



Friday, 19 November 2021

Dear Sir/Madam

A meeting of the Governance, Audit and Standards Committee will be held on Monday, 29 November 2021 in the Council Chamber, Council Offices, Foster Avenue, Beeston NG9 1AB, commencing at 7.00 pm.

Should you require advice on declaring an interest in any item on the agenda, please contact the Monitoring Officer at your earliest convenience.

Yours faithfully

Chief Executive

To Councillors:	E Williamson (Chair)	J P T Parker
	S A Bagshaw (Vice-Chair)	M Radulovic MBE
	E Cubley	H E Skinner
	M Handley	P D Simpson
	H G Khaled MBE	I L Tyler
	J M Owen	D K Watts
	J C Patrick	

## A G E N D A

### 1. APOLOGIES

To receive apologies and to be notified of the attendance of substitutes.

### 2. DECLARATIONS OF INTEREST

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda.

### 3. MINUTES

(Pages 5 - 6)

The Committee is asked to confirm as a correct record the minutes of the meeting held on 20 September 2021.

4. COMMUNITY GOVERNANCE REVIEW (Pages 7 - 24)
- To ask the Governance, Audit and Standards Committee to approve the draft recommendations to be put forward for consultation as part of the Community Governance Review which started in June 2021.
- Maps showing the suggested boundaries are circulated as a separate document, Supplement 1.
5. AUDIT OF ACCOUNTS 2020/21 AND ASSOCIATED MATTERS (Pages 25 - 28)
- To approve the letter of representation and the process for the approval of the Statement of Accounts for 2020/21 and to receive the Audit Completion Report from the Council's external auditors following their work on these accounts.
- The Statement of Accounts, the Audit Completion report from Mazars and the draft letter of representation are circulated separately with this agenda as Supplement 2.
6. GOING CONCERN STATEMENT (Pages 29 - 32)
- This report sets out the assessment by the designed Section 151 Officer of the Council's Going Concern status.
7. INTERNAL AUDIT PROGRESS REPORT (Pages 33 - 52)
- To inform the Committee of the recent work completed by Internal Audit.
8. GOVERNANCE ARRANGEMENTS FOR THE BEESTON TOWN CENTRE DEVELOPMENT PROJECT (Pages 53 - 64)
- To provide the Committee with a report on the governance arrangements for the Beeston Town Centre Development project.
9. REVIEW OF STRATEGIC RISK REGISTER (Pages 65 - 74)
- To approve the amendments to the Strategic Risk Register and the action plans identified to mitigate risks.

10. REPORT OF THE MONITORING OFFICER (Pages 75 - 90)

The Housing Ombudsman has made a finding of injustice in respect of a lack of repairs undertaken to a complainant's shower.

11. WORK PROGRAMME (Pages 91 - 92)

To consider items for inclusion in the Work Programme for future meetings.

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## GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

MONDAY, 20 SEPTEMBER 2021

Present: Councillor E Williamson, Chair

Councillors: S A Bagshaw (Vice-Chair)  
E Cubley  
J M Owen  
P J Owen (substitute)  
J C Patrick  
M Radulovic MBE  
H E Skinner  
P D Simpson  
C M Tideswell (substitute)  
I L Tyler  
D K Watts

Apologies for absence were received from Councillors M Handley, H G Khaled MBE and J P T Parker.

17 APOLOGIES

The minutes of the meeting were confirmed and signed.

18 DECLARATIONS OF INTEREST

There were no declarations of interest.

19 MINUTES

The minutes of the meeting held on 19 July 2021 were confirmed and signed as a correct record.

20 EXTERNAL AUDIT UPDATE 2020/21

The Committee noted a report which provided an update on progress in delivering the external auditor's responsibilities.

21 REVIEW OF STRATEGIC RISK REGISTER

The Committee considered amendments to the Strategic Risk Register and the action plans identified to mitigate risks.

**RESOLVED that the amendments to the Strategic Risk Register and the actions to mitigate risks as set out in appendix 2 be approved.**

22 INTERNAL AUDIT PROGRESS REPORT

The Committee noted the recent work completed by Internal Audit. It was noted that Internal Audit had also reviewed progress made by management in implementing agreed actions within six months of the completion of the respective audits.

23 ANNUAL COUNTER FRAUD REPORT

The Committee were provided with an update on counter fraud and corruption and money laundering prevention activity in 2020/21. It was noted that the Council was committed to establishing a strong anti-fraud and corruption culture and would take all necessary steps to prevent, detect and punish fraudulent and corrupt acts.

24 WORK PROGRAMME

Members considered the Work Programme.

**RESOLVED that the Work Programme be approved.**

## Report of the Executive Director

### COMMUNITY GOVERNANCE REVIEW

#### 1. Purpose of report

To ask the Governance, Audit and Standards Committee to approve the draft recommendations to be put forward for consultation as part of the Community Governance Review (CGR) which started in June 2021.

#### 2. Background

At its meeting on 17 May 2021, the Committee approved the Consultation Proposals for the Community Governance Review. Following a 3 month consultation, the proposals were reviewed by a Task and Finish Group (TFG) in light of the comments received and alternative proposals put forward by Parish/Town Councils and members of the public. Set out in Appendix 1 are the Consultation Proposals, together with officer comments, the alternative proposals put forward during the consultation, and the TFG's suggested draft recommendations which include changes which the Local Government Boundary Commission for England (LGBCE) will be asked to make to Ward boundaries. Maps showing the suggested boundaries are circulated as a separate document.

In looking at the parish boundaries, the 5 year land supply was taken into account as well as the importance of maintaining communities and the impact of any changes on parish councils' precepts. The TFG recognised that the suggested alterations to parish boundaries which they have proposed will result in loss of precept for Awsworth, Eastwood, Greasley and Kimberley, effective from 1 April 2023. Nuthall Parish Council would gain from the proposed changes. Further details are given in Appendix 2. In looking at the financial implications, however, the TFG noted that there are a number of developments which are likely to come online within the next 5 years, including the sites at Newtons Lane, Awsworth, the former Kimberley Brewery site, Hardy Street, Kimberley, the Beamlight Site, Eastwood, and the Acorn Avenue site, Greasley which would mitigate against some of the loss.

There will be a 3 month consultation period on the draft recommendations from 1 December 2021 to 28 February 2022, after which there will be 2 months for the Council to consider the comments received and prepare and publish the final recommendations. The final recommendations will be considered by Council and a decision made on arrangements with a resolution to make a Reorganisation Order in May 2022.

As with the first consultation, a letter will be sent to all Parish/Town Councils, the County Council and all properties which could be affected by a boundary change, informing them of the proposals and the opportunity to submit comments. An FAQ sheet will also be included to cover some of the issues raised during the first consultation such as the effect of a boundary change on a property's postal address or value.

#### Recommendation

**That the Committee CONSIDERS the suggested draft recommendations put forward by the Task and Finish Group and RESOLVES accordingly.**

Background papers: Nil

**Broxtowe's Proposals****1. AWSWORTH****Awsworth Lane (Awsworth)**

Electors	10
Properties	6

From Parish	Kimberley
To Parish	Awsworth
Ward Change	Yes

**Officer Comments**

This is the area to the south of the A610 with properties accessing from Awsworth Lane (Awsworth). Historically this road was the main road between Awsworth and Kimberley before Ginn Close Way and the A610 were constructed. This street is now a dead end with no vehicular link to Kimberley.

**Alternative Proposals**

No alternatives have been proposed.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**Westby Lane**

Electors	6
Properties	2

From Parish	Awsworth
To Parish	Cossall
Ward Change	No

**Officer Comments**

These properties are proposed to move from Awsworth to Cossall to keep the access for the proposed Cossall Parish all within one parish; therefore, if Babbington is not moved, this proposal can be ignored. If it is moved, given the comments of the Parish Council and residents, it is possible to run the boundary up the centre of the road.

**Alternative Proposals**

Awsworth Parish Council proposed retaining these properties.

Residents have objected to the proposal.

Cossall Parish Council did not directly reference this change.

**Recommendation of the Task & Finish Group**

**That no change be made to the parish boundary, leaving the properties in Awsworth Parish.**

**2. BRINSLEY****Cordy Lane**

Electors	2
Properties	1

From Parish	Greasley
To Parish	Brinsley
Ward Change	Yes

**Officer Comments**

Saints Coppice Farm in Brinsley is accessed from Cordy Lane and isolated from the rest of Greasley Parish. This proposal would move the farm into the same parish as its neighbours.



Alternative Proposals

No alternative proposals have been received.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**3. COSSALL****Newtons Lane/The Glebe**

Electors	118
Properties	220

From Parish	Cossall
To Parish	Awsorth
Ward Change	No

Officer Comments

This area was identified at the last Ward review due to the boundary passing through properties on The Glebe and the access for the Awsorth properties being isolated and non-continuous from Awsorth Parish. Along with this consideration was that the Awsorth housing site, allocated by the Council's Part 2 Local Plan in 2018, has an access point off Newtons Lane. Since the identification of the area and allocation, this access point is now considered the secondary access for the development with a new access due to be created on Shilo Way (the Awsorth Bypass). The current boundary would split the development site, with the likelihood that a situation could arise where the properties are again divided into different parishes. Therefore, it is proposed that the boundary is moved so that the development site is completely within Awsorth.

Alternative Proposals

Awsorth Parish Council support Broxtowe's proposal, stating that it will 'help facilitate proper planning in Cossall] parish and improve local accountability'. They also mention that residents in this area are likely to be using Awsorth's facilities.

Cossall Parish Council have put forward the proposal that the boundary is moved so that the development site sits within Awsorth completely and the properties on The Glebe, Newtons Lane and Awsorth Lane all remain/move to Cossall Parish. If the feeling of community/local identity supports this, there is no practical reason it cannot happen.

Residents of the properties on the west of Awsorth Lane have raised their concerns and petitioned strongly to remain in Cossall. There is no impediment to this.

Residents on Newtons Lane and The Glebe have made representations to Cossall Parish Council, forwarded to Broxtowe, stating their strong feeling against the move.

**Recommendation of the Task & Finish Group**

**That the proposal submitted by Cossall Parish Council that the development site sits within Awsorth completely and the properties on The Glebe, Newtons Lane and Awsorth Lane all remain/move to Cossall Parish, be put forward as a draft recommendation.**

**Robinettes Lane**

Electors	8
Properties	4

From Parish	Unparished
To Parish	Cossall
Ward Change	Yes

Officer Comments

This area covers a wide sweep of the rural belt in the centre of Broxtowe. The four properties are addressed to Robinettes Lane on the west of the M1. It is proposed that the M1 therefore forms the sustainable boundary to Cossall Parish before following field boundaries to encompass the four rural properties.

Alternative Proposals

No alternative proposals were submitted.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**4. EASTWOOD****Newthorpe Common/Wheeler Avenue/Charles Avenue/Dovecote Lane**

Electors	564
Properties	338

From Parish	Eastwood
To Parish	Greasley
Ward Change	No

Officer Comments

Broxtowe's proposal suggested making the centre of Dovecote Road, Nottingham Road and Newthorpe Common the boundary between Eastwood and Greasley. Currently the boundary splits properties and streets in this area.

Alternative Proposals

There were alternatives put forward by Eastwood, Greasley and Mr Charlesworth.

**Recommendations of the Task & Finish Group**

1. That properties on Dovecote Road remain/move into Eastwood up to the boundary with the Greasley Sports Centre and the junction with Mill Road. Additionally, the allotments run by Eastwood Town Council to be moved into Eastwood Town Council's area
2. That the rear boundary of properties on Charles Avenue be used as the boundary moving all properties on Charles Avenue into Greasley, including nos 1 & 2 Mary Road, 1 & 3 and 2-14 Wheeler Avenue, 1-5 Scargill Avenue, 357 to 363 and 346-360 Nottingham Road Eastwood.
3. All properties on Newthorpe Common, Minster Gardens, Fleetway Close, Keeling Close, Grey Street, Rockley Avenue, Dawson Close, Wyvern Close, Orchard Street and Brick Yard cottage's, 2-8 1-9 and Halls Lane, 1-7 and 2-8 Daisy Farm Road, and all properties previously split off Commons Close and Violet Avenue to move from Eastwood Town Council area to Greasley Parish.

**Vale Close**

Electors	11
Properties	8

From Parish	Greasley
To Parish	Eastwood
Ward Change	Yes

**Officer Comments**

The current boundary cuts through houses and splits off properties into Greasley on Vale Close, which is accessed from Eastwood Parish. It is proposed that these properties all move into Eastwood.

**Alternative Proposals**

Eastwood Town Council supports Broxtowe's proposal.

Greasley Parish Council are proposing using the centre of Mill Road and Dovecote Lane as the boundary for the parish. This would support Broxtowe's proposal for Vale Close and additionally move in 43 electors and 30 more properties to Eastwood. This proposal would create a sustainable boundary at this point.

**Recommendation of the Task & Finish Group**

**That properties on Vale Close, 79-103 Dovecote Road, 7-21 Mill Road and Beauvale Methodist Church, Dovecote Road move into the Eastwood Town Council area from Greasley Parish.**

**5. GREASLEY****Coach Drive**

Electors	441
Properties	256

From Parish	Greasley
To Parish	Eastwood
Ward Change	No

**Officer Comments**

This area of housing was noted as being an anomaly during the last Ward review in 2014. Access is disconnected from the rest of Greasley Parish meaning residents have to pass through another parish before re-entering their own.

**Alternative Proposals**

Greasley Parish Council's response favoured keeping the area within their parish but realigning the boundary along the now canalised Beauvale Brook.

Broxtowe received representations which objected to the proposal for historical reasons and because of the erosion to the parish.

Eastwood Town Council supported the adoption of the Coach Drive area quoting the fact that they already form part of Eastwood at a borough and county level.

The proposal submitted by Mr Charlesworth supported Broxtowe's proposal.

**Recommendation of the Task & Finish Group**

**That the proposed change be put forward as a draft recommendation.**

**Beamlight Site/Braemar Avenue**

Electors	103
Properties	62

From Parish	Greasley
To Parish	Eastwood
Ward Change	No

Officer Comments

This area lies to the east of Newmanleys Road at the New Eastwood turning off the A610. It is proposed to move this area, including the eastern half of the Beamlight development site, to Eastwood.

It was identified as an area of concern during the last ward review in 2014 as the properties are isolated from the rest of Greasley Parish and Ward.

Alternative Proposals

Two alternative proposals were received for this area. Firstly, Greasley wishes to retain the area, and add neighbouring properties to their parish so that the boundary goes down the middle of the road. This would also necessitate taking in half of Chewton Street to maintain access. Eastwood meanwhile agreed with Broxtowe but wished to add the rest of the old tip site so that all derelict land in the vicinity becomes part of Eastwood.

**Recommendation of the Task & Finish Group**

**That the proposed change be put forward as a draft recommendation.**

**Coatsby Road (Greasley)**

Electors	7
Properties	4

From Parish	Greasley
To Parish	Kimberley
Ward Change	Yes

Officer Comments

This area proposes moving the four properties at the end of Coatsby Road into Kimberley with their neighbours, thereby removing the split in the street and preventing the parish boundary going through houses.

Alternative Proposals

No alternatives to this area were proposed.

**Recommendations of the Task & Finish Group**

- 1. That the proposed change be put forward as a draft recommendation.**
- 2. That the LGBCE be asked to approve a related alteration to the Ward boundary.**

**Gilt Hill**

Electors	20
Properties	12

From Parish	Greasley
To Parish	Kimberley
Ward Change	Yes

Officer Comments

The properties on Gilt Hill currently within Greasley are isolated from the rest of their parish. It is proposed to move these properties and a small area of fields and have the boundary follow Gilt Brook.

Alternative Proposals

No alternative proposals were submitted. Representations received supported the change.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**Ikea Island**

Electors	4
Properties	2

From Parish	Greasley
To Parish	Kimberley
Ward Change	Yes

**Officer Comments**

This area is adjacent to the Gilt Hill one but the properties are addressed to Nottingham Road. The proposal is to add these two properties to Kimberley as they are isolated from the rest of the parish but directly adjacent to properties within Kimberley.

**Alternative Proposals**

No alternative proposals were made for this area.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**Larkfields Road**

Electors	30
Properties	16

From Parish	Greasley
To Parish	Nuthall
Ward Change	No

**Officer Comments**

This proposal prevents properties being split and aligns the boundary to the centre of Larkfield Road.

**Alternative Proposals**

Greasley Parish Council made no mention of this area in their submission.

Kimberley Town Council made no mention of Broxtowe's proposals but did object to Nuthall Parish Council's proposals for this area.

Nuthall Parish Council made two alternative proposals for their parish area. Both of these would absorb this area and are explored more fully later in this document.

Representations made were based on Nuthall's proposals rather than Broxtowe's.

**Recommendation of the Task & Finish Group**

**That option 1 submitted by Nuthall Parish Council to include all of the Larkfields Estate be incorporated into the Nuthall Parish area be put forward as a draft recommendation.**

**Lindley Street**

Electors	645
Properties	353

From Parish	Greasley
To Parish	Eastwood
Ward Change	No

**Officer Comments**

This area includes Lindley Street, Brunel Avenue, Hackworth Close, Metcalfe Road and the streets off these. This was initially proposed due to its apparent alignment with Eastwood.

Alternative Proposals

Eastwood supported Broxtowe's proposal for the same reasons as Coach Drive: the area is part of Eastwood at a borough and county level.

Greasley and Mr Charlesworth both suggested alternatives, which are explored later in the document under Other Proposals.

**Recommendation of the Task & Finish Group**

1. That the Lindley Street area remain in Greasley.
2. That Greasley Parish Council's proposals for the boundary to be the centre of Mill Road be adopted, including the even addresses on Mill Road, 36-42 Lower Beauvale, 1-7 and 2-8 Metcalfe Road and all properties on Brandyline Gardens.

**South of A610 (GRE-ESM)**

Electors	0
Properties	0

From Parish	Greasley
To Parish	Eastwood
Ward Change	Yes

Officer Comments

This change is proposed so that properties on Newmanleys Road (South) are completely within one parish. It proposes the A610 to be the boundary between Greasley and Eastwood at this point before using field boundaries until meeting the borough boundary.

