

Date: 30 July 2009

TO: All Members of the Executive
FOR ATTENDANCE

TO: All Other Members of the Council
FOR INFORMATION

Dear Sir/Madam

Your attendance is requested at a meeting of the **EXECUTIVE** to be held in the **GUILDHALL, ABINGDON** on **FRIDAY, 7TH AUGUST, 2009** at **3.30 PM**.

Yours faithfully



Margaret Reed
Head of Legal and Democratic Services

Members are reminded of the provisions contained in the Code of Conduct adopted on 30 September 2007 and Standing Order 34 regarding the declaration of Personal and Prejudicial Interests.

A G E N D A

A large print version of this agenda is available. Any background papers referred to may be inspected by prior arrangement. Contact Steve Culliford, Democratic Services Officer on telephone number (01235) 540307; e-mail: steve.culliford@whitehorsedc.gov.uk.

Please note that this meeting will be held in a wheelchair accessible venue. If you would like to attend and have any special access requirements, please let the Democratic Officer know beforehand and he will do his very best to meet your requirements.

Open to the Public including the Press

Vision

The Council's Vision is to build and safeguard a fair, open and compassionate community.

STANDING ITEMS

1. Apologies for Absence

To receive apologies for absence.

2. Minutes

To adopt and sign as correct records the minutes of the Executive meetings held on 3 April and 20 May 2009, (previously circulated).

3. Declarations of Interest

To receive any declarations of Personal or Personal and Prejudicial Interests in respect of items on the agenda for this meeting.

Any Member with a personal interest or a personal and prejudicial interest in accordance with the provisions of the Code of Conduct, in any matter to be considered at a meeting, must declare the existence and nature of that interest as soon as the interest becomes apparent in accordance with the provisions of the Code.

When a Member declares a personal and prejudicial interest he shall also state if he has a dispensation from the Standards Committee entitling him/her to speak, or speak and vote on the matter concerned.

Where any Member has declared a personal and prejudicial interest he shall withdraw from the room while the matter is under consideration unless

- (a) his/her disability to speak, or speak and vote on the matter has been removed by a dispensation granted by the Standards Committee, or
- (b) members of the public are allowed to make representations, give evidence or answer questions about the matter by statutory right or otherwise. If that is the case, the Member can also attend the meeting for that purpose. However, the Member must immediately leave the room once he/she has finished; or when the meeting decides he/she has finished whichever is the earlier and in any event the Member must leave the room for the duration of the debate on the item in which he/she has a personal and prejudicial interest.

4. Urgent Business and Chair's Announcements

To receive notification of any matters which the Chair determines should be considered as urgent business and the special circumstances which have made the matters urgent, and to receive any announcements from the Chair.

5. **Statements and Petitions from the Public Under Standing Order 32**

Any statements and/or petitions from the public under Standing Order 32 will be made or presented at the meeting.

6. **Questions from the Public Under Standing Order 32**

Any questions from members of the public under Standing Order 32 will be asked at the meeting.

7. **Financial Monitoring**

(Pages 5 - 7)

Appended to the agenda is a schedule of requests for virements and permanent budget adjustments. Some of these have been approved under delegated authority by the Strategic Director; others require the Executive's approval.

Recommendation

that the virements and permanent budget adjustments set out in the agenda report be approved.

KEY DECISIONS

8. **Treasury Management Review 2008/09**

(Pages 8 - 12)

To receive and consider report 30/09 of the Head of Finance.

OTHER MATTERS

9. **Corporate Governance Fourth Quarter 2008/09**

(Pages 13 - 29)

To receive and consider report 31/09 of the Head of Corporate Strategy.

10. **Provisional Capital Programme out-turn 2008/09 and Additional Revenue Budget Carry Forward 2008/09**

(Pages 30 - 34)

To receive and consider report 32/09 of the Head of Finance.

11. **Revenue Budget Outturn 2008/09**

(Pages 35 - 47)

To receive and consider report 33/09 of the Head of Finance.

12. **Risk Management Strategy**

(Pages 48 - 65)

To receive and consider report 34/09 of the Head of Human Resources, IT and Customer Services.

Exempt Information Under Section 100A(4) of the Local Government Act 1972

None

Virement Requests for Executive Approval
(and requests approved under delegated powers for noting)

- Key to Type**
- 1 Within a subjective within a cost centre
 - 2 Within a Cost Centre but across subjective headings
 - 3 Within the cost centres of a service area
 - 4 Across service areas
 - 5 Over £10,000

Budget Virements and Ledger Maintenance requests received at 21 July 2009

Date	Account From	Cost Centre Code	Cost Centre Name	Account To	Cost Centre Code	Cost Centre Name	Virement Total £	Virement Percentage	Reason	Type	Authorised by Head of Service	Requires Executive Approval
Budget Virements												
23/04/2009	9117	EP41/ EP42	Food Safety/ Health & Safety	5000	EP41/ EP42	Food Safety/ Health & Safety	22,360	n/a	To create matching income and expenditure budgets for the secondment of Senior Environmental Health Officer to/from South Oxfordshire	5	Y	Y
23/04/2009	9117	EP41/ EP42	Food Safety/ Health & Safety	1100	EP41/ EP42	Food Safety/ Health & Safety	11,180	n/a	To create matching income budget for the Senior Environmental Health Officer seconded to West Oxfordshire and expenditure budget for agency cover	5	Y	Y
08/05/2009	4307	RE01	Reprographics	4000	RE01	Reprographics	5,000	4.0%	To provide budget for purchase of new shredding machine as old machine is beyond economic repair	1	Y	N
20/05/2009	3000	LC31	Taxi Licensing	9312	LC31	Taxi Licensing	16,270	n/a	To remove matching income and expenditure budgets for the cost of servicing Hackney Carriages/Private Hire vehicles following a change of procedures	5	Y	Y
22/05/2009	5000	CL81	Interim Waste Team	9117	CL81	Interim Waste Team	81,880	0.2%	To create separate income budget for the recharge to South Oxfordshire for their share of the Interim Waste Team instead of showing the net cost in account 5000	5	Y	Y
15/06/2009	9027	RS31	Council Tax	5005	RS31	Council Tax	10,260	n/a	To create matching income and expenditure budgets for Government funding in respect of Council Tax leaflets which will be payable to Capita	5	Y	Y
15/06/2009	9027	RS41	Benefits Administration	5005	RS41	Benefits Administration	96,030	n/a	To create matching income and expenditure budgets for additional Government funding in respect of increased workloads which will be offset by increased payments to Capita	5	Y	Y
15/06/2009	4400	RS51	Benefit Fraud	4000	RS51	Benefit Fraud	450	1.6%	To provide budget for equipment purchase by making savings on the cost of external fraud support	1	Y	N
09/07/2009	1001/1003/1005	EP32	Pest Control	4400	EP32	Pest Control	33,100	21.5%	To provide budget for Pest Control contractor cover due to vacant Pest Control Operative vacancy	5	Y	Y
09/07/2009	4000	EP33	Environment Warden	3000	EP33	Environment Warden	1,000	3.0%	To provide additional budget for increased vehicle servicing costs (due to old age) by reducing expenditure on equipment purchase	2	Y	N
21/07/2009	4400	CM31	Communications	4400	CM11	Consultation	5,000	1.7%	Move buget for Times Best Council Survey from Communications to Consultation cost centre	2	Y	N
21/07/2009	4307	CM31	Communications	Various (see page 3)	CM31	Communications	6,010	1.4%	Transfer budget from predicted underspend on Advertising to cover unforeseen expenditure	1	Y	N

Date	Account From	Cost Centre Code	Cost Centre Name	Account To	Cost Centre Code	Cost Centre Name	Virement Total £	Virement Percentage	Reason	Type	Authorised by Head of Service	Requires Executive Approval
Budgets Virements from Contingency												
01/05/2009	4999	SB31	Contingency	1001/1003/1005	CG11	Community Grants	5,000	n/a	Salary budget for Admin Assistant post 443006 calculated at 50% of part time cost but should have been 100% of part time cost	4	Y	N
01/05/2009	4999	SB31	Contingency	9202	CC22	Guildhall Bar	(1,250)	n/a	Income budget should have been increased by inflation but this was taken as an efficiency saving instead	4	Y	N
20/05/2009	4999	SB31	Contingency	4400	SR11	ELP Support	25,000	n/a	Transfer of agreed expenditure budget to produce leisure savings in 2010/11 onwards currently held in Contingency (Yellow Pages p54)	5	Y	Y
01/07/2009	4999	SB31	Contingency	9102	AD01	Arts Development	10,000	n/a	Removal of unachievable income budgets for s106 contributions (SPP 8/SPP 30)	5	Y	Y
01/07/2009	4999	SB31	Contingency	9310	AD01	Arts Development	2,620	n/a		4	Y	N
09/07/2009	4999	SB31	Contingency	4400	CH41	Fit For The Future	75,000	n/a	Move budget for 'Joint Working & Business Improvement' held in Contingency to new cost centre (Yellow Pages p54)	5	Y	Y
							404,910					
							Total Virements					

Ledger Maintenance

15/06/2009	9102	RS13	Internal Audit	9117	RS13	Internal Audit	144,710	n/a	Income from South Oxfordshire for the shared services is currently coded to the Contributions account (9102) but for consistency they should be coded to (9117)	5	Y	Y	
15/06/2009	9103	RS51	Benefit Fraud	9117	RS51	Benefit Fraud	83,480	n/a		Reimbursements - other authorities	5	Y	Y
15/06/2009	9104	RS73	R & B Client	9117	RS73	R & B Client	135,240	n/a		The income budget for Property Trading includes the net position in respect of Mobile Home Parks Trading however the gross expenditure and income budgets for this should be shown separately	5	Y	Y
10/07/2009	9401	VA01	Property Trading	4007	VA02	Mobile Home Parks Trading	75,000	0.8%		5			
				9202			(90,000)						
20/07/2009	1012	PS31	Estates Management	1012	PS21	Facilities Management	4,420	1.6%	Salary budgets for Property Services were moved to cost centre PS31 but the stand by allowance in respect of Abbey House should not have been moved	3	Y	N	
20/07/2009	9102	PS21	Facilities Management	9401	PS21	Facilities Management	25,120	100.0%	Move budget from Contributions (9102) to Rents (9401) to more accurately reflect the actual income received	5	Y	Y	
20/07/2009	1001	HE41	Climate Change	4400	HE41	Climate Change	15,000	13.8%	A growth bid of £40,000 was approved to implement the Council's Climate Change Strategy. When the budgets were loaded the split of the expenditure was not known so £20,000 was put to salaries. This virement now moves £15,000 of this to the correct account	5	Y	Y	
							392,970						
							Total Ledger Maintenance						

Date	Account From	Cost Centre Code	Cost Centre Name	Account To	Cost Centre Code	Cost Centre Name	Virement Total £	Virement Percentage	Reason	Type	Authorised by Head of Service	Requires Executive Approval
			Summary									
			Total Type 1				11,460					
			Total Type 2				6,000					
			Total Type 3				4,420					
			Total Type 4				6,370					
			Total Type 5				769,630					
			Total				797,880					

Breakdown of Communications virement (last item page 1)

Account	Account Description	Amount
1212	Meeting allowance	800
1701	Interview expenses	70
3008	Staff travel expenses	520
4303	Books and publications	2,000
4307	Stationery	360
4503	Postage	50
9302	Advertising income	2,210
		<u>6,010</u>

Executive



7 August 2009

Report of **Head of Finance**

Report No. 30/09

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Wards Affected
All

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Treasury Management – Review of Activity in 2008/09

Recommendations

- (a) *to note the return on cash invested during 2008/09 and the balances of funds at 31 March 2009.*
- (b) *to note the prospects for the return on cash investments in 2009/10*

1. Purpose of Report

- 1.1 The Council's Treasury Management Policy requires a report to be made on Treasury Management performance in the previous financial year. It is also required by the CIPFA Treasury Management Code of Practice as embodying sound financial management.
- 1.2 This report details the Council's cash investment performance in the financial year 2008/09 and raises any treasury management issues. The return on investment property is included in the 2008/09 Revenue Budget Out-turn report which is also on this agenda.
- 1.3 Please note that the figures in this report may not tie up exactly with the Statement of Accounts for 2008-09 because there are some minor adjustments to the interest earned in-house to get to the sum credited to the Income and Expenditure Account.

2. Relationship with Corporate Plan

- 2.1 The report contributes to the Strategic Objective of managing our business effectively by providing value for money services that meet the needs of our residents and service users.

3. Background

- 3.1 This report outlines the performance over the last financial year of those funds managed in-house and those managed by the Authority's appointed investment manager (*Investec Asset Management*). The review of the Fund Manager's performance is provided by the Council's investment adviser – *Butlers*. In addition it gives Members a general overview of the current situation in the investment market.

