



Professor Steven Broomhead
Chief Executive

To: **All Members of the Audit and Corporate
Governance Committee**

Councillors:

Chair: C Fitzsimmons

Deputy Chair: C Froggatt

Town Hall
Sankey Street
Warrington
WA1 1UH

P Carey, D Friend, J Hart, D Keane, S Parish, P Warburton, B Axcell, I Marks & K Buckley

18 September 2019

Audit and Corporate Governance Committee

Thursday 26 September 2019

6.30 pm – Council Chamber

Town Hall, Sankey Street, Warrington, WA1 1UH

Agenda prepared by Adam Kellock, Senior Democratic Services Officer – Telephone: (01925) 442144, Email: akellock@warrington.gov.uk

AGENDA

Part 1

Items during the consideration of which the meeting is expected to be open to members of the public (including the press) subject to any statutory right of exclusion.

Training at 6pm prior to committee – ‘Risk Management and Insurance’

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1. Apologies

To record any apologies received.

2. Code of Conduct – Declaration of Interests

Members are reminded of their responsibility to declare any disclosable pecuniary or non-pecuniary interest which they have in any item of business on the agenda no later than when the item is reached.

3. <u>Minutes</u>	3-10
To confirm the Minutes of the meeting of 25 July 2019 as a correct record.	
4. <u>Polling District Review</u>	11-66
Report of the Head of Legal & Democratic Services (Monitoring Officer).	
5. <u>Review of Ombudsman Complaints 2018/19</u>	67-78
Report of the Head of Legal & Democratic Services (Monitoring Officer).	
6. <u>Review of the effectiveness of the Audit and Corporate Governance Committee</u>	79-94
Report of the Deputy Chief Executive and Director of Corporate Services	
7. <u>Risk and Insurance Annual Report</u>	95-112
Report of the Deputy Chief Executive and Director of Corporate Services.	
8. <u>Treasury Management Monitoring Report</u>	113-136
Report of the Deputy Chief Executive and Director of Corporate Services.	
9. <u>External Audit Progress Report</u>	
Verbal report of the External Auditor, Grant Thornton.	
10. <u>Work Programme 2019/20</u>	137-139
Report of the Chair of the Audit and Corporate Governance Committee.	

Part 2 - Nil

**AUDIT AND CORPORATE GOVERNANCE COMMITTEE
25 July 2019**

Present

Councillors: C Fitzsimmons (Chair), K Buckley, P Carey, J Hart, S Parish, P Walker (Sub for I Marks) and T Williams (Sub for P Warburton) – Present for Fraud training

C Fitzsimmons (Chair), P Carey, D Friend, G Friend, J Hart, D Keane, S Parish, P Walker (Sub for I Marks) and T Williams (Sub for P Warburton)

Also present: C Harris (Head of Finance), M Cumberbatch (Head of Legal and Democratic Services), M Dennett (Senior Accountant), J Gleave (Head of Internal Audit, Risk and Insurance), A Kellock (Senior Democratic Services Officer), D Mather (Head of Corporate Finance), A Smith (Grant Thornton) and G Winstanley (Grant Thornton).

ACG 1 Apologies

Apologies were received from Councillor B Axcell, C Froggatt (G Friend Sub) I Marks (P Walker Sub) and P Warburton (T Williams Sub).

ACG 2 Code of Conduct – Declarations of Interest

There were no declarations of interest made.

ACG 3 Minutes

The minutes of the meeting held on 11 April 2019 were presented to the Committee.

Decision

That the minutes of the meeting held on 11 April 2019 be agreed as a correct record.

ACG 4 Annual Report of the Audit and Corporate Governance Committee – 2018/19

The annual report was presented by the Chair of the Audit and Corporate Governance Committee and aimed to summarise the work and achievements of the committee during the 2018/19 municipal year. The production of such a report is recommended as good practice by the National Audit Office.

Decision

The Audit and Corporate Governance Committee note the report.

ACG 5 Annual Governance Statement 2018/19

The Head of Internal Audit, Risk and Insurance presented the Annual Governance Statement for 2018/2019. It was proposed that the statement be approved in order to maintain an effective framework of corporate governance and to assist the Council in meeting its statutory requirement to review the effectiveness of its internal control.

