act 2010. A full review of the documents had now taken place to ensure that there were consistent, up-to-date and fit for Purpose.	<p>RESOLVED: That Cabinet recommends that Council agree the proposed Anti-Fraud and Anti-Corruption Strategy, Fraud Response Plan and Whistleblowing Policy.</p> <p><i>Please following the link below to view minutes detailing debate by the Committee:</i></p> <p>http://www.west-norfolk.gov.uk/pdf/29.04.2014%20-%20Audit%20and%20Risk%20-%20Minutes.pdf</p>

RECOMMENDATIONS TO CABINET 10 SEPTEMBER 2014 FROM THE MEETING OF THE RESOURCES AND PERFORMANCE PANEL – AUDIT AND RISK COMMITTEE 22 JULY 2014

ARC40: **CABINET REPORT: REVIEW OF THE EFFECTIVENESS OF THE AUDIT AND RISK COMMITTEE**

The Audit Manager presented the report which provided the results of the 'Review of the Effectiveness of the Audit and Risk Committee' for 2013/2014 and confirmed that the Committee was fulfilling its stated purpose which was 'to provide 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 affected the Council's exposure to risk and weakened the control environment, and to oversee the financial reporting process.'

Members were reminded that the Audit and Risk Committee was set up in 2006, with Terms of Reference drawn up in line with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). These were reviewed during 2013/2014 and approved by Council on 26 September 2013.

The Audit Manager explained that the previous review indicated that the Committee was providing an effective service. However, it was recommended that:

- The Terms of Reference needed to be reviewed and presented to Council for approval. An issue identified to be included in the review was the opportunity, if required, for Internal and External audit to meet with the Committee without senior management present.
- Identify if any specific training was required by Members of the Committee, in particular it was noted that training on the Annual Governance Statement would be useful.
- The Risk Management Strategy was due for review.

The Committee was advised that all the recommendations had been completed with the exception of the Risk Management Strategy review, which would be carried out shortly.

It was noted that the review was completed by the Audit Manager using a checklist compiled by CIPFA. The review indicated that the Committee was functioning correctly as an Audit Committee and was effective in its role.

The Audit Manager informed Members that throughout 2013/2014 the Audit and Risk Committee held 10 meetings and received a

total of 29 reports. Training was provided to the Committee during the year on the Annual Governance Statement and on the Council's anti-fraud measures. Financial training was provided in respect of the Statement of Accounts and Treasury Management.

In response to questions relating to 4.5 – Does the Audit Committee hold periodic private discussions with the Audit Manager, the Deputy Chief Executive gave examples of when it might be appropriate to hold a private meeting. The Committee was informed that currently there was an investigation being conducted and once it had been concluded, a private meeting would be convened to update Members on the outcome.

Following comments from Councillor Collop on the number and timing of Audit and Risk Committee meetings held during the year and the number of reports presented which were "to note", the Audit Manager advised that consideration had been given to reducing the number of meetings to 6 per year.

The Chairman, Councillor Beal asked Councillor Collop what would be gained if the Audit Committee comprised fewer Members.

Councillor Collop advised of the audit function at Norfolk County Council in that there was a smaller sub group and added that in his opinion the Borough Council's Audit Committee comprised a large number of Members. The audit meetings at the Borough Council were held on a monthly basis and the majority of reports were to note only.

Councillor Langwade stated that in order to exercise democracy the number of committees should not be minimised further if it caused detriment to the Council.

In response to comments made by Councillor Mrs Mellish regarding Members accessing documents via InSite, the Audit Manager advised that only Members of the Audit and Risk Committee could access audit documents. Members could choose to attend both the Resources and Performance Panel and the Audit and Risk Committee or attend just one meeting and leave after the appropriate item.