In-house Investment Performance

- 3.2 At the beginning of 2008/09 cash managed in-house totalled £1.83m. During the year the maximum invested at any time was £24.4m and the total of investments made (turnover) was £157.9m. In-house investment income in the year amounted to £592,922 on an average balance of £12.24m - an average return of 4.84%. At the end of March 2009 the cash managed in-house totalled £2.7m
- 3.3 It was necessary to borrow £3m from 20 March until the end of the year in order to cover a temporary deficit. The rate was 0.4% (annual equivalent).
- 3.4 It is difficult to set targets for this sort of operation which aims to maximise returns within the constraints of security and flexibility. Some measure of achievement can be obtained by looking at the rates achieved compared to a benchmark. *Butlers* use the widely published 7-day LIBID rate (London Interbank bid rate – the rate at which a bank is willing to borrow from other banks) although this has become very erratic in the current economic circumstances.

In-house investment performance against benchmark.

Rate of return:	2006/07	2007/08	2008/09
In-house investment team	4.89%	5.93%	4.84%
7 day LIBID	4.97%	5.72%	3.60%
LIBID exceeded /(short) by:	(0.08%)	0.21%	1.24%

The Council only holds funds to meet its daily cash-flow requirements and invests council tax and business rate receipts for a short while until they are paid over to precepting authorities or the government. By carefully assessing cash requirements and using advice from the brokers that we deal with, the in-house team has been able to make a good return on the funds held.

External Fund Managers

- 3.5 The performance in 2008/09 is set out below showing the fund manager's return before payment of fees.

Sum Managed at 1.4.2008
Funds repaid during year

£17,336,856
£ 3,500,000

Sum Managed at 31.3.2009
Increase in value during year (gross)

£15,115,968
£ 1,309,861

The Council's money is held in what is known as a 'cash plus' fund and the manager is allowed to hold a wider range of investments within the constraints that apply to local authorities and the requirement for security mentioned above. This includes certificates of deposit (CDs) and government-issued stock (gilts) which may be held with the intention of making a return, not just from the yield, but from changes in value over a period. For this reason the return above may be unrealised at the year-end and the fund manager is allowed to retain this increase value within the fund until it is needed to be paid over to the council.

- 3.6 The result for *Investec* shown above equates to a gross rate of return (before fees) of 7.61% (7.42% after fees). All references to fees are to the actual charges made per quarter. In accordance with industry practice the Fund Manager deducts the fees from the sums held but these are accounted for as a revenue cost by the Council.

Investec Performance over 3 years (net of fees)

Rate of return:	2006/07	2007/08	2008/09
Investec Asset Management	3.97%	5.86%	7.42%
7 day LIBID	4.97%	5.72%	3.60%
LIBID exceeded /(short) by:	(1.00%)	0.14%	3.82%
Comparable L A funds average*	4.29%	5.79%	6.48%
Average exceeded/(short) by:	(0.32%)	0.07%	0.94%

- 3.7 The Council's investment advisers (*Butlers*) provide the comparative figures* and have reported on the state of the market and the performance of the fund manager (*Investec*). They commented that the economic climate was still marked by phases of volatile and unpredictable behaviour and a lack of liquidity which has made things difficult for fund managers. The atmosphere of fear and suspicion meant that rates on negotiable instruments remained above short-term benchmarks and provided some modest investment opportunities. *Investec* stayed away from gilts but did invest in some high yielding CDs before interest rates started to tumble. These delivered superior yields and capital appreciation when interest rates fell to historic lows.

Investment Income Review

- 3.8 The actual investment income achieved in 2008/09 exceeded the original budget forecast by £220,283 (£1.903m to £1.6825m).

Out-turn compared with budget – investment income earned

	Fund manager	In-house team	total
Original budget 2008-09	£1,071,760	£610,740	£1,682,500
Actual out-turn 2008-09	£1,309,861	£592,922	£1,902,783
Out-turn exceeded budget by:	£ 238,101	(£ 17,818)	£ 220,283

This total over budget represents 13.1% of the budget and was mainly due to the good performance of the Fund Manager. *Investec* was the top performing manager (of

comparable funds) in 2008/09. This good performance, partly due to interest rates falling further than expected, will be at the expense of a poorer than expected return in 2009/10 as holdings are replaced by lower yielding instruments. The value of the fund investment remains in the provision of access to quality counterparties and liquidity.

- 3.9 The investment income calculation for the 2009/10 budget was based on economic predictions in January 2009. In the event interest rates have fallen further than expected. This should mean that the in-house return will be a little worse than expected and the Fund Manager has revised his forecast of the probable return for the year down to 1.75% from 2.75%. This is reflected in the June Budget Monitoring report.

Events during the year

- 3.10 On 24 September 2008 the Council made an investment of £1m for 30 days with Landsbanki Islands HF, a bank registered in Iceland, which we had used many times and was on our counterparty list rated F1. On 30 September the bank was downgraded and removed from our list and on 7 October the bank went into receivership and was taken over by the Iceland Government. The money has not been repaid at the year-end but we are hopeful of getting most of it back eventually.
- 3.11 In response to the banking crisis it was decided to tighten the already fairly restrictive lending criteria that we used even further. Steps taken included the following:
- Lending to other local authorities if possible (very rare),
 - lending to banks with an F1+ Fitch credit rating if possible followed by F1 banks and then building societies, (F1+ banks generally not interested in our small amounts),
 - applying “lowest common denominator” to our counterparty list i.e. any borrower has to cross a threshold from all 3 rating agencies,
 - limiting the amount with any borrower to £3m,
 - taking account of country credit ratings. This has removed Irish institutions from our list.

The credit rating agencies reacted (some think over-reacted) to the criticism they received when the Icelandic Banks collapsed by tightening their criteria which also removed a number of borrowers from our list. This has made lending very difficult at times.

4. Options

- 4.1 Not appropriate.

5. Financial, legal and any other implications

- 5.1 The report gives financial information to help Members manage their services. There is no additional expenditure involved although it raises the prospect of a probably shortfall in investment income in 2009-10.

6. Conclusion

- 6.1 The return on cash invested was higher than expected in 2008/09 largely due to the good performance of the Council's fund manager. The return in 2009-10 will probably

be lower than expected because of the fall in yields to very low levels and continued restrictions on lending affecting the in-house team.

Background Papers:

Treasury Management Policy agreed by Council 19 December 2001

Treasury Management Strategy agreed by the Executive February 2009

Fund manager review published by Butlers 1 May 2009

Executive report



7th August 2009

Report of **Head of Corporate Strategy**

Report No. 31/09

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Wards Affected
All

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Corporate Governance Report: Fourth Quarter 2008/09

Recommendations

(a) that the Management Team's corporate governance report be considered and to agree any further action which needs to be taken to improve performance

1. Purpose of Report

1.1 This is a standard quarterly corporate governance report to inform the Executive of performance against targets in the fourth quarter of 2008/09. The Executive are asked to consider the report and agree any further action which needs to be taken to improve performance. This report was originally scheduled to be considered at the meeting of the Executive on 12th June 2009. However, this meeting was cancelled which is why it has been included on this agenda. The Executive did consider this report at the Executive Briefing held on 22nd May 2009.

2. Relationship with Corporate Plan

2.1 The corporate governance report will assist the Council in achieving its strategic objectives and corporate priorities, in particular the objective of managing our business effectively.

3. Background

3.1 The corporate governance report looks at the key areas of:

- Corporate Priorities

- National Indicators
- Progress against Service Prioritisation Plans
- Key staffing data (sickness levels and turnover)
- Progress with Business Process Improvement Reviews
- A Financial commentary

At its meeting on 5th May 2009 the Management Team considered a fourth quarter corporate governance exception report. The Management Team agreed the exceptions, comments and actions to be included in this report where performance / actions were not on target.

4. Options

4.1 There are no specific options to be considered.

5. Financial, legal and any other implications

5.1 Exception Reports

5.2 Corporate Priorities Report.

Management team have agreed that 1 action relating to the 'facilitating the provision of affordable housing' priority (1.1) and 2 local performance indicators (H1, above target / H2, below target) should be included in this report. For the 'improving and modernising access to our services' priority, 2 local performance indicators have been included because they are below target (CS2 and CS11). Full details and comments are included in Appendix A.

5.3 National Indicator Report.

The current set of National Indicators is relatively new, having been introduced from 1 April 2008. All of the indicators which are relevant to this Council have been included in Appendix B. There are a number of indicators where the actual results are still not known.

There are **3** National Indicators where progress has been highlighted as an exception:

NI 195, improved street and environmental cleanliness (levels of graffiti, litter, detritus* and fly posting). This indicator is one of 35 included in the Oxfordshire Local Area Agreement 2008-11 (LAA2). The indicator is calculated over three sampling periods during the year. At the end of the first sampling period cumulative performance was 7% (good performance is a low %). By the end of the second sampling period, performance had declined to 21%. The final end of year result has improved slightly to 20%. A comprehensive comment is provided against this indicator in Appendix C.

(* detritus is defined as dust, mud, soil, grit, gravel, stones, rotted leaf and vegetable residues, and fragments of twigs, glass, plastic and other finely divided materials)

NI 154, net additional homes provided. This indicator measures the net increase in dwelling stock over the year. The actual number of completions was 324 against a target of 485 completions. This is also an indicator which is included in LAA2.

NI 8, The new set of national indicators were introduced from 1st April 2008 and in most cases it is not yet possible to compare performance with that of other authorities. However, NI 8 measures adult participation in sport through the annual 'Active People Survey' and

national results are now available. The Vale's performance was excellent, it was the best in the south east region and the 5th best nationally.

5.4 **Service Prioritisation Plan (SPP) Progress Report**

Progress against 1 SPP has been included in Appendix C. This is SPP 9: Introduction of catering concession in halls. The proposed saving included in the 2008/9 budget was £10k. The actual saving achieved was £2k. This reflects the fact that there was not a full year impact of the saving, the contract having been implemented from 1 December 2008. there are no further SPPs to be reported from 2010/10 onwards, however Management Team will continue to monitor any actions still required to achieve budgeted savings.

5.5 **Summary of Sickness and Turnover Report**

Sickness was lower this quarter compared to both the previous quarter and compared to the same quarter last year. The highest level of sickness was within Organisational Development & Support. Measurement for 2008/09 was based on the old organisational structure). This was mainly due to a couple of long term sickness issues which are being managed by the Manager and HR. These long term sickness issues should be resolved in quarter 1 2009/10. We continue to use the Bradford Factor to monitor staff sickness absences and return to work interviews are being carried out by Managers / Heads of Service. The annual sickness levels for Legal Services, Housing and Community Safety, Democratic Services and Strategic Directors Office are exceptionally low.

The overall sickness level for 2008/09 compared to 2007/08 is lower. Throughout 2008/09 the Welfare Officer, HR and Managers have continued to work hard to reduce the levels of long term sickness through pro-actively managing each individual case in order to aid a smoother and quicker return to work. A new absence policy was also introduced in the latter part of 2007/08 which included the Bradford Factor (BF).

Turnover is very slightly higher in the final quarter compared to the previous quarter, however the same number of people left in both quarters. Turnover is slightly lower in this quarter compared to quarter four last year. The overall turnover figure for 2008/09 is lower than 2007/08.

The detailed tables for sickness and turnover are included in Appendix D

5.6 **Progress with Business Process Improvement (BPI) Reviews Corporate Administration Review**

The Council's business improvement programme included a major review of our corporate administration, post room and reprographics functions through 2008. In February 2009, the Personnel Committee approved a restructure to create a new Business Support Unit (BSU) from 1st April 2009. The proposal will lead to a reduction in unnecessary administration tasks, streamlining processes and sourcing the majority of print and stationery orders through a partnership with Oxford City Council. The Unit is reporting to Organisational Change for a transitional period, until new structures and processes are stable enough for it to be transferred to its permanent service location in Economy, Leisure and Property (expected sometime in 2009). The overall effect of the changes is to reduce the annual gross cost of corporate administration from £382k to £159k (£223k). This includes the deletion of a number of vacant posts, redeployment of one member of staff, voluntary redundancy for three members of staff and redundancy of two members of staff. Potential redundancy costs of £56k have been identified. Revenue

savings will be lower in 2009/10 due to continuation of some personnel in post through the transitional phase. Though still in the early stages of transition, the BSU is currently on target with its development plan.

5.7 Financial Commentary: 1 April 2008 to 31 March 2008

This section of the report is superseded by the more detailed report elsewhere on this Executive agenda, 'Revenue Budget Outturn 2008/09'.

6. Conclusion

- 6.1 This is the final report on progress with the Corporate Plan 2008-12. Future reports will report progress against our Corporate Plan 2009-12, which includes the objectives and priorities agreed by Council in February 2009.

Background Papers:

The full versions of the individual reports are available on the Council's website. They can be accessed through the 'about your Council / performance' section of the website.

Appendix A - Corporate Priorities Report

1. Facilitating the provision of affordable housing

	Action for Improvement	Milestones	Timescale	Officer	Comments / Progress
1.1	Provide 75 units of affordable rented housing	This is an ongoing programme throughout the year to deliver affordable rented housing primarily as part of new build housing developments throughout the district in accordance with the Council's Local Plan and Local Development Framework (LDF) policies on affordable housing	31.3.2009 (measured quarterly)	Paul Staines	Below Target 64 units of affordable rented housing provided up to the end of Quarter 4 and the financial year. This is 85% of the projected target. The economic slowdown is having a severe impact upon affordable housing completions and the annual performance has been affected by this.

