

# Governance and Audit Committee Meeting

**Grand Jury Room, Town Hall, High Street,  
Colchester, CO1 1PJ**

**Tuesday, 06 September 2022 at 18:00**

**The Governance and Audit Committee** considers and approves the Council's Statement of Accounts and reviews the Council's annual audit letter. The Committee also deals with the Council's governance, risk management and audit arrangements. To make recommendations to the Council on functions such as Elections and bye laws, and determine Community Governance Reviews.

## Information for Members of the Public

### Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is usually published five working days before the meeting, and minutes once they are published. Dates of the meetings are available here:

<https://colchester.cmis.uk.com/colchester/MeetingCalendar.aspx>.

Most meetings take place in public. This only changes when certain issues, for instance, commercially sensitive information or details concerning an individual are considered. At this point you will be told whether there are any issues to be discussed in private, if so, you will be asked to leave the meeting.

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## **Governance and Audit Committee - Terms of Reference (but not limited to)**

### **Accounts and Audit**

To consider and approve the Council's Statement of Accounts and the Council's financial accounts, and review the Council's external auditor's annual audit letter.

### **Governance**

To consider the findings of the annual review of governance including the effectiveness of the system of internal audit and approve the signing of the Annual Governance Statement.

To have an overview of the Council's control arrangements including risk management and in particular with regard to the annual audit plan and work programme, and to approve the policies contained in the Council's Ethical Governance Framework.

### **Other regulatory matters**

To make recommendations to Council on functions such as elections, the name and status of areas and individuals, and byelaws.

To determine and approve Community Governance Reviews.

### **Standards in relation to Member Conduct**

To consider reports from the Monitoring Officer on the effectiveness of the Members' Code of Conduct, and to advise the Council on the adoption or revision of the Code.

To receive referrals from the Monitoring Officer into allegations of misconduct and to create a Hearings Sub-Committee to hear and determine complaints about Members and Co-opted Members referred to it by the Monitoring Officer.

To conduct hearings on behalf of the Parish and Town Councils and to make recommendation to Parish and Town Councils on improving standards or actions following a finding of a failure by a Parish or Town Councillor.

To inform Council and the Chief Executive of relevant issues arising from the determination of Code of Conduct complaints.

To grant dispensations, and to hear and determine appeals against refusal to grant dispensations by the Monitoring Officer.

To make recommendations to Council regarding the appointment of Independent Persons.

### **General**

To review of the Constitution including governance issues around formal meetings, processes and member training and to make recommendations to Council.

**COLCHESTER BOROUGH COUNCIL**  
**Governance and Audit Committee**  
**Tuesday, 06 September 2022 at 18:00**

**The Governance and Audit Committee Members are:**

Councillor Paul Smith	Chair
Councillor Chris Pearson	Deputy Chair
Councillor Dave Harris	
Councillor Sam McCarthy	
Councillor Rhys Smithson	
Councillor Dennis Willetts	
Councillor Barbara Wood	

**The Governance and Audit Committee Substitute Members are:**

All members of the Council who are not Cabinet members or members of this Panel.

**AGENDA**  
**THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING**  
**(Part A - open to the public)**

**Please note that Agenda items 1 to 6 are normally dealt with briefly.**

**1 Welcome and Announcements**

The Chairman will welcome members of the public and Councillors and remind everyone to use microphones at all times when they are speaking. The Chairman will also explain action in the event of an emergency, mobile phones switched to silent, recording of the meeting. Councillors who are members of the committee will introduce themselves.

**2 Substitutions**

Councillors will be asked to say if they are attending on behalf of a Committee member who is absent.

**3 Urgent Items**

The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.

**4 Declarations of Interest**

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would

prevent them from participating in any discussion of the item or participating in any vote upon the item, or any other pecuniary interest or non-pecuniary interest.

**5 Minutes of Previous Meeting**

The Councillors will be invited to confirm that the minutes of the meeting held on 26 July 2022 are a correct record.

**Draft Governance and Audit minutes - 260722**

7 - 14

**6 Have Your Say! (Hybrid meetings)**

Members of the public may make representations to the meeting. This can be made either in person at the meeting or by joining the meeting remotely and addressing the Council via Zoom. Each representation may be no longer than three minutes. Members of the public wishing to address the Council remotely may register their wish to address the meeting by e-mailing [democratic.services@colchester.gov.uk](mailto:democratic.services@colchester.gov.uk) by 12.00 noon on the working day before the meeting date. In addition a written copy of the representation will need to be supplied for use in the event of unforeseen technical difficulties preventing participation at the meeting itself.



There is no requirement to pre register for those attending the meeting in person.

**7 Colchester Borough Homes Annual Governance Statement 2021/22**

15 - 24

The Committee will be asked to consider and comment on the Governance Assurance Statement of Colchester Borough Homes. The Committee will be further asked to accept the assurance provided by Colchester Borough Homes regarding its governance arrangements throughout 2021/22.

**8 Financial Monitoring Report – April to June 2022**

25 - 40

The Committee will consider a report setting out the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the first three months of 2022/23, and requesting that it note the forecast budget overspend of £1.007m on the General Fund.

**9 Capital Outturn 2021/22**

41 - 48

The Committee will consider a report requesting that it reviews the progress on the Capital Programme, and reviews the 'red, amber, green' rating for each scheme, as rated by the relevant project manager.

The Committee will consider a report setting out its work programme for the municipal year.

**Exclusion of the Public (not Scrutiny or Executive)**

In accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

**Part B**  
**(not open to the public including the press)**

## **GOVERNANCE AND AUDIT COMMITTEE**

**26 July 2022**

*Present:-* Councillor Paul Smith (Chair)  
Councillor Dave Harris, Councillor Sam McCarthy,  
Councillor Rhys Smithson, Councillor Dennis Willetts,  
Councillor Barbara Wood

*Substitutions:* Councillor Sam McLean for Councillor Chris Pearson

*Also Present:-* Councillor King\*, Councillor Cory\*

\* Attended remotely

### **319. Minutes of the previous meeting**

*RESOLVED* that: the minutes of the meeting of 21 June 2022 be confirmed as an accurate record.

### **320. Local Government Association Model Code of Conduct**

The Committee considered a report asking the Committee to review the model code of conduct and decide whether to make a recommendation to Council that it be adopted.

Andrew Weavers, Monitoring Officer, introduced the report to the Committee and assisted the Committee in its deliberations. The Borough Council had adopted its current Code of Conduct in 2012 and it had been subject to an annual review by the Governance and Audit Committee. It had served the borough well. In 2019 the Committee on Standards in Public Life had made a recommendation to the Local Government Association that it should produce a model Code of Conduct for all local authorities to consider adopting. This would improve consistency across authorities which would be particularly useful for those Councillors who served on more than one authority. The LGA had published a draft model code in December 2020, but there had been concerns amongst Monitoring Officers in Essex about the clarity of rules regarding declarations of interest and therefore they had not recommended it for adoption. In May 2021 a revised model code had been published which addressed these concerns.

Some of the highlights of revised code were:-

- It was written in the first person, which made it more personal.
- It contained specific provisions on social media, which made the position clearer and made the code more relevant.
- It provided commentary which was useful in understanding the obligations placed on members by the code and would also help ensure consistent interpretation.
- It provided a clear definition of bullying.

As a consequence, Monitoring Officers across Essex were recommending adoption, and a number of Councils in Essex had already adopted the model code.

It was appreciated that training for Councillors on the model code would be key and training would be provided to all councillors in advance of adoption. The LGA had provided a training pack to ensure a consistent approach across authorities. Town and Parish councils were also to be encouraged to adopt the model code, and it was noted that one in the Colchester area had already done so.

If the Committee recommended adoption the model code would be submitted to Council on 19 October 2022 with an implementation date of 1 December 2022.

In discussion the Committee were supportive of the new model code and stressed the importance of Councillors engaging with the training. Clarification was sought as to what plans there were to introduce the model code into the policies and processes of the Council's commercial companies. The Monitoring Officer advised that whilst the code would not apply directly to the companies, the code would apply to Councillors on the boards of the commercial companies, as they would be acting in their capacity as Councillors at that point.

The Committee also explored whether the model code would apply to all activities of Councillors, or whether the provision that the code did not apply to actions where an individual was not acting as a Councillor remained. The Monitoring Officer explained that the new model Code applied when an individual was acting as a Councillor, but it had been strengthened so that it applied when their actions gave the impression that they were acting as a councillor. It was suggested that the Committee should receive a report in due course on how this strengthening of the code was working.

It was confirmed to the Committee that central government had still not responded to the recommendations made by the Committee on Standards in Public Life.

*RECOMMENDED TO COUNCIL* that Colchester |Borough Council adopts the Local Government Association's Model Code of Conduct with effect from 1 December 2022.

*RESOLVED* that:-

- (a) the Monitoring Officer organises training for all Councillors on the Model Code of Conduct prior to its implementation.
- (b) the Monitoring Officer be requested to write to all Town and Parish Councils on the Borough recommending that they adopt the Model Code of Conduct and that training be offered.

### **321. 2021/22 Revenue Outturn**

The Committee considered a report setting out the financial performance of the General Fund services and the Housing Revenue Account for the year 2021/22.

Paul Cook, Head of Finance, introduced the report and assisted the Committee in its deliberations. He explained that the budget for 2021/22 had been developed in December 2020 when the country was in lockdown. Consequently, the income predictions were very prudent. Matters had returned to normal quicker than had been anticipated, so the income loss had not been as great as predicted, plus additional government funding had been received. The budget had included an assumption that reserves of £2.4 million would need to be used, but it had not proved necessary to use that level of reserves. The outturn figure was close to the budget figure which was the result of hard work by managers across the Council.