Councillor Humphrey added that each authority carried out the audit function in a different way. Norfolk County Council had a Special Audit Committee, but commented that the Borough Council arrangements worked well; however, the number of meetings could be reduced. He referred to 1.23 – are decisions reached promptly? and suggested that the wording in the evidence/comment be amended to read: *If required a decision is made at the end of each item on the Agenda.*

Councillor Humphrey referred to Appendix 2 – Issues discussed at

meetings of the Audit and Risk Committee 2013 – 2014 and commented that the detail of the meeting did not include comments made by Members and responses made by Officers to Cabinet reports and asked if appropriate amendments could be made prior to being considered by Cabinet. In response, the Audit Manager/Democratic Services Officer advised that a separate sheet – Recommendations to Cabinet (an extract from the Minutes) were forwarded to Cabinet, which Cabinet considered whilst discussing the agenda item. The Democratic Services Officer undertook to include a link to the minutes and recommendations within Appendix 2. In presenting the report to Cabinet the Audit Manager would verbally report the comments made by Councillor Humphrey.

The Audit Manager would revise the work programme to be considered by the Audit and Risk Committee to reduce the number of meetings to 6 per year. A revised work programme would be presented at a future meeting of the Committee.

RESOLVED: That Cabinet be informed that the Resources and Performance Panel – Audit and Risk Committee supports the recommendation as follows:

To note the contents of the report.

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Discretionary /	Be entirely within Cabinet's powers to decide	YES	
		Need to be recommendations to Council	NO	
		Is it a Key Decision	YES	
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted: Portfolio Holder (Regeneration)		
		Other Members consulted:		
Lead Officer: Ian Burbidge E-mail: ian.burbidge@west-norfolk.gov.uk Direct Dial: 01553 616722		Other Officers consulted: Chief Executive, Regeneration Manager		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment req'd NO	Risk Management Implications NO

Date of meeting: 10 September 2014

5 BROADBAND PROVISION IN WEST NORFOLK

Summary

This report seeks agreement to earmark funds of up to £500,000 towards the Norfolk County Council-led Better Broadband for Norfolk initiative. This will be matched by government funding through the Better Broadband for Norfolk (BBfN) programme. The commitment to spend will not be confirmed until the BBfN programme has let the next contract, towards the end of this financial year, which will provide an opportunity to assess detailed information about the programme's roll-out and the impact for West Norfolk.

Recommendation

That

1. Cabinet earmark £500k from the corporate project budget towards this programme
2. The Chief Executive, in consultation with the Leader of the Council and Portfolio holder for Regeneration, makes the final commitment to spend, based on an assessment of the detailed information from BBfN
3. That prior to finalising the detail of the roll out of the service, the Leader and Cabinet Member for Regeneration be consulted.

Reason for Decision

This will enable the roll-out of superfast broadband into areas in West Norfolk that would otherwise not otherwise benefit from the Better Broadband for Norfolk programme.

1 Background

1.1 Access to Superfast (24 Mbps+) broadband speeds is becoming increasingly important for both businesses and households. The availability of broadband infrastructure in Norfolk, capable of providing access to these

speeds, and provided on an entirely commercial basis, is one of the lowest in the UK, providing access for just 43% of properties.

1.2 In December 2012, Norfolk County Council invested £15 million, along with £15 million from Government for the provision of infrastructure to improve the situation in Norfolk. A Call-off contract was let using the national Broadband Delivery UK Framework, which was established and is managed by the Department for Culture, Media and Sport (DCMS). The contract was based on a 'gap' funding model which ensures that public subsidy is only used to bridge the gap between the revenue the asset is expected to generate and the cost of deployment – only the gap is funded. Safeguards are in place to prevent over subsidy.

1.3 Norfolk's Better Broadband for Norfolk (BBfN) Programme is on schedule to implement the improved broadband infrastructure across Norfolk, so that 83% of properties will have access to Superfast broadband, by the end of 2015. The actual figure for west Norfolk is not yet known, although in the autumn of 2013 the Quality of Life survey showed only 4% of respondents currently had superfast broadband at home (it also showed that 78% of residents had broadband).

1.4 Recent Government commissioned research has stated that this current national Rural Broadband Programme will deliver returns of £20 for every £1 invested. As well as improvements in the productivity of broadband enabled companies, high speed broadband will create an additional 56,000 jobs in the UK by 2024, and the work involved in the current rollout is expected to provide a £1.5 billion boost to local economies. This research corroborates independent economic research commissioned by Norfolk County Council.