Local Performance Indicators 2008-9

Indicator	Target 2008/09	Q1	Q2	Q3	Q4	Comments
LPI H1 Number of additional units of affordable housing provided through the Local Area Agreement (LAA)	12	0	0	5	14	19 additional units of affordable housing provided through the Local Area Agreement (LAA).
LPI H2 Number of units of affordable housing completed / provided	100	33	0	9	50	92 units of affordable housing were provided during 2008 -2009.

3. Improving and modernising access to our services Local Performance Indicators 2008-9

Indicator CS2 Number of enquiries at the Local Services Point Abingdon:	Target 2008/09	Q1	Q2	Q3	Q4	Comments
Overall target for 2008/9	63,300					The statistics reflect that Abingdon Local Service Point is managing to migrate customers to the more cost effective channels of contact as per the customer contact strategy; this is shown by a decrease in Face to Face numbers whilst there is a significant increase in contact centre enquiries. The new cashiering software installed mid February has enabled an increase in electronic payments which is inline with the Payment Strategy
Face to Face annual target 35,000 (individual quarters)		8,876	8,089	7,865	7,909	
Face to Face - (cumulative)		8,876	16,965	24,830	32,739	
Contact centre - annual target 17,000		4,975	10,701	14,247	19,192	
Visitor - annual target 4,600 (cumulative)		1,200	2,490	3,615	4,740	
Web / self serve - annual target 2,200 payments made on the web		1	1	1	1	
Electronic Payments - annual target 4,500 taken by Contact Centre (cumulative)		1,187	2,147	2,699	3,757	
CS11 % of calls to be answered within 20 seconds (cumulative)	90%	89%	89%	83%	85%	Since November 2008 each month's actual result has been over 90% (Well above target). Unfortunately poor performance earlier in the year (as a result of software not functioning properly) has meant that it has not been possible to achieve the target

Appendix B – National Indicator Report (by Corporate Priority – Corporate Plan 2008-12))

The full table has been included below. Indicators shaded in grey are included in the Oxfordshire Local Area Agreement (LAA) 2008-11. Explanatory notes / key have been included at the bottom of the table. Each indicator has been identified as either as Target (T) where there is a reasonable degree of control over the result or as an indicator (I) where there is a limited degree of influence over the result. NYA – Not yet available

Facilitating the provision of affordable housing

NI	T / I	Description	Target 2008/9	Q1	Q2	Q3	Q4	Comments
154	T	Net additional homes provided. This indicator measures the net increase in dwelling stock over one year and is reported as the actual number.	LAA2 3043 VALE 485	93	64	101	66	LAA2 indicator. Annual reporting across the county so there is no county wide picture of achievement available. However the Vale's annual total of 324 is below its projected completion number of 485. The achievement of 67% projected completions should be taken in context of the current housing and financial climate.
155	T	Number of affordable homes delivered. This includes the increase due to new builds and acquisitions.	LAA2 735 VALE 86	33	0	9	50	LAA2 indicator. Q4 figure of 50 homes gives an annual total of 92 which exceeds the target of 86 homes originally projected by 6 units or an increase in provision of affordable housing by 7%.
156	T	Number of households living in temporary accommodation (TA)(provided under the homelessness legislation)	LAA2 698 VALE 71	89	81	66	58	LAA2 indicator. Data collected quarterly – performance is judged on 4 th Quarter performance. The Q4 figure for number of households in TA is 58 . This is well within the target of 71 exceeding it by 13 or a decrease in number of households by 18%.

NI	T / I	Description	Target 2008/09	Q1	Q2	Q3	Q4	Comments
157	T	Processing of planning applications "major" applications (within 13 weeks)	VWHDC 65%	37.50 %	47.06 %	56%	56.25%	The cumulative figure remains below the annual target. Members need to be aware that the number of major applications dealt with each quarter are small (7 in the 4th quarter) so performance can be subject to significant swings caused by the processing time of just one or two applications.
		"minor" applications (within 8 weeks)	VWHDC 70%	75.61 %	74.06 %	74.69%	75%	Above target
		"other" applications (within 8 weeks)	VWHDC 85%	86.13 %	87.81 %	87.85%	86.67%	Above target
159	T	Supply of ready to develop housing sites. The degree to which authorities are maintaining a 5 year supply of deliverable sites (%)	-	-	107.2 %	108.7%	105.7%	Local Planning Authority - annual monitoring report. Above target. This is the figure used in the Annual Monitoring Report 2008
170	I	Previously developed land that has been vacant or derelict for more than 5 years (%)	-	-	1.50%	-	1.50%	Half year reporting. Data is provided by English Partnerships.

NI	T / I	Description	Target 2008/09	Q1	Q2	Q3	Q4	Comments
180	T	Changes in Housing Benefit (HB)/ Council Tax Benefit (CTB) entitlements within the year. Number of changes of circumstances which affect customers' HB/CTB entitlement during the year.	5473	NYA	NYA	NYA	NYA	Performance for this indicator is calculated by the Department for Work and Pensions (DWP) and published on its website. The latest data that has been published is for February 2009 which is 7694 changes. This should be regarded as good performance as the guidance states that a high number represents good performance.
181	T	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events. Reported as the average number of days	-	NYA	16.27	17.05	15.09	Capita and the client team were unable to set a target due to the poorly worded indicator definition. This has been a national issue. Top quartile performance will be used as a target when data is finally provided by the DWP. The 4 th quarter performance was 12.73 days and the annual performance was 15.09 days

Creating a cleaner, greener, safer and healthier community and environment

NI	T / I	Description	Target 2008/09	Q1	Q2	Q3	Q4	Comments
195	T	Improved street and environmental cleanliness (levels of graffiti, litter, detritus and fly posting). This is measured as a %, with a value for all categories. Combined cumulative %	LAA2 Litter: 5% Detritus: 9%	-	Litter 0% Detritus 13% Fly post 0% 7%	Litter 5% Detritus 37% Fly post 0% 21%	Litter 7% Detritus 33% Fly post 0% 20%	LAA2 indicator. There have been apparent inconsistencies across Oxfordshire in respect of the NI195 gradings. To address this, a training day for monitoring officers is to be held on 2 nd July. This is a major issue for the OWP to resolve in 2009/10 to establish consistent and proper reporting. Cross-district surveys are being arranged to further improve consistency. Contractor performance has been poor, particularly in respect of detritus which is being addressed via an agreed improvement plan. Vale officers concentrated on historical litter problems to the detriment of tackling detritus.
196	T	Improved street and environmental cleanliness (fly tipping). This is calculated by calculating the year on year change in total incidents of fly tipping dealt with, compared with its year on year change in enforcement actions taken against fly-tipping.		139	140	122	182	LAA2 indicator. 583, down from 604 in 2007/08. The environment Agency will publish the final result based on these results.

NI	T / I	Description	Target 2008/09	Q1	Q2	Q3	Q4	Comments
15	I	Serious violent crime rate. Reported as the number per 1000 population.	-	0.14	0.26	0.38	NYA	<p>Q1 = 16 actual crimes - 0.14 per 1000 population</p> <p>Q2 = 30 actual crimes – 0.26 per 1000 population</p> <p>Q3 = 45 actual crimes 0.38 per 1000 population</p> <p>Q 4 - Awaiting data from TVP</p>
16	I	Serious acquisitive crime rate. Reported as the number per 1000 population.	-	1.43	2.95	4.41	5.68	<p>Q1 = 167 actual crimes - 1.43 per 1000 population</p> <p>Q2 = 345 actual crimes – 2.95 per 1000 population</p> <p>Q3 = 516 actual crimes - 4.41 per 1000 population</p> <p>Q4 = 665 actual crimes 5.68 per 1000 population</p>
20	I	Assault with less serious injury rate. Reported as the number per 1000 population.	LAA2 5.23% (-5%)	1.21	2.43	3.33	2.99	<p>Q1 = 141 actual crime – 1.21 per 1000 population</p> <p>Q2 = 285 – 2.43 per 1000 population</p> <p>Q3 = 390 3.33 per 1000 population</p> <p>Q4 = 350 crimes 2.99 per 1000 population</p>
8	I	Adult participation in sport. (data collected through ‘Active People Survey’). Requires 12 days of at least 30 minutes every 4 weeks.					29.6%	Annual indicator. Results supplied by Sport England. The Vale had the best performance in the south east region, and the 5th best nationally.

Improving and modernising access to our services

NI	T / I	Description	Target 2008/09	Q1	Q2	Q3	Q4	Comments
14	I	The average number of customer contacts per resolved request	Not set – no baseline data	-	-	-	35.4%	First sample period December 2008, second sample period March 2009
179	T	Value for money – total net value of ongoing cash-releasing value for money gains that have impacted since the start of the financial year. Reported as £' 000	LAA2 3.1%	NYR	£458	NYR	£458	This is a 'forward look' submission relating to the whole of the financial year. A backward look submission is due in June 2009: this will report the actual figure achieved.

Rising to the challenge of climate change

NI	T / I	Description	Target 2008/09	Q1	Q2	Q3	Q4	Comments
185	T	CO ₂ reduction from local authority operations.		-	-	-	NYA	Annual reporting – awaiting 4 th quarter consumption data to complete NI
188	I	Adapting to climate change. The Council will assess how well it delivers against the 4 levels of performance detailed in the guidance.	LAA2 Level 1	0	0	0	1	LAA2 indicator. Local Climate Impact Assessment and initial risk analysis of climate impacts undertaken.
186	I	Per Capita reduction in CO ₂ emissions in the LA area. (tonnes per person)		-	-	-	9.92 tonnes	Annual reporting via aggregated data available on DEFRA websites. The reported figure of 9.92 uses the 2006 dataset (the latest available). The 2005 figure is 9.84 tonnes.

NI	T / I	Description	Target 2008/09	Q1	Q2	Q3	Q4	Comments
191	T	Residual household waste per household. This is reported as Kg per household.	LAA2 730 kg	135 kg	133kg	132kg	136kg	LAA2 indicator. Vale weights continue to be low, reducing and well ahead of County targets. Down from a low figure of 574 kg in 2007/08. Annual cumulative result for 2008/9 536 kg
192	T	Percentage of household waste sent for reuse, recycling and composting	LAA2 40% VWHDC 34%	37.59%	37.64%	35.28%	31.84%	LAA2 indicator. Vale continues to be limited by its existing contract from collecting the full range of recyclables. Nevertheless % continues to grow due to garden waste at the same time as NI191 reduces. Annual cumulative rate 35.66% compared to 32.68% in 2007/08

Not linked to a specific priority

NI	T / I	Description	Target 2008/09	Q1	Q2	Q3	Q4	Comments
171	I	New business registration rate.	Not set – no baseline data	-	-	-	NYA	Baseline and targets to be set as part of 2009/10 service planning process. Results will be supplied by Office for National Statistics
172	I	Percentage of small businesses in an area showing employment growth.	Not set – no baseline data	-	-	-	NYA	Baseline and targets to be set as part of 2009/10 service planning process. Results will be supplied by Office for National Statistics
173	I	Flows on to incapacity benefits from employment.	Not set – no baseline data	-	-	-	NYA	Baseline and targets to be set as part of 2009/10 service planning process. Result will be supplied by Department for Works and Pensions (DWP)

NI	T / I	Description	Target 2008/09	Q1	Q2	Q3	Q4	Comments
182	I	Satisfaction of business with local authority regulation services (environmental health and licensing).	Not set – no baseline data	-	-	-	83%	This is calculated by using the results of a monthly survey of businesses
184	I	Food establishments in the area which are broadly compliant with food hygiene law.	Not set – no baseline data	-	-	-	86.54%	Countywide results to be discussed at the next meeting of the Oxfordshire Food Liaison Group
187	T	Tackling fuel poverty – People receiving income based benefits living in homes with a low energy efficiency rating.		-	-	-	a) 7.9% b) 29.45%	a) Low energy efficiency rating b) High energy efficiency rating Figure based on research undertaken by United Sustainable Energy Agency.
189	I	Flood and coastal erosion risk management	Not set – no baseline data	-	-	-	100%	This is based on progress against a specified set of actions identified by the Environment Agency
194	T	Level of air quality – Reduction in NO _x and primary PM ₁₀ emissions through local authority's estate and operations.	Not set – no baseline data	-	-	-	NYA	Baseline to be established alongside submission of NI185 data

Appendix C – Service Prioritisation Plan Report

No.	Service prioritisation options	Lead officer	2008/09 £'000 (savings)/ costs	2009/10 £'000 (savings)/ costs	2010/11 £'000 (savings)/ costs	2011/12 £'000 (savings)/ costs	
9	Introduction of Catering Concession in Halls	MM	(10.0)	(10.0)	(10.0)	(10.0)	The contract was implemented on 1 December 2008. The actual saving achieved was £2k which was from 1 December 2008 to 31 March 2009