Alternative Proposals

No alternative proposals were submitted.

Eastwood Town Council did not mention this area specifically but the proposal map showed it incorporated into the Beamlight Site/Braemar Avenue change which they supported.

Greasley Parish Council mentioned it tangentially in their alternative proposal by stating the boundary should follow the A610.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**South of A610 (GRE-ACT)**

Electors	0
Properties	0

From Parish	Greasley
To Parish	Awsworth
Ward Change	Yes

Officer Comments

The proposal is to make the A610 the sustainable boundary between Greasley and Awsworth. It does not affect any electors or properties currently.

Alternative Proposals

No alternative proposals were submitted.

Awsworth Parish Council supported the proposal.

Greasley Parish Council mentioned it tangentially in their alternative proposal by stating the boundary should follow the A610.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

## 6. KIMBERLEY

### Babbington Village

Electors	63
Properties	32

From Parish	Kimberley
To Parish	Cossall
Ward Change	Yes

#### Officer Comments

Babbington Village is a hamlet sitting between Awsworth, Cossall and Kimberley. Its vehicular access is from Westby Lane and links it to both Awsworth and Cossall. The residents of Babbington currently have to pass through Awsworth and Greasley before re-entering Kimberley Parish to access their polling station.

#### Alternative Proposals

Kimberley Town Council's submission did not state that they wished to retain the village; however, they did state that they would be led by the residents of the village.

As the attached representations documents show, we have received several to remain within Kimberley and only one opposing this view.

Cossall Parish Council made no mention of Babbington within their submission.

#### **Recommendation of the Task & Finish Group**

**That no change be made to the parish boundary, leaving Babbington Village in Kimberley Parish.**

### A610 Island (North)

Electors	0
Properties	0

From Parish	Kimberley
To Parish	Greasley
Ward Change	Yes

#### Officer Comments

This proposal suggests taking the boundary of the parish down the middle of the road, so that it becomes sustainable and easy to follow on the ground

#### Alternative Proposals

No alternatives have been proposed.

#### **Recommendations of the Task & Finish Group**

- 1. That the proposed change be put forward as a draft recommendation.**
- 2. That the LGBCE be asked to approve a related alteration to the Ward boundary.**

### Chilton Drive

Electors	154
Properties	121

From Parish	Kimberley
To Parish	Greasley
Ward Change	No

#### Officer Comments

Currently the boundary between Greasley and Kimberley goes through houses and splits Chilton Drive and Cloverlands Drive between the two parishes. The proposal is to take the remainder of Chilton Drive and Cloverlands into Greasley, along with Hillcrest Close, which accesses from Chilton Drive.

Alternative Proposals

Kimberley Town Council's proposal retains this area but adds the other end of Chilton Drive, the properties on Cloverlands, the rest of Newdigate Road, Beryldene, Alandene and Corbiere Avenue into Kimberley. This proposal moves 404 electors and 218 properties, which is substantially more than the proposal by Broxtowe.

Broxtowe has not received any representations relating to this area.

**Recommendations of the Task & Finish Group**

**That the proposed change be put forward as a draft recommendation, but leaving Woodlands Close in Kimberley, moving the boundary to the eastern side of Newdigate Street to its junction with Cloverlands Drive.**

**Disused Railway**

Electors	0
Properties	0

From Parish	Kimberley
To Parish	Greasley
Ward Change	No

Officer Comments

This proposal moves the boundary to a recognisable point on the ground (a footbridge) and would be enacted if Chilton Drive moved from Kimberley to Greasley.

Alternative Proposals

No alternatives were proposed for this area, although it was subsequently noticed that the original line as drawn would take in the Flixton Road Play Area from Kimberley. It is now proposed by Broxtowe that this open space is left in Kimberley and the proposed line is along the side of the disused railway.

**Recommendation of the Task & Finish Group**

**That the boundary be moved along the side of the disused railway, leaving the Flixton Road play area and open space in Kimberley.**

**Swingate**

Electors	12
Properties	4

From Parish	Unparished
To Parish	Kimberley
Ward Change	Yes

Officer Comments

This proposal encompasses properties which are accessed from Swingate in Kimberley but are currently unparished and vote at Strelley. It is proposed that the M1 forms the sustainable boundary between the unparished area and Kimberley, with field boundaries as the boundary between Cossall and Kimberley at this point.

Alternative Proposals

No alternative proposals were made.

Kimberley Town Council did not refer to the area within their submission.

**Recommendations of the Task & Finish Group**

- 1. That the proposed change be put forward as a draft recommendation.**
- 2. That the LGBCE be asked to approve a related alteration to the Ward boundary.**



**7. NUTHALL****Brackenhurst**

Electors	2
Properties	1

From Parish	Nuthall
To Parish	Kimberley
Ward Change	Yes

**Officer Comments**

This property is accessed from Knowle Lane and is split from the rest of Nuthall Parish by the A610, meaning the electors have a long trek to their polling station through Kimberley Parish.

**Alternative Proposals**

No alternative proposals were received for this change.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**KIM2**

Electors	96
Properties	68

From Parish	Nuthall
To Parish	Greasley
Ward Change	Part

**Officer Comments**

The polling district KIM2 was created because the current parish boundary splits streets and houses. It includes properties on Larkfield Road, Nottingham Road, Oak Drive and Rowan Court. It is proposed that the properties on Larkfield Road, Oak Drive and Rowan Court are moved into Greasley along with their neighbours. This would set the boundary up the centre of Larkfield Road and not require a ward change. However, the properties on Nottingham Road would remain in Nuthall Parish and because that would result in an unviable parish ward (fewer than 100 electors) this would mean that an aligned ward change would be needed for these properties moving them from Kimberley to Watnall and Nuthall West.

**Alternative Proposals**

Greasley Parish Council made no mention of this area in their submission.

Kimberley Town Council made no mention of Broxtowe's proposals but did object to Nuthall Parish Council's proposals for this area.

Nuthall Parish Council made two alternative proposals for their parish area. Both of which would retain this area and are explored more fully later in this document.

Representations made to us were based on Nuthall's proposals rather than Broxtowe's.

**Recommendation of the Task & Finish Group**

**That the KIM2 polling district remain in Nuthall.**

**Little Holland Gardens**

Electors	5
Properties	2

From Parish	Nuthall
To Parish	Greasley
Ward Change	No

**Officer Comments**

The current parish boundary currently splits 33 and 35 Little Holland Gardens from the rest of the street. It is proposed that the boundary is adjusted to move these into Greasley Parish with their neighbours and prevent the boundary going through the middle of the house.

Alternative Proposals

Greasley Parish Council made no representation with regards to this change. The only representation received from residents supported Broxtowe's proposal. Nuthall Parish Council made two alternative proposals for their parish area. Both of these would retain this area and are explored more fully later in this document.

**Recommendation of the Task & Finish Group**

**That the properties in Little Holland Gardens remain in Nuthall Parish.**

**Nottingham Road (Kimberley)**

Electors	4
Properties	3

From Parish	Nuthall
To Parish	Kimberley
Ward Change	Yes

Officer Comments

These three properties are accessed from the current Kimberley Parish. It is proposed to alter the boundary so that they are within that parish.

Alternative Proposals

No alternative proposals have been made.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation with the additional realignment at 141 Kimberley Road, Nuthall to follow the curtilage of property.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**8. STAPLEFORD****Ewe Lamb Close**

Electors	0
Properties	0

From Parish	Stapleford
To Parish	Unparished
Ward Change	Yes

Officer Comments

This area includes verge and a garage site accessed from Ewe Lamb Close. It is proposed that the area becomes unparished, in line with the rest of Ewe Lamb Close. This ensures that should it ever be developed in the future, the properties are not in a different administrative area to their neighbours.

Alternative Proposals

No alternative proposals were made.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**North of Stapleford Allocation**

Electors	0
Properties	0

From Parish	Stapleford
To Parish	Trowell
Ward Change	Yes

**Officer Comments**

This is an area of land north of the railway line/Stapleford housing allocation and to the west of Coventry Lane. As the proposal is to make the boundary the railway and Coventry Lane, this area would move from Stapleford to Trowell. It does not affect electors or properties.

It is worth noting that if the decision is to retain Coventry Lane (Bramcote North) in the unparished area, then the proposal would be to make this area unparished also rather than retain it in Stapleford.

**Alternative Proposals**

No alternative proposals were submitted.

There was one representation from a member of the public that was in favour of retaining Boundary Brook as the boundary and not moving it because of the name of the brook/historical reasons.

**Recommendations of the Task & Finish Group**

1. Remove from Stapleford & move to unparished area so that Boundary Brook & railway form the boundary at this point.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**Stapleford Allocation (Coventry Lane)**

Electors	0
Properties	0

From Parish	Unparished
To Parish	Stapleford
Ward Change	Yes

**Officer Comments**

The parish boundary currently follows the old line of Coventry Lane. This proposal would realign the boundary with the modern line and would prevent potentially issues of properties being split with the development of the Stapleford allocation on the west of Coventry Lane.

**Alternative Proposals**

No alternative proposals were submitted.

One representation mentioned that historically Hulks Farm on the west of Coventry Lane was in Bramcote and should therefore be restored to the unparished area; however, for the moment Coventry Lane is a more sustainable boundary, for reasons outlined above as we do not know the layout of any new housing on the west of Coventry Lane.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**Trowell Park Drive**

Electors	38
Properties	17

From Parish	Stapleford
To Parish	Trowell
Ward Change	Yes

Officer Comments

This area was identified as an issue during the last ward review in 2014. The properties are accessed from Trowell but sit on the Stapleford side of Boundary Brook. It is another area where they have to pass through a parish before re-entering their own. There are never going to be enough properties or electors in this small area to make a viable parish ward and therefore it is likely that this anomaly will persist for many years if not resolved.

Alternative Proposals

No alternative proposals were submitted.

Stapleford Town Council and Trowell Parish Council both support Broxtowe's proposal. We have received two objections from residents of Trowell Park Drive which mention the historical importance of Boundary Brook and the difference in precept. Trowell Parish Council have asked if the properties which receive a discount from Stapleford Parish because they border Clayfields House will continue to.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**Valmont Road**

Electors	28
Properties	14

From Parish	Stapleford
To Parish	Unparished
Ward Change	Yes

Officer Comments

This area was identified during the 2014 Ward review as being a potential issue as the properties are addressed Valmont Road and therefore access is not within their parish. It is proposed to move these

Alternative Proposals

No alternatives were proposed.

Stapleford Town Council supported the proposal.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**9. TROWELL****Bilborough Road**

Electors	25
Properties	10

From Parish	Trowell
To Parish	Unparished
Ward Change	Yes

**Officer Comments**

This area affected a handful of properties on the Broxtowe side of Bilborough Road. They were identified as being quite far from the main area of Trowell and almost disconnected.

**Alternative Proposals**

Trowell Parish Council wishes to retain the area and the representations we have received support that.

**Recommendation of the Task & Finish Group**

**That no change be made to the parish boundary, leaving the properties in Trowell Parish.**

**Coventry Lane (Bramcote North)**

Electors	1
Properties	1

From Parish	Unparished
To Parish	Trowell
Ward Change	Yes

**Officer Comments**

This area, although small, was quite difficult. Further south we are proposing to use the centre of Coventry Lane as the boundary. This change would maintain this north of the railway line until it joins with the borough boundary; however, it does mean that the single property on the west of Coventry Lane is relatively isolated from the rest of Trowell Parish.

**Alternative Proposals**

No alternative proposals were submitted for the area, although one representation did spot the isolation of that property.

**Recommendation of the Task & Finish Group**

**That no change be made to the boundary in view of the potential isolation of the property from rest of Trowell Parish.**

**Field Farm**

Electors	0
Properties	0

From Parish	Trowell
To Parish	Stapleford
Ward Change	Yes

**Officer Comments**

This change is proposed so that all the Field Farm development site is within the same parish with vehicular access to any property from the same parish, i.e. Stapleford.

**Alternative Proposals**

Both Trowell Parish Council and Stapleford Parish Council agreed with the proposal although representations from the general public mentioned retaining Boundary Brook as the boundary due to historical reasons and the name of the brook. The name of the brook would not change and therefore would retain that historical link.

**Recommendations of the Task & Finish Group**

1. That the proposed change be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**OTHER PROPOSALS****1. Brinsley**

Broxtowe originally proposed only taking in Saints Coppice Farm off Cordy Lane. However, during the Parish briefings another property was identified at 49 Mansfield Road which fulfils the same criteria of being isolated and in a different parish to its neighbours.

Additionally, Mr Charlesworth's detailed submission also suggests taking in Grange Fields Farm into Brinsley Parish, again due to access being off Mansfield Road. To make a sustainable boundary that is relatively easy to follow on the ground he also suggests taking Brinsley Pit Tip into the parish.

Combined this would move an extra 2 properties and 3 electors from Greasley into Brinsley.

**Recommendations of the Task & Finish Group**

1. That a change of boundary to incorporate grange fields farm, 49 Mansfield Road and Brinsley Pit Tip in Brinsley Parish be put forward as a draft recommendation.
2. That the LGBCE be asked to approve a related alteration to the Ward boundary.

**2. Mill Road/Lower Beauvale**

Two alternatives to Broxtowe's proposal were received for the Greasley-Eastwood boundary at Lower Beauvale.

Greasley proposed using the centre of Mill Road as the boundary and Mr Charlesworth proposes using the rear of the properties on the west side of the road, so all properties on Mill Road are within Greasley. Both suggestions provide a sustainable boundary.

Mr Charlesworth's proposal also takes in Dorothy Avenue and properties addressed to Lower Beauvale.

**Greasley Proposal**

Electors	125
Properties	90

From Parish	Eastwood
To Parish	Greasley
Ward Change	No

**Mr Charlesworth's Proposal**

Electors	139
Properties	85

From Parish	Eastwood
To Parish	Greasley
Ward Change	No

Addressed at 4 above.

**3. Nuthall Parish Council**

Nuthall Parish Council made two alternative proposals to Broxtowe's for their parish area. They went out to consultation for both options and the results are within the representations document. Neither option contravenes any of the criteria for a sustainable parish.

**Option 1 – Nuthall + Larkfields**

Instead of running the boundary down Larkfields Road as proposed by Broxtowe, Nuthall suggested taking in the whole of the Larkfields Estate to the disused railway line.

Option 2 – Nuthall and Watnall

In addition to the streets suggested in Option 1, Nuthall proposes taking in the whole of Watnall to make a Nuthall and Watnall Parish.

See above – 5.

**4. Stapleford Town Council**

Stapleford Town Council looked at three options in addition to Broxtowe's proposals – absorbing part of Bramcote, absorbing part of Toton, absorbing both parts. They did not go out to consultation with affected electors. They finally submitted to Broxtowe a proposal that annexes half of the Toton Strategic Location for Growth. They have proposed it because it is a historical boundary.

Analysis

Broxtowe have received a number of representations from members of the public since Stapleford Town Council's intentions were publicised. Bramcote residents were able to persuade the Town Council to drop the proposal which would affect them. Since submitting the option to include half the Toton site, Broxtowe have received multiple representations from Toton residents stating they support Broxtowe's proposal to maintain the boundary along the A52.

The proposed boundary suggested by Stapleford does pose certain concerns when evaluated against the four criteria - it is not in a sustainable location, it splits a proposed housing site where the layout is not certain, and therefore will likely split properties in half, and the site is separated from the rest of Stapleford by a major trunk road. Their own submission which includes an image of one proposed layout for the housing site, clearly shows the proposed boundary running through properties. They do state that in the future it could use a road which is shown on that layout; however, the layout is not final and we must use sustainable boundaries which currently exist.

**Recommendation of the Task & Finish Group**

**That the Task & Finish Group does not recommend the inclusion of Stapleford Town Council's proposal as a draft recommendation.**

**OTHER CONSIDERATIONS****1. Kimberley School and Leisure Centre**

It was again noted during the parish briefings and subsequently that the parish boundary splits the school site in half. It is now proposed to take the boundary around the edge of the playing fields so that the site is completely within Kimberley.

**Recommendation of the Task & Finish Group**

**That the proposed change be put forward as a draft recommendation.**

**2. Nottinghamshire County Council**

Nottinghamshire County Council responded to the consultation to say they would like to acknowledge their interest in the review but did not wish to make any comments at this time. They would consider the draft recommendations when they are published and if appropriate make representations then.

## APPENDIX 2

Estimated Changes to Parish Precepts

To Parish	Properties	Electors	Added Electors	Added Properties	Added Precept	Removed Electors	Removed Properties	Removed Precept	Net Electors	Net Properties	Net Precept
Awsorth	979	1,591	12	7	578.09	113	53	4,595.81	-101	-46	-4017.72
Brinsley	1,042	1,878	4	4	300.70	0	0	0	4	4	300.70
Cossall	319	590	121	57	2,188.40	2	1	48.63	119	56	2,139.77
Eastwood	5,061	7,975	618	376	11,167.58	1,038	631	18,309.64	-420	-255	-7142.06
Greasley	4,925	8,708	1,161	727	33,461.54	1,571	965	45,780.24	-410	-238	-12,318.70
Kimberley	2,859	4,735	49	26	1,723.26	137	105	4,692.34	-88	-79	-2,969.08
Nuthall	3,254	6,175	922	570	23,413.60	6	4	296.00	916	566	23,117.60
Stapleford	7,235	11,616	0	0	0	66	31	723.59	-66	-31	-723.59
Trowell	1078	1,968	38	17	1,547.42	0	0	0	38	17	1,547.42
Unparished	25,375	40,552	28	14	22.18	20	8	14.23	8	6	7.95



## Report of the Deputy Chief Executive

### AUDIT OF ACCOUNTS 2020/21 AND ASSOCIATED MATTERS

#### 1. Purpose of report

To approve the letter of representation and the process for the approval of the Statement of Accounts for 2020/21 and to receive the Audit Completion Report from the Council's external auditors following their work on these accounts.