1.5 The Government has recognised existing Superfast broadband funding is insufficient to achieve any more than an average of 90% coverage across the UK (less in very rural counties). Consequently, it has set-up the Superfast Expansion Programme (SEP), and has allocated a further £250 million in 2015 – 2017, in order to achieve an average 95% UK coverage. However, to secure a share of this investment, local match funding is required.

1.6 DCMS offered Norfolk £5.59 million from the Superfast Expansion Programme fund, which when matched, and based on the costs associated with achieving 83% Superfast coverage, is estimated will achieve approximately 90% Superfast coverage across Norfolk. This is being match funded in Norfolk by the Local Enterprise Partnership.

1.7 This investment will be on a Norfolk wide basis to achieve as much Superfast (24 Mbps+) coverage as possible for the available investment. Therefore again, the target for Norfolk is 90% but this may be less in west Norfolk.

1.8 Norfolk County Council then requested a further £4 million from DCMS, which was agreed, subject to local match funding. Norfolk County Council has confirmed to match fund this by allocating a further £1 million. There is

therefore an opportunity for the Borough Council to secure a portion of the remaining £3 million, this would be based on agreeing an amount of funding now, and a figure of £500k is recommended. This would then draw £500k match funding from DCMS. This total investment of £1 million would be available to achieve higher levels of coverage within the Council's area, with an aim of achieving 95%.

1.9 Once the BBfN Programme has let the next call-off contract, the procurement is expected to be completed in early 2015. The areas in west Norfolk that are still not scheduled for improved broadband infrastructure will be analysed by the Council at that point and a final decision on whether and how much funding is committed is made at that stage.

1.10 This assessment will be based upon options for further rollout, and if these represent value for money, the additional investment will be introduced into the BBfN contract via Change Control.

1.11 If value for money is not established the recommendation will be not to proceed with the investment. The timeframe for this decision will be during 2015 and most likely post May 2015.

2 Options Considered

2.1 This is an opportunity to invest in additional Broadband infrastructure for some of our more inaccessible communities. There are no options to achieve the same aim. Not investing would enable us to invest in different corporate projects (see Financial Implications below).

3 Policy Implications

3.1 This directly contributes to the council's corporate business plan. The aim of better infrastructure through improved broadband internet access contributes to the outcome that 'people benefit from a growing economy'. Providing better broadband will also underpin many of the other outcomes and aims such as business growth and accessible amenities. It also helps people in our communities take advantage of council initiatives such as channel shift and Lily, respond to national initiatives such as 'digital by default' and access the benefits that being on-line can provide, such as access to price comparison websites, online discounts and the like.

4 Financial Implications

4.1 Over the three year period of the current 2014/2017 Financial Plan there is provision for £250,000 in each year for Corporate Projects. The Council has already committed to use £100,000 each year to support the Town Heritage Initiative and a further £50,000 in 2015/2016 as a contribution for recharge works at Snettisham beach. This leaves a balance of £400,000 over the period of the Plan uncommitted. In addition to this sum a further £100,000 is to be repaid by the QEH (over a period of 4 years) as a contribution to the cost of road works at the hospital roundabout. The costs were originally funded from past Corporate Project budgets. It is suggested that the balance of the current Corporate Project budget of £400,000 together with the repayments from the QEH of £100,000 fund the £500,000 cost of the

superfast broadband project. This will have committed in total the Corporate Project budgets for all three years of the Financial Plan.