Appendix D – Summary of Sickness and Turnover Report

Sickness Report Service Area	Q1		Q2		Q3		Q4		Annual Totals	
	No. average days sickness/mth	Av.days lost per FTE/mth	No. average days sickness/mth	Av.days lost per FTE/mth	No. average days sickness/mth	Av.days lost per FTE/mth	No. average days sickness/mth	Av.days lost per FTE/mth	Total no. sick days 2008-09	Cumulative no of wkg days lost per FTE
Commercial Services	16.33	0.54	17.33	0.54	28.17	0.89	10.5	0.32	217	6.52
Contract & Procurement	73.83	1.96	47.33	1.29	27.17	0.73	8.5	0.26	470.5	14.39
Democratic Services	0.50	0.06	1.83	0.24	1.17	0.15	2.5	0.38	18	2.73
Environmental Health	8.50	0.36	9.50	0.39	12	0.51	6.83	0.3	110.5	4.93
Finance	12.83	0.82	9.83	0.61	7.33	0.49	1.33	0.08	94	5.88
Housing & Community Safety	4.67	0.17	2.5	0.09	7.17	0.26	5.5	0.2	59.5	2.2
Legal Services	0.67	0.12	0	0	1.67	0.24	0.67	0.1	9	1.29
Organisational Development and Support	17.50	0.32	50	0.95	55.33	1.03	52.17	0.97	525	9.79
Planning and Community Strategy	30.17	0.65	13.17	0.28	33.5	0.73	17.17	0.39	282	6.38
Strategic Directors Offices	0.00	0.00	0	0	1	0.23	0.33	0.08	4	0.91
Totals	165.00	0.65	151.49	0.59	174.51	0.69	105.5	0.43	1789.5	7.24
Comparison figure for 2007-08	172.17	0.68	132.34	0.52	177.67	0.70	224.17	0.87	2119	8.25

Turnover Report	Q1		Q2		Q3		Q4		Total No Leavers	Cumulative Turnover
	Av. No. employees left/mth	Av. Turnover/ mth (%)	Av. No. employees left/mth	Av. Turnover/ mth (%)	Av. No. employees left/mth	Av. Turnover / mth (%)	Av. No. employees left/mth	Av. Turnover/ mth (%)		
Commercial Services Contract & Procurement	0.33	1.03	0	0.00	0	0.00	0	0.00	1	2.78
Democratic Services	0.67	1.37	0.67	1.43	0.33	0.70	0	0.00	5	12.50
Environmental Health	0.00	0.00	0.33	4.13	0	0.00	0	0.00	1	14.29
Finance	0.00	0.00	0	0.00	0.33	1.38	0.33	1.43	2	8.70
Housing & Community Safety	0.33	1.94	0	0.00	0.33	2.06	0	0.00	2	11.76
Legal Services	0.00	0.00	0	0.00	0	0.00	0.33	1.10	1	3.33
Organisational Development and Support	0.00	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Planning and Community Strategy	0.33	0.52	0.33	0.53	0.33	0.52	0.33	0.52	4	6.35
Strategic Directors Offices	0.67	1.29	0.33	0.61	0	0.00	0.33	0.67	4	8.16
	0.33	4.71	0	0.00	0	0.00	0	0.00	1	20.00
Totals	2.66	0.92	1.66	0.57	1.32	0.46	1.32	0.48	21	7.58
Comparison figure for 2007-08	3.66	1.27	2	0.69	1.66	0.65	1.32	0.51	26	8.90

Executive/Committee



7 August 2009

Report of **Head of Finance**

Report No. 32/09

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Provisional Capital Programme out-turn 2008/09 and Additional Revenue Budget Carry Forward 2008/09

Recommendations

- (a) to note the expenditure on capital projects in the financial year 2008/09.*
- (b) to agree the revised expenditure profile for capital projects and carry-forward of budgets to 2009/10 (total £705,400).*
- (c) to consider the revenue budget carry forward requested and approve the budget to be carried forward from 2008/09 to 2009/10 (total £1,900).*

1. Purpose of Report

- 1.1 This report forms part of the continuing provision of financial information to allow Members to review the performance of their services. Paragraph 3.1 of the report sets out the development of the capital budget during the year and Appendix A details capital expenditure in 2008/09 (subject to audit) on projects in the agreed capital programme and requests budget carry-forward where necessary.
- 1.2 The Executive gave their agreement to the majority of revenue budget carry forwards at their meeting on 3rd April 2009. Since that date another budget carry forward has been identified for which Executive approval is sought. Paragraph 3.6 gives the detail.

2. Relationship with Corporate Plan

- 2.1 The report contributes to the Strategic Objective of managing our business effectively by providing value for money services that meet the needs of our residents and service users.

3. Background

Actual Capital Expenditure compared to the Budget

- 3.1 The report sets out at Appendix A the Council's capital programme for 2008/09 to 2010/11. Details are provided of:
- the revised budget for 2008/09 agreed February 2009
 - the actual expenditure and income to the end of March 2009 (subject to audit),
 - any unspent budget that the budget-holders wish to carry forward,
 - the agreed budget for 2009/10,
 - proposed expenditure in 2010/11 for continuing schemes.
- 3.2 The original capital budget for 2008/09 was agreed in February 2008 at expenditure of £3,026,867 with £753,400 met from grants and contributions. An £11,000 scheme was withdrawn at the meeting and in June 2008 budget carry-forwards from 2007/08 of £568,040 were agreed with £171,450 of this to be met by grants and contributions also carried forward. Additional budget agreed during the year amounted to £60,000 (further expenditure on brown bins). In February 2009 a revised capital budget for 2008/09 of £2,368,525 was agreed with £989,517 met from grants and contributions.

Revenue Budget Carry Forward Request

- 3.6 At their meeting on 3rd April the Executive gave their approval to a carry forward of £1,000 Area Based Grant as a part of the Community Safety funding for specific projects funded through the County. However, following this approval, a payment from this grant funding was reduced by £1,900 because the outputs delivered under a service level agreement were less than required for the full payment to be made. Consequently, the Community Safety team are requesting an additional £1,900 Area Based Grant to be carried forward to allow the projects to be completed in 2009/10.

4. Options

- 4.1 Not appropriate.

5. Financial, legal and any other implications

- 5.1 The report gives financial information to help Members manage their services and requests unspent budget be carried forward from 2008-09 to 2009-10. There is no additional expenditure involved.

6. Conclusion

- 6.1 The column in Appendix A headed "c/fwd to 2009/10 requested" lists unspent budget from 2008/09 where the officer responsible still needs to incur further expenditure to complete the scheme. Many of these sums are committed or unavoidable.

- 6.2 Taken separately the capital expenditure budget carry forwards requested total £705,400. £168,391 of this will be met by grants and contributions also carried forward.
- 6.3 Members are also requested to approve an additional revenue carry forward request from the 2008/09 revenue budget to 2009/10 for the reason identified at 3.6 above.

Background Papers: none

new cost centre	officer resp.		exp. to 31.3.08	revised estimate 2008/09	provisional out-turn 2008/09	c/fwd to 2009/10 requested	original estimate 2009/10	proposed 2010/11	revised estimated total cost	F/Y Rev. cost once complete	comments on c/fwds
			£	£	£	£	£	£	£	£	
		specific projects									
YA02	AJM	Sewage works	70,523				30,000		100,523		
YA04	LR	Mobile Home Parks - Base replacement	48,796	13,378	13,378		11,000		73,174		
YA05	LR	M H P - Junct. box replacement	44,769	16,720	11,636	5,080	11,000		72,485		
YA07	AJM	Great Coxwell Church Wall	1,732	19,200		19,200			20,932		
YA08	AJM	Guildhall rear entrance repair and renovation	64,976	17,500	4,215	13,280			82,471		
YA09	MTL	Skate Park in Abingdon VWH cont.	134,472	3,220		3,220			137,692	2,000	retention
YA13	AJM	Partial re-roof Old Abbey House	17,370	17,630	9,534				26,904		finished
YA14	AJM	Sewage treatment works upgrade	55,730	1,500	1,820				57,550		
YA17	AJM	Replacement wall, Abbey Grounds	36,257	17,000	16,984				53,241		
YA18	AJM	Development of additional plots at Mobile Home Park		7,000	8,920		700,000		708,920	(9,000)	not included in totals - bids being invited
YB01	BD	Replacement DSO vehicles (from reserve)		33,217	33,217				33,217		
YC02	DW	Further expansion of green box scheme and replacement	75,022	18,492	18,492		22,000		115,514	(40,200)	
YC05	MTL	Abbey Grounds restoration - total cost of works	1,130,844	38,813	41,764				1,172,608	10,830	
YC06	MTL	Pitches, pathways etc at Mably Way Grove VWH cont.	4,280	65,700	70,408	28,100			102,788	3,500	grants and contributns received - see below
YC07	DW	Green waste wheeled bins	211,184	76,670	12,289	64,380			287,853	(4,040)	addnl budget agreed by Exec 01.08.08
YC11	CW	Tilsley Park - replacement running track	177,736	6,023	6,023				183,759		
YC17	IRM	Water feature in Manor Park, Wantage. Lottery aided		150,000	11,779	138,220			150,000		
YC18	IRM	Improve disabled access to open spaces					20,000		20,000		
YD02	AS	CRM upgrade - "normalized database"					122,500		122,500	13,000	
YD03	AS	LSP 2 and CRM s/w	400,866	26,480	7,836	18,640			427,342	20,000	awaiting service area harmonisation
YD04	AS	Replacement cash receipting and distribution system		58,000	46,812	11,190			58,000	7,500	
YD05	NM	Interactive forms on website					30,000		30,000	6,000	
YD06	AS	Replace existing PCs across council		18,750		18,750	18,750		37,500		
YF04	WJ	Capita computer equipment	470,954	11,742	25,633		3,914	78,278	608,785	(104,540)	additional cost due to index linking
YH01	HN	Support development of Social Housing	368,600	425,200	262,708	162,490	206,200		1,000,000		
YH02	HN	Grant to Chiltern Hundreds HA	120,000	30,000	30,000				150,000		
YH11	PAS	Development of site in Harcourt Way for temp. accomdn	9,515	5,500	1,700	3,800			15,015	(10,000)	
YH12	LH	Replacement CCTV cameras in Abingdon & Wantage	24,649	45,320	33,391	11,930	80,030		150,000		
YH14	PAS	Enhanced choice-based lettings inc. Oxon wide					17,130		17,130	11,860	
YP01	GAM	ABITS implementation	15,401	65,000	59,123	5,880	185,000		265,404		
YP02	GAM	Southern Central Oxfordshire Transport Study	13,600				30,000		43,600		
YP03	TW	Rural Towns Initiatives	107,954	10,000		10,000	100,000		217,954		
YP05	MG	Electronic delivery of planning service		100,000	56,483	43,520			100,000		funded from Gov't grant
YP06	GW	New paths/cycleways	2,084	2,000	945	1,060	75,450		79,539		some from S106 money
YP07	GW	Staff lockers and cycle parking - green travel	12,408				17,600		30,008		
		total specific schemes	3,619,722	1,300,055	785,090	558,740	980,574	78,278	6,043,488	(93,090)	

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CAPITAL PROGRAMME 2008/09 to 2010/11 with provisional out-turn 2008-09 and proposed carry forwards.