#### 2. Background

In March 2021, this Committee received Mazars' Audit Strategy Memorandum – year ending 31 March 2021 setting out their approach to the audit of the 2020/21 accounts, highlighting significant audit risks and areas of key judgements. Mazars have almost concluded their work on the accounts and produced their Audit Completion Report which is circulated separately with this agenda. A brief summary is set out in the appendix. Mazars anticipate issuing an unqualified audit opinion on the 2020/21 accounts. An issue has occurred with regards to the Property, Plant and Equipment valuation which is considered in the appendix. This is a material error and the financial statements will be amended as a result.

The auditors are yet to complete their work in respect of the Value for Money conclusion for the year ended 31 March 2021. At the time of preparing their report, Mazars has not identified any significant weaknesses in the Council's arrangements that require it to make a recommendation.

The Statement of Accounts for 2020/21 including amendments agreed with Mazars thus far is circulated separately with this agenda. Officers will guide Members through the more important aspects of the document at the meeting. It is proposed that any further amendments to the Statement of Accounts be delegated to the Deputy Chief Executive to resolve with the Chair of this Committee.

In accordance with regulations, the Council's letter of representation in respect of the 2021/22 accounts has to be approved by the Committee charged with governance. The draft letter is circulated separately with this agenda. A representative from Mazars will be present at the meeting to introduce their report and answer any questions that Members may have.

#### **Recommendation**

**The Committee is asked to receive the Audit Completion Report for the year ending 31 March 2021 and RESOLVE that:**

- (i) the Statement of Accounts 2020/21 and the letter of representation as circulated with this agenda be approved; and**
- (ii) delegation be given to the Deputy Chief Executive and Section 151 Officer along with the Chair of this Committee to approve any further changes required to the Statement of Accounts 2020/21.**

Background papers – Nil

**APPENDIX****AUDIT OF ACCOUNTS 2020/21 AND ASSOCIATED MATTERS**

As reported previously to the Committee, the Accounts and Audit Regulations (2015) set out the timescales for the production of the Council's accounts, including the dates of the public inspection period. Following the coronavirus outbreak and in response to the pressures this placed on finance teams and external auditors in the production of the 2020/21 accounts, the Accounts and Audit (Amendment) Regulations 2021 were approved on 9 March 2021 and came into effect on 31 March 2021. The most significant changes were as follows:

- The draft 2020/21 accounts had to be approved and presented to the external auditors for review by 31 July 2021 at the latest (instead of 31 May 2021) though they could be approved earlier if possible.
- The requirement for the public inspection period to include the first 10 working days of June was removed. Instead, the public inspection period had to commence on or before the first working day of August 2021.
- The publication date for the final audited 2020/21 accounts moved from 31 July 2021 to 30 September 2021.

The Council's Accounts Closedown Timetable 2020/21 was revised in response to these changes. The draft 2020/21 accounts were approved and presented to the external auditors for review on 30 June 2021, one month ahead of the revised statutory deadline of 31 July 2021. The public inspection period commenced on 1 July 2021 and ended on 11 August 2021 with details placed in advance on the Council's website.

Mazars' commenced their review of the Council's draft 2020/21 accounts remotely on 26 July 2021. This involved scrutinising working papers and other supporting documentation and liaising as necessary with the officers and associated third parties.

Mazars' work focused upon the following significant risks:

- Management override of controls;
- Net defined benefit liability valuation;
- Valuation of property, plant and equipment; and
- Covid-19 grants recognition.

Mazars have almost concluded their work on the accounts and produced their Audit Completion Report.

Section 2 of the Audit Completion Report details the status of the audit. The external auditors of the Nottinghamshire Pension Fund (Grant Thornton) have recently confirmed their final opinion on the Pension Fund's 2020/21 accounts. Mazars advised the Council of a matter brought to their attention whereby the Pension Fund auditors identified a 0.23% difference (increased) between the estimated 2020/21

Fund investment asset value used by the Actuary to prepare the employers' IAS19 valuation reports and the 2020/21 Fund financial statements being audited. As disclosed at note to the Council's financial statements the value of the Council's share of the Fund's estimated pension scheme assets as at 31 March 2021 was £113,615. The extrapolated 0.23% difference is around £260k. Management chose not, on the grounds of materiality, to obtain an updated IAS19 valuation report or amend the accounts for the specific extrapolated differences, which represent a £260k increase in both Total Net Assets and Total Reserves.

A late issue has also occurred with regards to the Property, Plant and Equipment valuation in the Balance Sheet. Mazars has reported that during the course of the audit, it raised a number of queries with the Council's valuer and did not receive a timely response. The valuer since left the Council. A new valuer (the Interim Estates Manager) is in post and has been helpful in resolving these outstanding queries. Whilst responding to the auditors queries, the new valuer identified an error whereby one asset was missed from the valuation schedule. The financial statements will need to be adjusted for this, which will impact the Balance Sheet, but not the General Fund.

Section 4 of the Audit Completion Report details the findings from Mazars' work. The draft financial statements, on advice of the valuer included a 'material valuation uncertainty' clause over its valuations. Mazars challenged the valuer on whether this complied with RICS professional guidance because Mazars was not satisfied that the declaration was soundly based. The declaration was subsequently removed by the valuer.

The internal control recommendations from Mazars are set out in section 5 along with the responses from Council officers. The recommendations were agreed in full.

The external auditors identified a small number of misstatements in the draft 2020/21 accounts. Full details are set out in section 6 and the most significant of these will be adjusted for accordingly. There were also a number of misstatements that are not considered to be material and for which no adjustment has been made. Again, these are set out in section 6.

Section 7 sets out progress made with Mazars' conclusion on the Council's arrangements to achieve economy, efficiency and effectiveness in its use of resources (the Value for Money conclusion). The auditors are yet to complete their work in respect of the Council's arrangements for the year ended 31 March 2021. At the time of preparing this report, Mazars has not identified any significant weaknesses in arrangements that require it to make a recommendation, however Mazars continue to undertake work on the Council's arrangements

The Finance and Resources Committee on 8 July 2021 considered a report summarising capital and revenue spending in 2020/21 and some detail as to the more significant factors which accounted for any variances. The net spending totals on capital and revenue for both the General Fund and Housing Revenue Account have remained unchanged from those summarised at that meeting.

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## Report of the Deputy Chief Executive

### GOING CONCERN STATEMENT

#### 1. Purpose of report

This report sets out the assessment by the designed Section 151 Officer of the Council's Going Concern status.

#### 2. Detail

The concept of a 'going concern' assumes that an authority, its functions and services will continue in operational existence for the foreseeable future. This assumption underpins the accounts drawn up under the Local Authority Code of Accounting Practice and is made because local authorities carry out functions essential to the community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year.

Where the 'going concern' concept is not the case, particular care would be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at their book values and provisions may be needed for closure costs or redundancies. An inability to apply the going concern concept would potentially have a fundamental impact on the financial statements.

Given the significant reduction in funding for local government in recent years and the potential threat that the pandemic continues to pose to the ongoing viability of one or more councils as a consequence, external auditors are placing a greater emphasis on local authorities undertaking an assessment of the 'going concern' basis on which they prepare their financial statements.

In response the position of this Council is set out in the appendix to this report.

#### Recommendation

**The Committee is asked to NOTE the outcome of the assessment made of the Council's status as a going concern for the purposes of the Statement of Accounts 2020/21.**

#### Background papers

Nil

**APPENDIX****Assessment of Going Concern**

As with all principal local authorities, the Council is required to compile its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting for 2020/21 (the Code) published by the Chartered Institute of Public Finance and Accountancy (CIPFA). In accordance with the Code, the Statement of Accounts is prepared assuming that the Council will continue to operate in the foreseeable future and that it is able to do so within the current and anticipated resources available. By this, it is meant that the Council will realise its assets and settle its obligations in the normal course of business.

The main factors which underpin the going concern assessment are:

- The Council's current financial position
- The Council's projected financial position
- The Council's governance arrangements
- The regulatory and control environment applicable to the Council as a local authority.

These are considered in more detail below.

**Current Financial Position**

The financial outturn position 2020/21 shows an underspend against revised budget of £2.164m. As at 31 March 2021 the Council held general revenue reserves of £6.873m. In addition, the Council held earmarked reserves of £7.839m to meet specific identified pressures, but which ultimately may be diverted to support general expenditure by the Section 151 Officer should the need arise. Of these reserves £7.411m are held for the purpose offsetting the Collection Fund deficit for future years which has occurred as the result of the Covid-19 pandemic.

General reserves reflect the ability of the Council to deal with unforeseen events and unexpected financial pressures in any particular year and are a key indicator of the financial resilience of the organisation. As part of the Medium Term Financial Strategy, the Section 151 Officer has assessed that the optimum level of general reserves to be held by the Council to be at or above £1.5m and at least equal to 5% of the Council's net operating expenditure. General reserves were at £6.873m as at 31 March 2021.

At 31 March 2021 the Council held £11.526m in the form of either cash or short term investments maturing within the next financial year.

On capital there was £16.725m of expenditure in the approved capital programme for the year. This represents an underspend against the approved capital programme of £8.789m, the main reason being general underspending on capital schemes. Budgets to the value of £8.543m have been carried forward into 2021/22. The Council funds its capital programme from borrowing, capital receipts, direct financing from revenue, government grants and partnership funding such as developer contributions.

The Council's balance sheet as at 31 March 2021 shows a net worth of £68.8m. This is significantly reduced by the inclusion of a pension liability of £72.8m. There are statutory arrangements for funding the pension deficit through increasing contribution over the remaining working life of the employees, as assessed by an independent actuary. The financial position of the Council remains healthy.

Other factors giving rise to this assessment include:

- The adequacy of risk assesses provisions for doubtful debts
- The range of reserves set aside to help manage expenditure
- An adequate risk assessed working balance to meet unforeseen expenditure

### Projected Financial Position

In February 2021, the Council approved a balanced budget for 2021/22. This allowed for net spending of £10.975m and required a Council Tax increase at £5 (Band D) equivalent to around 3%, pressures/growth of £944k, savings of £619k and the use of £775k from reserves.

The Medium Term Financial Strategy (MTFS) is updated annually and reflects a four- year assessment of the Council's spending plans and associated funding. It includes the ongoing implications of approved budgets and service levels and the revenue costs of the capital programme, as well as the management of debt and investments. An update on the MTFS, covering the four-year period 2022/23 to 2025/26, was reported to the Finance and Resources Committee in October 2021.

With the Council already having overcome significant reductions in central government grant funding, a budget gap of £5.986m over the period 2022/23 to 2025/26 has been identified in the MTFS. The Council has developed a Business Strategy to identify savings and additional income to manage the reduction in resources. The budget will be monitored over the medium-term period by the Finance and Resources Committee.

The Council has a well established process for the development of the Capital Strategy, reported to Finance and Resources Committee every year, which ensures the Council maintains a capital programme which is prudent, sustainable and affordable. The capital budget for 2021/22 to 2023/24 is £34.5m.

### Governance Arrangements

The Council has a well-established and robust corporate governance framework. This includes the statutory elements like the post of Head of Paid Service; Monitoring Officer; and the Section 151 Officer in addition to the current political arrangements.

An overview of this governance framework is provided in the Annual Governance Statement which is included within the Statement of Accounts and was presented to the Governance, Audit and Standards Committee on 17 May 2021. This includes a detailed review of the effectiveness of the Council's governance arrangements.

### External Regulatory and Control Environment

As a local authority the Council has to operate within a highly legislated and controlled environment. An example of this is the requirement for a balanced budget each year combined with the legal requirement for councils to have regard to consideration of such matters as the robustness of budget estimates and the adequacy of reserves. In addition to the legal framework and central government control there are other factors such as the role undertaken by the external auditors as well as the statutory requirement in some cases for compliance with best practice and guidance published by CIPFA and other relevant bodies.

Against this backdrop it is considered unlikely that a local authority would be 'allowed to fail' with the likelihood being that, when faced with such a scenario, central government would intervene supported by organisations such as the Local Government Association to bring about the required improvements or help maintain service delivery.

Given the severity of the Covid-19 pandemic on the country's finances, it would be complacent to sit back and wait for Government intervention. Ministers have conceded that local authorities could still be left with unmanageable pressures and may continue to be concerned about their future financial position, urging any authority that found itself in that position to contact the department with immediate effect.

### Conclusions

It is considered that having regard to the Council's arrangements and such factors as highlighted in this report that the Council remains a going concern.



**Report of the Interim Chief Audit and Control Officer**

## **INTERNAL AUDIT PROGRESS REPORT**

1. Purpose of report

To inform the Committee of the recent work completed by Internal Audit.

2. Detail

Under the Council's Constitution and as part of the overall corporate governance arrangements, this Committee is responsible for monitoring the performance of Internal Audit. A summary of the reports issued and progress against the agreed Internal Audit Plan is included at appendix 1. A summary narrative of the work completed by Internal Audit since the previous report to this Committee is also included.

Internal Audit has also reviewed progress made by management in implementing agreed actions within six months of the completion of the respective audits. Details of this follow-up work are included at appendix 3. Where agreed actions to address significant internal control weaknesses have not been implemented this may have implications for the Council. A key role of the Committee is to review the outcome of audit work and oversee the prompt implementation of agreed actions to help ensure that risks are adequately managed.

As reported at the September meeting of this Committee, the previous Chief Audit and Control Officer has been promoted to Head of Finance Services, effective from 1 September 2021. An Interim Chief Audit and Control Officer has since been appointed for a period of six months in order to maintain continuity of service to this Committee and the Council.

As the successful candidate for the Interim Chief Audit and Control Officer post was one of the Council's existing Senior Internal Auditors, a revision to the Internal Audit Plan is proposed to ensure that an appropriate level of coverage can be achieved with the consequent reduced resources available. There is flexibility within audit planning arrangements to allow for audits to be deferred, subject to approval by this Committee. The proposed revision for the Internal Audit Plan is considered in appendix 2.

Further progress reports will be submitted to each future meeting of this Committee. A final report will be prepared for Members' consideration after the end of the financial year detailing the overall performance and productivity of Internal Audit for 2021/22.

### **Recommendation**

**The Committee is asked to NOTE appendices 1 and 3 of the report and to consider and RESOLVE that the revisions to the Internal Audit Plan for 2021/22, as set out, in appendix 2 be approved.**

Background papers: Nil

## APPENDIX 1

## INTERNAL AUDIT REPORTS ISSUED SINCE APRIL 2021

No	Audit Title	Report Issued	Assurance Opinion	Actions - Significant	Actions - Merits Attention
25	Governance - Covid-19 Grants Schemes	20/04/21	Substantial	0	0
01	Erewash BC – Risk Management	20/04/21	n/a	-	-
02	Erewash BC – Cemeteries	12/05/21	n/a	-	-
26	Utilities (Energy and Water)	21/05/21	Reasonable	1	1
27	Housing Delivery Plan	08/06/21	Substantial	1	2
28	LLL – Kimberley Leisure Centre	10/06/21	Substantial	0	4
29	Corporate Governance Arrangements	18/06/21	Reasonable	-	-
30	Sundry Debtors	04/08/21	Reasonable	0	5
03	Disabled Facilities Grants	29/06/21	Substantial	0	0
04	Financial Appraisal – Mushroom Farm	06/07/21	n/a	-	-
05	Financial Appraisal – Mushroom Farm	06/07/21	n/a	-	-
06	Special – Cash/Valuables Recovered	03/08/21	n/a	-	-
07	Planning Enforcement	04/08/21	Reasonable	0	1
32	Cyber Risk and Security	05/08/21	Substantial	0	0
08	NNDR	23/08/21	Substantial	0	0
09	Financial Appraisal – Proposed Bistro	23/08/21	n/a	-	-
10	Erewash BC – Crematorium	31/08/21	n/a	-	-
11	<b>Capital Works</b>	<b>24/09/21</b>	<b>Substantial</b>	<b>0</b>	<b>0</b>
12	<b>Human Resources</b>	<b>21/10/21</b>	<b>Substantial</b>	<b>0</b>	<b>1</b>
13	<b>Financial Appraisal – Changing Places</b>	<b>27/10/21</b>	<b>n/a</b>	<b>-</b>	<b>-</b>
33	<b>Housing Voids Management</b>	<b>09/11/21</b>	<b>Reasonable</b>	<b>0</b>	<b>2</b>
14	<b>Payroll</b>	<b>09/11/21</b>	<b>Substantial</b>	<b>0</b>	<b>0</b>
15	<b>Procurement and Commissioning</b>	<b>10/11/21</b>	<b>LIMITED</b>	<b>1</b>	<b>2</b>

## REMAINING INTERNAL AUDIT PLAN

Audit Title	Progress
Creditors and Purchasing	Draft report issued – pending finalisation
Declarations of Interest	Draft report issued – pending finalisation
Public Buildings Maintenance	In Progress (Nearing Completion)
Grounds Maintenance Services	In Progress (Nearing Completion)
Homelessness	In Progress (Nearing Completion)
Bank Reconciliation	In Progress
Garden Waste Collection	In Progress
Customer Services	In Progress
Transport/Fleet Management	In Progress
Health and Safety	Expected to commence in Q3
Environmental Health	Expected to commence in Q3
Treasury Management	Expected to commence in Q3
Bramcote Leisure Centre	Expected to commence in Q3/4
Stapleford Town Fund (i.e. Major Projects)	Expected to commence in Q3/4

Commercial/Industrial Properties	Expected to commence in Q3/4
Council Tax	Expected to commence in Q3/4
D H Lawrence Birthplace Museum	Expected to commence in Q3/4
Housing Repairs	Expected to commence in Q4
Corporate Governance	Expected to commence in Q4
Information Governance	To be considered for 2022/23 (see appendix 2)
Operational Risk Management	To be considered for 2022/23 (see appendix 2)
Climate Change	To be considered for 2022/23 (see appendix 2)
Financial Resilience/Budgetary Control	To be considered for 2022/23 (see appendix 2)
Benefits	To be considered for 2022/23 (see appendix 2)
Choice Based Lettings	To be considered for 2022/23 (see appendix 2)
Cash Receipting	To be considered for 2022/23 (see appendix 2)
Rents	To be considered for 2022/23 (see appendix 2)
Local Authority Trading Company	To be considered for 2022/23 (see appendix 2)

### **COMPLETED AUDITS**

A report is prepared for each audit assignment and issued to the relevant senior management at the conclusion of a review that will:

- include an overall opinion on the adequacy of controls within the system to provide assurance that risks material to the achievement of objectives are adequately managed – the opinion being ranked as either ‘Substantial’, ‘Reasonable’, ‘Limited’ or ‘Little’ assurance;
- identify inadequately addressed risks and non-effective control processes;
- detail the actions agreed with management and the timescales for completing those actions, and;
- identify issues of good practice.