5 Personnel Implications

None

6 Statutory Considerations

None

7 Equality Impact Assessment (EIA)

Not applicable

8 Risk Management Implications

None

9 Declarations of Interest / Dispensations Granted

None

10 Background Papers

EIA pre Screening report

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards Hunstanton	Discretionary /	Be entirely within Cabinet's powers to decide	YES	
		Need to be recommendations to Council	NO	
		Is it a Key Decision	YES	
Lead Member: Cllr Alistair Beales E-mail: cllr.alistair.beales@west-norfolk.gov.uk		Other Cabinet Members consulted: Cllr Elizabeth Nockolds		
		Other Members consulted:		
Lead Officer: Jemma Curtis E-mail: jemma.curtis@west-norfolk.gov.uk Direct Dial: 01553 616716		Other Officers consulted: Ray Harding		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment Yes – pre screening.	Risk Management Implications NO

Date of meeting: 10th September 2014

6 COASTAL COMMUNITIES FUND STAGE 2 APPLICATION

Summary

The Borough Council in partnership with Hunstanton Sailing Club & Watersports Centre (the Centre) submitted a Stage 1 application to the Coastal Communities Fund (CCF) in April 2014 for funding towards the 'Active Hunstanton' project. This report seeks authorisation to proceed with submission of a stage 2 application to the CCF. If successful, the CCF would provide the capital funding required to construct the training and competition/event facilities at the Centre and revenue support to deliver a destination marketing campaign and training and events programme.

Recommendation

1. Cabinet approves the submission of 'Active Hunstanton' stage 2 application in partnership with Hunstanton Sailing Club & Watersports Centre.
2. The Cabinet allocates £60,000 from the Hunstanton Regeneration capital programme for 2015/16 as match funding towards the project.
3. The Council enters into a Memorandum of Understanding (MOU) with the Centre to set out each parties roles and responsibilities to develop the stage 2 application and deliver the project if CCF funding is secured.
4. If successful, Cabinet accept the CCF grant for the 'Active Hunstanton' project if awarded by the Big Lottery Fund and for the Council to act as the accountable body.

Reason for Decision

To facilitate the expansion of the water sports offer which is identified as a high priority in the Council's Hunstanton Town Centre and Southern Seafront masterplan, specifically the masterplan objective for 'An Active Town' - *expanding the existing water sports and activities offer.*

1. Background

- 1.1 Expanding the Watersports offer in Hunstanton is identified as a key element of the Council's vision for Hunstanton to regenerate the resort. The Hunstanton Sailing Club & Watersports Centre (the Centre) has set out plans to refurbish, extend and develop the watersports offer from the Centre. The Centre's plans will make a significant contribution to achieving the vision and deliver economic and social benefits to the town.
- 1.2 The Council has financially supported the first phase of improvements to the 1st floor extension and refurbishment of ground floor facilities. Completion of the 1st floor extension will enable a comprehensive watersport training programme, national and international events and competitions to be delivered from the Centre to benefit the Hunstanton economy.
- 1.3 The Big Lottery Fund announced round 3 of the Coastal Communities Fund (CCF) in February 2014. It aims to encourage the economic development of UK coastal communities by awarding funding to create sustainable economic growth and jobs. It is a highly competitive funding programme which was heavily oversubscribed at stage 1 submission.
- 1.4 A stage 1 application to the CCF led by the Council in partnership with the Centre was submitted in April 2014. The Council received notification in July that the Stage 1 application was successful and has been invited to submit a stage 2 application by 15 October 2014. Announcements of successful projects are expected in February 2015. If successful the CCF grant will have to be spent between April 2015 and 31st December 2016.

2 Options Considered

	Option	Advantages	Disadvantages
1.	Coastal Communities Fund – Phase 2 of Centre only	<ul style="list-style-type: none"> - Utilise existing capital programme allocation to lever in external funding (£317k) - Funding programme priorities consistent with the 'active town' vision of the Masterplan. - Close alignment with CCF priorities with a good probability of a successful application. - Will facilitate the completion of the Centre redevelopment and enhance the watersports offer in Hunstanton. - Capital and revenue funding available. - Project legacy will result in 	<ul style="list-style-type: none"> - Match funding is in addition to the Councils phase 1 contribution. - Application does not deliver wider physical improvements to the resort.

		year round training programmes.	
2.	Coastal Communities Fund – Phase 2 of Sailing Club + other promenade improvements	<ul style="list-style-type: none"> - Utilise existing capital programme allocation to lever in external funding. - Could secure funding for wider improvements to the promenade & resort facilities. 	<ul style="list-style-type: none"> - Early advice from the BLF suggested the promenade improvements would be difficult to demonstrate value for money job outputs.
3.	Allocate Council capital funding to other Hunstanton regeneration projects	<ul style="list-style-type: none"> - Allow funding to be allocated to other priority areas of investment 	<ul style="list-style-type: none"> - Value of contribution on its own would not achieve similar economic outputs. - Would not attract revenue funding for the destination marketing campaign and training and events programme.