APPENDIX A

new cost centre	officer resp.		exp. to 31.3.08	revised estimate 2008/09	provisional out-turn 2008/09	c/fwd to 2009/10 requested	original estimate 2009/10	proposed 2010/11	revised estimated total cost	F/Y Rev. cost once complete	comments on c/fwds
			£	£	£	£	£	£	£	£	
continuous schemes			1 year only								
YA01	AJM	Flood Prevention	18,395	85,000	7,699	77,300	122,000	135,000	360,394		Grant funding rec'd from Env. Agency for extra schemes in 09/10 & 10/11 see below
YC03	IRM	New & upgraded parks facilities - Council owned	17,126	33,770	22,573	11,200	15,000	15,000	95,896		funding from WREN received
YH05	IF	Renovation/Disabled Grants, mandatory	760,721	841,700	810,744	39,260	850,000	850,000	4,152,421		
YH06-09	IF	Renovation/Disabled Grants, discretionary	86,006	108,000	89,105	18,900	140,000	140,000	614,006		
total continuous schemes			882,248	1,068,470	930,121	146,660	1,127,000	1,140,000	5,222,717		
New schemes from 2009-10											
YA19	AJM	Replacement hot water boilers in Abbey House					15,000		15,000		
YA20	PD	Revetment works at rivers Ock and Thames					25,000	50,000	75,000		
YD07	AS	Shared email system VWH/SODC					50,000		50,000	5,000	
YP10	TW	Contribution to Lottery and other grants support fund					10,000		10,000		
YP11		Cont. to Abingdon Museum access and refurbishment					150,000	150,000	300,000		
YH15	MS	Climate change investment fund					75,000	75,000	200,000	(16,175)	
total new schemes from 2008-09							325,000	275,000	650,000	(11,175)	
Possible future schemes											
	MM	Purchase bins for new waste contract						2,146,521	2,146,521	(195,955)	Agreed by Exec. Dec 2008
	AJM	Replacement heating boilers in Abbey House						80,000	80,000	(3,600)	
	AJM	Refurbishment of goods lift in Abbey House						10,000	10,000		
total new schemes from 2008-09								2,236,521	2,236,521	(199,555)	
TOTAL CAPITAL PROGRAMME			4,501,970	2,368,525	1,715,211	705,400	2,432,574	3,729,799	14,152,726	(303,820)	
Proposed funding											
YA01	AJM	Flood prevention, Environment Agency grant					(50,000)	(90,000)	(140,000)		
YA09	MTL	Skate Park in Abingdon cont. from WREN and others	(54,000)	(5,000)	(5,000)				(59,000)		
YA13	AJM	Roof Old Abbey House - contribution from tenant		(17,500)	(14,684)				(17,500)		
YB01	BD	Replacement DSO tanker (contribution from reserve)		(33,217)	(33,217)				(33,217)		
YC03	IRM	New parks facilities - grants			(12,715)						
YC05	MTL	Abbey Grounds restoration, grants and contributions	(742,245)	(96,200)					(838,445)		
YC06	MTL	Pitches, pathways at Mably Way Grove grant rec'd			(4,950)	(28,100)					
YC07	DW	Wheeled bins - Defra capital grant	(115,340)	(9,200)	(9,200)				(124,540)		
YC17	IRM	Lottery fund grant towards water feature		(85,000)	(11,779)	(73,221)			(85,000)		
YH01	HN	Social Housing support - funded from S106 contribution	(368,600)	(131,400)	(131,800)				(500,000)		
YH05	IF	Gov't subsidy to Disabled Facilities Grant, existing	(863,998)	(510,000)	(486,446)	(23,550)	(510,000)	(510,000)	(2,904,000)		limited by DCLG
YP01	GAM	Works from ABITS - contributions			(62,500)						
YP05	MG	Electronic delivery of planning service PDG		(100,000)	(56,483)	(43,520)			(100,000)		
YP06	GW	Cyclepath Willow walk. Contribution from developer		(2,000)	(2,000)		(48,000)		(50,000)		
Balance from capital receipts			(2,357,787)	(1,379,008)	(884,437)	(537,009)	(1,824,574)	(3,129,799)	(9,301,024)		

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Executive



7th August 2009

Report of: Head of Finance

Report No. 33/09

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Wards Affected
All

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Revenue Budget Outturn 2008/09 (What the Council Spent)

Recommendations

- (a) *Note the overall outturn position of the Council as well as the outturn of individual service areas and cost centre: and,*
- (b) *Take into account the impact of the outturn position in the integrated service and financial planning process when setting the 2010/11 original budget.*

1. Purpose of Report

1.1 The report details the revenue expenditure position for 2008/09, subject to audit. The report is submitted to the Executive to assist it in fulfilling its service delivery and budget management roles. The report may also be submitted to the Scrutiny Committee to assist it to review Council performance.

2. Relationship with Corporate Plan

2.1 The Council have a strategic objective to manage the business effectively, provide value for money services that meet the needs of our residents and service users and communicate the Council's activities and achievements. This report seeks to inform councillors, the community and officers as to what the Council spent in 2008/09, where there were budget pressures and under-spends and the reasons for these.

3. Background

3.1 Throughout 2008/09 the monthly budget monitoring reports had indicated that the Council was going to over spend against its original budget. The main reason for this was as a consequence of the economic downturn and the fall in a number of income streams. Action was taken at December 2008 to put a stop to non-essential expenditure and to keep

posts vacant. The result was that cost against the Council's revenue budgets was held to a budget pressure of £443,952 (after taking account of carry forwards) despite significant under achievement of income in car parks £126,342, planning fees £326,440 and land charges £186,937 and a budget pressure on the increased take up of free bus travel £229,196.

4. Overall Council outturn

4.1 Appendices

Appendix A sets out the revenue outturn position for service areas and sources of income and compares it with the original budget for 2008/09.

Appendix B looks at each cost centre and identifies the variance against the expenditure and income budgets. Explanations for variances exceeding £5,000 are given.

4.2 Service area variances

Service expenditure was over spent by £12,754 representing 0.03% of the available spending budget. Service income, however, was under achieved by £431,198 representing 1.2% of the services' budgeted income. Explanations for variances at cost centre level are reported in Appendix B. A number of budget pressures have resulted from the low turnover of staff.

4.3 Property income

Income earned on our property was below budget by £277,805 because of the increased number of void premises and because increases in rental income that had been anticipated from rent reviews have not materialised.

4.4 Investment income

Income from the Council's investments held up during the year as a consequence of the increased capital gain made by the council's fund manager on certificates of deposit held. As the interest rates fell the capital gain increased. Income exceeded budget by (£221,874).

4.5 Revenue reserves

The Council has a number of earmarked reserves, each designated for a particular purpose. Each year we plan how much money needs to be returned to certain reserves in order to build them up for their intended use, whilst others are used in the year according to their specific purpose. The lower part of the table on Appendix A compares the budgeted position for the use of reserves with the final use of reserves.

4.6 Unbudgeted grant income

Appendix A highlights all the new income sources during the year. The Council received a total of £597,061 new grant from the government which was not ring-fenced to particular expenditure and is therefore treated as additional government grant to fund the Council's net expenditure.

The Council had made a claim to H.M Revenue and Customs for a re-payment of VAT on car parking excess charges. This was successful and during the year a total of (£195,107) was returned to the Council in respect of VAT paid on excess charges and the compound interest lost to the Council over the period that VAT had been paid.

The total additional unbudgeted income of £792,168 has offset the “over-spend” of £443,953. As a consequence of this and other changes in the use of funds balances are (£317,430) higher than budgeted.

5. Financial, legal and any other implications

- 5.1 Under the Local Government Finance Act 1992 S32 paragraph 2:
The authority must calculate the aggregate of
- (a) The expenditure the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year;
 - (b) Such allowance as the authority estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year;
 - (c) The financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure.

Under the Local Government Act 2003 Part 2 S28 – the authority must review these calculations from time to time during the year.

6. Conclusion

- 6.1 Despite the backdrop of the economic downturn and a significant drop in income, the Council has:
- Maintained its net cost to within 3.6% variance on its total net service budgets.
 - Come in on target for expenditure budgets notwithstanding some significant budget pressures e.g. concessionary fares.
 - Under-achieved income by £431k particularly as a consequence of the economic impact on the housing market and use of car parks (paragraph 3.1).
 - Used less of the Council’s balances to fund the year’s expenditure than originally budgeted on account of un-budgeted new government grant income of £597k.

Background Papers: Agresso downloads; Draft Statement of Accounts 2008/09

APPENDIX A

2008/09 Outturn Variances against Medium Term Financial Plan Budgets (including carry forward budgets)

	Approved Working Budget 2008/09 £	Actual (inc c/f) 2008/09 £	Variance 2008/09 £
Commercial Services	1,065,450	1,024,937	(40,513)
Contracts & Procurement	5,193,540	5,326,406	132,866
Democratic Services	857,900	826,647	(31,253)
Environmental Health	963,980	983,367	19,387
Housing & Community Safety	1,030,320	1,011,147	(19,173)
Legal Services	93,590	294,093	200,503
Organisational Development & Support	2,882,630	2,693,504	(189,126)
Planning & Community Strategy	1,008,000	1,355,948	347,948
Ridgeway - financial services	2,155,180	2,259,449	104,269
Strategy (Chief Executive)	19,240	16,484	(2,756)
Strategy (SB)	729,600	728,598	(1,002)
Strategy (TS)	11,790	2,832	(8,958)
Total Service Costs	16,011,220	16,523,412	512,192
Contingency	124,170	0	(124,170)
Investment Income	(1,682,500)	(1,904,374)	(221,874)
Property Income	(2,029,400)	(1,751,595)	277,805
Net expenditure	12,423,490	12,867,443	443,953

Contribution to funds:

Total Contribution to Funds	230,000	248,649	18,649
Total Usage of funds	(240,000)	(227,864)	12,136
	(10,000)	20,785	30,785
Amount to be financed	12,413,490	12,888,228	474,738
Contribution to/(from) balances	(311,940)	5,490	317,430
Contribution from carry forwards	(64,260)	(64,260)	0
Budget requirement	12,037,290	12,829,458	792,168
Government contribution	(6,957,140)	(6,957,140)	0
Collection fund transfer	9,680	9,680	0
VAT repayment + compound interest	0	(195,107)	(195,107)
LABGI	0	(343,081)	(343,081)
Housing & Planning Delivery Grant	0	(231,480)	(231,480)
Area Based Grant	0	(22,500)	(22,500)
Gross Amount to be met from CT	5,401,770	5,148,600	(317,430)
Net Amount to be met from CT	5,089,830	5,089,830	0

Use of revenue reserves & provisions

	Net Budgeted Amount £	Actual £	Variance £
Building Regulations Trading	10,000	0	-10,000
Election equalisation fund	-60,000	-60,000	0
Local Development Framework Fund	10,000	10,000	0
Reservoir Fund	70,000	70,000	0
Self-insurance fund	-10,000	-56,649	-46,649
Lottery grant matched funding	-50,000	-50,000	0
Private estates fund	40,000	40,000	0
Rent guarantee fund	0	12,539	12,539
Reversal from bad debt provision	0	13,325	13,325
Total	10,000	-20,785	-30,785

2008/09 Outturn Variances against Working Budgets for all Service Accounts

CC	Name	Exp Var	Inc Var	Total Var	C/f approved	Reason
BC01	Building Control	-38,627	-34,100	-72,727		Underspends due to savings on vacant posts. Income exceeded target notwithstanding downturn in demand for services.
CL31	Public Conveniences	-766	1,175	409		
DS11	Emergency Planning	336	0	336		
DS21	Address Management	4,485	-2,033	2,452		
DS31-84	Direct Services	6,585	31,719	38,304		Increased expenditure on Thames Water sewerage charges. Income down from work done on behalf of SODC for sewerage transfer, pump stations and sewer blockages and from all clients for contract minor works.
PS11	Land Drainage	9,608	0	9,608		Unbudgeted purchase of flood prevention equipment.
PS21	Facilities Management	6,777	6,438	13,215		A number of small expenditure variances. The main expenditure pressure being the increase in electricity costs. Income was under target on account of Capita reducing the office space they rented.
PS31	Estates Management	-1,957	-1,000	-2,957		
PS51	Mobile Homes Park	11,257	-30,437	-19,180		There was greater than budgeted income from commission on sales of mobile home park pitches.
PS61	Property Management - Operational Buildings	846	0	846		
PS71	Property Mngt - Non operational buildings	52,318	-63,807	-11,489		Unbudgeted receipt of rental income from properties in Bridge Street Abingdon. No income had been assumed in the 2008/09 budget as it was assumed the properties would have been vacated after the start of the Old Gaol development.
PS81	Pumping stations	2,087	-1,416	671		
	Commercial Services	52,949	-93,461	-40,512	0	
				0		
AD01	Arts Development	-276	14,265	13,989		All projects were still in progress at year end and did not become chargeable until 2009/10.

2008/09 Outturn Variances against Working Budgets for all Service Accounts

CC	Name	Exp Var	Inc Var	Total Var	C/f approved	Reason
CC11	Civic Hall	-17,052	12,050	-5,002		Vacant facility manager post and reduction in pension costs due to staff opting not to join the pension scheme. Income was down due to a general decline in customers seeking cheaper alternatives with a lesser service given.
CC12	Civic Hall Bar	-5,008	3,439	-1,569		Under spend on staff costs offset by lower than budgeted income from sales.
CC21	Guildhall	4,837	18,429	23,266		Employee numbers were at full establishment and working hours not reduced as budgeted due to no withdrawal from Theatre Organ Preservation Society contract. This was off-set against non essential expenditure on supplies and services. Income was down primarily as a consequence of internal recharges and should be reflected in reduced costs elsewhere in the Council's budget.
CC22	Guildhall Bar	4,695	-7,853	-3,158		There was an overspend against the bar supplies budgets which was more than offset by increased sales income.
CL11	Waste Strategy	-16,558	-2,475	-19,033		Saving as a consequence of employee not in the pension scheme.
CL21	Waste Minimisation	-710	0	-710		
CL41	Recycling	163,481	-72,935	90,546		Additional contract costs due to extra vehicle and additional processing costs. Income from brown bins below budgeted figure pending the full identification of customer numbers.
CL51	Refuse Collection	-81,412	88,766	7,354		Decreased costs as a result of a reduction in abandoned vehicles with the consequence that less income was received from Oxfordshire County Council for the reimbursement of costs.
CL61	Street Cleansing	23,601	-341	23,260		The decision was made not to take a proposed saving in street cleaning services which resulted in a budget pressure.