In terms of the current financial year, the monitoring report for the first quarter would be reported to the Committee in September which would give an indication of how the Council was performing under the more normal circumstances now pertaining. As a lower level of reserves had been used in 2021/22 than anticipated, this had enabled the use of reserves to be carried forward into the proposals for the 2023/24 budget and for some to be released in the current year to deal with issues such as the cost of living crisis.

The outturn report was based on the Council's own figures as the audit for 2021/22 was someway from completion but no key issues with the figures had been identified so far.

In discussion, members of the Committee highlighted that there appeared to be arithmetical errors in Appendix B of the report. For example, the budget subtotal expenditure by Group figure totalled £54,042 and the second subtotal figure totalled (£29,693). It was suggested that these may be a consequence of rounding. However, the Finance Manager would check the figures and confirm the position.

Members also drew attention to the following issues in Appendix C:-

- the income shortfall of £87K in Private Sector Housing. This was a significant shortfall and further information as to the breakdown for this was requested.
- the 72% overspend on messenger and post room services in respect of the Contact and Support Centre, which seemed exceptionally high.
- The 29% overspend on bank transaction charges in respect of the Corporate and Democratic Core.
- The need to correct the figure for the Woodland Project which was currently shown as £55.

The Finance Manager undertook to provide further information to the Committee on these issues.

The Chair noted that the outturn figures compared very well with the budget projections and demonstrated extremely good financial performance in the circumstances.

*RESOLVED* that the financial performance of the General Fund Services and the Housing Revenue Account for the year 2021/22 be noted.

**Councillor Cory (in respect of his previous membership of the North East Essex Clinical Commissioning Group) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).**

### **322. 2021/22 Year End Review of Risk Management**

The Committee considered a report providing members with an overview of the Council's risk management activity undertaken during the financial year from 1 April 2021 to March 2022.

Andrew Weavers, Monitoring Officer, introduced the report to the Committee and assisted the Committee in its deliberations. He explained that the Committee were invited to review the Risk Management Strategy and recommend it to Cabinet, who in turn could refer it to Council for inclusion with the Policy Framework. There had been no changes to the fundamental processes underpinning the Strategy, but the opportunity had been taken to update some of the terminology. The strategic risks were reviewed quarterly by the Senior Management Team. The latest review had been undertaken in June and the risks identified were shown in the Risk Register. The current strategic risks facing the Council were set out at paragraph 1.4 of the Assistant Director's report.

In discussion, the Committee indicated it was surprising that risk ST2 on Spending Power did not identify public sector wage growth and the potential for industrial action as risks and also that the Risk Register did not identify key person dependency as a risk. The Monitoring Officer explained that these issues would be looked at the next review of the strategic risks by the Senior Management Team in September.

In respect of the Risk Matrix, concern was expressed by a member of the Committee that several risks had moved through two bands without sufficient detail on mitigation to explain why. More detail needed to be provided so there was better understanding of why risks had changed bands. In terms of residual risks, five risks sat outside the risk tolerance line and there was insufficient information to explain what was being done to move them back within tolerance. Confirmation was also sought as to who set the risk tolerances. In terms of the Risk Management Strategy, there was nothing on Black Swan events (i.e. events that were infrequent but had the potential to have a very significant impact threatening the future of the organisation). The Strategy should identify how these issues would be dealt with in future. Whilst the Risk Management Processes set out in Appendix 1 were noted, there was no reference to risk closure.

The Monitoring Officer explained that risk tolerances were agreed by the Senior Management Team and a written response on the issues raised on residual risks would be circulated to the Committee.

The Committee also explored issues relating to risk ST3 on Partnership Commitment. It was suggested that the Council ought to be more proactive in assessing the risks of dependency on partners and the possibility that they may change structure or direction, before the Council began to rely them for the delivery of strategic priorities. The Council should be more cautious in its reliance on partners for delivery of strategic priorities and should always consider the potential impact of

the failure of partner organisations at the outset. If services were delivered in house this risk was mitigated as Cabinet would have complete control. The pitfalls of partnership working were clearly shown in the commentary to risk ST3 and due diligence should have been undertaken on the Clinical Commissioning Group before entering into partnership with them. The risk would not have had such a high rating if the Council had sought the right assurances in the first place.

Other members of the Committee emphasised the importance of working with partners and that, given the resources under the Council's direct control, partnership working enabled the Council to deliver considerably more to residents. The Council did have to accept the risk that the financial position or strategic direction of partners could change. That needed to be assessed as early as possible and mitigated where possible but it should be recognised that it could be very difficult to assess the risk of, for example, a change in government policy. As partnerships developed and grew stronger the likelihood of this risk should decrease.

The need to keep risks under regular review, particularly those that related to frontline services that supported residents, was emphasised. This would minimise the risk of disruption to vital services for residents.

The Monitoring Officer explained risk ST3 looked at the implications for the authority if partnerships were to fail. It had been reviewed and raised as a risk for the reasons set out in the report. However, the Council did understand what those potential impacts were. As much mitigation as possible was put in place and the Council worked very closely with partners to try and ensure this did not happen.

The Chair invited Councillor King, Leader of the Council and Portfolio Holder for Strategy, and Councillor Cory, Portfolio Holder for Resources, to respond to the debate. Councillor King indicated that he had found the Committee's comments very helpful and he would continue to review and take advice on the issue. He believed the risk ST3 had been appropriately assessed and rated but the quality of relationships with partners was vital and mattered more than the quality of the project management. Councillor Cory indicated he understood the concerns that had been raised and that perhaps another level of assurance should be sought in such circumstances, given the importance of these partnerships in delivering the Council's priorities. He echoed the comments made about risks reducing as partnerships grew and emphasised that these partnerships reduced the Council's risks in terms of budgetary commitments. The changes in the health arrangements set out in risk ST3 had been driven by government policy. However, the relationships built up previously through the Alliance would mitigate the risks of these changes.

It was also queried whether risk CO3 on financial inequality should have increased, particularly in terms of probability, given the cost of living crisis. It was suggested that Cabinet could take note of this when it reviewed the Risk Register and Strategy.

*RESOLVED* that the submission of the Assistant Director's report to Cabinet to approve the risk management strategy for 2022/23 be endorsed.

### **323. Work Programme**

The Committee considered its draft work programme for 2022-23.

The Committee suggested that the agenda for the November meeting looked very full and that there may be merit in looking at an additional meeting to give the Committee more time to consider these items. The Democratic Services Manager indicated that this would be looked at. There was likely to be an additional meeting in any case in order to allow the Committee to consider the work of the Council's Commercial Companies, in its role as shareholder Committee. Members of the Committee also suggested it would be useful if the agenda for particularly heavy meetings could be published in advance of the 5 day deadline, or for reports to be made available to the Committee as soon as they were ready. The Democratic Services Manager indicated that this would be looked at but that reports, were often on tight internal timescales with little leeway.

*RESOLVED* that:-

- (a) the work programme for 2022/23 be noted.
- (b) the possibility of an additional meeting in autumn 2022 be examined.



## Governance and Audit Committee

Item  
**7**

6 September 2022

<b>Report of</b>	<b>Director of Business Improvement Colchester Borough Homes Client &amp; Business Manager Colchester Borough Council</b>	<b>Author</b>	<b>Matt Armstrong (CBH) ☎ 01206 506914 Andrew Tyrrell (CBC) ☎ 01206 282390</b>
<b>Title</b>	<b>CBH Annual Governance Statement 2021/22</b>		
<b>Wards affected</b>	Not Applicable		

### 1. Executive Summary

- 1.1 The purpose of the report is for the Committee to review, consider and comment on the Governance Assurance Statement of Colchester Borough Homes. As the Council's Arms-Length Management Organisation (ALMO), Colchester Borough Homes (CBH) are responsible for the management and maintenance of the Council's affordable homes (and some transferred general fund services).
- 1.2 There are good governance arrangements in place, in accordance with the Council's formal Management Agreement, and as set out in more detail within the Report and Appendix. Governance between the Council and CBH is monitored through the Council's Client Team on a daily basis. There are regular meetings and a number of other internal reporting and controls in both respective organisations.

### 2. Recommended Decision

- 2.1 The Committee considers and comments on the Governance Assurance Statement of Colchester Borough Homes.
- 2.2 The Committee accepts the assurance provided by Colchester Borough Homes regarding its governance arrangements throughout 2021/22.

### 3. Background

- 3.1 Colchester Borough Homes is a wholly owned company of the Council. As such:
  - Its accounts are consolidated into the Council's financial statements
  - Disclosures regarding the adequacy and effectiveness of its governance arrangements are included in the Council's Annual Governance Statement.
- 3.2 Colchester Borough Homes has therefore provided the Council with its own Annual Governance Statement for 2021/22 as evidence of how well its arrangements are operating (Appendix 1).
- 3.3 The Annual Governance Statement will inform the Council's Governance Statement.

- 3.4 Fiona Marshall, Chair of Colchester Borough Homes' Finance and Audit Committee, and Matt Armstrong, Director of Business Improvement, will present this report to Committee and respond to any questions relating to it.

#### **4. Additional Information**

- 4.1 The Finance and Audit Committee of Colchester Borough Homes also takes the following actions to assure itself that the Company has proper and secure arrangements in place:
- Each year it agrees an audit plan for a three-year period on a risk- based approach
  - It receives regular updates on the progress against this plan throughout the year from Internal Audit
  - It considers and recommends the Annual Governance Statement to the Board
  - It monitors the actions coming out of the Annual Governance Statement
  - It produces the Risk Management Strategy and monitors the key strategic risks of the Company
  - It scrutinises the proposed budget for the Company and monitors the Company's financial performance against budget and business plan on a quarterly basis.
- 4.2 In accordance with company law Colchester Borough Homes has produced its annual statutory accounts for 2021/22 and had these audited by Scrutton Bland, a firm of external auditors. Scrutton Bland have approved these accounts and given a clean audit opinion.