The report detailed the approach that had been taken during the year to produce the statement, providing details of the governance issues that had been looked at during the year. During the year the Officer Governance Group used a number of sources to gain assurance that the statement was fully supported with issues being considered by the various Departmental Management Teams and Senior Management Team.

The statement was in place to outline how the Council has complied with its Code of Corporate Governance which set out what measures should be in place with specific actions detailed as to how this assurance was given.

A query was raised with regards to the governance of Redwood Bank and it was confirmed that the Council had observer status on the board as the requirements for a license to sit on the board of a bank were stringent with a license being granted by the Bank of England. Officers reassured members that the Council was fully protected in all agreements and document with the Council having voting rights as shareholders on certain key issues.

Decision

The Audit and Corporate Governance Committee approved the Council's Annual Governance Statement for 2018/19.

ACG 6 Annual Report of the Officer Governance Group and Implementation of the Annual Governance Statement Action Plan (2017/18) Items

The Head of Internal Audit, Risk and Insurance presented the annual report of the Officer Governance Group in relation to corporate governance for the year 2018/2019. The report also details the progress against actions from the Annual Governance Statement 2017/2018.

The work of the group during the 2018/19 financial year was detailed with three meetings having taken place with information on the action plan items being received from a number of areas in order to provide an overall assurance.

Updates on the actions monitored during the year.

It was proposed that the 2017/18 improvement actions continue to be monitored during 2019/20 along with the following areas:

- Continued review of workforce and management capacity risks

- Further development of standard documented procedures and training to assist staff in financial controls
- Disaster Recovery and Business Continuity

In response to a query that was raised with regards to Outcome Based Budgeting it was clarified that the Outcome Based Budgeting Board was chaired by the Deputy Chief Executive and Director of Corporate Services with attendees included Directors from across the Council. There were no Councillors on the board.

Decision

The Committee noted the report.

ACG 7 Update on the closure of the accounts

An update on the closure of the 2018/19 accounts was provided by the Head of Finance. From the Council's perspective the audit was progressing well with all the required work having been completed by the finance team on time.

An objection to the 2018/19 accounts has been submitted and the external auditors, Grant Thornton were in the process of determining its validity.

Members requested a further update on the closure of the 2017/18 accounts and a subsequent update was provided by Andrew Smith from Grant Thornton. The 2017/18 accounts had not yet been signed off due to ongoing work regarding an objection that had been submitted. It was confirmed that the investigation work relating to this objection had been completed with a letter and a report due to go to the complainant in the near future. The delay in reporting back to the complainant was due to the commercially sensitive material that had been considered during the investigation and the process of redacting such information which required liaisons with the Council and Redwood Bank as the subject of the objection. It was noted that the process of redacting the information had been completed.

It was further clarified that requests for information to be provided by the Council for the investigation were responded to in a timely manner with additional information being required by Redwood Bank as the other party in the objection. The Council had provided as much disclosure and information as possible when requested by the external auditors.

Grant Thornton were confident that the letter would be issued to the objector in the coming weeks however a definite timescale could not be placed on it as it was required to be considered by Public Sector Audit Appointments (PSAA) prior to being issued. Following the issue of the letter a 28 day consultation period would be available to the objector before any final decision could be made.

Members expressed their frustration with the delay in signing off the accounts and their concerns about the reputational damage that was being caused to the Council. Grant Thornton further explained that the objection that was being considered was legally very complex and required a considerable amount of information to be considered along with

additional legal advice having to be sought and discussions with PSAA. It was noted that complex objections often took months or even years to resolve.

For clarification it was noted that PSAA was involved as a formal part of the objection process to ensure that the process had been carried out correctly and it was further clarified that no commercially sensitive information would be shared with the complainant.

It was confirmed that once the objection process was completed the accounts would be brought to the next meeting of the Audit and Corporate Governance Committee to be signed off.

ACG 8 2018/19 Treasury Management Outturn Report

The Head of Corporate Finance presented the 2018/2019 Treasury Management Outturn Report. The report confirmed that all investments and borrowing activity had been undertaken in full compliance with the Council's approved Treasury Management Policy and Treasury Management Strategy.

It was recommended that the report be noted by the committee in order to comply with the 2011 revised CIPFA Treasury Management Code of Practice. The Treasury Management Strategy agreed by Council each year sets out the limits within the Council was required to operate and the outturn report outlined performance against this strategy.