2008/09 Outturn Variances against Working Budgets for all Service Accounts

CC	Name	Exp Var	Inc Var	Total Var	C/f approved	Reason
CL71	Dog Waste	-4,803	-1,450	-6,253		Non essential expenditure was put on hold and increased income was received from parish councils for the emptying of dog waste bins.
LS01	Landscape Services	4,997	-5,670	-673		
PA11	Highways Agency	663	-3,641	-2,978		
PA21	Grounds Maintenance	7,456	-3,290	4,166		Staff were at full establishment throughout the year.
PA41	Parks & Open Spaces	-3,819	5,411	1,592		The income budget was transferred to Property Services.
RE01	Reprographics	-15,069	34,072	19,003		Non essential expenditure was put on hold. The drop in income was due to reduced volumes. This is primarily internal recharge and should be offset by a reduction in cost elsewhere in the budgets.
SD01	Sports Devpt	-32,921	884	-32,037	3,450	Savings as a consequence of vacant posts and the re-grading of one post from 6 to 4.
SD02	Go Active	7,670	-12,918	-5,248	5,260	
SR11	Contracts & Procurement Support	-47,491	20,000	-27,491		Savings on account of a vacant post of Leisure Planning and Projects. A shortfall in S106 income to offset the post which was not filled.
SR21	Sport & Recreation Operations	-11,589	-2,232	-13,821	5,000	Savings on account of a vacant post of Client and Monitoring Officer and the air handling project at Farringdon being put on hold.
SR31	Wantage LC client	42,149	0	42,149		Provision made at year end for an additional SOLL utility cost claim.
SR41	Faringdon LC Client	12,709	0	12,709		Provision made at year end for an additional SOLL utility cost claim.
SR51	Tilsley Park Client	8,549	-1,822	6,727		Provision made at year end for an additional SOLL utility cost claim.
SR61	WH Tennis & LC	-4,305	0	-4,305		Non essential expenditure put on hold.
SR71	Fitzharris Common Room	-272	132	-140		
SR91	Abingdon Outdoor Pool	68	-3,255	-3,187		One-off reimbursement in NNDR income.
Contracts & Procurement		39,590	79,566	119,156	13,710	

2008/09 Outturn Variances against Working Budgets for all Service Accounts

CC	Name	Exp Var	Inc Var	Total Var	C/f approved	Reason
CT11	Committee Management	-18,905	-68	-18,973		Vacant Assistant Democratic Services post for most of the year.
CT21	Member Services	2,410	18	2,428		
CT31	Town & Parish Support	-1,068	3	-1,065		
CT51	Members' Allowances	-33,333	3	-33,330		Savings achieved following the implementation of the 2008 Members' Allowances Scheme when Special Responsibility Allowances were amended.
CT61	Members' Support Administration	20,581	0	20,581		Payment in lieu of notice for members' support officer.
EL11	Elections	3,215	-5,422	-2,207		
EL21	Electoral Registration	4,275	-2,962	1,313		
Democratic Services		-22,825	-8,428	-31,253	0	
PD31	Health Development	-1,013	0	-1,013		
EP11	Environmental Health	7,280	1,840	9,120		No staff vacancies through the year.
EP21	Water Environment	2,953	-5	2,948		No staff vacancies through the year.
EP22	General Environment	26	240	266		
EP23	Terrestrial Environment	2,784	-1,049	1,735		No staff vacancies through the year.
EP24	Air	1,864	-1,694	170		No staff vacancies through the year.
EP25	Noise	3,398	70	3,468		No staff vacancies through the year.
EP31	Animal Control Management	462	0	462		
EP32	Pest Control	-1,353	5,183	3,830		Lower than budgeted income for year.
EP33	Environmental Warden	-3,727	-2,086	-5,813		
EP41	Food Safety	5,219	-3,468	1,751		No staff vacancies through the year.
EP42	Health & Safety	8,757	-2,555	6,202		No staff vacancies through the year.
LC11	Licensing	-40,504	5,954	-34,550		Salary costs incurred under LC31 - realignment of budgets needed.
LC31	Taxi Licensing	40,297	-9,486	30,811		Greater than forecast income.
Environmental Health		26,443	-7,056	19,387	0	
RS13	Audit	-14,778	2,623	-12,155		Delay in appointing to shared Risk Management Officer post resulting in lower costs.
RS22	Accounts Payable (Capita)	-6	0	-6		
RS23	Sundry Debtors (Capita)	14	0	14		

2008/09 Outturn Variances against Working Budgets for all Service Accounts

CC	Name	Exp Var	Inc Var	Total Var	C/f approved	Reason
RS31	Council Tax (Capita)	49,166	-21,180	27,986		£24k covered by additional grant. £4k net increase relates to unexpected inflationary increase applied to Capita Cash Collection Guarantee.
RS32	Business Rates (Capita)	-11,196	-364	-11,560		
RS41	Benefits Administration	-	36,360	-84,385		An accrual for costs relating to 2007/08 was not required. An accrual for income receivable under the terms of the payment and performance mechanism was not fully achieved.
		120,745				
RS42	Payment of Housing Benefit	-47,979	73,356	25,377		Reduction in cost and income based on year end position notified by Capita through the final claim for Housing and Council Tax Benefit.
RS43	Payment of CT Benefit	-	135,944	-257		Reduction in cost and income based on year end position notified by Capita through the final claim for Housing and Council Tax Benefit.
		136,201				
RS51	Benefit Fraud	-76,524	36,985	-39,539		Vacant fraud investigator posts with a shortfall in rechargeable costs to SODC as a result.
RS61	Assisted Transport (Capita)	229,491	-295	229,196		The demand for concessionary fares exceeded budget allocation.
RS62	Mortgages (Capita)	607	-900	-293		
RS71	Accountancy	-15,575	-864	-16,439		Vacancies in the team throughout the year resulted in lower than budgeted recharges from SODC.
RS73	Revenues & Benefits Client SSP	223,207	-212,893	10,314		£17k overspend due to full establishment. The balance relates to NNDR and Council Tax court costs. These court costs are offset by related court income.
SB21	Unapportioned Overheads	-45,195	0	-45,195	21,210	Reduction in past service pension costs.
	Finance Ridgeway	34,286	48,772	83,058	21,210	
CS11	CCTV	-32,823	1,471	-31,352		Saving made on telephone costs and non essential maintenance work put on hold.

2008/09 Outturn Variances against Working Budgets for all Service Accounts

CC	Name	Exp Var	Inc Var	Total Var	C/f approved	Reason
CS21	Community Safety Strategy	-32,928	14,903	-18,025	8,645	Unspent grant income allowed as a budget carry forward to next year. Reduced grant income of 14% reduction in Area Based grant received.
HE11	Housing Provision (Enabling)	-56	0	-56		
HE21	Enabling (Private Sector Grants)	19,852	-105	19,747		Overspend on salaries due to full establishment and unbudgeted agency costs. The base budget omitted the Technical Admin Assistant post which was not on the staffing establishment list.
HE31	Regulation	-344	-300	-644		
HE41	Home Energy Conservation	-22,210	0	-22,210		Underspend on salary costs - the budget associated with the implementation of the Council's Climate Change Strategy not fully required.
HM11	Housing Register	-12,444	0	-12,444		Reduced expenditure on the Allocations Officer post and unpaid staff leave.
HM21	Homelessness	-16,437	-15,000	-31,437	3,690	
HM31	Temporary Accommodation	21,710	56,361	78,071		Increased B&B costs resulting from slowdown in transferring from temporary accommodation. Reduction in rent income and the impact of unbudgeted deductions for subsidy overpayments.
HP01	Housing Strategy/Policy	-2,965	-10,193	-13,158		Unbudgeted reimbursements for personal use of phones.
Housing & Community Safety		-78,645	47,137	-31,508	12,335	
				0		
LG11	Legal Services	25,140	-7,386	17,754		Overspend on agency costs resulting from in-year vacancies (now filled) and overspend on legal books and publications. Unbudgeted rechargeable income due to staff secondment, partially offset by lower than projected cost fee income.
LG21	Local Land Charges	-4,188	186,937	182,749		Shortfall in demand for land searches.
Legal Services		20,952	179,551	200,503	0	

2008/09 Outturn Variances against Working Budgets for all Service Accounts

CC	Name	Exp Var	Inc Var	Total Var	C/f approved	Reason
CH11	Organisational Change	-76,821	-22,080	-98,901	11,890	Work on the business process re-engineering project halted due to shared services agenda (£35k). (£12.5k) one-off saving from Backup and Restore project. (£5.3k) year-on-year savings on contracts. Additional income (£21k) for the virtual office project received. Other non essential expenditure put on hold.
CH12	Mapping Service	-5,548	0	-5,548		Non essential expenditure was put on hold.
CH21	Organisational Development	-1,139	0	-1,139		
CH31	Performance Management	1,042	0	1,042		
CM11	Consultation	-4,417	0	-4,417		
CM31	Corporate Communication	19,746	2,100	21,846		The internal budget for printing costs was insufficient to cover the increased recharges from reprographics.
CN11	Corporate Administration	-48,619	10,000	-38,619		Vacancies were not filled pending the reorganisation. Income from Capita was less than budgeted for.
CN21	Faringdon Cash Office	3,319	0	3,319		
CN31	Wantage LSP	-8,178	24	-8,154		Savings on employee costs.
CN41	Abingdon LSP	-11,041	-101	-11,142		Underspends on supplies and services.
CN51	Duty Officers	45	0	45		
CN61	Corporate Postal Service	-35,623	1,580	-34,043		Vacancies not filled pending possible re-organisation.
HR11	Training & Development	-8,549	0	-8,549		A number of training courses were postponed.
HR21	Recruitment & Selection	-31,043	0	-31,043		A part time vacancy and a slow down in recruitment.
HR31	Employee Relations	4,415	4,183	8,598		There is an overspend on salaries because there were no vacancies and there was an inappropriate income budget which has been corrected in the new year budget.
HR41	Payroll (Vale)	-1,931	0	-1,931		
HR51	Welfare	2,219	0	2,219		

2008/09 Outturn Variances against Working Budgets for all Service Accounts

CC	Name	Exp Var	Inc Var	Total Var	C/f approved	Reason
HR61	Health & Safety	1,763	0	1,763		
HR71	Policy Development	4,137	-500	3,637		
Organisational Development		-196,223	-4,794	-201,017	11,890	
CD11	Economic Development	-5,785	6,038	253		Loss of income from outsourcing visitor guide.
CD21	Youth Development	382	0	382		
CG11	Community Grants	15,412	-12	15,400		Fully staffed throughout year.
CP11	Car Park Strategy	5,521	-18	5,503		Fully staffed throughout year.
CP21	Car Park Operations	6,766	126,342	133,108		More than budgeted use of DSO increased costs. Income from parking fees and season tickets reduced.
CP31	Excess Charges Administration	-21,049	-1,614	-22,663		Staff vacancies held.
DC11	Development Control	-30,784	236,440	205,656		Underspend on the use of the reservoir fund. Planning fee income substantially below budget partially offset by use of £140,000 historic PDG
DC21	Planning Delivery Grant	-104,793	104,793	0		Reduction in the use of historic PDG.
DP01	Development Policy	10,516	-207	10,309		Fully staffed throughout year.
Planning & Community Development		-123,814	471,762	347,948	0	
CE01	Civic Responsibility	-5,351	95	-5,256	2,500	Reduced use of Guildhall for meetings.
Chief Executive's Strategy		-5,351	95	-5,256	2,500	
SB11	Corporate Core	121,127	-122,129	-1,002		Vale CEO redundancy costs are offset against a saving on recruitment costs of SMT which are less than originally expected. Unbudgeted recharge to Oxford City Council for two months of Strategic Director post and recharge to SODC for share of management team.
Strategy SB		121,127	-122,129	-1,002	0	
TS11	Strategic Management	-8,858	0	-8,858		Expenditure lower than budgeted on account of there being no strategic director in post.
TS21	Community Safety Mediation	-100	0	-100		
Strategy TS		-8,958	0	-8,958	0	

2008/09 Outturn Variances against Working Budgets for all Service Accounts

CC	Name	Exp Var	Inc Var	Total Var	C/f approved	Reason
SB31	Contingency	-124,170	0	-124,170		
VA01	Property Trading	213,973	43,833	257,806		Increased voids and increases in anticipated rent review income have not materialised. Both as a consequence of the economic slowdown.
VA02	Mobile Home Parks Trading	1,775	18,225	20,000		One redevelopment is in progress but did not happen in 2008/09.
VA03	Investment Interest	0	-221,875	-221,875		The sharper fall than expected in interest rates has meant that the council's fund manager has made greater capital gains on certificates of deposit than expected on their holding.
Total		-48,891	431,198	382,307	61,645	

Total variation	382,307
Plus approved c/f	61,645
	<u>443,952</u>

Executive report

7 August 2009



Report of Head of **HR, IT and Customer Services**

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Report no. 34/09

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Joint risk management strategy

Recommendations

That Executive adopts the joint Risk Management Strategy attached to this report.

1. Purpose of Report

- 1.1 For Executive to approve the Risk Management Strategy 2009 to 2012. We sought separate approval from South's Cabinet on 2 July 2009.

2. Relationship with Corporate Plan

- 2.1 Having an up to date risk management strategy will help both councils in meeting their shared strategic objective of 'managing our business effectively'. It also supports all of both councils' strategic objectives by setting out an approach that will systematically identify and reduce risks to the delivery of services, performance targets and projects. The adoption of the strategy will also enable both councils to meet a requirement of the government's Comprehensive Area Assessment (CAA) framework, which requires every council to 'manage its risks and maintain a sound system of internal control'.