The External Audit Partner attended the Finance and Audit Committee's July meeting to report on the audit and take questions from the Committee as they scrutinised the accounts.

#### **5. Head of Internal Audit Opinion 2021/22**

- 5.1 Set out below is some key information from the Internal Audit Opinion Report:
- The Audit Plan covered 9 internal audit reviews, including all the key financial areas (these were amalgamated into one audit in the year).
  - Assurance gradings for the 9 completed reviews were as follows:

<b>Assurance Assessments</b>	<b>Number of Reviews</b>	<b>Previous Year</b>
Substantial Assurance	4	4
Reasonable Assurance	5	5
Limited Assurance	0	0
No Assurance	0	0

- The above assurance gradings show that Colchester Borough Homes' control environment has remained robust throughout 2021/22, with 4 audits gaining 'substantial assurance' and no control weaknesses assessed as 'limited' or 'no assurance'.
- The number of audits completed remained the same as 2020/21 and audits were identified on a risk-based approach, a total of 71 days of audit was conducted throughout the financial year.
- The total number of recommendations are shown below with the previous year shown in brackets. Two recommendations (one 'important' and one 'routine') were carried forward as they relied on the update of procurement regulations which are mirrored with the Councils 'Contract Procedure Rules'. All other recommendations were completed by 31st March 2022.

Urgent	Important	Routine
0 (0)	9 (7)	5 (12)

## 5.2 The Head of Internal Audit's annual opinion stated...

TIAA is satisfied that, for the areas reviewed during the year, Colchester Borough Homes has reasonable and effective risk management, control and governance processes in place. Not having completed all of the planned work due to the global Covid-19 pandemic has not impacted on our overall assessment. This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Colchester Borough Homes from its various sources of assurance.

## 6. Equality & Diversity Implications

6.1 There are no direct diversity or equal opportunities issues as a result of these reports.

## 7. Financial Implications

7.1 No further financial implications arise from matters included in these reports.

## 8. Health, Wellbeing and Community Safety Implications

8.1 No HR implications arise from matters included in these reports.

## 9. Health & Safety Implications

9.1 No Health & Safety implications arise from matters included in these reports.

## 10. Risk Management

10.1 Failure to operate robust governance arrangements can potentially lead to poor management, performance, stewardship of public engagement and, ultimately, poor outcomes for citizens and service users. It increases the risk that the company's priorities

will not be delivered. Reviewing the governance arrangements each year and identifying and addressing the key issues minimises these risks.

## **11. Environmental and Sustainability Implications**

- 11.1 Colchester Borough Homes supports and contributes towards the Council's carbon reduction target throughout all its service delivery.

## **12. Appendices**

- 12.1 Appendix 1 – CBH Annual Governance Statement 2021/22

## **Colchester Borough Homes Annual Governance Statement 2021/22**

### **1. Scope of Responsibility**

Colchester Borough Homes (CBH), formed in October 2003, is the Arms-Length Management Organisation of Colchester Borough Council (CBC), responsible for the management and maintenance of the Council's homes and transferred general fund services. In 2021/22, these were primarily financed from the Council through a Management Fee of £9,936,000. This fee also includes professional fees to manage capital and revenue projects, Corporate Facilities management fee and CBH Revenue work costs. The capital projects costing £3,206,000 are paid directly by CBC.

There is a formally binding Management Agreement between the Council and CBH in place until August 2023, and a recently agreed extension of 5 years will extend the agreement until August 2028. This clearly sets out the governance arrangements that should apply between the two parties and complies with national best practice.

CBH is managed by a Board comprising at least three Council nominees, three tenants, four independent members (including the Chair) and the Chief Executive. The Memorandum and Articles of Association were revised and approved in 2017, Colchester Borough Homes is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk. Three committees report to the Board: Finance & Audit, Operations & Performance and Governance & Remuneration. Additionally, there is also a Residents Voice Panel. These all have formal, approved terms of reference, which are reviewed annually.

### **2.The Purpose of the Governance Framework**

Good governance leads to good management, good performance, good stewardship, good public engagement and ultimately good outcomes for citizens and the service user. Good governance enables the Company to pursue its vision effectively, as well as underpinning that vision with mechanisms for control and management of risk.

The governance framework comprises of the systems, processes, culture and values by which the Company is directed and controlled and its activities through which it accounts to, engages with and serves the community. It enables the Company to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

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

- Identify and prioritise the risks to the achievement of the Company's policies, aims and objectives

- To evaluate the likelihood of those risks being realised and the impact should they be realised
- To manage them efficiently, effectively and economically.

The governance framework has been in place at Colchester Borough Homes for the year ended 31 March 2022 and up to the date of approval of the financial statements of accounts. Colchester Borough Homes exercises control through:

- Corporate governance arrangements outlined in the Memorandum & Articles of Association, the NHF Code of Governance and the Standing Financial Instructions.
- The employment of suitably qualified and experienced staff to take responsibility for key areas of the business. This is supported by a formal appraisal system using 'check-ins' (monthly) and 'Quarterlies' through the MyContribution App.
- The preparation of forecasts and budgets that allow the committees and the executive officers to monitor the key business risks and financial objectives, and identify variances arising during the monthly reporting cycle.
- Business planning based on a Strategic Plan, that sets out key actions to enable CBH to achieve its goals for the ensuing year, and the Medium Term Delivery Plan which is approved by CBC. This cascades through supporting Service Plans and individual performance appraisals (quarterlies). The key aims of the Strategic Plan are:
  - ✓ Customer Plan
    - To deliver services that reflects the needs and diversity of our customers
    - To make it easy for customers to do business with us
    - To improve Customer Satisfaction
  - ✓ Value for Money, Technology and Investment Plan
    - To invest money in a way that helps customers and communities
    - To use technology to do things better
    - To get the most for the money we spend
  - ✓ People Plan
    - To support our staff to do the best job possible
    - To make CBH a great place to work
  - ✓ Business Development Plan
    - To protect services by looking after the future of the business
    - To bring in extra income to invest in our services
  - ✓ Leadership Plan
    - To show we can be trusted to do what say we will
    - To be clear about our organisational goals and how to achieve them
  - ✓ Community Plan
    - To raise awareness of our work in the community

- To bring together organisations and residents for the benefit of the community

The Executive Management and the Board carry out regular review of performance against objectives and targets detailed in the Strategic Plan.

### **3. Review of Effectiveness**

Colchester Borough Homes conducts, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the Executive Directors and Corporate Management Team within the Company, who have responsibility for the development and maintenance of the governance environment. This is supported by the Internal Audit's annual report, and by comments made by external auditors and other review agencies and inspectorates.

The company has produced a Strategic Plan, setting out the direction of the company until 2022. This combined with the Medium Term Delivery Plan are the primary guiding documents for the Company. From these plans, Key Performance Indicators (KPIs) and projects are produced. A performance and scrutiny framework is in place to review and monitor delivery against these. This is a combination of Board, corporate management, tenant and CBC scrutiny as well as benchmarking against other providers. CBH's internal arrangements for ensuring the effectiveness of its governance arrangements consist of:

- The Board receiving quarterly progress reports on delivery of the Strategic plans and the Medium Term Delivery Plan.
- The Governance & Remuneration Committee considering significant staffing matters.
- The Finance & Audit Committee considering Internal Audit reports throughout the year, reviewing how well strategic risks are identified and managed, and monitoring financial performance against budgets.
- The Finance & Audit Committee monitoring the regular review of key policies against an agreed policy review timetable.
- The Residents Voice, consisting of involved residents and Resident Board Members, reviewing policies which affect services to Residents, influencing decisions about housing services, challenging and scrutinising performance and oversee the Community investment fund.
- The Operations and Performance Committee reviewing and scrutinising the performance of the Strategic plans and the Medium Term Delivery Plan. Reviewing performance against the Business Development Plan and scrutinising

new business opportunities. Reviewing resident engagement, social value and complaints.

- The monthly review and update of the Board and Committee work plan.

CBH will ensure that its arrangements to monitor the effectiveness of its governance arrangements remain in place and reflect best practice.

### **Internal Audit**

Internal Audit is delivered through a contract with TIAA Ltd from 1<sup>st</sup> April 2020 for the next 5 years.

The audit plan was delivered, with reports issued to senior managers at the conclusion of each audit highlighting internal control weaknesses identified and the actions required to address them. Recommendations were also reviewed to ensure they were implemented properly by the due date. Reports were presented to each Finance & Audit Committee of progress against the audit plan as well as the status of outstanding recommendations.

Internal Audit performance is subject to annual review by the external auditor of CBH in order that they can place reliance on its audit work. The Company provided the Council with the following assurance regarding the robustness of its governance arrangements during the year:

- Internal Audit reports
- Board and Committee Work Plan
- The Annual Report, which incorporates the Head of Internal Audit's annual report (including an opinion on the effectiveness of the company's systems of internal control)

### **External Audit**

External Audit of the annual financial statements is undertaken by Scrutton Bland with a view to expressing an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

In carrying out the audit work, Scrutton Bland will consider whether the financial statements are free from 'material misstatement'. Materiality is an expression of the relative significance of a particular matter in the context of the financial statements as a whole. An item will normally be considered material if its omission would reasonably influence the decisions of those using the financial statements.

Scrutton Bland will issue a report to management at the conclusion of the audit work. This will include a management letter that will contain comments and recommendations for improvements in operations and internal control in respect of the Company. This will be discussed with management prior to the issue of the final report. The report will also include details of significant adjusted and unadjusted items that arise as a result of the audit work.