3 'Active Hunstanton' Project (Stage 1 Submission)

3.1 Early consultation with the Big Lottery Fund during the development of the stage 1 application identified that they would only be interested in schemes that could clearly demonstrate direct and indirect job outputs as a result of a project. Given the competitiveness of the funding programme, demonstrating value for money (i.e. cost per job) would be critical. This quickly focused the aim of the stage 1 application to the development of the watersports offer in Hunstanton with the Centre as we could clearly demonstrate how the project would generate spend in the local economy (from training programmes, events and competitions) and the consequential direct and indirect job outputs as a result of this additional spend.

3.2 The project submitted in the stage 1 application to the CCF seeks funding for 'the provision of facilities and a destination marketing campaign to transform Hunstanton into a premier venture sports destination on the east coast.' This specifically entails, capital funding required to complete the 1st floor training and competition facilities and revenue support for a destination marketing campaign, staff and promotional costs to deliver the training and events programme. The outputs of the project anticipate the creation of 2.5 direct jobs and 15 indirect jobs.

3.3 The project costs outlined in the stage 1 application are;

Capital	£152,813
Revenue	£185,000
Total	£377,813

Providing match funding for the project demonstrates local commitment to the project and improves the 'value for money' assessment by the Big Lottery Fund. The Council has allocated £60,000 in the Hunstanton Regeneration Capital Programme for 2015/16. It is proposed that this funding is used as match funding towards the project. The total project cost of £377,813 includes the £60,000 council contribution and therefore means we hope to lever in £317,813 of funding from the CCF.

3.4 Submission of a stage 2 application will require confirmation of actual project costings and details on how the project will be delivered. Advice received from the Big Lottery Fund on these requirements suggests they prefer a local authority to act as the lead accountable body and administer the grant due their in house capacity, skills and expertise which small clubs are unlikely to have. Under these circumstances we will need to demonstrate how we will work in partnership with the Centre to deliver the project. It is recommended that the Council and the Centre agree to a 'Memorandum of Understanding' (appendix1) for the project to satisfy the funders' requirements but also to ensure the Council and Centre are clear on each parties role and responsibilities.

3.5 Project Delivery: if the stage 2 application is successful, the project must be delivered between April 2015 and 31st December 2016. In order to minimize disruption to the Centre during the peak season and to also ensure the benefits and outputs of the project are secured early for the benefit of the resort, we are suggesting that the capital works commence in April 2015. To meet this time scale we propose to undertake a 6 week tender exercise for the capital works late 2014 with a view to award a contract subject to receipt of funding (anticipated February 2015). This will enable works to start quickly as soon as funding is hopefully received. The revenue funding requested includes the appointment of a training and events manager to promote and operate the Centre's training, events and competitions programme and recruitment of RYA trained instructors. These will be recruited and managed by the Centre in consultation with the Council (as grant administrators).

4 Policy Implications

4.1 This project is in line with the Council's policy for the regeneration of Hunstanton as set out in the Town Centre and Southern Seafront Masterplan (2008). In particular it is in line with the masterplan objective for 'An Active Town' - *expanding the existing water sports and activities offer* and is identified in 'opportunity site A' as an area to develop the town's water sports offer.

4.2 The socio-economic assessment completed for the masterplan identified that water sports is probably the key opportunity available to Hunstanton to diversify Hunstanton's tourism offer; attracting new markets to the town and providing facilities which would be attractive to visitors using other parts of the Norfolk coast. This is also in line with the West Norfolk Tourism Strategy.

5 Financial Implications

5.1 The proposed Council match contribution of £60,000 is within the current Hunstanton Regeneration capital programme allocation for 2015/16.