3. Background

- 3.1 South's Cabinet approved South's original risk management strategy on 7 July 2005, and since that time, South's approach to risk management has become fully embedded. Regular reports to South's Audit and Corporate Governance Committee have shown that strategic and operational risks are under good control, with the level of risk (likelihood and severity of adverse event occurring) falling gradually over the years. Though Vale has no formally adopted risk management strategy, it has put into place similarly effective arrangements.

4. A joint approach to risk management

- 4.1 As a consequence of the shared management arrangements, management team asked South's business improvement team to facilitate and coordinate the rationalisation of the two existing approaches to risk management in each council. To lead this, the council appointed a corporate risk officer in December 2008, part of whose time is funded by Vale.
- 4.2 Since then, we have taken successful elements of both councils' approaches to form an even better and more consistent approach for both councils. For example, discussion with Vale officers led to the decision to use the South's process of integrating risk management with service planning and performance management, whereas the Vale approach of assessing both 'gross risk' and 'net risk', i.e. the level of risk before and after management controls are put in place, has been adopted jointly as best practice.
- 4.3 We have produced an operational risk register template that is common to both councils and reflects the revised management structure. Each service area has two risk champions (one at each council) and they are currently undertaking the annual refresh of their service's operational risk registers. Management team has met to refresh the strategic risk register and work is currently underway to finalise the contents.
- 4.4 The new joint approach to risk management being adopted by both councils is described in the joint risk management strategy accompanying this report. This:
- outlines the councils' approach to risk management
 - sets out the contribution of risk management to the effective management of the councils
 - sets out the means of identifying, analysing, managing, controlling and monitoring risks
 - provides an overview of the key roles, responsibilities and structures in place for managing risk
 - helps the councils meet their strategic objectives, corporate priorities, local and national targets, improve service delivery and support better project management
 - achieves better decision making through an understanding of relevant risks
 - protects the councils' assets, including property, equipment, vehicles etc and reduce associated losses
 - complies with government guidance and Statutory Instruments relating to risk management
 - will demonstrate the commitment of South's Cabinet, Vale's Executive and management team to effective risk management
 - maintains effective control of public funds, minimise waste, fraud and poor value for money
 - provides evidence to the Audit Commission of an effective approach to risk management, and thus contributes to a positive outcome in CAA.

5. Financial, legal and any other implications

- 5.1 There are no direct financial implications of this report other than both councils are joint funding the corporate risk officer post, within existing budgets. The post is in the budgeted establishment at South, with Vale contributing 40 per cent of salary costs for risk management and 10 per cent for business continuity (total 50 per cent).

- 5.2 For risks which are identified as part of the risk management process as being unacceptable, some of the actions required to reduce the likelihood or impact of those risks may have financial consequences. For 2009/10, heads of service have confirmed that they can manage identified risk from within existing resources, with the exception of those actions whose costs have been included in the 2009/10 budget agreed by Council.
- 5.3 The Accounts and Audit Regulations 2003 require us to be responsible for ensuring that we have a sound system of internal control which facilitates the effective exercise of the councils' functions and which includes arrangements for the management of risk and measures to ensure that risk is appropriately managed. We have to demonstrate these arrangements in the Annual Governance Statement.
- 5.4 In addition, the Civil Contingencies Act 2004, places a duty on councils to assess the risk of an emergency occurring and to maintain plans for the purpose of ensuring that if an emergency occurs, the councils are able to perform their functions. Both councils are already meeting the requirements of this Act by each having (separate to the risk management strategy) an emergency plan and business continuity arrangements.
- 5.5 The adoption of the risk management strategy, together with progress made towards implementing the risk management process, will help the council to meet these duties, although the strategy goes far beyond statutory requirements relating to emergencies and business continuity by identifying many other kinds of risk.

6. Conclusion

- 6.1 The strategy describes how both councils are approaching risk management by making it a way of life, through linking it to the existing well-established cyclical process of service planning and budgeting, and rationalising the process between the two councils.
- 6.2 The adoption of the joint risk management strategy will help both councils:
- embed the risk management process by setting out the means of identifying and managing risks
 - meet their strategic and operational objectives, improve service delivery and support better project management
 - achieve economies of effort through having a single process at both councils
 - meet the requirements of the Comprehensive Area Assessment.
- 6.3 We presented this report to South's Audit and Corporate Governance Committee on 29 June 2009 and Vale Audit and Governance Committee on 30 June 2009. The committees noted the report and strategy and agreed to the recommendation to recommend to South's Cabinet and the Vale's Executive to approve the risk management strategy. South's Cabinet approved the strategy on 2 July 2009.
- 6.4 Executive is recommended to approve the risk management strategy accompanying this report.

Background Papers: Risk Management Strategy



Listening Learning Leading



Risk management strategy

2009 – 2012

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1 – Context

SCOPE

1. This is a combined risk management strategy for South Oxfordshire District Council and Vale of White Horse District Council.

WHAT IS RISK MANAGEMENT?

2. Risk can be defined as the possibility of something happening, or not happening, that would have an impact on an organisation's ability to meet its strategic or operational objectives. All organisations exist to achieve their objectives. The purpose of risk management is to manage the barriers to achieving these objectives.
3. Risk management can be defined as the process of identification, analysis, prioritisation, management and monitoring of risks, and any resulting actions, which would reduce the likelihood or impact of the risk occurring. Risk management is thus a strategic tool and is an essential part of the effective and efficient management and planning of the councils' operations.

LOCAL AND NATIONAL DRIVERS

4. There are a number of local and national factors that drive risk management.

Business improvement and performance management

5. Effective risk management enables the councils to identify, prioritise and manage barriers in the achievement of strategic objectives, corporate priorities, targets and service plan actions. It also supports the organisation in taking and managing significant risks to increase confidence and ability to successfully deliver innovative and challenging projects. Risk management helps to enhance performance at all levels of the performance management framework and to demonstrate commitment to continuous improvement.

Corporate governance framework

6. Risk management and assurance form part of the corporate governance for local authorities. It involves ensuring that risk management is embedded into the culture of the authority; with councillors and officers at all levels recognising that risk management is part of their role within the council. The Accounts and Audit Regulations 2003 require us to be responsible for ensuring that we have a sound system of internal control which facilitates the effective exercise of the councils' functions and which includes arrangements for the management of risk and measures to ensure that risk is appropriately managed. We have to demonstrate these arrangements in the Annual Governance Statement.

Comprehensive Area Assessment (CAA)

7. The Audit Commission's CAA framework introduced in 2009 looks at the public services delivered by the councils and their partners including the private and voluntary sectors. The councils' risk management arrangements will form part of the 'Use of

resources' self-assessment which the councils are required to submit to the Audit Commission. The use of resources assessment forms part of CAA and will also feed into other relevant performance assessment frameworks as appropriate. The use of resources assessment considers how well organisations are managing and using their resources to deliver value for money and better and sustainable outcomes for local people. It is structured into four themes. One of the themes called 'governing the business' includes an element on risk management. This requires councils to demonstrate that they manage risks, have a clear strategy and effective arrangements, including allocation of appropriate resources.

Civil Contingencies Act 2004

8. In addition, the Civil Contingencies Act 2004, places a duty on councils to assess the risk of an emergency occurring and to maintain plans for the purpose of ensuring that if an emergency occurs, the councils are able to perform their functions. Both councils are already meeting the requirements of this Act by each having (separate to the risk management strategy) an emergency plan and business continuity arrangements.

2 – Risk management outcomes

9. We have implemented a rationalised risk management approach based on good practices already in place at each council. The final stage of this process is that we have produced this combined risk management strategy for South Oxfordshire District Council ("South") and Vale of White Horse District Council ("Vale").

CORPORATE PRIORITIES

10. Effective risk management contributes towards both councils' ability to meet their corporate priorities by:
- identifying barriers to achievement and implementing actions to reduce the likelihood or consequences of potential risks occurring
 - a greater awareness and understanding of potential risks and their ability to be controlled will help the councils become less risk averse
 - improving service planning through a risk based decision making process, resulting in prioritised actions that focus on managing risks and directing resources to achieve maximum benefit and value for money.

RISK MANAGEMENT STRATEGY - DESIRED OUTCOMES

11. The intended outcomes resulting from implementation of this strategy are to enable both councils to:
- comply with government guidance and statutory instruments relating to risk management
 - have a strategic approach to risk management which is supported by councillors, management and staff
 - have a simple view of risks on a service basis with the knowledge and confidence that risks are being managed or reduced within each service area
 - have a clear risk management process and standards that managers support and understand
 - formally use the risk management process for all key decisions
 - integrate risk management into normal business practices
 - have the ability to demonstrate that risk management is embedded in business processes, including strategic planning, financial planning, policy making and review, performance management and project management.

3 – Approach

ROLES AND RESPONSIBILITIES

12. A senior officer takes responsibility for embedding risk management throughout each council. Heads of service, service managers, risk champions and staff all have specific responsibilities. These are detailed in appendix 1.
13. The risk management process is coordinated by the corporate risk officer. Each service has a risk champion, which is often the head of service, or a nominated officer who has a broad understanding of the service's operations and projects. The risk champion acts as the point of contact for risk management enquiries, coordinates the annual risk review process, regularly reviews risks and ensures risk mitigating actions are taken.
14. Councillor responsibility for corporate risk management is identified in the terms of reference of the Audit and Corporate Governance Committee (ACGC) (South) and Audit and Governance Committee (AGC) (Vale). The committees provide effective challenge of the risk management process and outcomes.

METHODOLOGY

15. The risk management process in place at both councils has been guided by the Zurich Municipal Management Services (ZMMS) STORM[®] methodology (Strategic and Organisational Risk Management). This is a structured, systematic methodology for identifying, analysing, prioritising, managing and monitoring risk at both strategic and operational levels. The five stages are summarised in appendix 2.
16. There is a separate more detailed guidance document specific to the risk management process that is available on the intranet.

RISK REGISTERS

17. Each council maintains a separate register of their strategic and operational business risks, which:
 - links risks to strategic objectives
 - assesses both the gross and net risks for likelihood and impact
 - assigns named individuals to lead on actions identified to mitigate (reduce the likelihood and/or consequences of) each risk.
18. Each service has its own operational risk register and the risk champion records the risks identified by their team. Heads of service endorse their specific risk registers when they are updated and the risk management process ensures that we review and update the operational risk registers on a quarterly basis.
19. Management team are responsible for the strategic risk register, which they review on a regular basis. The strategic risk register is presented to ACGC (South) and AGC (Vale) on a regular basis.

PARTNERSHIP WORKING

20. The councils' risk management process considers and manages risks in relation to significant partnerships. Management team regularly reviews the risks of joint working, collaborations and partnerships. This includes joint service delivery with the councils' main contractors and organisations in the public and private sector. Separate guidance on partnership risks is available via the intranet.

BUSINESS CONTINUITY

21. The Civil Contingencies Act 2004 places duties on the councils to assess the risk of an emergency occurring and to maintain plans for the purpose of ensuring that, if an emergency occurs, the councils are able to continue to perform their functions. In response to this requirement, Vale drafted a Business Continuity Strategy Statement in September 2007 and South agreed a Business Continuity Strategy in August 2006 that was approved by Cabinet. Both councils also have an Emergency Plan.

22. Following the management restructure, management team made the decision to rationalise the approach to business continuity between the two councils and create a process that was common to both. We have written a draft Joint Business Continuity Strategy to serve both councils and anticipate it will be approved by Executive (Vale) and Cabinet (South) towards the end of 2009/2010.

23. The current business continuity arrangements ensure that each council has a crisis management plan and a set of service business continuity plans in place. The purpose of these plans is to set out a process for continuing to provide public services in the event of a disruption to the councils' normal operations. The plans are designed to be implemented in the event of any significant disruption. The crisis management plan is owned by a strategic crisis team (SCT), made up of members of management team and other key officers, whose role is to provide overall direction in recovery of service activities, to make decisions on the councils' priorities and coordinate resource requirements across the organisation. Each service team has its own business recovery team with sufficient resilience to implement the business continuity plan in the event that one or more team members are unavailable. These plans are reviewed and tested on a regular basis.

24. We need to obtain assurance on the viability of our significant contractors' and partners' business continuity plans and because we outsource many of our services, business continuity arrangements with suppliers are to be included in the plans. At South, the pre-qualification questionnaire used for all major procurements asks for details of the supplier's business continuity arrangements and we assess this information as part of the tender evaluation. There is a standard contract term that requires key suppliers to have business continuity arrangements in place. South has also held a workshop and issued guidance to help its biggest contractors improve their business continuity arrangements. We will introduce the above process at Vale during 2009/2010.

TRAINING

25. All those involved in the organisation's risk management arrangements are given relevant training and guidance. The risk champions within each service will be suitably

trained to enable them to take responsibility for managing risk within their area and provide assurance to their head of service that risks are being managed effectively.

26. The Audit and Corporate Governance Committee at South has received risk management awareness training and are regularly briefed on the risk management process when they receive a report. We intend to provide suitable awareness training to Audit and Governance Committee at Vale in 2009/2010 and submit regular risk management update reports.