The Council's borrowing and investment position as at 31 March with £870.6m in borrowing and £66m in investments. An overview of this position was also provided with details of the investments and loans provided as part of the report.

The report included an overview of the economy throughout the year as well as a forward look at the economic outlook for the coming 12 month period.

It was noted that, in compliance with the new investment code relating to non-treasury investments such as Redwood Bank and Birchwood Park these were now reported in more detail as part of the treasury outturn. In terms of Redwood Bank it was confirmed that the bank was performing well and in line with its business plan.

The new Financial Reporting Standard 9 was in place and a considerable amount of work had gone into it as it represented a new way of accounting for any losses which would require losses to be taken into account when they were first known even if the impact would not be for a few years.

Overall the performance of the treasury management strategy had been successful during the 2018/19 financial year with £8.5m earned for the Council and the strategy was outperforming industry expectations.

A query was raised with regards to concerns regarding the economic outlook for the current financial year. It was noted that this meant that Public Works Loans Board loans were available at very low rates but this also meant that returns on investments would also be

lower. The economic outlook was considered turbulent given issues surrounding Brexit which were ongoing.

A further query was raised with regards to the refinancing of Lender Option Borrower Option (LOBO) loans which often had higher interest rates. It was confirmed that the Council had around £60m in LOBO loans with an average interest rate of 4.2%. It was noted that these loans were taken out in a period when rates were considerably higher than currently available and the Council was in the process of trying to renegotiate these loans but it was a challenging and complicated process.

Decision

The Audit and Corporate Governance Committee noted the report and recommended that it be presented to the Council at the next available meeting for approval.

ACG 9 Strategic Risk Environment at Quarter 4, 2018/19

The Head of Internal Audit, Risk and Insurance presented the Strategic Risk Environment Report for Quarter 4, 2018/19. The report provided an overview of the Council's strategic risk management and insurance activity for the last six months of 2018/19.

The full risk register as at quarter 4 of 2018/19 was provided at appendix.

It was noted that there were a number of high scoring risks but given the strategic nature of the register this was to be expected. The highest risks in the register related to homelessness, pandemic flu and cyber-attacks. These risks were key national risks and were always likely to score highly due to the potential severe impact. Issues such as financial and governance risks also scored highly so it was important to assure that activities were in place to mitigate the risks as much as possible.

An update was provided in terms of risk and insurance with details provided of the claims that had been submitted and defended during the period. Further detail of the type of claims that come through to the Council and the areas that they cover was also provided.

In response to the motion by Council declaring a climate emergency it was noted that there was no specific risk on the register to cover this but it was an area that could be considered moving forward.

Decision

The Audit and Corporate Governance Committee noted the Council's performance in managing insurance claims for the last six months of the financial year.

The Audit and Corporate Governance Committee noted the new and emerging issues documented within the report.

ACG 10 Annual Report and Head of Internal Audit Opinion on the System of Internal Control

The Head of Internal Audit provided the annual report and presented their opinion on the system of internal control for the financial year 2018/19 which drew together the work of the Internal Audit section over the year.

It was noted that key assurances related to the 2017/18 accounts were not included within the report due to the accounts having not been signed off yet.

The report did not include all aspects and was not a review of all risk and assurances as it only covers the work of the Internal Audit team during the year but the report contributed to the overall assurance opinion for the Council which was satisfactory based on the work of Internal Audit.

The Internal Audit team continued to work collaboratively with a number of local authorities including continuing partnership working with Salford Council and working closely with Cheshire West and Chester Council with regards to fraud. Further areas of collaborative and external work was being considered.

Decision

The Committee noted the report.

ACG 11 Internal Audit Quarterly Performance Report to 12 July 2019

The Head of Internal Audit, Risk and Insurance presented the Internal Audit Quarterly Performance Report in order to provide an update on the progress being made against the internal audit work programme covering the period from 1 April 2019 to 12 July 2019.

The report included items that had been completed since the annual report for 2018/19 was produced in April/May 2019.

During the period four final reports had been issued with a further five reports currently in draft form. Review had been completed regarding commissioning and contracts within families and wellbeing, treasury management, related parties and Meadowside Community Primary School.