Recommendations made by Internal Audit are risk assessed, with the agreed actions being categorised accordingly as follows:

- Fundamental – urgent action considered imperative to ensure that the Council is not exposed to high risks (breaches of legislation, policies or procedures)
- Significant – action considered necessary to avoid exposure to significant risk.
- Merits Attention (Necessary Control) – action considered necessary and should result in enhanced control or better value for money.
- Merits Attention – action considered desirable to achieve enhanced control or better value for money.

The following audit reports have been issued with key findings as follows:

1. **Capital Works**

Assurance Opinion – **Substantial**

The specific audit objectives sought to confirm whether adequate management control exists to provide assurance that:

- Appropriate arrangements are in place with regards to Capital Works for feasibility, planning and resource allocation including prioritisation of projects.
- Suitable procedures are embedded to ensure adequate contractor selection and contract management.
- Contractor payments are appropriately processed including any variance in costs.
- Post completion processes are resolved in an adequate manner including the obtaining of certifications and warranties and the identification and documentation of lessons learned.

Internal Audit was pleased to report that the Council has an appropriate framework in place for the management and administration of operations in respect of Capital Works. In addition to the well-established systems and controls being in operation for contract allocation within the Capital Works team, it was also pleasing to note that positive systems are in place for contract management and in particular for the Housing Modernisations contract.

No significant areas of concern were noted during the course of the audit. The findings arising from this review did not indicate any significant areas for improvement and, accordingly, Internal Audit issued a clearance report.

2. **Human Resources**

Assurance Opinion – **Substantial**

The specific audit objectives sought to confirm whether adequate management control exists to provide assurance that:

- Recruitment is appropriately performed in accordance with Council policy and procedure. Procedural documentation is available and all involved in the process clearly understand their roles and responsibilities.
- The new starters probationary period process is clearly documented and disseminated to management, with the required documentation being completed in a timely manner.
- The procurement of Agency Staff is appropriately authorised and undertaken utilising approved suppliers.
- There are adequate access controls throughout the recruitment process to maintain security and confidentiality.

Internal Audit was pleased to report that the Council has an appropriate framework in place for the management and administration of operations in respect of Human Resources.

The review identified an area for improvement with one 'Merits Attention' action being agreed in order to further enhance controls over compliance with 'IR35' taxation regulations.

3. **Financial Appraisal – 'Changing Places' Facility**

Internal Audit provided a financial appraisal of two companies which had submitted tenders to contract for the construction of a 'Changing Places' toilet facility at Beeston Interchange. This review was requested by the Projects Manager, with management requiring consideration of the financial viability of each company in order to assess the level of risk to the Council.

The review was produced on the basis of reports obtained from 'Creditsafe' (a credit referencing agency), financial data retrieved from Companies House and other publicly available information. No specific cause for financial concern was noted in reference to either company. The findings were reported to senior management and the project management team.

4. **Housing Voids Management**

Assurance Opinion – **Reasonable**

The specific audit objectives sought to confirm whether adequate management control exists to provide assurance that:

- Appropriate and up-to-date policy and procedure documents are available in relation to Voids Management.
- Notification of empty properties is processed in a timely manner to eliminate any turnaround time delays.
- Pre-termination of tenancy, inspections are conducted where possible to identify any refurbishment work required.
- Refurbishments to properties are performed in a prompt and adequate manner and were appropriate promptly recharged to the outgoing tenant. Checks are completed to ensure that properties meet the appropriate Standards before being relet.
- Adequate procedures and processes are in place to promote empty properties with special attention to properties that are long-term void, these are discussed at management meetings and action plans developed to get these let.
- Effective monitoring and reporting of void management and service delivery is in place.

Internal Audit was pleased to report that the Council has an appropriate framework in place for the management and administration of operations in respect of Housing Voids Management.

The review identified two areas for improvement with two 'Merits Attention – Necessary Control' actions being agreed. The first of these relates to the review and update of documentation of tenancy termination procedures with the second relating to the documentation of works carried out to restore void properties to a lettable standard.

5. **Payroll**

Assurance Opinion – **Substantial**

The specific audit objectives sought to confirm whether adequate management control exists to provide assurance that:

- Payments are only made to current Council and Liberty Leisure Limited employees.
- Payments are calculated correctly.
- Manual input and interventions to the Payroll system are appropriately reviewed and authorised.
- Claims for payment under the Coronavirus Job Retention Scheme are appropriately prepared and submitted.
- The Shared-Cost Additional Voluntary Contributions scheme for Broxtowe members of the Local Government Pension Scheme has been appropriately implemented and is operating correctly.

Internal Audit was pleased to report that the Council has an appropriate framework in place for the management and administration of operations in respect of Payroll. It was also noted that the new Shared-Cost Additional Voluntary Contributions scheme for Broxtowe members of the Local Government Pension Scheme has been successfully implemented with the benefits for both employees and the Council already being realised.

No significant areas of concern were noted during the course of the audit. The findings arising from this review did not indicate any significant areas for improvement and, accordingly, Internal Audit issued a clearance report.

6. **Procurement and Commissioning**

Assurance Opinion – **LIMITED**

The specific audit objectives sought to confirm whether adequate management control exists to provide assurance that:

- A suitable framework is in place for procurement and commissioning activity which is being adhered to across the Council (including the adoption of a procurement strategy that is compliant and recognises best practice).
- The Council is compliant with legislative requirements (PCR) and internal policy and rules (procurement strategy, financial regulations contract standing orders) through a supplier spend analysis.
- A robust contract management framework has been established with controls in place to ensure appropriate contract award, contract monitoring and document management.
- Appropriate processes are in place to ensure that the risks associated with Procurement Fraud are managed.

Internal Audit was pleased to report that the Council has an appropriate framework in place for the management and administration of operations in respect of Procurement and Commissioning and noted that the Council's Financial Regulations, including Contract Standing Orders, have been updated to reflect the Procurement and Commissioning Strategy 2019-2024 and the changes resulting from the United Kingdom's withdrawal from the European Union.

The review indicated further areas for improvement and recommendations were proposed in order to ensure that processes and controls in place are effective. Internal Audit included one 'significant' action relating to non-compliance with the Council's Procurement and Commissioning Strategy, as follows:

#### Compliance with the Procurement and Commissioning Strategy

A primary requirement of the Procurement and Commissioning Strategy is for a formal tendering process to be carried out for all supplier relationships with a potential contract value of over £25,000.

A supplier spend review was therefore completed with a view to ensuring that this aspect of the Procurement and Commissioning Strategy is being adhered to across the Council. A payments report of all payments over £250 between April 2020 to June 2021 was obtained and filtered to leave only those suppliers who have received total payment amounts over £25,000. A sample of these suppliers was selected for review.

This review highlighted a high incidence of non-compliance with this aspect of Procurement and Commissioning Strategy.

#### Agreed Action (Significant)

Service managers will be reminded of their obligations in respect of procurement activity with any ongoing issues of non-compliance being brought to the attention of General Management Team.

A formal supplier spend analysis shall be completed on at least an annual basis to identify any non-compliance and enable prompt action to be taken with service managers to ensure compliance.

The annual budget setting process will also be used to support the prospective monitoring of spending with individual suppliers in order to alert budget holders to areas where compliance could become an issue.

Managers Responsible

Head of Finance Services

Interim Procurement and Contracts Officer

Target Date: 31 March 2022

The review also proposed two 'Merits Attention' actions (including two considered to be 'Necessary Controls') relating to the production of a 'model file' of documentation for tendering exercises and the establishment of a formal Committee approval process for tendering exercises.

Further reviews in respect of Grounds Maintenance Services, Creditors and Purchasing, Public Buildings Maintenance, Declarations of Interest, Homelessness, Bank Reconciliation, Garden Waste Collection, Customer Services and Transport / Fleet Management are ongoing and the reports have yet to be finalised.

**Current Audit Performance**

Overall, although there has been some continuing focus on completing the outstanding audits from 2020/21, the current level of performance for 2021/22 in terms of audits completed and in progress is similar to what has been achieved at this stage in pre-pandemic years.

As detailed in appendix 2, below, the promotion of the previous Chief Audit and Control Officer to Head of Finance Services and subsequent appointment of one of the Council's existing Senior Internal Auditors to the Interim Chief Audit and Control Officer position has resulted in a deficit within the Audit Plan of approximately 90 days, equivalent to around 25% of the available audit resources for the year.

The revision of the Internal Audit Plan, considered in appendix 2 below, should allow suitable progress to be made in the year and the target of 90% to be achieved from the resources available.



## APPENDIX 2

**REVISION TO THE INTERNAL AUDIT PLAN 2021/22**

As reported at the September meeting of this Committee, the previous Chief Audit and Control Officer has been promoted to Head of Finance Services, effective from 1 September 2021. An Interim Chief Audit and Control Officer has since been appointed for a period of six months in order to maintain continuity of service to this Committee and the Council.

The successful candidate for the Interim Chief Audit and Control Officer position was one of the Council's existing Senior Internal Auditors. These changes in role were not anticipated at the time that the Internal Audit Plan was created in early 2021 and, as a result, a deficit in terms of net audit days has arisen within the Plan of approximately 90 days, equivalent to around 25% of the available audit resources for the year.

Management are currently exploring a number of potential options for securing additional temporary and/or permanent resource within Internal Audit, including the anticipated development and growth of existing arrangements in partnership with Erewash Borough Council. At present, however, a revision to the Internal Audit Plan is required to ensure that an appropriate level of coverage can be achieved with the reduced resources available. There is flexibility within audit planning arrangements to allow for audits to be deferred, subject to approval by this Committee.

Accordingly, the Interim Chief Audit and Control Officer has reviewed the remaining audits and identified the following planned work as being potential audits to postpone/defer. This would reduce the pressure on the current audit work programme:

- Information Governance
- Operational Risk Management
- Climate Change
- Financial Resilience and Budgetary Control
- Benefits
- Choice Based Lettings
- Cash Receipting
- Rents
- Local Authority Trading Company

Whilst these service areas continue to present risks, these audits will be reconsidered as part of the audit planning process for inclusion within the Internal Audit Plan 2022/23 (to be considered in early 2022) and, if approved, could be considered for an early review. The timing of this work for completion by 30 June 2022 should enable any relevant findings to still be incorporated into the Interim Chief Audit and Control Officer's Annual Internal Audit Review Report. **It is therefore recommended that the Internal Audit Plan 2021/22 is revised accordingly.**

## APPENDIX 3

**INTERNAL AUDIT FOLLOW-UP**

Internal Audit has undertaken a review of progress made by management in implementing agreed actions within six months of the completion of the audit. The table below provides a summary of the progress made with agreed actions for internal audit reports issued between June 2018 and May 2021 (excluding clearance reports). Those audits where all actions have previously been reported as completed have also been excluded from this list.

Audit Title	Report Issued	ORIGINAL Assurance Opinion	Number of Actions (Significant in brackets)	Progress
Cemeteries 2018/19	25/06/18	Substantial	1	1 Outstanding
Legionella Prevention and Testing 2018/19	11/09/18	Reasonable	5	1 Outstanding
Bramcote Crematorium 2019/20	21/10/19	Substantial	2 (1)	1 Outstanding
CCTV 2019/20	30/10/19	Substantial	1	1 Outstanding
Procurement and Contract Management	02/03/20	LIMITED	6 (1)	2 Outstanding
Cash Receipting (Payment Kiosk)	05/06/20	LIMITED	7 (2)	7 Outstanding
Financial Resilience	03/07/20	Reasonable	4	1 Outstanding
Local Authority Trading Company	06/07/20	Reasonable	3 (1)	2 Outstanding
Kimberley Depot and Security	04/09/20	Reasonable	4	1 Outstanding
Housing Repairs	07/09/20	LIMITED	5 (1)	3 Outstanding
Garages	09/11/20	Substantial	2	1 Outstanding
Utilities	21/05/21	Reasonable	2 (1)	2 Outstanding

Note: The 'Original Assurance Opinion' listed refers to the individual opinions provided by Internal Audit at the date of concluding the audit. The summary details regarding the 'Limited' assurance opinion reports were presented to this Committee on 18 May 2020 for Procurement and Contract Management; 20 July 2020 for Cash Receipting (Payment Kiosk); and 27 September 2020 for Housing Repairs.

Further details of progress being made with agreed actions that have not yet been fully implemented are included below along with comments from management reflecting any updates on progress. Evidence of implementation will not be routinely sought for all actions as part of this monitoring process. Instead, a risk-based approach will be applied to conducting further follow-up work.

Where the agreed actions to address significant internal control weaknesses have not been implemented this may have implications for the Council. A key role of the Committee is to review the outcome of audit work and oversee the prompt implementation of agreed actions to help ensure that risks are adequately managed.

**OUTSTANDING ACTIONS****1. Cemeteries**

June 2018, Substantial Assurance, Actions – 1

**1.1 Digitisation of Cemetery Records**Agreed Action (Merits Attention – Necessary Control)

A timetable for developing an efficient solution for maintaining an effective and accurate electronic cemetery records will be produced. The progress made against the plan will be monitored by management and Bereavement Services Joint Committee. The replacement of the current software solution is considered to be a key part in this medium-term project.

Manager Responsible

Head of Service

Bereavement Services Manager

**Revised target date – 31 July 2022****Progress Report of the Bereavement Services Manager**

**The new Bereavement Services Management Software is expected to be fully integrated and operational by 31 December 2021. Following this, work will commence to complete the scanning of all Cemeteries (and other) remaining manual documentation.**

**2. Legionella**

September 2018, Reasonable Assurance, Actions – 5

**2.1 Tendering and Contracts**Agreed Action (Merits Attention – Necessary Control)

A corporate review of the way that Legionella testing, risk assessment, cleaning, chlorination and training services are procured is being undertaken with a view to ensuring consistency, value-for-money and compliance with procurement regulations.

Managers Responsible

Head of Asset Management and Development

Health and Safety Manager

Housing Repairs and Compliance Manager

**Revised target date – 31 March 2022****Progress Report of the Head of Asset Management and Development**

**This action has not been considered to be a high risk/priority at this stage, given the ongoing pressure on resources. Some potential frameworks have been explored however with a view to completing the procurement process in conjunction with the Procurement and Contract Management Officer by the revised target date.**

**3. CCTV**

October 2019, Substantial Assurance, Actions – 1

**3.1 Application for the Third Party Certification of Compliance with the Surveillance Camera Code of Practice**Agreed Action (Merits Attention – Necessary Control)

The final areas of non-compliance with the Surveillance Camera Code of Practice are to be addressed, with the long-term aim of applying for the Third Party Certification of Compliance at an appropriate time in the future. In the meantime, the following actions are proposed:

- An approach will be made to the Head of Environment with a view to making progress towards CCTV systems operating at the Kimberley Depot (in particular those cameras operating from refuse freighters) being fully compliant with the Surveillance Camera Code of Practice. (Target date – 30 June 2022). It is recommended that the remote CCTV systems becomes the responsibility of the nominated single point of contact for CCTV surveillance and centralised in accordance with recommendation made by the Surveillance Camera Commissioner's Office. Alternatively, systems can be managed locally whereby compliance with the Commissioners Code of Practice and accreditation can be audited by the nominated senior responsible officer (SRO) for surveillance.
- The existing CCTV policies will be refreshed and arrangements made for these to be formally adopted by the Council. (Target date – 30 June 2022)

Managers Responsible

Head of Service

Parking and CCTV/Security Manager (in conjunction with the appropriate site managers)

**Progress Report of the Head of Governance and the CCTV, Security and Parking Manager**

**Action 1 (Kimberley Depot) – A system of local management is being introduced whereby compliance with the Commissioners Code of Practice and accreditation can be audited by the nominated senior responsible officer (SRO) for surveillance. This is reinforced by local managers being required to complete annual training through the Broxtowe Learning Zone in addition to the completion of a form which outlines the justification for the retention of CCTV in their area.**

**Action 2 (Policy Updates) – The Councillor Task and Finish Group has completed its work. The outcomes of this will now inform future policy development.**

**4. Bramcote Crematorium**

October 2019, Substantial Assurance, Actions – 2

**4.1 Bereavement Services Management System**Agreed Action (Merits Attention – Necessary Control)

The purchase and installation of a new Bereavement Services Management System will be completed as a matter of priority with key support provided by the Council's Procurement and Business Transformation officers.

Managers Responsible

Head of Service

Bereavement Services Manager

**Revised target date – 31 December 2021****Progress Report of the Bereavement Services Manager**

**It is anticipated that the system will be fully integrated and operational by the target date.**

**5. Procurement/Contract Management**

March 2020, Limited Assurance, Actions – 6

**5.1 Structured Contract Management**Agreed Action (Significant)

A Contract Management Strategy and Framework is being developed to expand upon the adopted Procurement and Commissioning Strategy. This will incorporate both strategic and operational contract management and a multi-layered approach for 'softer' elements of supplier management and monitoring. A proposal was presented to General Management Team in February 2020 and will now be developed further.

The strategy proposed a three-stage process: advising suppliers that the relevant Council's policies as listed in tender documentation will provide the minimum standards required for suppliers engaged by the Council; monitoring progress with suppliers providing reports on performance; and undertake annual strategic reviews for major contracts (by value and/or strategic importance) to consider all aspects of contract performance and compliance and to carry out value engineering where appropriate. The framework will require stakeholders to periodically meet with contractors to discuss contract performance, with appropriate records maintained. Any issues can then be escalated accordingly. The process will also include regular dashboard and exception reporting to GMT.