The Finance & Audit Committee considers the external auditor's report and recommends adoption of the financial statements to the Board.

#### **4. Significant Governance Issues brought forward from 2020/21**

There were three significant governance issues reported and completed in 2020/21. No issues were brought forward in 2021/22.

#### **5. Significant Governance Issues completed in 2021/22**

The significant governance issues raised in 2020/21 and actioned in 2021/22 were:

- **Development of new Strategic Plan 2022 - 2027**  
A working group consisting of the executive team and three Board Members developed the new strategic plan. Consultation took place with all stakeholders and the plan is due for launch in May 2022.
- **Induction of new Board Members and briefings of new administration.**  
Two new Board members were inducted and the Chair and CEO attended the briefing sessions for the new administration.
- **Conduct a Board Effectiveness Review**  
In line with best practice (every 3 years), Central Consultancy were commissioned to conduct a Board Effectiveness Review, completing in April 2022.
- **Data protection training for all staff**  
A new e-learning course was developed specifically for CBH with 93% of staff having completed it by the 31<sup>st</sup> March 2022.

#### **6. Significant Governance Issues to be addressed in 2022/23**

The following significant governance issues have been raised through the Board and Committee work plan to be completed in 2022/23.

- Implement the findings of the Board Effectiveness Review.
- Update of the Management Agreement and associated schedules in line with the action plan agreed at the time of extension.

- Induction of new Board Members and briefings of new administration.

## Action Plan

An action plan is set out below to address the governance issues that have been identified. Progress against this plan will be monitored by the Finance and Audit Committee and Board.

Description	Action	Responsibility	Target Completion Date
Board Effectiveness Review	Implement the findings of the Board Effectiveness Review.	Chair and Governance business partner	March 2023
Management Agreement Action Plan	Ensure the CBH contribution is well planned, consulted on and that the overall plan remains on target	DMT	January 2023
New Administration	Prepare and deliver briefings to new Portfolio Holders for Housing, Resources and Communities	DMT and Chair	July 2023

Through completing this action plan the Company is satisfied that it will have made the improvements that were identified in its review of effectiveness.

**Signed:** \_\_\_\_\_  
(Chair of the Board)

**Signed:** \_\_\_\_\_  
(Chair of the Finance & Audit Committee)

**Signed:** \_\_\_\_\_  
(Director of Business Improvement)

6 September 2022

<b>Report of</b>	<b>Assistant Director Corporate and Improvement</b>	<b>Author</b>	<b>Darren Brown</b> 📞 282891
<b>Title</b>	<b>Financial Monitoring Report – April to June 2022</b>		
<b>Wards affected</b>	Not applicable		

## 1. Executive Summary

- 1.1 This report gives the Committee the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets. The financial position is summarised as follows:-
- The General Fund is showing a net overspend against services of £430k as at period 3. This includes more expenditure of £393k and less income of £37k, compared to profiled budgets.
  - The current forecast outturn position for the General Fund is a net overspend of £1.007million.
  - The Housing Revenue Account is showing a net underspend of £87k as at period 3 and is forecast to be on budget at the year-end.
- 1.2 Assistant Directors and their budget holders have undertaken a thorough review of the financial position for their services, which is reflected in this report. In addition, SMT continues to monitor the budget position on a monthly basis. The next report to the Committee will consider the position after 6 months. This half year review will provide a better opportunity to assess progress against budget targets and income levels, and any resulting necessary action to mitigate any forecast budget variance will be considered. The half year review will also reflect on the deteriorating economic situation forecast by the Bank of England 5 August. Inflation is forecast to reach 13% during 2022 which will inevitably impact on the cost of council services. The Bank is also forecasting recession until mid-2023; this is likely to mean increased demand for council services and potential reductions in residents' discretionary spending including sport and leisure.

## 2. Action required

- 2.1 The Committee is asked to consider the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the first three months of 2022/23, and to note the forecast budget overspend of £1.007m on the General Fund.

## 3. Reason for scrutiny

- 3.1 Monitoring of financial performance is important to ensure that:
- Service expenditure remains within cash-limited budgets.
  - Potential variances at year-end are identified early so that remedial action can be taken to recover the position or 'recycle' any surplus budgets.
  - Performance targets are being met.
- 3.2 This report also gives the committee the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

## 4. Background

- 4.1 This report reviews the Council's overall position based on profiled income and expenditure for the three months to 30 June 2022, and also shows a projection of the outturn figures for the full year. All the information presented in respect of General Fund Services shows the position based on net 'direct costs'. The review of the Housing Revenue Account is different in that it shows all costs, both direct and indirect.

### Summary Position

- 4.2 The projected outturn for the General Fund is currently a net overspend of £1.007m. The Housing Revenue Account forecast outturn position is currently to be on budget.
- 4.3 The General Fund position is set out in more detail in the following paragraphs and the HRA position explained in paragraphs 4.15 to 4.19. Budgets carried forward from 21/22 are not included in the schedules within this report but will be included in the quarter 2 report and as such will be monitored as part of the overall position.

### General Fund – Position to 30 June 2022

#### *Service Budgets*

- 4.4 Appendix A shows the current budget variances and forecast outturn variances by Service Group. The net position shows a variance against profiled budget for General Fund Services (excluding Benefits, NEPP & JMC) of £430k (adverse). This comprises total expenditure being £393k higher than expected and total income being £37k lower than expected. Appendix B breaks these variances down by subjective group.

#### *Income*

- 4.5 Income to the Council is below targets in a number of areas to date, but most notably in Planning and Domestic waste. However, income levels are above profiled budgets within Sport & Leisure, Parking, recovery of Court costs and Building Control.

#### *Expenditure*

- 4.6 There are overspends against profiled budgets in a number of services areas, predominantly within supplies and services costs. This can be as a result of profiling of budgets as well as timing of expenditure.
- 4.7 Benefits payments are not shown in Appendix A & B to avoid distorting the reported position for Service Groups. It is currently projected that this area will be on budget at year end, when the final subsidy claim is paid. Furthermore, NEPP and JMC variances are not included in the Appendix A & B totals, given these areas are ring-fenced and are reported to the relevant joint committee.

### Outturn Forecast / Risk Areas

- 4.8 This is the first formal review this year of the 2022/23 budget position, and the current forecast outturn is a net overspend of £1.007million.

	£'000	
Service budgets	1,407	See paras. 4.9, 4.10 and Appendix D
Technical / Corporate Items	(400)	
<b>Potential net overspend</b>	<b>1,007</b>	

### Service Budgets

4.9 The following table sets out the forecast outturn for all service areas, with outturn variances. This shows a net forecast overspend of £1,407k. As the table shows, this is mainly due to additional expenditure of £1,280k. The largest areas contributing to the net forecast position are;

- Community: A shortfall in Licensing income of £39k and Private Sector Housing income of £38k.
- Neighbourhood Services: £625k overspend on staff costs (predominantly agency staff in Waste), £200k cost pressure on Fuel, £150k pressure in Recycling Materials (boxes/sacks). £100k additional income from Recycling claim credit and one-off income of £80k. These are significant additional costs and every effort is being made to return within budget by the year-end.
- Place & Client: £60k planning appeals cost pressure, £101k less planning income, £99k Corporate Asset Mgt pressure relating to Health & Safety works and lift repairs.
- Corporate & Improvement: £129k Shared services saving not being achieved and £77k less travel plan parking income.
- Gain from interest payable/earned of £400k. The interest earned on cash investments has risen from 0% during periods of 2021/22 to 2.5%+ currently available for 3 to 6 month deposits. In a Monetary Policy Summary published 4 August 2022, the Bank of England expects base rates to rise from 1.75% August 2022 to 3% by March 2022. This may lead to further gains in the interest budget.

Service	Forecast outturn		
	Expenditure	Income	Net
	£'000	£'000	£'000
Corporate & Improvement (incl. CDC)	20	206	226
EMT	-	-	-
Community	30	96	126
Customer	3	(4)	(1)
Environment	964	(181)	783
Place & Client	263	10	273
<b>Total all services</b>	<b>1,280</b>	<b>127</b>	<b>1,407</b>

### Appendix C

4.10 Appendix C shows the original Council budget, the outturn forecast and variance. The purpose of this table is to bring together the overall revenue budget and show the impact of Government funding and the required use of reserves. Any use of reserves in 2022/23 to address unplanned overspends will limit budgeting options for 2023/24 and future years.

### Corporate / Technical Items

4.11 The budget includes a number of corporate and technical budget areas such as net interest earnings, the provision to repay debt, pension costs and some non-service specific grants. It is currently forecast that there will be a saving on interest payable/earned of £400k, as we haven't needed to borrow as planned given our higher cash balances and thus the ability to internally borrow, along with achieving higher interest rates on our investments.

4.12 Appendix D sets out details of all forecast variances against service budgets at the year-end totalling £1.407million. To provide some context on the scale of the variances shown in Appendix D, a percentage value has been included within the comments which shows the proportion of the relevant budget that it represents. For example, an underspend due to vacant posts or the vacancy factor would be expressed as a proportion of the total employees budget for that area.

### ***Summary position and action proposed***

- 4.13 The forecast outturn shows a potential net overspend of £1.407million. Further more detailed work will continue to be undertaken during Quarter 2 to ensure forecast outturn positions are robust.
- 4.14 Assistant Directors and their budget holders have undertaken a thorough review of the financial position for their services, which is reflected in this report. In addition, SMT continues to monitor the budget position on a monthly basis. The next report to the Committee will consider the position after 6 months. This half year review will provide a better opportunity to assess progress against budget targets and income levels, and any resulting necessary action to mitigate any forecast budget variance will be considered.