Within these reviews there were no limited or minimal assurance opinions given to which to bring to the attention of the committee.

A summary of the follow up actions that had been carried out during the period on previously agreed recommendations was provided with follow up work ongoing in a number of areas.

The Key Performance Indicators (KPI) for the service were included within the report and it was noted that these were low for the quarter as work was still ongoing in terms of completing work from the 2018/19 financial year.

Decision

The Committee noted the report.

ACG 12 External Audit Update

The External Auditors, Grant Thornton provided a further update following the discussion on the closure of the accounts at ACG 7. It was noted that the audit of the 2018/19 accounts was dependent on the 2017/18 accounts being signed off however the majority of work on the 2018/19 audit had been completed with technical issues being worked on with the Council.

It was further clarified that an objection to the 2018/19 accounts had been submitted in relation to Redwood Bank with some new questions other than those considered as part of the 2017/18 objection. The initial response to the objector was with PSAA before being circulated.

ACG 13 Work Programme 2019/20

The Committee considered its work programme for the 2019/20 municipal year.

Decision

That the committee approves its work programme for the remainder of the 2019/20 municipal year.

Signed:

Date:

WARRINGTON BOROUGH COUNCIL

AUDIT AND CORPORATE GOVERNANCE COMMITTEE – 26 SEPT 2019

Report of the: Chief Executive
Report Author: Alison McCormick, Electoral Services Manager
Contact Details: **Email Address:** alison.mccormick@warrington.gov.uk **Telephone:** 01925 442041

Ward Members: ALL

TITLE OF REPORT: REVIEW OF POLLING DISTRICTS AND POLLING PLACES 2019

1. PURPOSE

1.1 To report on the outcome of the Review of Polling Districts and Polling Places.

2. CONFIDENTIAL OR EXEMPT

2.1 Not confidential.

3. INTRODUCTION AND BACKGROUND

3.1 Local authorities are required to divide their area into Polling Districts for the purposes of elections, to designate Polling Places for these Polling Districts, and to keep these under review.

3.2 The Electoral and Administration Act 2013 introduced a statutory duty for local authorities to carry out a review of their parliamentary Polling Districts and Polling Places. The compulsory review must now be completed by 31 January 2020 (inclusive)

3.3 **A Polling District** is the area created by the division of a constituency, ward or division into smaller parts within which a Polling Place can be determined which is convenient to electors.

3.4 **A Polling Place** is the building or area in which Polling Stations will be selected by the Returning Officer.

3.5 **The Polling Station** is the room or building where the poll takes place which is chosen by the Returning Officer for the election.

4. THE REVIEW PROCESS

4.1 The Review has three stages:

4.1.1 The Preliminary Stage

The first stage of the process involves giving notice of the Review. This was published at the end of May 2019. At the same time, all interested parties, included elected members and disability groups, were notified of the review and invited to make representations.

4.1.2 The Proposal Stage

The Authority must devise a proposal for the new Polling District and Polling Place arrangements. There is no requirement to change any existing arrangements; however, any change or decision to make no change must be supported by a reason.

In practical terms, it is ideal to identify good quality Polling Stations first so that these can be used to build Polling Places and then Polling Districts. Details of the existing polling stations are available to assist both the authority in drawing up its proposals and the Returning Officer in commenting on the proposals.

In making a decision on the proposals, there are two key factors which must be addressed:

- the reasonable requirements of the electors
- the accessibility for disabled persons to the probable Polling Stations within the Polling Place

4.1.3 The Consultation Stage

The consultation stage is for representations and comments on the local authority proposals for Polling Districts and Places. There are two parts to this:

- A compulsory submission from the Returning Officer
- Submissions from other persons and bodies

4.2 Following the consultation stage, the Authority, must make its final decisions on the review, taking into account all the representations received.

4.3 The last full review was undertaken in 2016. Since that time, polling stations have been under constant review following elections by the Returning Officer. If any changes were deemed necessary, Ward Members were consulted and any changes implemented.

4.4 The function of carrying out this statutory review rests with Full Council under the Constitution – Part 3, Section A, Paragraph 11.1 (k) refers - to monitor, review and make recommendations to full Council on the Council's response to any matters or proposals in relation to local government boundaries, including electoral wards, the conduct of elections and the discharge of Local Authority functions.