An action plan is being developed as part of the rollout of the framework.

Managers Responsible

Head of Finance Services

Procurement and Contracts Officer

**Revised Target Date: 30 November 2021****Progress Report of the Procurement and Contracts Officer**

**A Contract Management Strategy was approved by GMT in October 2020. A series of virtual briefing sessions will be provided to stakeholders. Unfortunately, the launch of this strategy was delayed as a result of other priorities linked to the pandemic. It is now intended to be delivered before the revised target date.**

## 5.2 Procurement Training

### Agreed Action (Merits Attention)

A procurement e-learning module will be developed to support the embedding of the Procurement and Commissioning Strategy. This will complement the existing support and guidance that is already available on the intranet and website.

### Managers Responsible

Procurement and Contracts Officer

**Revised Target Date: 30 November 2021**

### Progress Report of the Procurement and Contracts Officer

**A briefing on the refreshed Procurement Strategy was provided to relevant officers and managers. Contact has been made with the Learning and Development Officer to develop an e-learning course for the Broxtowe Learning Zone and it is intended to deliver this action before the revised target date.**

## 6. Cash Receipting (Payment Kiosk)

### 6.1 Balancing and Reconciliation Differences

#### Agreed Action (Merits Attention – Necessary Control)

An Officer Working Group will be established, with representation from key stakeholders across the business, to consider, respond, track and resolve the issues raised in respect of the payment kiosk.

The procedure for processing discrepancies identified during cashing-up will be reviewed and updated to allow for any differences to be accounted for in an appropriate manner pending further investigation.

### 6.2 Accuracy of Transaction Recording

#### Agreed Action (Significant)

A review of the systems and the effectiveness of how they interact will be undertaken by the Officer Working Group to ensure the accuracy and integrity of the data and management information the systems are expected to produce.

### 6.3 Kiosk Receipts and Automated Reports

#### Agreed Action (Significant)

A review will be conducted by the Officer Working Group to identify improvements to the management information provided by the kiosk. Consideration will be given to skills and training needs to enable clear understanding of the data provided.

### 6.4 Contract Management – Reporting of Issues

#### Agreed Action (Merits Attention – Necessary Control)

Any concerns identified with the kiosk system will be escalated to GMT and the service provider as required.

### 6.5 Payment Details

#### Agreed Action (Merits Attention – Necessary Control)

Enquiries will be made with the service provider as to the options for enhancing the controls within the kiosk to make mandatory fields for the payee to enter their details and for the kiosk to only process payments when a correct payment reference has been entered.

## 6.6 Card Payments – Refunds Processing

Agreed Action (Merits Attention – Necessary Control)

The option to process card payment refunds (for duplicate or erroneous payments) onto the original payment card used will be considered in conjunction with the service provider.

## 6.7 Usage Reviews and Future Viability

Agreed Action (Merits Attention)

The statistics reports produced in relation to the kiosk will continue to be reviewed. Proactive work will continue to encourage customers to consider alternative cost effective payment channels such as Direct Debit and card payment via the website. This work will include direct contact at the kiosk and scrutiny of payments data (via reports analysed by fund) to identify customers who regularly use the kiosk.

The ongoing viability of the payment kiosk will be reviewed undertaken in terms of cost effectiveness and customer satisfaction, with comparison to alternative external solutions.

Managers Responsible

Head of Revenues, Benefits and Customer Services

Head of Administrative Services

### **Progress Report of the Head of Revenues, Benefits and Customer Services and Head of Administrative Services**

The payment kiosk has been closed to the public since the first pandemic lockdown in March 2020 and has only being used on a few occasions by Support Services. At this stage, there has been little need to establish an Officer Working Group to manage and resolve the historical issues raised in respect of the payment kiosk.

Following the implementation of the new 'All Pay' facility, the ongoing viability of the payment kiosk will be further reviewed and if deemed necessary an Officer Working Group will review and consider all of the above points raised by Internal Audit.

## 7. Financial Resilience

### 7.1 CIPFA Financial Resilience Index

Agreed Action (Merits Attention 'Necessary Control')

It is anticipated that the CIPFA Financial Resilience Index will be refined post Covid-19 to ensure that it remains fit for purpose. The benefits of using this analytical tool to support good financial management and provide a common understanding amongst managers and members of the current financial position and potential risks are acknowledged. Further work in developing this for Broxtowe, at least in the short-term, will be dependent upon further updates from CIPFA.

Manager Responsible

Deputy Chief Executive

**Revised Target Date: 31 December 2021**

### **Progress Report of the Deputy Chief Executive**

This action is still progressing. The most recent published update of the CIPFA Financial Resilience Index is based upon the 2019/20 financial outturn. The indices for 2020/21 will be reviewed when available, with any significant action needed being reported through GMT and to the relevant Committee accordingly.



## 8. Local Authority Trading Company

### 8.1 Revision and Update of Service Management Agreement

#### Agreed Action (Significant)

The Council's new Leisure Facilities Strategy is currently being developed, although its full adoption and implementation will be a long-term project. In the meantime, it is anticipated that the proposed Strategy will have been developed by late summer 2020. At this stage, the Strategy will be used as the starting point for an initial review of the Service Management Agreement between the Council and the Company.

#### Managers Responsible

Deputy Chief Executive

Leisure Client Officer

Managing Director – Liberty Leisure Limited

**Revised Target Date: 31 March 2022**

#### Progress Report of the Deputy Chief Executive

The Council has recently appointed a new Leisure Client Officer whose remit is primarily the client-side management of the Council's relationship with Liberty Leisure Limited and the development of future strategy. At the present time the priority is the ongoing negotiations with Kimberley School and review of the Liberty Leisure Business Plan. Development of the Leisure Facilities Strategy and review of the Service Management Agreement is anticipated to follow as resource allows.

### 8.2 Review of Joint-Use Agreement with Chilwell School

#### Agreed Action (Merits Attention 'Necessary Control')

The ongoing review and re-negotiation of the Joint-Use Agreement with Chilwell School will recommence, in conjunction with Legal Services, with a view to finalising the agreement.

#### Managers Responsible

Deputy Chief Executive

Leisure Client Officer

**Revised Target Date: 31 March 2022**

#### Progress Report of the Deputy Chief Executive

The Council has recently appointed a new Leisure Client Officer whose remit is primarily the client-side management of the Council's relationship with Liberty Leisure Limited and development of future strategy. At the present time the priority is the ongoing negotiations with Kimberley School and review of the Liberty Leisure Business Plan. Review of the Joint-Use Agreement with Chilwell School is anticipated to follow as resource allows.

## 9. Kimberley Depot and Security



**9.1 Security Policy and Procedure**Agreed Action (Merits Attention 'Necessary Control')

A security policy and procedures guide will be produced for reference by managers and officers with responsibilities relating to depot security.

Manager Responsible

Head of Environment

**Revised Target Date: 31 December 2021****Progress Report of the Head of Environmental Services**

**Although this task has been delayed due to service demands, work has progressed and this task should be completed before the revised target date.**

**10. Housing Repairs****10.2 Invoicing of Rechargeable Works**Agreed Action (Merits Attention 'Necessary Control')

The process for invoicing rechargeable repair works will be reinstated, although the current method for evidencing costs, producing bills and recovering the debt is very labour intensive.

The billing of rechargeable repair works will be reviewed as part of a wider piece of work to bring all housing related debt into the Capita system, depending upon system development.

Managers Responsible

Head of Service; Housing Repairs Manager

**Revised Target Date: 28 February 2022****Progress Report of the Head of Asset Management and Development**

**Significant work has been completed by the Recharges Working group in developing a method of efficiently producing invoices for rechargeable works through the Capita system. The basis for recharging items to tenants and former tenants is also being revised.**

**10.4 Job Costing and Stock Control**Agreed Action (Significant)

The progress made in delivering the Housing Repairs Review Action Plan have stalled due to various circumstances, not least the coronavirus pandemic lockdown. This action plan will be revisited when resources and the lifting of restrictions allow.

The job costing and stock control processes will be reviewed and updated as planned for in the Housing Repairs Review Action Plan. The progress made on this will be regularly reported to Housing Management and the Housing Committee.

Managers Responsible

Head of Service; Housing Repairs Manager

**Revised Target Date: 31 March 2022****Progress Report of the Head of Asset Management and Development**

**Work has commenced on reviewing stocks and stores.**

### 10.5 Overdue Contract Renewals

Agreed Action (Merits Attention 'Necessary Control')

The expired contracts for Glazing Services and Scaffolding will be reviewed, in conjunction with the Procurement and Contracts Officer, and subjected to formal competitive tender or direct award from a recognised framework, where appropriate, at the earliest opportunity.

Managers Responsible

Head of Service; Housing Repairs Manager

**Revised Target Date: 31 March 2022**

#### **Progress Report of the Head of Asset Management and Development**

**All expired and non-compliant arrangements are being reviewed and a programme developed to bring these into full compliance.**

## 11. Garages

### 11.1 Financial Appraisal of Individual Garage Sites

Agreed Action (Merits Attention 'Necessary Control')

The decision making process for individual garage sites will include consideration of likely costs, anticipated future rental income and the resultant payback period.

A retrospective review of the garages sites considered under phase 1 of the garage modernisation works will be undertaken to inform the consideration of options for phase 2.

Managers Responsible

Head of Housing;

Garages Strategy Working Group

**Revised Target Date: 31 December 2021**

#### **Progress Report of the Head of Housing**

The next phase of garage sites will not be determined until January 2022. A full retrospective review will be completed prior to any other sites being identified and is on track to be completed by the deadline.

## 12. Utilities

### 12.1 Energy Procurement Strategy

Agreed Action (Merits Attention 'Necessary Control')

The Energy Procurement Strategy will be refreshed and presented to the Policy and Performance Committee for consideration and approval.

Managers Responsible

Head of Asset Management and Development

**Revised Target Date: 31 December 2021**

#### **Progress Report of the Head of Asset Management and Development**

The review of the Energy Procurement Strategy has commenced with completion and presentation to the Policy and Performance Committee anticipated by the revised target date.

**12.2 Procurement of Water**Agreed Action (Significant)

A new contract for the supply of water to the Council has been prepared for agreement with the current supplier. This contract will ensure compliance with Procurement Regulations and the Council's Financial Regulations (Contract Standing Orders).

The contract includes elements of performance management, including the provision of a customer care liaison (single point of contact with the supplier), which should improve the ability to ensure prompt resolutions of any contract management issues.

The new two-year contract will also allow the Council time to consider its strategy and future procurement options, which could include a contract extension with the current supplier, an award from a recognised procurement framework or an open tender exercise.

Managers Responsible

Head of Asset Management and Development

Estates Manager

**Revised Target Date: 31 December 2021**

**Progress Report of the Head of Asset Management and Development**

A draft contract has been prepared for agreement with the supplier with completion anticipated in time for the revised target date.

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## Joint report of the Deputy Chief Executive and the Interim Chief Audit and Control Officer

### GOVERNANCE ARRANGEMENTS FOR THE BEESTON TOWN CENTRE DEVELOPMENT PROJECT

#### 1. Purpose of report

To provide the Committee with a report on the governance arrangements for the Beeston Town Centre Development project.

#### 2. Background

Members requested that a regular governance dashboard report be produced on major projects, such as the Beeston Square Development project, which included an independent assurance opinion being provided by Internal Audit. A series of such reports have been resented to this Committee for scrutiny.

The need to have strong effective governance in place is vital, with the necessary levels of transparency and openness in decision making which align with the Council's Constitution, including the Scheme of Delegation, Standing Orders and Financial Regulations.

Internal Audit has completed a review of the governance arrangements which have operated through the life of the Beeston Town Centre Development project, with particular focus on the reporting to Members and approvals from Committees where appropriate. This review is presented in appendix 1.

A high-level post-investment appraisal has also been provided by the Interim Regeneration Projects Manager which provides a summary of the key challenges, milestones and opportunities of the development along with 'lessons learned' recommendations for future projects. This is presented in appendix 2.

#### Recommendation

**The Committee is asked to NOTE the report.**

#### Background papers

Nil

## APPENDIX 1

## GOVERNANCE ARRANGEMENTS BEESTON TOWN CENTRE DEVELOPMENT

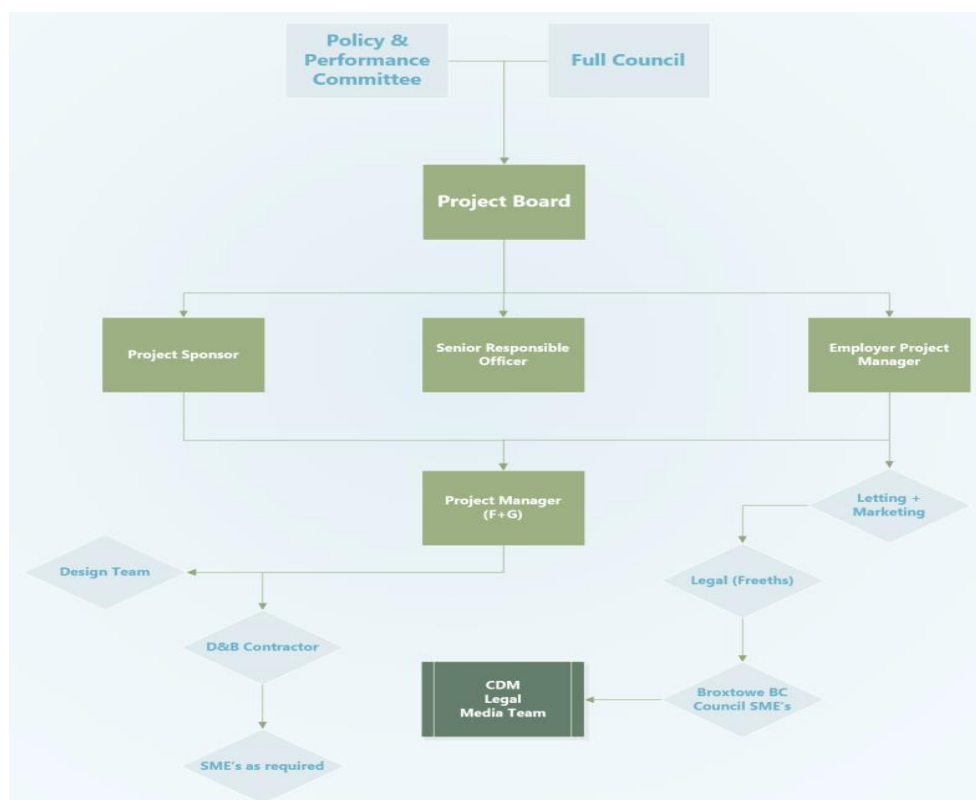
Introduction

The redevelopment of Beeston town centre, and in particular the area adjacent to Beeston Tram and Bus Interchange, has been a high priority objective for the Council for several years. A major milestone in this project was recently achieved with the opening of the Arc Cinema on 27 May 2021 with the food and beverage units in the unit expected to be open and trading by Spring 2022.

Internal Audit has conducted a review of the governance arrangements in place throughout the delivery of the development, with particular focus on the constitution of the Project Board and the processes followed around key events and decisions through the life of the project.

Project Governance Structure and Related Arrangements

The core governance structure and related arrangements are formally documented within the Project Execution Plan, as prepared by the Project Manager. The Project Governance Hierarchy established clear lines of responsibility and accountability for the project and are summarised in the following chart:



As this chart demonstrates, responsibility for the delivery of the redevelopment of Beeston town centre primarily rested with the Project Board, in turn directly accountable to the Policy and Performance Committee and Full Council. The Project Board comprised of the following:

- Chief Executive
- Deputy Chief Executive (as the Senior Responsible Officer)
- Leader of the Council
- Deputy Leader of the Council
- Leader of the Opposition
- Project Sponsor
- Employer Project Manager
- Project Manager (advisory only)

The inclusion of the Chief Executive and Deputy Chief Executive demonstrated the involvement of the highest levels of management, whilst the presence of the Leader of the Council, the Deputy Leader, and the Leader of the Opposition is reflective of the full cross-party support and involvement throughout the duration of the project.

The 'Project Sponsor' is the Council's Head of Asset Management and Development with the role of the 'Employer Project Manager' fulfilled by an external property development consultant engaged by the Council during 2017 to augment the Council's client-side expertise.

The Project Manager, Faithful and Gould ('F&G'), is responsible for the day-to-day project management of the development to deliver, as the Project Execution Plan states, "the right products (required benefits), to the required standard, on budget and on time". F&G (as then part of Atkins plc, now SNC-Lavalin) were appointed following a full competitive tender process in July 2016.

A review of the records of meetings held and a sample of the minutes of meetings has confirmed that Project Board meetings were held at regular intervals, with a high level of attendance and were minuted with an appropriate level of detail of updates received and decisions made.

The Project Execution Plan also specifies a number of project controls which have been in place throughout the project. In particular, change control and risk management are considered key aspects of good governance.

Change Control refers to a process by which any changes to the original project brief may be identified, considered, approved and implemented. This may cover a range of potential changes, for example changes in design or variations in budgeted costs. The Project Execution Plan outlines the change control process in the below diagram, with further detail on approval requirements in the following table.