### **Housing Revenue Account**

- 4.15 The Housing Revenue Account (HRA) set out in Appendix E is a ring-fenced account which is affected by a number of variable factors. At the end of June 2022, the HRA is showing a net underspend of £87k compared to the profiled budget for the same period. This is primarily due to lower expenditure on Premises costs of £114k and Supplies and Services of £25k, and £54k less income than budgeted.

#### ***Position to date***

- 4.16 Premises related costs are showing an underspend of £114k as at the end of June 2022. There are underspends of £55k on Grounds Maintenance budgets and £82k on Utility and Water costs which relate to the timing of expenditure, which are partially offset by an overspend of £34k on Council Tax on void properties.
- 4.17 Supplies & Services costs are underspent by £25k at the end of June. There is a general underspend across most budget headings which primarily relate to the timing of expenditure, the main area being IT costs of £44k, which are partially offset by an overspend of £32k on subscriptions costs.
- 4.18 We have received £54k less income at the end of June 2022. This primarily reflects the net impact of rental & service charge income being lost from dwellings and garages than assumed within the budget, through a combination of voids and the level of Right to Buy sales, along with the timing of acquisitions and additions to our housing stock.

#### ***Forecast Outturn***

- 4.19 The HRA is currently forecast to be on budget at the year-end. Any underspend or overspend that occurs in the year will be used to fund a greater/lesser proportion of our Housing Capital Programme through a variation to the Revenue Contribution to Capital.

## **5. Standard References**

- 5.1 Having considered consultation, publicity, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

## **6. Strategic Plan References**

- 6.1. The priorities within the Strategic Plan are reflected in the Medium-Term Financial Forecast, which makes assumptions regarding government grant/funding and Council Tax income, and identifies where necessary savings will be found in order to achieve a balanced budget. The 2022/23 revenue budget was prepared in accordance with the Strategic Plan's priorities, in the context of the Council facing growing financial pressures. Budget monitoring enables the financial performance against these priorities to be assessed.

## **7. Financial Implications**

- 7.1. As set out above.

## **8. Environmental and Climate Change Implications**

- 8.1. All budget measures will be assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's post-Covid recovery planning.

## **9. Risk Management Implications**

- 9.1. Risk management is used throughout the budget cycle, and this is reflected in the strategic risk register. The 2022/23 revenue budget report that was approved by Council in February 2022 took into consideration a number of potentially significant risk areas that had been identified during the budget process. In addition, Assistant Directors identify a number of both positive and negative risk areas during the year.
- 9.3 Extensive modelling work has been undertaken to understand the impacts and variables arising from the pandemic.
- 9.4 Leisure, parking and commercial income are very dependent on factors beyond the Council's control including the return of consumer confidence, customer behaviours and the pace of recovery.
- 9.5 Modelling has been undertaken with service managers to assess the potential range of impacts before adopting the assumptions reflected within the report.
- 9.6 All the above and other significant uncertainties and risks will have to be managed. Further material change is likely to budget assumptions and the actions needed to ensure a balanced budget.

## **Background Papers**

None

**Period 3 – Current Budget Variances and Forecast Outturn Variances by Service Area**

	Area	Position to date			Forecast Outturn		
		Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Corporate &amp; Democratic Core</b>		(94)	(14)	(108)	-	-	-
	<b>Total</b>	<b>(94)</b>	<b>(14)</b>	<b>(108)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Executive Management Team</b>							
	EMT	(51)	-	(51)	-	-	-
	<b>Total</b>	<b>(51)</b>	<b>-</b>	<b>(51)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Community</b>							
	Assistant Director Communities	-	-	-	-	-	-
	Licensing & Food Safety	1	17	18	(11)	39	28
	Community Safety	-	-	-	-	-	-
	Environmental Health Services	(11)	2	(9)	27	-	27
	Building Control	9	(38)	(29)	(3)	-	(3)
	Community Initiatives	(12)	(1)	(13)	23	-	23
	Private Sector Housing	(12)	(5)	(17)	(19)	38	19
	Bereavement Services	(15)	21	6	16	15	31
	Cultural Services	(6)	5	(1)	(3)	4	1
	Colchester Museums	(2)	4	2	-	-	-
	<b>Subtotal</b>	<b>(48)</b>	<b>5</b>	<b>(43)</b>	<b>30</b>	<b>96</b>	<b>126</b>
	Colchester & Ipswich Museums	25	(18)	7	51	(1)	50
	<b>Total</b>	<b>(23)</b>	<b>(13)</b>	<b>(36)</b>	<b>81</b>	<b>95</b>	<b>176</b>
<b>Customer</b>							
	Assistant Director Customers	-	-	-	-	-	-
	Accounts & Debt	17	(4)	13	24	(4)	20
	Local Taxation & Business Rates	(10)	14	4	(21)	-	(21)
	Benefits & Hub	(14)	-	(14)	(18)	-	(18)
	Contact & Support Centre	4	3	7	14	-	14
	Electoral Services	36	-	36	1	-	1
	Customer Digital & Systems	(51)	-	(51)	1	-	1
	Land Charges	2	10	12	2	-	2
	<b>Subtotal</b>	<b>(16)</b>	<b>23</b>	<b>7</b>	<b>3</b>	<b>(4)</b>	<b>(1)</b>
	Benefits - Payments & Subsidy	8,378	(9,536)	(1,158)	-	-	-
	<b>Total</b>	<b>8,362</b>	<b>(9,513)</b>	<b>(1,151)</b>	<b>3</b>	<b>(4)</b>	<b>(1)</b>
<b>Environment</b>							
	Assistant Director Environment	(1)	-	(1)	(8)	-	(8)
	Neighbourhood Services	383	(15)	368	969	(181)	788
	Car Parking	10	(77)	(67)	3	-	3
	<b>Subtotal</b>	<b>392</b>	<b>(92)</b>	<b>300</b>	<b>964</b>	<b>(181)</b>	<b>783</b>

		Position to date			Forecast Outturn		
	Area	Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
	Parking Partnership (NEPP)	60	279	339	(41)	-	(41)
	<b>Total</b>	<b>452</b>	<b>187</b>	<b>639</b>	<b>923</b>	<b>(181)</b>	<b>742</b>
	<b>Place &amp; Client</b>						
	Assistant Director Place & Client	1	-	1	3	-	3
	Place Strategy	81	(5)	76	48	-	48
	Housing	37	(13)	24	(47)	-	(47)
	Planning	79	101	180	60	101	161
	Sustainability & Climate Change	(9)	(2)	(11)	(32)	-	(32)
	<b>Subtotal</b>	<b>189</b>	<b>81</b>	<b>270</b>	<b>32</b>	<b>101</b>	<b>133</b>
	<i>Company Related:-</i>						
	Client – Commercial Company	-	72	72	-	-	-
	Corporate Asset Management	(76)	17	(59)	99	-	99
	Commercial & Investment	(23)	(65)	(88)	-	-	-
	Sport & Leisure	(30)	(146)	(176)	132	(91)	41
	<b>Total</b>	<b>60</b>	<b>(41)</b>	<b>19</b>	<b>263</b>	<b>10</b>	<b>273</b>
	<b>Corporate &amp; Improvement</b>						
	Assistant Director Corporate & Improvement	(1)	32	31	-	129	129
	Finance	(113)	41	(72)	-	-	-
	ICT	106	52	158	-	-	-
	People and Performance	(2)	25	23	17	77	94
	Governance	169	6	175	3	-	3
	Communications	(9)	-	(9)	-	-	-
	<b>Total</b>	<b>150</b>	<b>156</b>	<b>306</b>	<b>20</b>	<b>206</b>	<b>226</b>
	<b>Total (excl. Benefits, NEPP &amp; JMC)</b>	<b>393</b>	<b>37</b>	<b>430</b>	<b>1,280</b>	<b>127</b>	<b>1,407</b>
	<b>Total (all)</b>	<b>8,856</b>	<b>(9,238)</b>	<b>(382)</b>	<b>1,290</b>	<b>126</b>	<b>1,416</b>

**Current Budget Variances and Forecast Outturn Variances by Subjective Group**

		Position to date			Forecast Outturn		
		Actual	Budget	Variance	Actual	Budget	Variance
	Subjective	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Expenditure</b>						
	Employees	6,396	6,365	31	25,583	24,903	680
	Premises Related	3,001	2,992	9	7,407	7,332	75
	Transport Related	415	382	33	2,076	1,844	232
	Supplies & Services	2,344	1,990	354	7,272	6,836	436
	Third Party Payments	1,611	1,641	(30)	4,932	5,075	(143)
	Transfer Payments	115	119	(4)	475	475	0
	Capital Financing Costs	0	0	0	110	110	0
	<b>Total</b>	<b>13,882</b>	<b>13,489</b>	<b>393</b>	<b>47,855</b>	<b>46,575</b>	<b>1,280</b>
	<b>Income</b>						
	Government Grant	(382)	(353)	(29)	(426)	(426)	0
	Other Grants & Reimbursements	(721)	(707)	(14)	(3,639)	(3,459)	(180)
	Customer & Client Receipts	(5,635)	(5,697)	62	(22,339)	(22,646)	307
	Income-Interest	(44)	(62)	18	(248)	(248)	0
	Inter Account Transfers	0	0	0	0	0	0
	<b>Total</b>	<b>(6,782)</b>	<b>(6,819)</b>	<b>37</b>	<b>(26,652)</b>	<b>(26,779)</b>	<b>127</b>
	<b>Net</b>	<b>7,100</b>	<b>6,670</b>	<b>430</b>	<b>21,203</b>	<b>19,796</b>	<b>1,407</b>