REVIEW AND REPORTING

27. The risk management approach and the supporting procedures are reviewed and updated at least annually.
28. Management team will approve each council's risk register on an annual basis and review the operational risk registers regularly, noting any risk mitigating actions that have not been implemented.
29. South ACGC and Vale AGC will review the strategic risk registers on a regular basis and receive regular reports on how strategic and operational risks are being managed. Both committees will review an annual report as part of the annual governance statement.
30. ACGC and AGC review the risk management approach and supporting procedures and comment on drafts of this risk management strategy before approval by South Cabinet and Vale Executive.
31. Committee reports to support strategic policy decisions, and initiation documents for all major projects, include the requirement and guidance for carrying out a risk assessment.

Appendix 1 – Roles and responsibilities

32. This appendix describes the roles and responsibilities that councillors and officers play in introducing, embedding and owning the risk management process:

CHIEF EXECUTIVE AND MANAGEMENT TEAM

33. The overall responsibility for effective governance and risk management in both councils lies with the chief executive, who, supported by management team, will

- recommend to South's Cabinet and Vale's Executive the risk management strategy and subsequent revisions
- provide strategic leadership, direction and oversight of the risk management process
- promote, demonstrate and embed risk management within the council as part of usual activities, including the sharing of best practice and experience between services
- actively identify, assess and monitor strategic risks on a regular basis
- ensure that appropriate training is provided to enable staff to carry out their duties as defined in the risk management strategy
- conduct reviews of the operational risk register
- the chief executive is required to agree and sign the annual statement of internal control (assurance statement).

34. Individual strategic directors are responsible for developing relevant action plans for the key risks identified within the strategic risk register and establishing relevant performance indicators to measure their performance through the performance management framework.

HEADS OF SERVICE

35. All heads of service are responsible for:

- actively identifying, assessing and monitoring operational risks on a regular basis
- ensuring that risk assessments are undertaken in their service areas, and that risks identified are prioritised and entered onto the risk register
- highlighting any emerging trends and unacceptable risks and providing actions plans for elimination or minimisation of such risks
- incorporating risk management actions into service plans
- ensuring risk assessments are reviewed at least annually or when a change of circumstances dictates
- ensure that there are policies, protocols and procedures in place that are communicated to and followed by staff to minimise risks

- ensure all staff, contractors (both on-site and off-site) and members of the public are informed of any risks that they may be exposed to and the action that has been taken to reduce or eliminate them
- ensuring adequate communication, training, assessment, monitoring and proactive action is taken with regard to risks
- ensuring that where incidents have occurred, they are reported, practices reviewed, and where appropriate, procedures and activities changed based on current best practice
- ensuring that the risk management process is part of all major projects and change management initiatives
- where appropriate in reports written for councillors, to include a risk assessment of the options presented for a decision
- monitoring and reviewing relevant performance indicators regularly to reduce or control the significant risks via the performance management framework.
- appoint a service risk champion and ensure that they have adequate skills, training, resources, information, knowledge and supervision to undertake their duties
- ensuring that all staff working within their service receive adequate training to enable them to work safely and discharge their responsibilities under the risk management strategy.

LINE MANAGERS

36. All line managers are responsible for:

- implementing this strategy at team level by ensuring adequate communication, training and the assessment and monitoring of risks
- undertaking risk assessments throughout their area of responsibility, and that risks identified are prioritised and entered onto the risk register
- highlighting any emerging trends and unacceptable risks and providing actions plans for elimination or minimisation of such risks
- ensuring that policies, protocols and procedures are communicated to staff and are followed
- ensuring that all incidents are reported in accordance with the council's incident reporting procedure
- ensure all staff, contractors (both on-site and off-site) and members of the public are informed of any risks that they may be exposed to and to the action that has been taken to reduce or eliminate them
- ensuring that there is an effective system for consultation and communicating health and safety information throughout their teams
- ensuring staff have suitable and sufficient training to undertake their work safely and competently.

OFFICERS

37. All officers are responsible for:

- considering risk as part of everyday activities and provide input to the risk management process
- reporting to their line managers all faults, hazards, unsafe practices, accidents, adverse incidents, dangerous occurrences and near misses, whether injury is sustained or not.

LEAD RISK CHAMPION – CORPORATE RISK OFFICER

38. The corporate risk officer is responsible for:

- leading and driving the implementation of a combined risk management approach at both councils
- acting as a single point of contact for risk management queries from all officers of the councils
- facilitating training of officers and councillors
- co-ordinating the completion of the combined risk register for each council
- ensuring adherence to the risk management process
- quarterly reviewing of service plan actions
- providing regular performance reports to management team and committees
- updating of procedure notes and guidance documents.

RISK CHAMPIONS

39. The duties of the risk champion include:

- acting as the first point of contact for risk management enquiries from their own service
- facilitate the dissemination of risk information to all levels within their service team
- regularly updating their manager on progress or otherwise being made in implementing risk management programmes
- liaising with the lead risk champion regarding progress with risk management developments
- providing basic advice to service team members, to allow them to be self sufficient in undertaking risk assessments
- where necessary initiate the risk assessment process, with the view to passing the responsibility during the course of the assessment onto the relevant manager(s)
- completing an annual risk review
- integrating risk actions into service plans
- ensuring risk actions are taken, and where not, raise with their head of service
- regularly review risk actions and projects for progress

- ensure colleagues are aware of risk-related issues within their area.

In order to undertake these duties the risk champions must be supported by the chief executive, directors, councillors and lead risk champion.

ROLE OF INTERNAL AUDIT

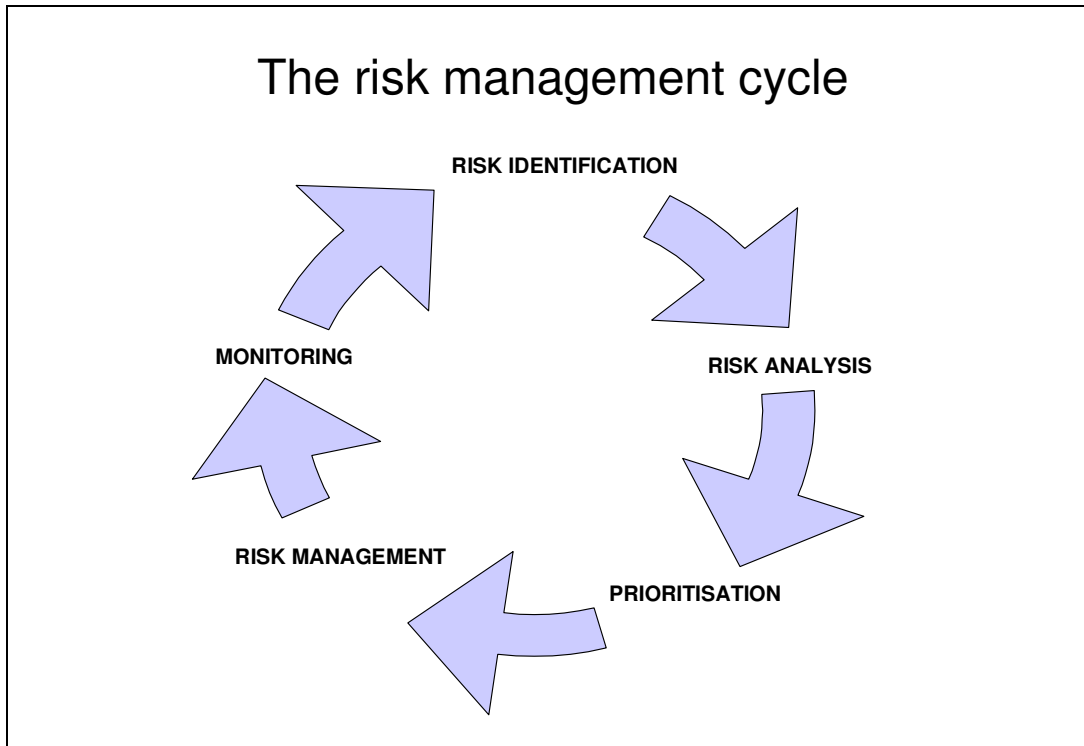
40. Internal audit's role is seen as challenging established processes, challenging risk identification and evaluation and providing assurance to officers and councillors on the effectiveness of controls. They will be responsible for undertaking an annual assessment of the council's risk management and internal control mechanisms as part of the review of corporate governance arrangements.

41. Internal audit will also need to feed the results of the corporate and service risk analysis into its annual audit programme.

Appendix 2 – Methodology

42. The five stages within the risk management process are the identification, analysis, prioritisation, management and monitoring of risks. Figure 1 outlines the risk management cycle and highlights the key stages of the risk management process.

FIGURE 1: THE RISK MANAGEMENT CYCLE



STAGE 1 – IDENTIFYING RISKS

43. There are 13 categories of risks that we consider when identifying risks and they should act as a prompt for those involved in the process. This ensures that a holistic approach to risk identification is taken and that the risk process does not just concentrate on operational, financial or legal risks.

- Political
- economic
- social
- technological
- legislative / regulatory
- environmental
- competitive
- customer / citizen
- managerial / professional
- financial
- legal
- partnership / contractual
- physical

STAGE 2 – ANALYSING THE RISKS

44. The purpose of analysing risks is to separate the major from the minor and also to consider the consequence of each risk. We analyse each risk by its 'vulnerability (the real or perceived situation that exposes the council to a risk), 'trigger' (an event or change in situation that has a negative result) and 'consequence' (the event that follows in the wake of the risk occurring), in order to build up a complete scenario of the risk.

STAGE 3 – PRIORITISING RISKS

Prioritisation

45. Each risk needs to be prioritised according to the potential likelihood of the risk occurring and its impact if it did occur. To measure the effectiveness our risk management activities, we undertake an evaluation of the risk before management action (gross risk) and an evaluation of the risk after management action (net risk). Initially we ascertain the gross risk rating, the gross risk being the risk that the council is exposed to without any risk control measure being in place. We then consider the risk control measures needed to reduce the likelihood and impact of the risk, ideally those risk control measures will already be in place and we undertake an assessment to confirm whether they are or not. To complete the prioritisation stage, we ascertain the net risk rating of the same risk by assessing the likelihood and impact of the risk taking into account the risk control measures already in place, using a risk matrix to determine the risk rating.

Risk appetite or tolerance

46. Risk appetite refers to the level of risk that the councils are prepared to tolerate. The councils' tolerance of risk is decided by management team for strategic risks, and this is used as the basis for risk tolerance thresholds in each service, though each head of service has discretion to set the tolerance threshold for that service. The need for a risk tolerance threshold arises because few organisations have sufficient capacity to manage every risk, and it must be decided which are the most important risks to focus resources on. All risks above the agreed appetite cannot be tolerated and must be managed down, transferred or avoided.

STAGE 4 – MANAGING RISKS

47. Most risks are capable of being managed – either by taking mitigating action to reduce the likelihood or impact or both. We control risks through service plans and the risk register. Management team and heads of service / risk champions routinely identify actions which would reduce or mitigate the likelihood and / or impact of risks. These action plans also identify the resources required to deliver the improvements, key dates and deadlines and critical success factors or key performance indicators.

48. Any risks that require management action in order to mitigate the risk to an appropriate level are subject to a deadline for implementation. This implementation date is included in both the service plan and the risk register to allow the action to be followed up with the appropriate officer. To ensure that risk actions are taken forward, all risk actions are added to service plans and where appropriate to the corporate plan.

Where additional resources are required to implement any risk mitigation actions, a growth bid is submitted as part of the annual budget setting process.

49. To ensure that risks are regularly managed effectively service/work plan actions will be followed up during the quarterly performance monitoring process. Management team is responsible for ensuring that they manage the key risks on the strategic risk register and heads of service are responsible for ensuring that they manage the key risks in their service risk register.

STAGE 5 – MONITORING RISK MANAGEMENT

50. On a cyclical basis throughout the year, heads of service make presentations to management team on the progress of their service plans. In this way, the combined strategic and operational risk register is regularly reviewed and risks re-prioritised where necessary. Amendments are made to risks to reflect the current situation, obsolete risks are deleted and new risks identified. This ensures that the risk registers and resulting risk mitigation measures are appropriate for the current service and corporate objectives. The risk registers are refreshed quarterly and also updated annually as part of the process of reviewing the corporate plan and developing service plans.
51. The combined risk register is reviewed on a regular basis and an assessment made as to whether management mitigation actions have been implemented. Heads of service are asked to provide evidence of mitigating actions implemented and risk register updated.
52. At least annually, heads of service are asked to confirm that they have reviewed the existing risks in the risk register to ensure they remain relevant and appropriately prioritised. This will be in addition to the identification to new risks during the service planning process.
53. It is part of South's Audit and Corporate Governance Committee and Vale's Audit and Governance Committee remit to review the risk management arrangements in place at both councils. The committees will receive risk management performance reports and review the strategic risk register on a regular basis. Both committees will also receive annual reports detailing the combined risk register and any changes in the tolerance levels.
54. Internal and external audits and inspections also monitor the effectiveness of the councils' risk management arrangements.