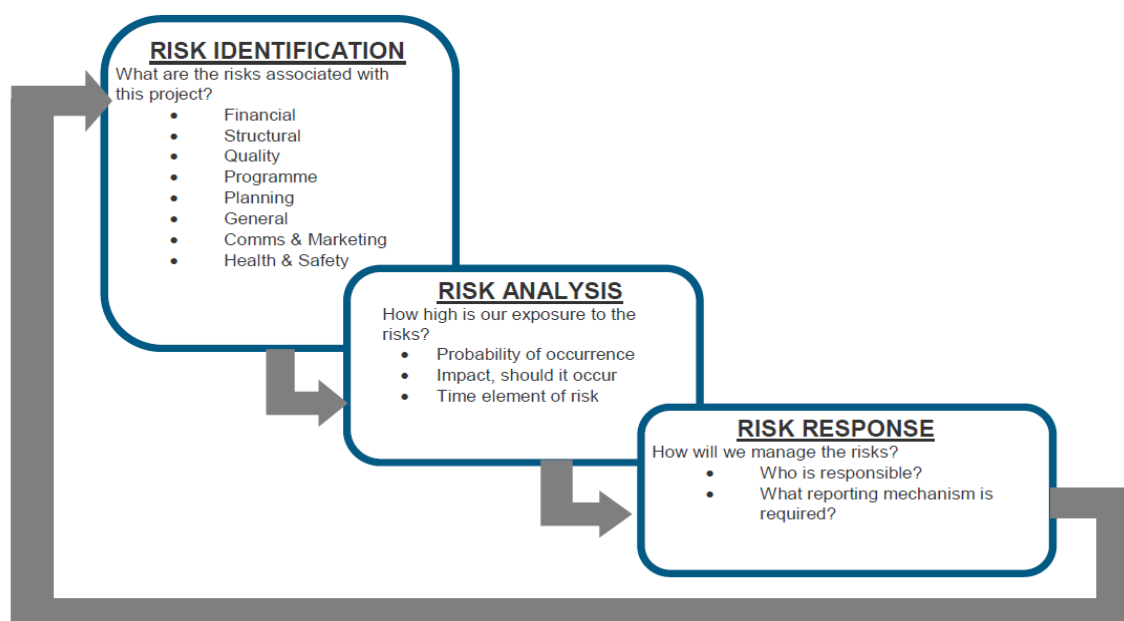
**Summary of Process: Five Step Change Control Process****Delegated Authorities:**

Scope and Impact of Change	Reporting Responsibility	Decision by
Changes resulting in an increase to the approved financial authority for the whole project and/or exceed SRO delegated authority	Employer Project Manager / Project Sponsor/ SRO/ Broxtowe Project Board	Policy & Performance Committee / Finance Committee / Full Council
All changes with potential to affect operational matters	Employer Project Manager / Consultant Project Manager / Consultant Design Team / Project Sponsor	Broxtowe Project Board / SRO
Change to project brief Change to design or specification with financial and/or programme implications	Employer Project Manager / Consultant Project Manager / Consultant Design Team / Project Sponsor	Broxtowe Project Board / SRO
Design or specification change with no net financial or programme implications (unless within previously approved provisional sum)	Employer Project Manager / Consultant Project Manager / Consultant Design Team /	Project Sponsor
NOTE: A request for approval by the Project Board shall be made outside of scheduled meetings where a delay in obtaining approval would adversely impact on project cost and/or programme.		

A Change Control Register has been maintained throughout the life of the project.

The Project Execution Plan also contains details of the risk management process which has been followed throughout the life of the development, summarised in the below diagram:





At the commencement of the development work, a detailed Risk Register was produced by the Project Manager containing details of risks identified, an assessment of the significance of the risks and plans for appropriate actions in mitigation. The Risk Register has been updated throughout the life of the project.

### **Key Processes, Reports and Decisions**

Internal Audit has reviewed the history of the redevelopment project and is pleased to make the following observations with regard to key processes, reports and decisions made by Senior Management, the Project Board and Members.

### **Vision for the Redevelopment**

In 2008 the Council set out a vision for the future of Beeston Town Centre, being that *“Beeston Town Centre will provide a welcoming image, promote choice and design quality. It will attract new investment and create a high quality environment, which is vibrant and attractive and where people will want to live, work, shop and visit. There will be a wide range of national retailers, local shops, bars and restaurants providing a range of places to eat, drink and shop. Pedestrians and cyclists will enjoy improved accessibility to the town centre and the public realm, incorporating public art, will be of a high quality and inspiring. The redevelopment of The Square linked to a proposed new transport interchange will help to revitalise the heart of the town centre.”*

This vision was accompanied by five strategic aims:

- *Enhance the quality and diversity of Beeston Town Centre’s retail provision to ensure its future vitality and diversify town centre uses to maintain its role as a Major District Centre.*
- *To promote activities that can develop a sustainable evening economy.*

- *To ensure the town centre is readily accessible by all modes of transport, whilst maximising access by foot, cycle and public transport in the context of a sustainable transport strategy.*
- *To promote high quality town centre developments and public realm improvements that combine to create a good image for the town centre.*
- *To ensure that development of the Town Centre and adjacent areas are done so in a co-ordinated manner to maximise benefits to the town centre and local residents.*

This vision and accompanying objectives was set out as part of the Beeston Town Centre Plan (Supplementary Planning Document) 2008.

#### Re-Purchase of Beeston Square

The Council owns the freehold interest in the above-detailed Beeston Square area. At the time of the above noted Beeston Town Centre Plan, however, a third party developer held a long lease for the southern parts of the site. Over time, it became increasingly apparent that the developer had lost interest in significant development of the site and by mid-2015 the option for the Council to purchase the lease back from the developer became viable. This repurchase allowed the Council full control over the entire Beeston Square site in order to act as developer and begin to realise its ambitions for the town.

Cabinet approved the appointment of a firm of property consultants to advise on the potential repurchase of the lease on 15 December 2015. Details of the consultants' findings were considered by the Beeston Town Square Advisory Committee on 16 February 2016. The purchase of the lease was completed on 13 May 2016 and reported to the Policy and Performance Committee on 18 May 2016.

#### Redevelopment Strategy

Research and investigations carried out by officers culminated in the presentation to Members of a 'Summary of a Proposed Way Forward' document at a Members' Workshop held on the 30 October 2017. The plans presented at this workshop were for a cinema-led leisure offer to include food and beverage units at the north-end of the site, a medium-rise residential development at the south-end with the two components of the development separated by a public open space.

The proposal retained the Council as the lead on the development of the cinema and accompanying leisure space whilst the land for the residential development would be sold to a third-party developer. The capital receipt from the sale of the land would be applied to the cinema development, alongside additional funding secured from the D2N2 Local Enterprise Partnership, the Nottinghamshire Pre-Development Fund and the Public Works Loans Board.

These proposals were supplemented by a detailed financial review by an external financial consultancy firm in a report dated 20 October 2017. The Policy and Performance Committee considered this report and associated proposals as presented at the Members' Workshop, granting its formal approval at a meeting on 21 November 2017.

### Planning Permission

Planning permission was granted by the Planning Committee on 12 September 2018.

### Sale of the Residential Land

Completed bids for the sale of the residential land, received through a process managed by an external firm of Chartered Surveyors, were considered by the Finance and Resources Committee on 8 January 2019. Six bids of varying viability were received. Authority was delegated to the Deputy Chief Executive to complete the sale, with a bid duly selected for acceptance shortly after the meeting. In the following months, however, progress with the buyer was slow and eventually it became apparent the agreed sale was no longer viable.

Using the delegated powers, and with the endorsement of the Project Board, a further invitation for bids was made by the Deputy Chief Executive, following which a final winning bid was selected and reported to the Policy and Performance Committee on 2 October 2019. The sale of the land to this bidder was completed on 4 November 2020 following delays attributable to the pandemic.

### Cinema Operator

A primary requirement for the development was the securing of an operator for the cinema. Activity to find an operator commenced soon after the approval of the plans, with negotiations opened with a number of potential companies.

By mid-2019 it became apparent that the most likely operator for the cinema would be the Arc Cinema, an Irish-based company beginning to expand into the UK market. A due-diligence report was commissioned from an external firm of financial consultants and, following satisfactory review of this by the Project Board and concluding negotiations, the Arc Cinema was confirmed as the operator for the new cinema with the agreement signed on 23 September 2019 and reported as complete to the Policy and Performance Committee on 2 October 2019.

### Procurement of a Construction Contractor

During 2019, an OJEU-compliant procurement process, led by the Project Board and the Interim Procurement and Contracts Officer in conjunction with an external project management company, was undertaken which resulted in the submission of six tender offers. These offers were duly evaluated with a winner selected after due diligence work had been undertaken. The contract with Bowmer and Kirkland was subsequently agreed and signed on 18 November 2019 and reported to the Policy and Performance Committee on 4 December 2019.

### Future Plans

The Project Board, at its meeting on 27 July 2021, has agreed the redevelopment of the westerly block on The Square (known as the 'Argos' block). This block, prior to

the onset of the Covid-19 pandemic, was occupied by Explore Learning, Argos, Ladbroke's and an independent newsagent. Of these, only two tenants remain. The cost to redevelop this block has been estimated at £500,000 and is expected to be funded through a combination of General Fund capital receipts and borrowing. A request to vary the Capital Programme for 2021/22 was approved by the Finance and Resources Committee on 7 October 2021.

An additional development to provide a 'Changing Places' toilet facility is currently moving through an external tendering process with the outcome expected to be reported to Members in due course.

### **Conclusion**

The opening of the Arc Cinema in May 2021 marked a key milestone in achieving the Council's vision for the redevelopment of Beeston Square and the culmination of several years of sustained efforts on the part of members, officers and their advisors. The Council considers this as part of an evolving story for Beeston and views this very much as the 'end of the beginning' rather than a conclusion. The challenge now is for a refreshed vision for Beeston, whereby the new development can catalyse further change and generate more interest, excitement and footfall towards a more dynamic night time economy for the town.

Internal Audit is pleased to report that this latest review of the governance arrangements for the Beeston Town Centre Development project has indicated no cause for concern. Further details on the project journey, along with recommendations for future capital projects, are provided in the post-investment appraisal summary provided by the Interim Regeneration Project Manager in appendix 2 to this report.

## APPENDIX 2

**BEESTON SQUARE PHASE 2 REVELOPMENT  
HIGH-LEVEL POST-INVESTMENT APPRAISAL**

The redevelopment of the former bus interchange and fire station to create a new eight-screen cinema and five food and beverage units in Beeston town centre has been one of the largest capital projects undertaken by Broxtowe Borough Council in recent years. It was also one of the potentially most high-risk as the Council took the bold decision to undertake the development directly rather than passing on an element of risk and profit to a third party development partner.

Despite this, the project was delivered within the contractual programme period and to the approved budget. Although not yet fully let, it is undoubtedly making a positive contribution to underpinning existing town centre business as they recover from prolonged Covid-19 restrictions and has been a catalyst to attracting new enterprise to the town beyond the development's immediate boundary.

It has not been a totally smooth journey and a number of major challenges were encountered during the delivery stage, namely:

- Loss of an anchor tenant after protracted negotiations and re-letting to an alternative cinema operator with no UK trading presence.
- Loss of residential site buyer and a reduction of income from a replacement buyer that was intended to cross-subsidise the leisure element.
- Failure of the preferred bidder to meet the construction tender requirements and the higher cost of appointing the runner-up.
- A global pandemic.

That these obstacles were resolved to result in a successful project outcome highlights a number of critical success factors that serve as a useful template for future capital projects, of which a number are already at the viability stage. The main ones can be summarised as follows:

**Critical success factors to be adopted in future capital projects****Clear and consistent objectives**

There were four main objectives for the project:

- To bring a derelict site into beneficial use;
- To support the viability and sustainability of existing town centre business
- To encourage a night-time economy; and
- To be self-financing.

**Sound business case**

The requirement to be self-financing (meaning that, once mature, rental income would be sufficient to cover debt service) brought a commercial discipline to the project. To this was added the ambition to create an institutional-grade investment

that could be realised in the medium term with a positive equity outcome for the Council.

#### Effective communication

A comprehensive project execution plan was put in place to ensure that the Council's objectives were fully understood by all members of the project team. This also included key parameters such as attitude to risk which contributed to swift and effective decision-making – especially when reacting to such events as Covid-19 lockdown restrictions.

A clear communications strategy was also put in place and reviewed regularly by the project board. Key opportunities for positive news stories – such as award of the building contract and securing tenants – were identified by the Council's media team that worked closely with external partners to ensure that core messages were articulated and that there was a consistency of approach to support the whole of the town centre. This achieved some very powerful media coverage that has made a major contribution to raising Beeston's profile.

#### Strong Governance arrangements

A Project Board was established once the full Council had approved commitment to delivery. This was chaired by the Deputy Chief Executive, had a clearly identified project sponsor (Head of Property Services) and on which each main political party was represented. This gave the controlling committees confidence to delegate key decision-making to the board which, in turn, allowed for agile directing of the delivery team.

The standing agenda items included:

- Costs, budget and financial viability;
- Risk;
- Programme;
- Health and safety;
- Environmental performance;
- Communications and public relations; and
- Realisation.

External consultants were invited to board meetings as required.

#### Transparent reporting

The Project Board reported regularly to the relevant committees on delegated decisions made and, wherever possible, significant upcoming decisions were discussed at Committee in advance.

#### Cross-party support

Large capital projects will often span over different Council administrations and this brings a danger that changing political priorities can destabilise a project. In extremis, this could lead to significant delay, additional cost or even cancellation. By

having project board representation across the political spectrum, all parties' interests were considered and cross-party support achieved. This was extremely important when some very difficult decisions had to be made.

### **Areas for improvement in the delivery of capital projects**

#### **Control and influence over delivery of collateral benefits**

To deliver one of the key objectives of cost neutrality, it was necessary to sell part of the site to a third party developer to build out the residential part of the development. Further, structuring the planning application to cover both elements meant that any notional profit from the residential site could be used to directly cross-subsidise the Council's regenerative leisure element rather than being used for wider Section 106 purposes – many of which would have accrued to other public bodies than the Borough.

The original sale contract contained a number of restrictions and obligations on the developer to prevent the undeveloped site being sold on for a quick profit, etc. When this transaction stalled, the market had deteriorated and it was decided to keep the replacement contract as simple and unrestricted as possible to achieve the best price. For reasons unknown, the developer has yet to start on site which is frustrating as it is rather an eyesore now the Council's part is complete.

*In similar situations, this potential risk of non-delivery by a third party needs to be carefully considered against the impact on value of retaining some control and influence over what and when is developed.*

#### **Effective post-completion management arrangements**

Following practical completion, responsibility for a project passes back to the client at which point a myriad of arrangements need to be in place for a multi-occupied building including insurance, security and responsive repairs that are not defects for which the contractor is responsible. Many of these costs will be recoverable in whole or part from individual tenants once they take occupation through the service charge mechanism. As other Council assets are managed in-house, this model was selected for the subject development.

Unfortunately, a combination of internal reorganisation and recruitment difficulties resulted in Broxtowe's Estates Management team being unable to put in place all arrangements for management of the service charge and a consultant management company has been engaged on an initial 12-month contract to set up the arrangements at considerable cost. (Although management costs are recoverable under the service charge, the landlord will be responsible for the proportions attributable to empty units.)

Best practice would see ongoing management arrangements for capital projects being put in place well before practical completion to allow for systems & supply chains to be established, personnel familiarisation and a smooth transition from the delivery team.

*It is therefore recommended that post-completion management arrangements and the estimated costs thereof form part of the initial business case for future capital projects.*

### **Conclusion**

By taking the relatively unusual step of successfully delivering a large commercial development directly, the Council has demonstrated that it has the capability to deliver similar capital projects in a way that avoids sharing profits with a development partner. Had a more traditional development partnership been adopted as the delivery vehicle, a significant subsidy from the Council would have been necessary to secure a suitable developer.

As this route leaves the Council with full risk exposure, it is important that the critical success factors identified from Beeston Square – as summarised above – are adopted if a similar approach is proposed for future projects.



## Report of the Deputy Chief Executive

### REVIEW OF STRATEGIC RISK REGISTER

#### 1. Purpose of report

To approve the amendments to the Strategic Risk Register and the action plans identified to mitigate risks.

#### 2. Detail

In accordance with the corporate Risk Management Strategy, the Strategic Risk Management Group met on 13 October 2021 to review the Strategic Risk Register. General Management Team (GMT) has since considered the proposals from the Group. The objectives of the review were to:

- Identify the extent to which risks included in the Register are still relevant
- Identify any new strategic risks to be included in the Register
- Review action plans to mitigate risks.

A summary of the risk management process is included in appendix 1. The Risk Management Strategy includes a '5x5' risk map matrix to assess both the threats and opportunities for each strategic risk in terms of both the likelihood and impact. The risk map is included to assist the understanding of the inherent and residual risk scores allocated to each strategic risk. These scores will be considered further and amended as necessary in due course.

Details of proposed amendments to the Strategic Risk Register and the actions resulting from the process are attached in appendix 2. The revised Strategic Risk Register incorporating the proposed amendments is available on the intranet. Further reviews of the Strategic Risk Register will be reported to future meetings of this Committee.

#### Recommendation

**The Committee is asked to RESOLVE that the amendments to the Strategic Risk Register and the actions to mitigate risks as set out in appendix 2 be approved.**

#### Background papers

Nil

**APPENDIX 1****REVIEW OF STRATEGIC RISK REGISTER****Introduction**

The Risk Management Strategy, as revised in December 2018, aims to improve the effectiveness of risk management across the Council. Effective risk management will help to ensure that the Council maximises its opportunities and minimises the impact of the risks it faces, thereby improving its ability to deliver priorities, improve outcomes for residents and mitigating legal action and financial claims against the Council and subsequent damage to its reputation.

The Strategy provides a comprehensive framework and process designed to support both Members and Officers in ensuring that the Council is able to discharge its risk management responsibilities fully. The Strategy outlines the objectives and benefits of managing risk, describes the responsibilities for risk management, and provides an overview of the process that the Council has in place to manage risk successfully. The risk management process outlined within the Strategy should be used to identify and manage all risks to the Council's ability to deliver its priorities. This covers both strategic priorities, operational activities and the delivery of projects or programmes.

The Council defines risk as "the chance of something happening that may have an impact on objectives". A risk is an event or occurrence that would prevent, obstruct or delay the Council from achieving its objectives or failing to capture business opportunities when pursuing its objectives.