4.5 Therefore it is proposed that the final proposals will be considered by this Committee at your meeting on Thursday 26 September 2019 prior to submission Full Council on Monday 4th November 2019.

5. FINANCIAL CONSIDERATIONS

5.1 Any financial costs incurred will be met from existing budgets.

6. RISK ASSESSMENT

6.1 Undertaking this review is a statutory duty and will ensure that representations received can be fully considered.

7. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT

7.1 A full equality impact assessment has been completed for Electoral Services and work is currently being undertaken on implementation of the identified improvements.

8. CONSULTATION

8.1 The Chair of the Audit and Governance Committee and the Returning Officer were consulted. All ward members, Parish Councils and other interested parties were consulted as part of the review process.

9. REASONS FOR RECOMMENDATION

9.1 The Electoral and Administration Act 2013 introduced a statutory duty for local authorities to carry out a review of their parliamentary Polling Districts and Polling Places the compulsory review must be completed by 31 January 2020.

10. RECOMMENDATION

10.1 That the Audit and Corporate Governance Committee;

(1) Considers the representation made; and

(2) Following consideration of the representations made, make recommendation to full Council at its meeting scheduled to take place on 4 November 2019 in relation to Polling Districts and Polling Places.

Polling District Review 2019

Timetable

Monday 27 May 2019

Publish notice of review at Town Hall and a one conspicuous place (Contact Warrington) and on the website. Send current polling arrangements to members and other interested parties to comment.

Monday 24 June 2019

Close of comments on current polling arrangements from the public, members and other interested parties.

Tuesday 25 June 2019 to Wednesday 24 July 2019

Assessments of representations and proposals received by electoral services and working group.

Thursday 25 July 2019

Publish draft proposals and send to members, interested parties and public who sent representations to comment.

Thursday 22 August 2019

Close of consultation on draft proposals.

Friday 23 August 2019 to 23 September 2019

Evaluate representations received and finalise proposals. Report ready for Council.

Thursday 26 September 2019

Final proposals to Audit & Corporate Governance

Monday 4 November 2019

Full Council to agree report.

Wednesday 1 December 2019

Publish Register of Electors to take account of any alterations made to Polling Districts as part of this review.