6 Personnel Implications

6.1 None – The Regeneration & Economic Development section will lead the submission of the stage 2 application as part of its work to deliver the Hunstanton regeneration programme. A procurement exercise will be required to secure a contractor for the capital works; it is proposed that the council's procurement team provides assistance with the procurement.

7 Statutory Considerations

7.1 Planning consent has already been obtained for the capital works required.

8 Equality Impact Assessment (EIA)

8.1 Pre-screening attached.

9 Risk Management Implications

9.1 There are no direct risk implications to the Council. If the funding is not secured through CCF, the Centre will have to explore other sources of funding.

9.2 A detailed risk assessment for the project will be prepared as part of the stage 2 submission.

10 Declarations of Interest / Dispensations Granted

10.1 None

Background Papers

Appendix 1: Memorandum of Understanding

Stage 1 CCF Application

MEMORANDUM OF UNDERSTANDING (MOU) between

The Borough Council of King's Lynn & West Norfolk

and

Hunstanton Sailing Club and Watersports Centre

I. PURPOSE

The purpose of this MOU is to clearly identify the roles and responsibilities between the Borough Council of King's Lynn & West Norfolk ("Council"), and Hunstanton Sailing Club & Watersports Centre, ("Centre"), hereinafter collectively referred to as the "Parties", to jointly enable the phase 2 development of the centre using Coastal Communities Funding ("CCF"), hereinafter referred to as "the CCF Project."

II. SCOPE

The extent of the CCF Project is defined in the Stage 1 application to the CCF. The parties consider the CCF Project as an opportunity to support the regeneration of Hunstanton through expanding the watersports offer and facilities.

It is intended that the parties will work together to facilitate the development and delivery of the Stage 2 funding application to the CCF, with a focus on the delivery of the capital works to improve the facilities and appointment of staff to promote and operate the training and events programme for the Centre.

In particular, this MOU is intended to:

- Provide a shared understanding to each of the parties on roles and responsibility required to work together to facilitate, deliver and promote the project.
- Enhance the deliverability of the capital works which will result in improvements to the centre facilities.
- Provide necessary specialist support from each of the parties involved to ensure delivery and outcomes of the project are delivered as stated in the Project's funding applications.
- Establish a joint project delivery team which will oversee the delivery of the CCF project for both capital and revenue elements.

II. BACKGROUND

Expanding the Watersports offer in Hunstanton is identified as a key element of the Council's vision for Hunstanton to regenerate the resort. The Centre has set out plans to refurbish, extend and develop the Centre, located at the South Promenade, in a business plan. The Centre's plans will make a significant contribution to achieving this aim and delivering economic and social benefits to the town.

The council has previously supported the centre by providing letters of support for previous funding streams used to deliver first phase of improvements to the facilities. Further development of the Centre will enable a comprehensive watersport training programme and national and international events and competitions to take place to benefit the Hunstanton economy.

The CCF provides an opportunity for capital funding to deliver the training and competition facilities at the Centre and revenue support for staff and promotional costs to deliver the training and events programme. A stage 1 application to the CCF led by the Council in partnership with the Centre has been approved. The Council has been invited to submit a stage 2 application by October 2014. If successful the CCF grant will be available to spend until 31st December 2016. From the 1st January 2017 the Centre will be self-sustainable and will no longer receive revenue support from CCF or the council.

III. THE COUNCIL RESPONSIBILITIES UNDER THIS MOU

The council shall undertake the following activities:

- Develop the stage 2 CCF application as the lead partner with the significant input from the centre. If successful with the stage 2 submission the council will act as the lead partner and will therefore be responsible for the administration of the grant.
- Provide £60,000 of match funding (available 2015/16) to the CFF Project.
- Establish the delivery team with representatives from each party and any others deemed appropriate.
- Complete a tender exercise for the delivery of the capital works to the Centre to ensure competitive, open and transparent procurement for the capital works.
- Share all information acquired during the tender process and any other documents acquired during the project.
- Deliver through the CCF Project, the capital improvements to the Centre, and revenue support for the employment of staff by the centre to manage the new premises and deliver training.
- Support the Centre in the recruitment of the funded posts.
- Provide support for the delivery team.
- Promote the project to a wider audience and help to publicise the facility to visitors and locals.