**Risk Management**

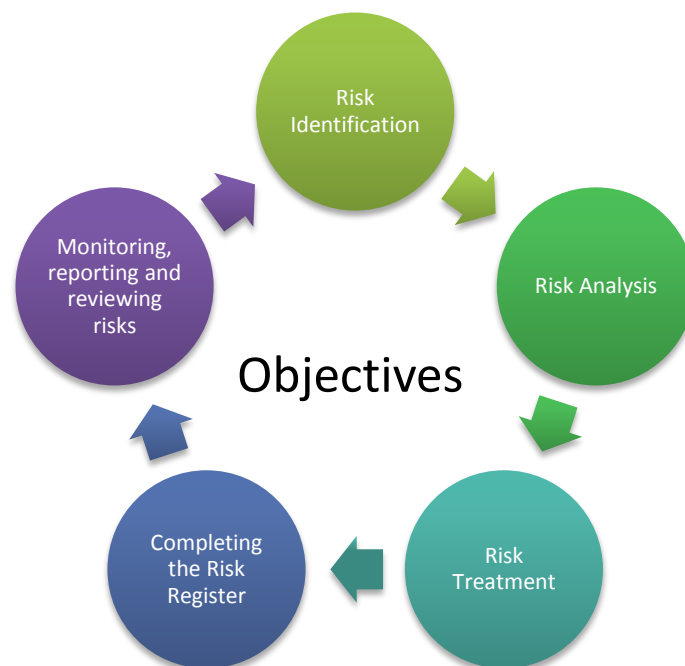
Risk management involves adopting a planned and systematic approach to the identification, evaluation and control of those risks which can threaten the objectives, assets, or financial wellbeing of the Council. It is a means of minimising the costs and disruption to the Council caused by undesired events.

Risk management covers the whole range of risks and not just those associated with finance, health and safety and insurance. It can also include risks as diverse as those associated with reputation, environment, technology and breach of confidentiality amongst others. The benefits of successful risk management include:

- Improved service delivery with fewer disruptions, efficient processes and improved controls
- Improved financial performance and value for money with increased achievement of objectives, fewer losses, reduced impact and frequency of critical risks
- Improved corporate governance and compliance systems with fewer legal challenges, robust corporate governance and fewer regulatory visits
- Improved insurance management with lower frequency and value of claims, lower impact of uninsured losses and reduced premiums.

## **Risk Management Process**

The Council's risk management process has five key steps as outlined below.



Process Step	Description
<b>Risk Identification</b>	Identification of risks which could significantly impact the Council's aims and objectives – both strategic and operational.
<b>Risk Analysis</b>	Requires consideration to the identified risks potential consequences and likelihood of occurring. Risks should be scored against the Council's risk matrix
<b>Risk Treatment</b>	Treat; Tolerate; Transfer; Terminate – Identify which solution is best to manage the risk (may be one or a combination of a number of treatments)
<b>Completing the Risk Register</b>	Document the previous steps within the appropriate risk register. Tool for facilitating risk management discussions. Standard template to be utilised to ensure consistent reporting.
<b>Monitoring, reporting and reviewing the risks</b>	Review risks against agreed reporting structure to ensure they remain current and on target with what is expected or manageable.

**Risk Matrix**

		Risk – Threats				
Likelihood	Almost Certain – 5	5	10	15	20	25
	Likely – 4	4	8	12	16	20
	Possible – 3	3	6	9	12	15
	Unlikely – 2	2	4	6	8	10
	Rare – 1	1	2	3	4	5
		Insignificant – 1	Minor – 2	Moderate – 3	Major – 4	Catastrophic – 5
		Impact				





Risk Rating	Value	Action
Red Risk	25	Immediate action to prevent serious threat to provision and/or achievement of key services or duties
	15 to 20	Key risks which may potentially affect the provision of key services or duties
Amber Risk	12	Important risks which may potentially affect the provision of key services or duties
	8 to 10	Monitor as necessary being less important but still could have a serious effect on the provision of key services
	5 to 6	Monitor as necessary to ensure risk is properly managed
Green Risk	1 – 4	No strategic action necessary





## APPENDIX 2






**Strategic Risk Register – Summary of Proposed Changes**








Inherent Risk – Gross risk **before** controls and mitigation

Residual Risk – Risk remaining **after** application of controls and mitigating measures




Risk	Inherent Risk	Residual Risk	Changes
<p>1. Failure to maintain effective corporate performance management and implement change management processes</p> <p><i>The position with regards to this risk is <b>unchanged</b> from the previous meeting.</i></p>	20	<p><b>4</b></p> <p></p> <p><b>Green</b></p>	A new action point was added to deliver updated awareness training on the PRINCE2 project management framework.
<p>2. Failure to obtain adequate resources to achieve service objectives</p> <p><i>The position with regards to this risk is <b>unchanged</b> from the previous meeting.</i></p>	25	<p><b>16</b></p> <p></p> <p><b>Red</b></p>	<p>The group noted that work has started on producing an updated Asset Management Strategy.</p> <p>A new action point was added to produce a new Energy Procurement Strategy to replace the current version.</p>
<p>3. Failure to deliver the Housing Revenue Account (HRA) Business Plan</p> <p><b><i>The residual risk score has been revised after it was considered that the position with regards to this risk had improved.</i></b></p>	25	<p><b>6</b></p> <p></p> <p><b>Amber</b></p>	<p>No changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p> <p><b>Given the effectiveness of the key controls and risk indicators in place for this risk and the progress that is being made in addressing the action points, it was agreed that the residual risk score be reduced from 9 to 6.</b></p>
<p>4. Failure of strategic leisure initiatives</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had <b>worsened</b>.</i></p>	25	<p><b>20</b></p> <p></p> <p><b>Red</b></p>	The action to negotiate the terms of the exit agreement following the termination of the joint-use agreement with the Kimberley School for Kimberley Leisure Centre has been updated with an action to consider the TUPE implications for Liberty Leisure Limited employees following the termination of the joint-use agreement for Kimberley Leisure Centre.

Risk	Inherent Risk	Residual Risk	Changes
<p>5. Failure of Liberty Leisure (LLL) trading company</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had <b>worsened</b>.</i></p>	25	<p><b>16</b></p>  <p><b>Red</b></p>	<p>A new action was added to consider the TUPE implications for Liberty Leisure Limited employees following the termination of the joint-use agreement for Kimberley Leisure Centre with the Kimberley School.</p> <p>A new action point was added to produce a refreshed Get Active Strategy or similar to replace the previous version.</p>
<p>6. Failure to complete the re-development of Beeston town centre</p> <p><b><i>The residual risk score has been revised after it was considered that the position with regards to this risk had improved.</i></b></p>	25	<p><b>8</b></p>  <p><b>Amber</b></p>	<p>No changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p> <p><b>Given that this major project has been completed and the positive progress being made with finalising lease terms for the food and beverage outlets, it was agreed that the residual risk score be reduced from 12 to 8.</b></p>
<p>7. Not complying with domestic or European legislation</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	25	<p><b>9</b></p>  <p><b>Amber</b></p>	<p>No changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p>
<p>8. Failure of financial management and/or budgetary control and to implement agreed budget decisions</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	25	<p><b>8</b></p>  <p><b>Amber</b></p>	<p>The action to present an updated Medium Term Financial Strategy and a revised Business Strategy to the Finance and Resources Committee on 7 October 2021 was completed.</p> <p>A new action point was added to present a further update of the Medium Term Financial Strategy and Business Strategy to the Finance and Resources Committee on 10 February 2022.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>9. Failure to maximise collection of income due to the Council</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	20	<p><b>12</b></p> <p></p> <p><b>Amber</b></p>	<p>The action point to refresh the Corporate Debt Policy for approval by Policy and Performance Committee in October 2021 was completed.</p> <p>The action point to develop new partnership working arrangements for Property Inspectors utilised to identify business premises for rating purposes was updated to manage and monitor the outcomes and returns generated by the Business Rates Property Inspectors working in partnership with other authorities.</p> <p>A new action point was added to develop a post-pandemic income recovery timetable for Council Tax and Business Rates.</p>
<p>10. Failure of key ICT systems</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	25	<p><b>10</b></p> <p></p> <p><b>Amber</b></p>	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.
<p>11. Failure to implement Private Sector Housing Strategy in accordance with Government and Council expectations</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	20	<p><b>4</b></p> <p></p> <p><b>Green</b></p>	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.
<p>12. Failure to engage with partners/community to implement the Broxtowe Borough Partnership Statement of Common Purpose</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	15	<p><b>4</b></p> <p></p> <p><b>Green</b></p>	No changes were proposed to the key controls, risk indicators and actions.
<p>13. Failure to contribute effectively to dealing with crime and disorder</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	15	<p><b>3</b></p> <p></p> <p><b>Green</b></p>	<p>Progress continues to be made with the action to implement the Home Office's 'Surveillance Camera Code of Practice'.</p> <p>The completed action to establish a project group to consider CCTV related issues was deleted.</p>

Risk	Inherent Risk	Residual Risk	Changes
14. Failure to provide housing in accordance with the Local Development Framework <i>The position with regards to this risk is <b>unchanged</b></i>	20	12  <b>Amber</b>	A new action point was added to develop baseline Business Rates data for the Toton and Chetwynd Barracks site.
15. Natural disaster or deliberate act, which affects major part of the Authority <i>The position with regards to this risk is <b>unchanged</b></i>	15	12  <b>Amber</b>	The risk and potential impact of a cyber-attack was noted. Recovery from an attack, including the direct and indirect costs of reconstructing loss of data, could be significant.
16. Failure to mitigate the impact of the Government's welfare reform agenda <i>The position with regards to this risk is <b>unchanged</b></i>	20	6  <b>Amber</b>	A new action point was added to undertake a consultation on the new Homelessness Strategy for presenting to Housing Committee in February 2022.
17. Failure to maximise opportunities and to recognise the risks in shared services arrangements <i>The position with regards to this risk is <b>unchanged</b></i>	20	9  <b>Amber</b>	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.
18. Corporate and/or political leadership adversely impacting upon service delivery <i>The position with regards to this risk is <b>unchanged</b></i>	20	8  <b>Amber</b>	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.
19. High levels of sickness <i>The position with regards to this risk is <b>unchanged</b></i>	16	6  <b>Amber</b>	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.
20. Inability to recruit and retain staff with required skills and expertise to meet increasing demands and expectations. <i>The position with regards to this risk is <b>unchanged</b></i>	20	12  <b>Amber</b>	The Market Supplement Policy was added as a key control. A new action was added to produce a new Job Evaluation/Re-evaluation of Posts Policy for presentation to the Personnel Committee. This will continue to provide a consistent application and approach to the job evaluation scheme for all posts.



Risk	Inherent Risk	Residual Risk	Changes
21. Failure to comply with duty as a service provider and employer to groups such as children, the elderly, vulnerable adults etc.  <i>The position with regards to this risk is <b>unchanged</b></i>	20	6  <b>Amber</b>	The action point to provide an update on the Child Poverty Action Plan to Policy and Performance Committee on 30 September 2021 was updated to refer to a future meeting of the Leisure and Health Committee.
22. Unauthorised access of data  <i>The position with regards to this risk is <b>unchanged</b></i>	20	6  <b>Amber</b>	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.
23. High volumes of employee or client fraud  <i>The position with regards to this risk is <b>unchanged</b></i>	20	9  <b>Amber</b>	The action point to provide an Annual Counter Fraud Report to the Governance, Audit and Standards Committee on 20 September 2021 was completed.

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## Report of the Monitoring Officer

### REPORT OF THE MONITORING OFFICER

#### 1. Purpose of report

The Housing Ombudsman (HO) has made a finding of injustice in respect of a lack of repairs undertaken to a complainant's shower.

#### 2. Detail

In summary, the complainant contacted the Council to raise an issue of their electric shower being faulty. The issue was raised in March 2020 and it was determined that as the complainant had a bath, hot water and sink as alternative bathing facilities the repair would be put on hold until government guidelines were clearer as to operatives entering properties.

The repair was undertaken in April 2020 and it was found that the shower was not faulty but operated at low pressure. The Council, as a gesture of goodwill replaced the shower to determine if it was faulty. The replacement shower operated in the same fashion. The HO recognised that the low pressure was not the responsibility of the Council.

The HO found fault in the Council's decision to not attend the shower repair in the first instance during the pandemic and despite the complainant having alternate bathing arrangements. It further found fault that the Council did not adequately repair the shower despite the finding that the shower was not faulty and the recognition that the low pressure was not the Council's responsibility.

Furthermore, the HO found fault that the Council did not adequately consider the complainant's mobility issues or offered the complainant an Occupational Health assessment. The Council did not have evidence of mobility issues on the complainant's tenancy records.

The Council challenged the HO's decision as it believed the evidence provided did not justify their findings of fault. Furthermore, the Council requested to know if the HO had undertaken such assessments as they had suggested the Council should have done when determining the complaint. HO responded by stating that they did not undertake any of the assessments suggested.

The HO did not change its position during its internal review process.

The HO found that the Council had not provided the complainant with sufficient repairs to the shower. The HO continued to find fault with the above issues and as such recorded its decision as '*maladministration and injustice.*' A full copy of this report is attached as the appendix.

#### 3. Outcome

In line with the HO's recommendation, the Council has issued an apology to the complainant and issued £200 of compensation. The Council reviewed its internal functions following the conclusion of this complaint but it did not make any adjustments.

### Recommendation

**The Committee is asked to NOTE the report.**

Background papers: Nil

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# Housing

## Ombudsman Service

# REPORT

*COMPLAINT 202008231*

*Broxtowe Borough Council*

*1 July 2021 [amended 20 August 2021]*

## Our approach

The Housing Ombudsman's approach to investigating and determining complaints is to decide what is fair in all the circumstances of the case. This is set out in the Housing Act 1996 and the Housing Ombudsman Scheme (the Scheme). The Ombudsman considers the evidence and looks to see if there has been any 'maladministration', for example whether the landlord has failed to keep to the law, followed proper procedure, followed good practice or behaved in a reasonable and competent manner.

Both the resident and the landlord have submitted information to the Ombudsman and this has been carefully considered. Their accounts of what has happened are summarised below. This report is not an exhaustive description of all the events that have occurred in relation to this case, but an outline of the key issues as a background to the investigation's findings.

## The complaint

1. The complaints are about the landlord's:
  - a. Handling of repairs to the shower.
  - b. Response to concerns that were raised about the replacement shower.
  - c. Handling of the formal complaint.
  - d. Response to concerns that were raised about the resident's mother injuring herself when using the replacement shower.

## Jurisdiction

2. What we can and cannot consider is called the Ombudsman's jurisdiction. This is governed by the Housing Ombudsman Scheme. When a complaint is brought to the Ombudsman, we must consider all the circumstances of the case as there are sometimes reasons why a complaint will not be investigated.
3. Paragraph 39(i) of the Scheme states that the Ombudsman will not consider complaints which, in his opinion, *'concern matters where the Ombudsman considers it quicker, fairer, more reasonable or more effective to seek a remedy through the courts, a designated person, other tribunal or procedure'*.
4. After carefully considering all the evidence, in accordance with paragraph 39(i) of the Housing Ombudsman Scheme, complaint d, as set out above, is outside of the Ombudsman's jurisdiction.
5. The resident's concerns in relation to the use of the low wattage shower, and her belief that it resulted in her mother's fall are noted and understood. However, this is not a matter that the Ombudsman can investigate given that it concerns the

issue of liability. Such decisions are most appropriately made by either an insurer or the courts as these bodies can establish where liability lies, the issue of causation and then whether any damages should be awarded.

6. This is a matter that falls outside of the Housing Ombudsman's remit, and therefore has not been investigated as part of this complaint. However, the Ombudsman has assessed how the landlord responded to the concerns that were raised by the resident in relation to this when it issued its formal complaint response.

## **Background and summary of events**

7. The resident is a joint tenant of the landlord's property. She resides at the property with her mother. The property is a three bedroom mid-terrace house. The resident has advised that her mother is partially sighted.

### *Landlord's obligations, policies and procedures*

#### *Repairs*

8. The landlord's repairs and maintenance responsibilities include – the structure and exterior of the property, external decoration, space and water heating equipment (where installed by the landlord), plastering, common areas, kitchens and bathrooms.
9. The Repair Handbook (the handbook) states that "an emergency repair is where there is serious risk to the health and safety of the property occupants, or where their welfare would be at risk". The handbook provides some examples of such repairs including – no heat or hot water, serious water leaks, total loss of electric power, blocked waste or soil pipes and toilet not flushing, where there is only one toilet at the property.
10. The handbook does not provide details of any service standards where non-emergency repairs are concerned – with the exception of those included under the Right to Repair scheme.

#### *Complaints*

11. The landlord has a two-stage complaint process. Its Customer Complaints Procedure (the procedure) states that the landlord will take the following steps on receiving a complaint:
  - a. Send an acknowledgement of the complaint within 3 working days.
  - b. A senior officer will conduct a thorough investigation of the complaint and provide a response directly within 15 working days.

- c. Where it is not possible to respond within these times, it will contact the resident to advise them of an estimated date of response.

12. If residents are unhappy with the stage one response, they can progress to stage two. The complaint will be referred to the Complaints Team, who are not involved with the stage one investigation. If after receiving the stage two response, the complainant can refer their complaint to the Local Government and Social Care Ombudsman or Housing Ombudsman.

### *Summary of events*

13. On 11 March 2020, the resident contacted the landlord to report that the electric, over-the-bath, shower was broken. A job was logged for 19 March so that the shower could be inspected, and a repair completed, as necessary. The resident says that the member of staff in the contact centre had advised that they would call back if the job could be brought forward.

14. On 13 March, as they had not heard from the landlord, the resident called the contact centre to find out if an earlier appointment could be booked. The resident says that they were unable to use the bathtub owing to mobility issues and therefore wanted to know if the repair could be completed at an earlier date. The resident says that during the conversation on 13 March, it was established that the notes from 11 March did not detail that a call back would be made to confirm whether an earlier appointment could be scheduled.

15. It is not clear what transpired following this; however, the landlord contacted the resident on 16 March to advise that the repair could not be expedited. The resident was unhappy with this, and said that she wished to make a formal complaint. Internal discussion took place between landlord staff, and a further call was made to the resident later that day. The member of staff was unable to speak with the resident, and so a voicemail message was left. However, it was explained that the repair was not an emergency; and that the appointment for 19 March would have to be postponed owing to the then emerging situation regarding the Covid-19 pandemic.