**Summary showing Overall Council budget and latest forecasts.**

	<b>2022/23 Original Budget</b>	<b>2022/23 – P3 Forecast</b>	<b>2022/23 – P3 Forecast Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Base Budget</b>	25,028	25,028	0
One-off items	(3,281)	(3,281)	0
Cost Pressures	2,035	2,035	0
Growth Items	134	134	0
Savings	(2,045)	(2,045)	0
Change in use of NHB for one off investment	4	4	0
2021/22 Forecast Outturn		1,007	1,007
<b>Forecast Base Budget</b>	<b>21,875</b>	<b>22,882</b>	<b>1,007</b>
<i>Funded By:</i>			
Business Rates Baseline	(4,343)	(4,343)	0
SFA	(4,343)	(4,343)	0
Increase in NNDR / taxbase above baseline	(1,870)	(1,870)	0
Business Rates Pooling	(200)	(200)	0
New Homes Bonus	(1,954)	(1,954)	0
Lower Tier Government Grant	(198)	(198)	0
Other Government Grant	(298)	(298)	0
<b>Total Gov't grants &amp; business rates</b>	<b>(8,863)</b>	<b>(8,863)</b>	<b>0</b>
Council Tax	(13,300)	(13,300)	0
Collection Fund Deficit / (Surplus)	(372)	(372)	0
Business Rates Deficit / (surplus)	5,280	5,280	0
Contribution to / (Use of Reserves)	(4,098)	(4,098)	0
Use of Reserves for Covid-19 - 19/20 C/Fwds	(522)	(1,427)	(905)
Use of Reserves for Covid-19 - Unringfenced Grants	0	(102)	(102)
Use of Reserves for Covid-19 – Repairs & Renewals	0	0	0
<b>Total Funding</b>	<b>(21,875)</b>	<b>(22,882)</b>	<b>(1,007)</b>
<b>Forecast Overspend / (Underspend)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Forecast Outturn Variances**

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Community				
Licensing and Food Safety	(11)	39	28	Employees forecast underspend of £9.5k (2%) due to a vacant post, this is earmarked to partially offset Vacancy factor target. Estimated income shortfall of £39k (7%) mainly in Licensing (private hire vehicle licenses).
Environmental Health Services	27	-	27	Forecast £27k overspend in salaries, mainly due to Vacancy Factor target that is being reviewed and salary savings within Safety & Protection service already earmarked to offset the target.
Building Control	(3)	-	(3)	Forecasting staff salaries underspend of £23k (8%) that is being offset by agency staff costs of £20k (100%) covering vacant Surveyor post.
Community Initiatives	23	-	23	Forecast £27k overspend in salaries, mainly due to Vacancy Factor target that is being reviewed and salary savings within Wellbeing & Prevention service already earmarked to offset the target.
Private Sector Housing	(19)	38	19	Forecasting £21k (4%) salaries underspend due to a PSH Officer vacant post, this is earmarked to partially offset Vacancy factor target. £38k (17%) income shortfall mainly in civil penalties, budget income target unlikely to be met.
Bereavement Services	16	15	31	Forecasting £19k (271%) overspend on music services (incl. web cast and recording), this is offset by an income derived from these services, currently f/casting £25k (97%) above income target. £3k (10%) underspend on Assisted funerals, currently low demand, however, unlikely to sustain. £18k (8%) income shortfall in burials.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Cultural Services	(3)	4	1	Small underspend on casual staff costs. £4k (60%) income shortfall from Guided Tours.
Colchester and Ipswich Museums (CIMS)	51	(1)	50	CIMS is a ring-fenced budget. Forecast underspend of £10k (0.6%) on staff costs, fully absorbing Vacancy factor target. £52k (17%) overspend across supplies and services. This is due to planned spend of CIMS reserves for products and services from last year, where spend was delayed due to several different factors (Covid / Brexit / delivery). Small gain in grant income (£1k) – funder's review.
<b>Customer</b>				
Accounts & Debt	24	(4)	20	An overspend on employee costs of £24k within the Income and Corporate Debt and Procurement team. (10%). The income forecast variance relates to unbudgeted court fees recovered (100%).
Local Taxation & Business Rates	(21)	-	(21)	An underspend on employee costs within the teams due to a vacant post and maternity leave (4%).
Benefits & Hub	(18)	-	(18)	Underspend forecast on employee costs in Benefits Processing (11k) (7%) and The Community Hub (£7k) (2%) due to vacant posts for part of the year.
Contact Support Centre	14	-	14	An overspend on employee costs (1.21%)
Electoral Services	1	-	1	A small overspend on software licenses (4%).
Customer Digital & Systems	1	-	1	A small overspend on employee costs within the Systems Project Management team (0.13%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Land Charges	2	-	2	An overspend on software licences (8.77%).
<b>Environment</b>				
Assistant Director Environment	(8)	-	(8)	Employee underspends (5.37%).
Neighbourhood Services	969	(181)	788	£625k employee overspend is forecast to maintain key services in line with increased demand (16.9%). Due to prices reaching record highs a £191k overspend is forecast on fuel. The recycling bags purchased for the annual delivery exceeded budget and a £150k overspend is forecast for recycling kit which will be monitored against demand throughout the year (74.75%). Recycling credit claim income is forecast to be £100k more than the budget, and we have received a one-off £80k easement payment.
Car Parking	3	-	3	Overspends on repairs and maintenance of £13k (33%) and insurance £1k (10%) offset by an underspend on NNDR costs of £11k (10%).
North Essex Parking Partnership (NEPP)	(41)	-	(41)	NEPP will be 'on budget' after any shortfall variance caused by the emergency is drawn in a planned way from the Parking Reserve.
<b>Place &amp; Client</b>				
Assistant Director Place & Client	3	-	3	A small variance is forecast on employee costs (2%).
Place Strategy	48	-	48	Forecast overspend on employee costs due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies and temporary management re-grade offset by underspend in housing due to vacant post (7%).
Housing	(47)	-	(47)	Forecast underspend due to vacant post (27%) offsetting vacancy factor in Place Strategy and temporary management regard.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Planning	60	101	161	Overspends due to £55k planning appeals cost (100%), small overspend across employee costs (0.3%) and staff transport costs (30%). Planning fees income forecast is £101k less than full year budget, this has been profiled based on the previous 3 years income trend variance, major applications are down compared to this period last year (7%). This will be reviewed every month.
Sustainability & Climate Change	(32)	-	(32)	Forecast underspend on employee costs due to vacant manager post (17%) offsetting £3k unbudgeted spend relating to Transport East subscription (100%).
Corporate Asset Management	99	-	99	The forecast overspend mainly relates to unplanned works of c£50k on three council lifts, £22k urgent safety repairs to the Town Hall exterior walkway and roof as well as some smaller pressures on other sites including clearance costs on Rowan House although NNDR relief is being sought to help offset these costs whilst this site is closed for refurbishment works.
Sport and Leisure	132	(91)	41	Expenditure pressures have been forecast on many supplies due to inflation of £75k, and final costs relating to Pool View going live of £50k. These have been partially offset by savings on employee costs of £23k (0.7%). An overall improvement in income of £91k (1.73%) is forecast at this stage of the year, which is predominantly on Pools, Wet Side courses and the Fitness Centre.
<b>Corporate &amp; Improvement (incl. CDC)</b>				
Assistant Director Corporate and Improvement	-	129	129	Delays to commencing projects to explore shared services mean the associated saving target will not be met (100%).
People & Performance	17	77	94	Overspend forecast on employee costs due to temporary staff changes (4%). Less income forecast from staff car parking due to home working while Rowan House is closed (89%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Governance	3	-	3	Small overspend forecast on employee costs relating to Hallkeeper casual costs due to external events and greater numbers of meetings (45%).

June 2022	Current Period - June 2022			Forecast Year-End Position		
	Profiled Budget to Period 3 £'000	Actual to Period 3 £'000	Variance (under) / over £'000	Annual Budget £'000	Projected Outturn £'000	Variance (under) / over £'000
Account Description						
<b>HRA - Direct &amp; Non-Direct</b>						
<b>EXPENDITURE</b>						
Employees	60	61	1	239	239	-
Premises Related	1,885	1,771	(114)	7,508	7,508	-
Transport Related	-	-	-	1	1	-
Supplies & Services	211	186	(25)	1,095	1,095	-
Third Party Payments	1,360	1,357	(3)	4,087	4,087	-
Transfer Payments	32	32	-	128	128	-
Support Services	151	151	-	3,420	3,420	-
Capital Financing Costs	-	-	-	15,400	15,281	(119)
<b>TOTAL EXPENDITURE</b>	<b>3,699</b>	<b>3,558</b>	<b>(141)</b>	<b>31,878</b>	<b>31,759</b>	<b>(119)</b>
<b>INCOME</b>						
Other Grants & Reimbursements	-	-	-	(139)	(139)	-
Customer & Client Receipts	(8,499)	(8,445)	54	(31,669)	(31,550)	119
Income-Interest	-	-	-	(12)	(12)	-
Inter Account Transfers	(14)	(14)	-	(58)	(58)	-
<b>TOTAL INCOME</b>	<b>(8,513)</b>	<b>(8,459)</b>	<b>54</b>	<b>(31,878)</b>	<b>(31,759)</b>	<b>119</b>
<b>TOTAL NET - HRA</b>	<b>(4,814)</b>	<b>(4,901)</b>	<b>(87)</b>	<b>-</b>	<b>-</b>	<b>-</b>



<b>Report of</b>	<b>Assistant Director Corporate and Improvement</b>	<b>Author</b> <b>Jo Porter</b>
<b>Title</b>	<b>Capital Outturn 2021/22</b>	
<b>Wards affected</b>	Not applicable	

## 1 Executive Summary

- 1.1 This report sets out actual spend against capital programme allocations for financial year 2021/22. The Capital Programme includes General Fund services and the HRA Housing Investment Programme. It is a significant programme with a high level of investment benefitting the Borough, contributing towards the local economy, and working towards recovery.
- 1.2 Assistant Directors are responsible for the control of expenditure against the approved Capital Programme. Progress is reported monthly to Project Delivery Group. Financial monitoring information is input to My Budget and is reported monthly to Project Management Board. Assistant Directors report every three months to Portfolio Holders on the progress of Capital Schemes.
- 1.3 The Head of Finance presents consolidated reports on quarterly expenditure against the approved Capital Programme to Governance and Audit Committee. This is the fourth and final report on 2021/22.