- Comply with the standard terms and conditions of grant as set by the CCF.
- Maintain records as required by the CCF.
- Evaluate the outcomes and outputs as required by CCF.

IV. THE CENTRE RESPONSIBILITIES UNDER THIS MOU

The centre shall undertake the following activities:

- Develop the stage 2 CCF application in partnership with the council
- Deliver the capital improvements to the facility in partnership with the council as a member of the project delivery team and revenue support for the employment of staff by the centre to manage the new premises and deliver training.
- Share all information to ensure accurate costs are produced
- Support the council in all aspects required to deliver the project outputs
- Attend the delivery team and provide all information as required in order to deliver the project outputs
- Promote the project to a wider audience and help to publicise what the facility to visitors and locals.
- Comply with the standard terms and conditions of grant as set by the CCF.
- Maintain records as required by CCF
- Evidence and evaluate the outcomes and outputs as required by CCF.
- Obtain any necessary consents (including planning or building regulations) required for the capital works
- Undertake necessary consultation with the Centres members and users to ensure support of the CCF project.
- Provide or obtain specialist watersport related advice required to deliver the CCF project.

V. IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT:

1. Modification can take place by agreement from both parties at any point during the period.
2. Termination will be at 31st December 2016 to coincide with the end of the CCF (excluding any post funding monitoring/evaluation that may be required to be supplied by the parties).

VI. FUNDING

This MOU does not include the reimbursement of funds between the two parties.

VII. EFFECTIVE DATE AND SIGNATURE

This MOU shall be effective upon the signature of the council and the centre authorised officials. It shall be in force from 22nd September 2014 to 31st December 2016.

The Council and the Centre indicate agreement with this MOU by their signatures.

Signatures and dates

On behalf of
the Borough Council of King's Lynn & West Norfolk

On behalf of the Hunstanton Sailing Club and
Watersports Centre

_____ Date

_____ Date

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Operational	(a) Be entirely within cabinet's powers to decide YES		
		(b) Need to be recommendations to Council	NO	
		(c) Be partly for recommendations to Council and partly within Cabinets powers –	NO	
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
Lead Officer: Samantha Winter E-mail: sam.winter@west-norfolk.gov.uk Direct Dial:01553 616327		Other Members consulted:		
Other Officers consulted:				
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications (incl S.17) NO	Equalities Impact Assessment req'd NO	Risk Management Implications NO

Date of meeting: 10 September 2014

7 APPOINTMENTS TO OUTSIDE BODY - COASTSHARE

Summary

Following of Councillor de Winton's resignation as an Executive Board Member on Coastshare Limited, Cabinet are requested to appoint a representative to join the Coastshare Executive Board.

Recommendation

That Cabinet appoints a Member to join the Coastshare Executive Board.

Reason for decision

To ensure continued involvement by the Council.

1.0 BACKGROUND

1.1 Coastshare was established in 2013 by North Norfolk District Council and Great Yarmouth Borough Council. It is a not for profit company that facilitates the provision of services to charitable and not for profit member organisations without the requirement to charge VAT. Such services can only be charged 'at cost' and cannot include a profit element.

1.2 The Borough Council agreed to join Coastshare in February 2014.

2.0 EXECUTIVE BOARD

2.1 The Executive Board is responsible for the management and administration of Coastshare.

2.2 The Borough Council of King's Lynn and West Norfolk are invited to nominate two Board Members to the Executive Board.

3.0 APPOINTMENT OF REPRESENTATIVES

3.1 In February 2014 Councillor Nick Daubney and Councillor Tom de Winton were appointed as the Borough Council's representatives on the Executive Board for the period 2014/2015. Following the resignation of Councillor de Winton to the Board, Cabinet are invited to appoint a replacement representative.

4.0 FINANCIAL IMPLICATIONS

4.1 Mileage and subsistence allowances for Councillors attending meetings.

5.0 ACCESS TO INFORMATION

Current lists of Member representation.