16. The landlord's Interim Housing Repairs Assistant Manager (the manager) subsequently spoke with the resident on 17 and 18 March to discuss the decision not to treat the repair as an emergency. It was explained that as there was a bathtub, and hot water, the residents had access to washing facilities.

17. The landlord issued its stage one response to the complaint on 14 April. In its letter, it said:

- a. On 11 March, the resident called to inform the repairs department that the electric shower had broken. A job was logged for 19 March for an electrician to check the shower.



- b. When deciding on the priority for every repair, it must consider many factors. As the residents have a bath at the property, and had hot water, the repair was not considered an emergency.
  - c. During a conversation on 13 March, the resident was advised that the repair was not an emergency and that it would be carried out on 19 March.
  - d. Later that week, all non-emergency repairs were cancelled owing to the Covid-19 outbreak. The decision was taken, in line with government guidance, to minimise the contact between staff and residents.
  - e. On 16 March, the resident was informed that the appointment scheduled for 19 March would not go ahead.
  - f. During a conversation with the manager on 18 March, the resident advised that they could not use the bathtub. However, it was explained that they had access to hot water from the bath, and so they could gain access to washing facilities.
  - g. It did not feel that it had failed to provide an appropriate level of service, and the complaint was not upheld.
  - h. The decision to cancel the appointment on 19 March, and the decision to regard the repair as non-emergency were both correctly made.
  - i. It would look to rebook the work when the restrictions were lifted.
18. The repair subsequently took place on 27 April, and a new shower was fitted.
19. On 13 May, the resident wrote to the landlord to ask for her complaint to be escalated. In the letter, the resident detailed the reasons why she was unhappy with the stage one response, she said:
- a. If the initial call on 11 March had been handled correctly, the repair could have been completed before the Covid-19 restrictions were implemented, and the whole situation could have been avoided.
  - b. The landlord had not followed its complaints procedure, and they had not been informed who the investigating officer would be. As a result, they were not able to confirm the main points of the complaint and they did not know what the manager had discussed with the member of staff who issued the complaint response.
  - c. The landlord had not addressed the fact that they were unable to use the bath. This had been discussed with the manager, and she had informed the residents that it would be expected that they would be able to stand in the bathtub and repeatedly bend down to collect water to pour it over themselves – as opposed to lying down in the water. The resident expressed concern that this was not something that either she or her mother would be able to do.

- d. The landlord had not considered the poor customer service from the call centre over 11 and 13 March as part of the complaint.
  - e. The repair was carried out on 27 April. However, they were not given any prior notification that the job had been rebooked and that somebody would be attending the property. The resident pointed out that restrictions had not been lifted by this time. As such, she wished to know if the repair had changed to an emergency repair.
  - f. On 11 May they had to contact the call centre as the water pressure was too low – and they were unable to shower properly. An operative attended the property on 13 May – without prior notification – and assessed the water flow. The resident said that the operative explained that the hotter the water, the slower the flow would be; and that this was a result of the lower wattage unit that had been installed.
  - g. They wished to request an alternative shower, and that they would be willing to pay.
  - h. In addition, given the continuing situation with the Covid-19 pandemic, they wished to know what safety protocols and measures had been introduced to protect staff and residents during repairs. While the operative on 27 April had worn a mask, they had another attend on 21 April in relation to an emergency boiler repair. The resident said that this member of staff did not wear a mask, and had asked them to sign paperwork. They therefore wished to know what the landlord had meant when it had advised that it had implemented Covid-19 restrictions in line with government guidance.
20. The landlord issued its stage two response to the complaint on 28 July. In its letter, it said:
- a. On 13 March, the resident reported that the shower was not working correctly, and that they were unable to use the bath “due to a disability”.
  - b. An appointment was scheduled for 19 March, but the resident had queried whether this could be brought forward.
  - c. On 16 March, the resident was informed that the repair would have to be postponed owing to the Covid-19 outbreak. During this conversation, the resident expressed dissatisfaction with the decision. A further conversation took place later that day and landlord staff confirmed that the repair was not classed as an emergency as the property had hot water and a bath.
  - d. On 17 and 18 March, the manager spoke with the resident and reiterated that the repair was not an emergency.
  - e. In relation to the replacement shower, it was not faulty and was working correctly. It added that the shower was replaced “as part of the moderations (sic) process with a lower wattage shower to help maintain emergency bills”.

- f. If the resident wished to purchase a new shower, they would require permission for the alteration to be made. In addition, works to install the shower would need to be contracted from a reputable source as it would not undertake this work.
  - g. It had reviewed its records and was unable to find any record of a mobility disability that would render either resident unable to use the bath. However, if the resident wished to provide further information i.e. a doctor's note, this could be looked into further. It added that any adaptations could then be considered by the appropriate team.
  - h. The resident's calls had been returned in a "timely manner", and it could not guarantee that phone calls would be returned on the same day.
  - i. There was no record of the call that had taken place on 11 March. The first record of contact was on 13 March, when the resident spoke with the repairs team.
  - j. In relation to the complaint investigation, the resident had received a letter informing her that the complaint had been referred to the Head of the Housing Department. It was subsequently delegated to the Assistant Housing Repairs Manager, as the most senior officer with knowledge of the issues. During the initial telephone call, when registering the complaint, it was understood that the resident's concerns were in relation to a lack of response from the Housing Repairs Team. The landlord apologised if there was a misunderstanding; and added that the resident may find it beneficial to log future complaints in writing.
  - k. It had reviewed its records, and could not find any record that the resident had been notified that the repair would take place in April. It acknowledged that the residents should have been notified of this appointment, and apologised for the inconvenience that was caused.
21. The landlord concluded that overall it was satisfied that the repairs and telephone calls were handled appropriately. It acknowledged that the power of the shower had reduced, but it said that it was in full working order. The landlord also acknowledged the resident's comments that her mother had fallen and injured herself when using the new shower. It said that it was unable to investigate this issue, as it was "unable to ascertain whether the lower wattage shower contributed" to the fall.
22. The resident subsequently contacted the Ombudsman in November 2020, as she was unhappy with the landlord's final response. In her correspondence, the resident explained that the reasons for their continued dissatisfaction included:
- a. That the landlord did not adequately consider their reasons for not being able to use the bath as an alternative to the shower.

- b. There was poor communication between the contact centre and the repairs department resulting in a lack of response.
  - c. There was a lack of guidance provided by the landlord to its residents regarding the expected standard of protective equipment that was to be used when entering properties – together with other safety precautions.
  - d. After the stage two response, the landlord had advised that someone would be in touch to respond specifically to the concerns the resident had raised about precautions during Covid-19, but they had not heard anything further.
  - e. It was not clear why the shower repair was postponed but then subsequently took place before restrictions had been lifted. In addition, that no prior notification in relation to the appointment was provided.
  - f. The landlord did not investigate the issues surrounding the fall in the bath.
  - g. That they were not contacted at any stage to discuss the complaint – and that in the stage two response, the landlord said it had no record of the initial call on 11 March.
  - h. The shower which had broken was a higher wattage shower; however, it had been installed during the modernisation process.
23. In correspondence to the Ombudsman in March 2021, the landlord advised that it does not have a specific Covid or Personal Protective Equipment (PPE) policy. Rather, it undertakes work in line with Government guidance. The landlord explained that its Senior Maintenance Officer had discussed the relevant PPE issues with the resident in December 2020. It said that in relation to the member of staff who had attended on 21 April, they had been spoken to directly about the importance of wearing face coverings and adhering to “the safe system of work” which was in place. It added that a further reminder had been sent to all operatives regarding the importance of face coverings.

## **Assessment and findings**

### *Repairs to the shower*

24. When the landlord received the resident’s report that the shower was broken, it booked in an appointment for 19 March. The resident says that during the call on 11 March, the member of staff advised that they would call back if an earlier appointment could be booked. The resident says that as no call back was received, she contacted the landlord again on 13 March, as they were unable to wash and therefore wished for the repair to take place sooner.
25. The landlord has advised that it has no record of the initial call on 11 March. It has therefore not provided the Ombudsman with any evidence relating to this. The resident’s comments regarding the call are not disputed. However, in the

absence of any contemporaneous evidence, this Service cannot reach any conclusions about the discussion that took place and what had been agreed.

26. Nevertheless, in the stage one response, the landlord acknowledged that the initial report was received on 11 March. Furthermore, the stage two response detailed that on 13 March, the resident had called to query whether the appointment could take place sooner. This therefore suggests that some discussion around the appointment had taken place prior to 13 March, and that the initial report had been made before that call. That there is no contemporaneous evidence relating to the call on 11 March is indicative of poor record keeping.
27. In relation to the categorisation of the repair, the landlord advised that it was not an emergency repair. While the landlord's comments in relation to this are noted, it is not clear how it reached this conclusion. Although it is noted that the residents had the use of the bathtub and that there was hot water, they had advised that they were unable to use the bathtub owing to mobility issues.
28. The evidence shows that the landlord was informed of the mobility issues as early as 13 March. However, there is no evidence which shows how the landlord considered this and how it was able to conclude that the repair did not constitute an emergency. This was a failing by the landlord.
29. In the circumstances, the landlord should reasonably have undertaken an assessment of the situation; and clearly detailed why it was considered that the bathtub could be used, despite the concerns that the resident had raised. This may not necessarily have resulted in the repair being expedited; however, there was a lack of assessment, and the landlord cannot demonstrate that it had considered any potential welfare issues that may have arisen as a result of the shower being broken.
30. On 16 March, the landlord informed the resident that the repair would be postponed owing to the Covid-19 outbreak. At this time, government guidance was that individuals should minimise contact with people outside of their household. This was then followed by the lockdown regulations which came into effect on 26 March. Guidance for landlord and tenants was subsequently issued on 28 March.
31. Under the guidance, it was recommended that access to properties should only take place for serious and urgent issues. However, it was added that a "pragmatic, common-sense approach" should be taken where non-urgent issues were concerned.
32. The decision to postpone the shower repair in light of the Covid-19 outbreak was not unreasonable, given the Government guidance. However, as detailed above,

it would have been appropriate for the landlord to have given consideration to the concerns that the resident had raised about their inability to use the bathtub, and for it to have carried out an assessment once it became apparent that the appointment of 19 March would not be able to go ahead.

33. It is noteworthy that the repair did subsequently take place on 27 April – prior to restrictions being lifted, and without its classification changing to an ‘emergency repair’. This is contrary to what had been advised in the stage one response. Evidence provided to the Ombudsman details that the landlord had electricians who were willing go into properties, despite the pandemic, and this repair was prioritised. However, there is no evidence which shows that this was conveyed to the residents either at the time, or during the complaints process. In the circumstances, it would have been reasonable for an explanation to have been provided before the appointment was scheduled.
34. In her complaint escalation request, the resident raised concerns that they were not informed of the appointment on 27 April beforehand. The landlord appropriately acknowledged that the residents had not been notified of the repair when the stage two response was issued. The landlord also apologised for any inconvenience that was caused. This was appropriate in the circumstances.

#### *Concerns about the replacement shower*

35. The resident’s concerns about the lower wattage shower have been noted. It is also acknowledged that the concerns are not just in relation to the reduced water pressure; but that owing to the design of the bathtub, they have to stand in an awkward position to ensure that they come into contact with the water.
36. In response to the resident’s concerns, the landlord arranged for an engineer to test the shower. This was appropriate. The engineer’s notes detail that the shower was running as it should be, and therefore there was no outstanding repair issue.
37. While the Ombudsman acknowledges the concerns that have been raised by the resident, and her comments regarding the modernisation process, there is no obligation on the landlord to install showers of a particular wattage. The landlord’s obligation is in relation to maintenance and repairs. As the replacement shower is working, there is no obligation on the landlord to change what has been installed.
38. In response to the complaint, the landlord informed the resident about the steps that could be taken if they wished to replace the shower themselves. This was appropriate in the circumstances.

#### *Handling of the formal complaint*

39. The resident raised concerns that they were not informed who the investigating officer would be at stage one of the process – and that as a result, they did not have the opportunity to confirm the main points of the complaint. The landlord explained that the resident had been informed that the complaint had been referred to the Head of Housing – and that it had been subsequently delegated. The landlord explained the reason for this when it issued the stage two response; and it apologised if the complaint had been misunderstood as a result.
40. It is acknowledged that the resident wished to have the opportunity to confirm the basis of her complaint with the investigating officer. However, the landlord's two-stage process ensured that the resident had the opportunity to provide clarification, and to ensure that her main concerns were brought to the landlord's attention during the course of the complaints process.
41. The resident also complained that the landlord did not investigate the accident that her mother had when using the replacement shower. As detailed at the beginning of this report, the Ombudsman cannot make any findings in relation to the incident itself. However, the landlord's response to the resident's concerns was inappropriate. Once the landlord had been informed by the resident that an accident had occurred in the property – and that they believed it to be attributable to one of the landlord's installations – it would have been reasonable for the landlord to have taken steps to provide the resident with information about how to make a personal injury claim through its insurer. The matter could then have been referred to the insurer so that a decision as to liability could be made accordingly. That the landlord did not take such steps was a failing in the circumstances.
42. At the end of the stage two response letter, the landlord informed the resident that she could refer her complaint to the LGSCO if she remained dissatisfied. The resident did subsequently refer her concerns to the LGSCO, who advised her that the complaint fell under the jurisdiction of this Service.
43. It is not clear why the landlord signposted the resident to the LGSCO. Complaints about social housing – specifically where a local authority, or Arms Length Management Organisation, acts in capacity as a landlord – have fallen to the Housing Ombudsman to investigate since 2013. The landlord's shortcoming in this regard did result in the resident expending some time and effort in contacting the LGSCO. However, it is acknowledged that she was promptly referred to this Service once the LGSCO undertook an assessment of the complaint.
44. During the course of the complaint, the resident raised specific queries in relation to what extra precautions and safety measures the landlord was introducing in light of the Covid-19 outbreak. These were not addressed within the stage two response; however, it is noted that landlord staff did discuss the matter with the resident in December 2020. While the landlord has informed the Ombudsman of

the action it took following the resident's concerns about the operative who attended the property on 21 April 2020, it is not clear if this has been relayed to the resident.

### **Determination (decision)**

45. In accordance with paragraph 54 of the Housing Ombudsman Scheme, there was:

- a. Service failure in the landlord's handling of the repairs to the shower.
- b. No maladministration in the landlord's response to the concerns raised by the resident about the replacement shower.
- c. Service failure in the landlord's complaint handling.

46. In accordance with paragraph 39 (i) of the Housing Ombudsman Scheme: the resident's complaint about the landlord's response to concerns that were raised about the resident's mother injuring herself when using the replacement shower are not within the Ombudsman's jurisdiction.

### **Reasons**

47. When responding to the resident's report that the shower was broken, it would have been reasonable for the landlord to undertake some further assessment in light of her comments that they were unable to use the bathtub. Such an assessment would have helped the landlord to decide whether the job should be treated as an emergency repair, and expedited accordingly. That the landlord did not take such steps was a failing in the circumstances. The evidence provided to the Ombudsman also demonstrates that the landlord's record keeping in relation to logging repairs could be improved.

48. Once the repair was scheduled, the landlord failed to notify the resident of the appointment in advance. The landlord acknowledged this, and apologised for the inconvenience caused, when responding to the complaint. This was appropriate. However, in the circumstances, it would have been reasonable to provide some explanation as to why the repair was able to go ahead despite Covid-19 restrictions not being lifted.

49. In response to the resident's concerns about the water pressure, the landlord appropriately arranged for an engineer to test the shower. As there was no repair issue resulting in low pressure, the landlord provided the resident with advice about the steps they could take to install a higher wattage shower themselves. This was an appropriate response in the circumstances.

50. When the landlord issued its stage two response, it did not respond appropriately to all of the concerns that the resident had raised. In particular, it did not provide



the resident with more information about what she could do in relation to her mother's fall, it did not signpost the resident to the correct Ombudsman; and it failed to address some of the questions that had been asked in relation to its response to the Covid-19 pandemic.

51. Liability for personal injury is more effectively determined by insurers or the courts.

## **Orders**

52. Within four weeks of the date of this decision, the landlord should:

- a. Pay the resident a total of £200, comprised of:
  - i. £150 for the failings identified in the handling of the shower repair; and
  - ii. £50 for the failings identified in the landlord's handling of the formal complaint.
- b. Write to the resident to apologise for the inconvenience caused by the failings which have been identified by the Ombudsman's investigation.
- c. Write to the resident with details of the action that it took in response to her concerns about the operative who attended the property on 21 April 2020; and her concerns that the appropriate safety precautions were not taken.
- d. Provide the resident with information about making a personal injury claim through its insurer.

## **Recommendations**

53. Within six weeks of the date of this decision, the landlord should:

- a. Take steps to ensure that the information on its website about its complaints process is in accordance with that set out in the Customer Complaints Procedure.
- b. Remind staff of the importance of signposting residents to the correct organisation when responding to complaints; and to ensure that further information about this is provided to staff accordingly.
- c. Review its record keeping in relation to repairs and consider how this may be improved.

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## Report of the Executive Director

### WORK PROGRAMME

#### 1. Purpose of report

To consider items for inclusion in the Work Programme for future meetings.

#### 2. Background

Items which have already been suggested for inclusion in the Work Programme of future meetings are given below. Members are asked to consider any additional items that they may wish to see in the Programme.

14 March 2022	<ul style="list-style-type: none"> <li>• External Audit Plan 2021/22</li> <li>• Statement of Accounts 2021/22 – Accounting Policies</li> <li>• Statement of Accounts 2021/22 – Underlying Pension Assumptions</li> <li>• Statement of Accounts 2021/22-Going Concern</li> <li>• Internal Audit Plan 2022/23</li> <li>• Internal Audit Progress Report</li> <li>• Review of Strategic Risk Register</li> <li>• Code of Conduct</li> <li>• Governance Arrangements for the Code of Conduct</li> </ul>
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### Recommendation

**The Committee is asked to CONSIDER the Work Programme and RESOLVE accordingly.**

#### Background papers

Nil.

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