## 2 Action Required

- 2.1 To review the progress on the Capital Programme as set out in this report.
- 2.2 To review the RAG rating for each scheme as rated by the relevant project manager.

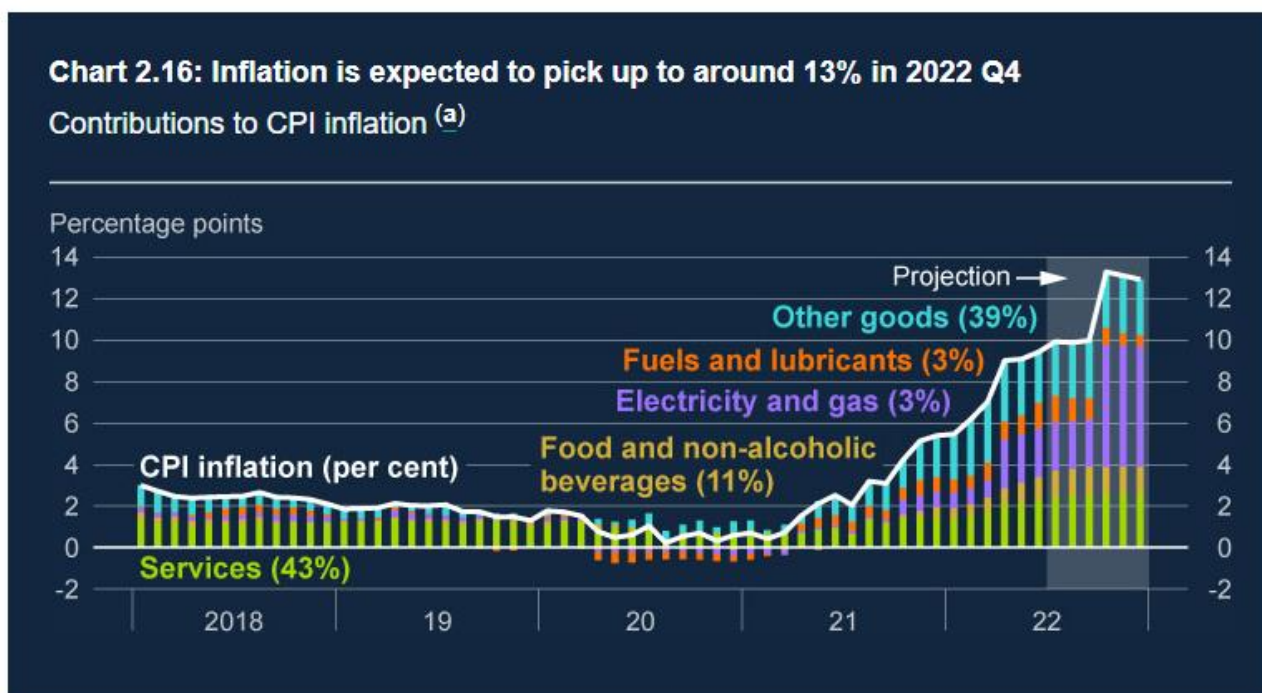
## 3 Review of the 21/22 outrun by Governance and Audit Committee

- 3.1 The Committee is able to hold Service Managers and Portfolio Holders to account for their project delivery progress and outcomes.
- 3.2 The purpose of the report is to ensure:
  - Spending on projects is within the agreed budgets,
  - Budgets are sufficient to enable timely project delivery and support the related service objectives.
  - The Council makes good use of its available capital resources, in accord with the Council's Treasury Management Strategy and associated statutory requirements.
  - Members have assurance that the key risks associated with the Capital Programme are being managed to ensure efficient and effective delivery of the programme.

## 4 Background Information

- 4.1 This report presents the full year's expenditure of the reset 2021/22 Capital Programme.

- 4.2 The Capital Programme was reset for 2022/23 and later years as part of setting the 2022/23 Budget. The new schemes and additional funding agreed in budget setting will be included in the 2022/23 Q1 Capital Monitoring report.
- 4.3 Inflation is forecast to reach 13% by 2022 Q4.



Sources: Bloomberg Finance L.P., Department for Business, Energy and Industrial Strategy, ONS and Bank calculations.

(a) Figures in parentheses are CPI basket weights in 2021 and do not sum to 100 due to rounding. Data to June 2022. Bank staff projection from July 2022 to December 2022. Fuels and lubricants estimates use Department for Business, Energy and Industrial Strategy petrol price data for July 2022 and then are based on the sterling oil futures curve. Other goods is the difference between CPI inflation and the other contributions identified in the chart.

- 4.4 Not all schemes will be affected by inflation, such as lending facilities to companies and the use of cash limited government grants.
- 4.5 Any scheme cost variations will be addressed in 2022/23 monitoring and the 2023/24 capital programme reset. Considerations will include:
- 4.5.1 Changes in scheme estimates based on actual tenders received
  - 4.5.2 Project variations that cannot be addressed by value engineering
  - 4.5.3 Negotiation with external funders

## 5 Quarterly Capital Monitoring Position

- 5.1 The table below provides a summary of the capital programme by service area:

Service	Total Programme	21/22 Plan	21/22 Actual	Future Years Plan
		£'000	£'000	£'000
Communities	10,689	4,418	3,374	6,271
Environment	3,560	1,264	860	2,296

Corporate & Improvement	41,979	4,768	2,155	37,211
Place and Client	14,571	9,400	4,198	5,171
Housing Revenue Account	53,964	42,772	25,607	11,192
<b>Total Capital Programme</b>	<b>124,763</b>	<b>62,622</b>	<b>36,194</b>	<b>62,141</b>

5.2 21/22 Actual expenditure was £36.194m against a plan of £62.622m. Actual was 57.798% of the planned spend. In 2020/21 capital expenditure was £41m or 78% of the budget.

5.3 The Capital Programme was adjusted by £1.101m in Quarter 4 to reflect the following additions:

Project	£'000	Fund Source	Summary
Parking Vehicles & Equipment	121	Revenue Income	Vehicle purchase funded from NEPP revenue income
Priory Street Mosque	26	S106	S106 funding to refurbish the mosque
Mercury SELEP	228	Grant Funding	SELEP funding
Sustainable Growth	690	External Funding	Energy efficient grant for homeowners
Mobile Skate Park	15	External Funding	Funding from Essex County Council to purchase a mobile skate park
St Nicholas Square	21	S106	Contribution towards the refurbishment of St Nicholas Square

5.7 Actual expenditure for the year for schemes and RAG ratings are provided in Appendix A

## 6 Strategic Plan references

6.1 The Council's Capital Programme is aligned to the Strategic Plan.

## 7 Financial Implications

7.1 Within the details of this report.

## 8 Risk Management Implications

8.1 Risk management issues are considered as part of individual capital projects. The position is being continuously monitored.

## 9 Consultation

9.1 The Capital Programme is part of annual budget setting and is subject to the normal budget consultation.

## 10 Environmental and Climate Change Implications

10.1 All projects are assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme of the new Strategic Plan.

## 11 Equality and Diversity Implications

11.1 Consideration is given to equality and diversity issues in respect of the Capital Programme as part of the budget process. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

## **12 Other Standard References**

12.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

## **Background Papers**

## Appendix A

Project	Total Prog 21/22	Plan Spend 21/22	Actual 21/22	Plan Spend 22/23	Plan Spend 23/24	Plan Spend 24/25	Del	Time	Cost	
Private Sector Renewals	£'000 286	£'000 86	£'000 (18)	£'000 200	£'000 0	£'000 0				£83k additional funding allocated in 22/23 reset. Additional decontamination costs expected. Continuing parish council discussions, including Toucan crossing. £300k additional funding allocated in 22/23 reset Public realm works completed Accelerated Town Deal, progressing 22/23 Now part of Levelling Up bid
Sustainable warmth - Decent Homes	690	0	0	690	0	0				
Mandatory Disabled Facilities Grants	4,593	900	826	1,280	1,280	1,133				
Stanway Community Centre	1,701	1,001	819	700	0	0				
St Marks Community Centre	1,500	600	58	800	100	0				
Mercury Theatre Phase 2	273	273	969	0	0	0				
St Nicholas Square	613	613	56	0	0	0				
St Botolph's Public Realm	118	118	0	0	0	0				
Other	915	827	664	88	0	0				
<b>Communities</b>	<b>10,689</b>	<b>4,418</b>	<b>3,374</b>	<b>3,758</b>	<b>1,380</b>	<b>1,133</b>				
Rowan House EV Charging Points	114	114	55	0	0	0				Additional £370k allocated in 22/23 reset
Shrub End Depot	993	289	249	704	0	0				
Light Fleet Replacement	726	106	61	620	0	0				
Fleet Upgrade Caged Tippers	520	0	0	520	0	0				
Castle Park Cricket Pavilion S106	125	125	19	0	0	0				
Garrison Gym Playground	306	0	0	306	0	0				
Vineyard Car Park Lift Replacement	130	0	5	130	0	0				
Recreation Ground Old Heath	123	123	81	0	0	0				
Other	523	507	390	16	0	0				
<b>Environment</b>	<b>3,560</b>	<b>1,264</b>	<b>860</b>	<b>2,296</b>	<b>0</b>	<b>0</b>				
Grants to Registered Providers	447	447	0	0	0	0				Not expected any advances will be made in 22/23 Not expected any advances will be made in 22/23 Review in progress to transfer scheme to the Council's capital programme Various unforeseen additional works required. Scheme is however fully funded.
Lending to Housing Company	27,300	600	600	26,700	0	0				
Equity Investment in CCHL	5,800	300	0	5,500	0	0				
Facility Loan to CAEL	1,520	700	300	620	200	0				
Rowan House	1,855	1,303	487	552	0	0				
Leisure World Pool View	118	118	112	0	0	0				
Leisure World artificial pitch	250	250	0	0	0	0				
										Redesign required to meet new FA regulations

Project	Total Prog 21/22	Plan Spend 21/22	Actual 21/22	Plan Spend 22/23	Plan Spend 23/24	Plan Spend 24/25	Del	Time	Cost	
CNG Heat Network	3,869	350	105	3,039	480	0				Discussions continuing with UK Power Networks
Sport & Leisure Asset Review	120	0	0	120	0	0				
Town Hall Boilers	165	165	246	0	0	0				Funding for the additional cost identified
Other	535	535	305	0	0	0				
<b>Corporate &amp; Improvement</b>	<b>41,979</b>	<b>4,768</b>	<b>2,155</b>	<b>36,531</b>	<b>680</b>	<b>0</b>				

CNG Recreational Play Equipment	250	0	0	250	0	0				Awaiting main contractor appointment
Grow-on - former Queen St Bus Depot	4,640	3,410	485	1,230	0	0				Scheme enhanced under the Town Deal
Greenstead Land Acquisition	2,300	2,300	28	0	0	0				Negotiations ongoing with Notting Hill Genesis
CNG Pumping Station	250	50	14	200	0	0				Ongoing flow rate investigations
Town Centre	1,979	230	253	1,000	749	0				
CNGN - Sports Park	519	339	(2)	180	0	0				Retention to be released September 22
CNGS - Detailed Planning	511	511	58	0	0	0				Working towards detailed planning application
CNGS - The Walk	1,025	1,025	1,976	0	0	0				2/3 reset total cost £4.613m of which £4.213 external
CNGS - Infrastructure	1,493	250	16	1,243	0	0				Ongoing works to support the detailed planning application
LFFN Broadband	990	990	1,287	0	0	0				2/3 reset total cost £3.702m of which £3.228 external
Predevelopment/feasibility funds	250	0	0	250	0	0				Carried over for future requirements
Other	364	295	83	69	0	0				
<b>Place &amp; Client</b>	<b>14,571</b>	<b>9,400</b>	<b>4,198</b>	<b>4,422</b>	<b>749</b>	<b>0</b>				

Housing Improvement Programme	14,439	11,039	6,164	3,400	0	0				There have been increased timelines on procurement exercises, contractor delays and post-covid supply chain issues, along with a delay in the supplementary projects. Funding has been carried forward.
Sheltered Accommodation	6,611	6,611	1,722	0	0	0				Work is ongoing to establish the next scheme to be refurbished, which has resulted in a delay in expenditure. Funding has been carried forward.
Adaptations to Housing Stock	760	760	635	0	0	0				
Council House New Build	2,900	2,900	1,461	0	0	0				Delays due to access and receiving the materials. Expected completion early 22/23. Funding carried forward.

Project	Total Prog 21/22	Plan Spend 21/22	Actual 21/22	Plan Spend 22/23	Plan Spend 23/24	Plan Spend 24/25	Del	Time	Cost	
Purchase of properties - HRA	7,417	200	137	7,217	0	0				<p>Insufficient supply of properties on the open market, all located properties acquired through the 100 Homes project. Funding has been carried forward to 22/23 when the properties will be acquired.</p> <p>Delays in refurbishment works and a small number of properties that did not complete in 21/22 due to delays in the purchase chain. Funding has been carried forward to 22/23.</p> <p>No capital expenditure on ICT in 21/22. Funding carried forward to 22/23.</p>
New Build on Garage Sites	4,273	4,273	1,954	0	0	0				
Property Purchase - 100 Homes	17,247	16,672	13,534	575	0	0				
Other	317	317	0	0	0	0				
<b>Housing Revenue Account</b>	<b>53,964</b>	<b>42,772</b>	<b>25,607</b>	<b>11,192</b>	<b>0</b>	<b>0</b>				
<b>TOTAL CAPITAL PROGRAMME</b>	<b>124,763</b>	<b>62,622</b>	<b>36,194</b>	<b>58,199</b>	<b>2,809</b>	<b>1,133</b>				

Status	Definition	Action
Red	There are significant problems with the project and the project is not meeting expectations to date. The project requires corrective action to meet business objectives. The problem cannot be handled solely by the project manager.	The matter should be formally escalated to the project board. A remedial action plan to be implemented, including reviewing the frequency of progress reports.
Amber	Not meeting the expectations to date. There are mitigating circumstances in most cases and improvement is likely but risks are being flagged.	The project sponsor and owner must have early sight of the circumstances. All stakeholders are to be informed. Resolution options are to be investigated.
Green	Meeting expectations to date.	No action required.

## Governance and Audit Committee

Item  
**10**

6 September 2022

Report of	Assistant Director Corporate and Improvement Services	Author	Matthew Evans ☎ ext. 8006
Title	Work Programme 2022-2023		
Wards affected	Not applicable		

### 1. Executive Summary

- 1.1 This report sets out the current Work Programme 2022-2023 for the Governance and Audit Committee. This provides details of the reports that are scheduled for each meeting during the municipal year.
- 1.2 Members will note that the 2020/2021 Annual Audit Letter and Opinion report which was due to be considered at this meeting has been deferred until a later meeting with the approval of the Chair of this Committee.

### 2. Recommended Decision

- 2.1 The Committee is asked to note the contents of the Work Programme for 2022-2023.

### 3. Reason for Recommended Decision

- 3.1 The Work Programme of this Committee is kept under review throughout the municipal year to ensure that business is progressed and Members have the opportunity to review upcoming agenda items.

### 4. Alternative Options

- 4.1 This function forms part of the Committee's Terms of Reference and, as such, no alternative options are presented.

### 5. Background Information

- 5.1 The Governance and Audit Committee deals with the approval of the Council's Statement of Accounts, audit, other miscellaneous regulatory matters and standards.
- 5.2 The Committee's Work Programme will evolve as the Municipal Year progresses and items of business are commenced and concluded. At each meeting the opportunity is taken for the Work Programme to be reviewed and, if necessary, amended according to current circumstances.

## **6. Standard References**

- 6.1 There are no particular references to publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety, environmental and sustainability implications or risk management implications.

## **7. Strategic Plan References**

- 7.1 Governance is integral to the delivery of the Strategic Plan's priorities and direction for the Borough as set out under the four themes of growth, responsibility, opportunity and wellbeing.
- 7.2 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self-governance provides a clear and demonstrable lead. Effective governance underpins the implementation and application of all aspects of the Council's work.

## **WORK PROGRAMME 2022-23**

<b>Governance and Audit Committee</b>
<b>Meeting date / Agenda items -</b>
Governance and Audit Committee - <b>21 June 2022</b>
<ol style="list-style-type: none"><li>1. Year End Internal Audit Assurance Report 2021/2022</li><li>2. <u>Review of the Governance Framework and Draft Annual Governance Statement</u></li></ol>
Governance and Audit Committee - <b>26 July 2022</b>

<ol style="list-style-type: none"> <li>1. Local Government Association Model Code of Conduct for Councillors</li> <li>2. 2021/2022 Revenue Outturn</li> <li>3. 2021/2022 Year End Review of Risk Management</li> </ol>
<b>Governance and Audit Committee - 6 September 2022</b>
<ol style="list-style-type: none"> <li>1. Colchester Borough Homes Annual Report and Governance Statement</li> <li>2. Revenue Monitoring Report – April to June 2022/23</li> <li>3. Capital Expenditure 2021/2022 Outturn</li> </ol>
<b>Governance and Audit Committee - 18 October 2022</b>
<ol style="list-style-type: none"> <li>1. Local Government and Social Care Ombudsman Annual Review 2021/2022</li> <li>2. Health and Safety Policy and Annual Report</li> <li>3. Colchester Commercial Holdings Limited – Annual report</li> <li>4. Use of Resources Judgment 2020/2021</li> <li>5. Treasury Management Report 2021/2022</li> </ol>
<b>Governance and Audit Committee – 22 November 2022</b>
<ol style="list-style-type: none"> <li>1. Revenue Monitoring Report – July to September 2022/23.</li> <li>2. Capital Monitoring Report – July to September 2022/23</li> <li>3. Review of the Council's Ethical Governance Policies</li> <li>4. Annual Review of the Members' Code of Conduct and the Council's Localism Act "Arrangements"</li> <li>5. Review of Local Code of Corporate Governance</li> <li>6. Review of Member/Officer Protocol</li> <li>7. Gifts and Hospitality – Review of Guidance for Councillors and Policy for Employees</li> <li>8. Treasury Management – Half Yearly Update</li> </ol>
<b>Governance and Audit Committee - 17 January 2023</b>

1. Interim Review of the Annual Governance Statement Action Plan
2. Risk Management Progress Report
3. Mid-Year Internal Audit Assurance Report 2022/2023
4. CCHL Half-Year Performance Report
5. Annual Review of the Council's Companies' Business Plans
6. Annual Review of Business Continuity

Governance and Audit Committee - **7 March 2023**

1. Internal Audit Plan 2023/2024
2. Revenue Monitoring Report – October to December 2022/2023
3. Capital Monitoring Report – October to December 2022/2023