Polling Districts and Polling Places Review 2019

Warrington North Final Proposals

**WARRINGTON NORTH PARLIAMENTARY CONSTITUENCY
BIRCHWOOD WARD**

Electorate (Mar 2019) – 7987
Postal Voters (Mar 2019) – 1249

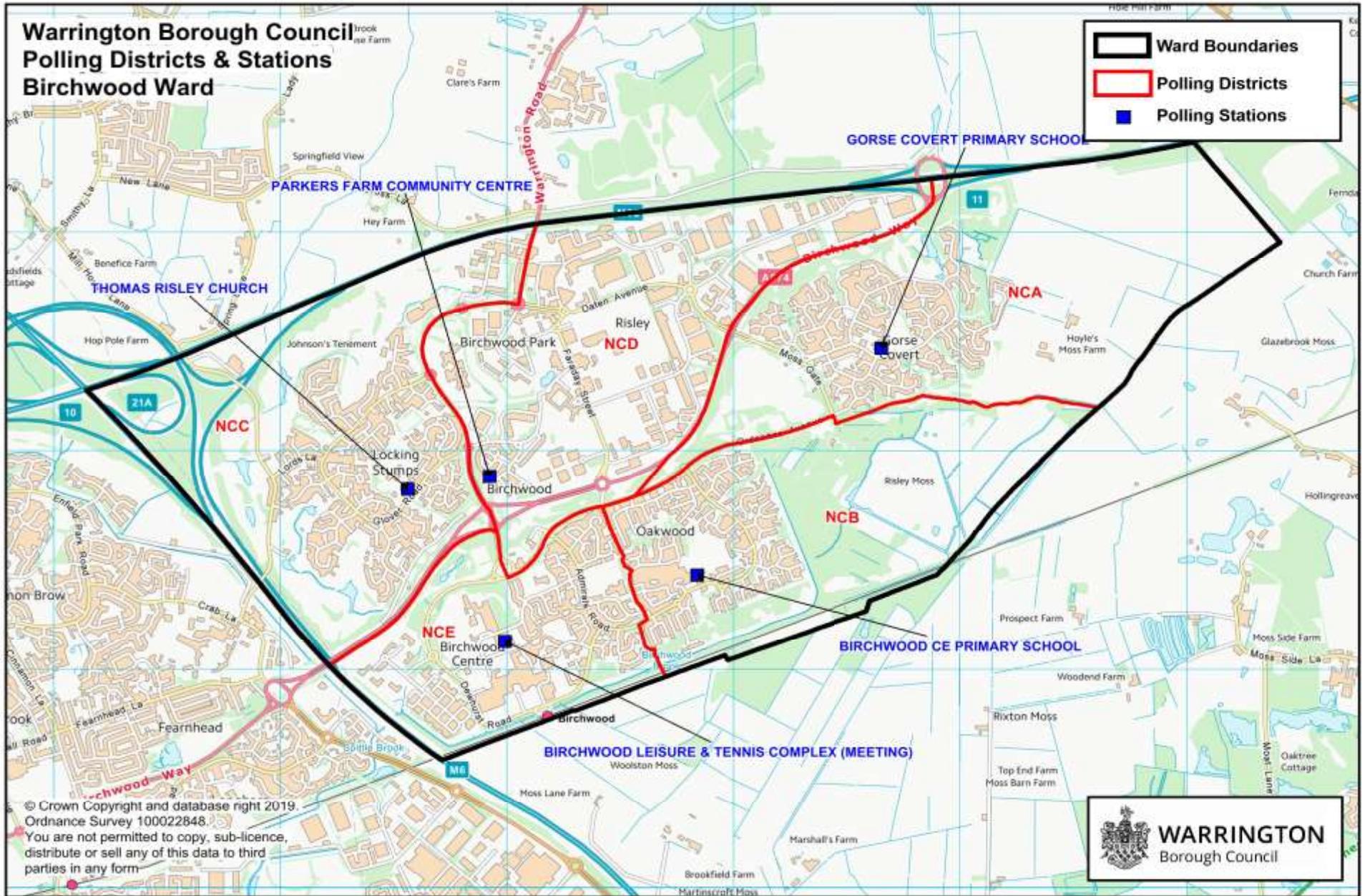
BIRCHWOOD TOWN COUNCIL

NCA – Gorse Covert Ward
NCB – Oakwood Ward
NCC – Locking Stumps Ward
NCD – Locking Stumps Ward
NCE – Chatfield Ward

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
NCA	1988	339	Gorse Covert Primary School	No comments on district and location. Recommend no change.
NCB	2156	272	Birchwood C E Primary School	No comments on district and location. Recommend no change.
NCC	2454	445	Thomas Risley Church	No comments on district and location. Recommend no change.
NCD	174	20	Parkers Farm Community Centre	No comments on district and location. Recommend no change.
NCE	1215	173	Birchwood Leisure and Tennis Complex – Champions Suite	No comments on district and location. Recommend no change.

Consultation

Date	Ward	Which polling place/station does your submission relate to?	If you would like to add any further comments on the proposed Polling Places then please write in the box below	Acting Returning Officer Comments
1 Jul 19	Birchwood	Gorse Covert Primary, Thomas Risley Church, Parkers Farm	<p>Parish Clerk Can a review of directional signage to all of the locations in Birchwood be undertaken and signage, or clearer signage, be installed</p>	It would not be financially viable to install polling station specific signage across the Borough which would have to be amended for any polling station changes
7 Aug 19	Birchwood	Gorse Covert Primary, Thomas Risley Church, Parkers Farm	<p>Parish Clerk The Acting Returning Officers comments are noted, however, the request/suggestion made was not for 'Polling Station' specific signage. It was for new or improved permanent signage which will help people to find polling stations at election time; most are also local amenities. As the polling stations in Birchwood have not changed for many years and there is no immediate recommendation to change them surely this would aid the democratic process whilst being informative.</p>	



**WARRINGTON NORTH PARLIAMENTARY CONSTITUENCY
BURTONWOOD AND WINWICK WARD**

Electorate (Mar 2019) – 5091

Postal Voters (Mar 2019) – 883

BURTONWOOD AND WESTBROOK PARISH COUNCIL

NDA – Burtonwood Ward

NDB – Burtonwood Ward

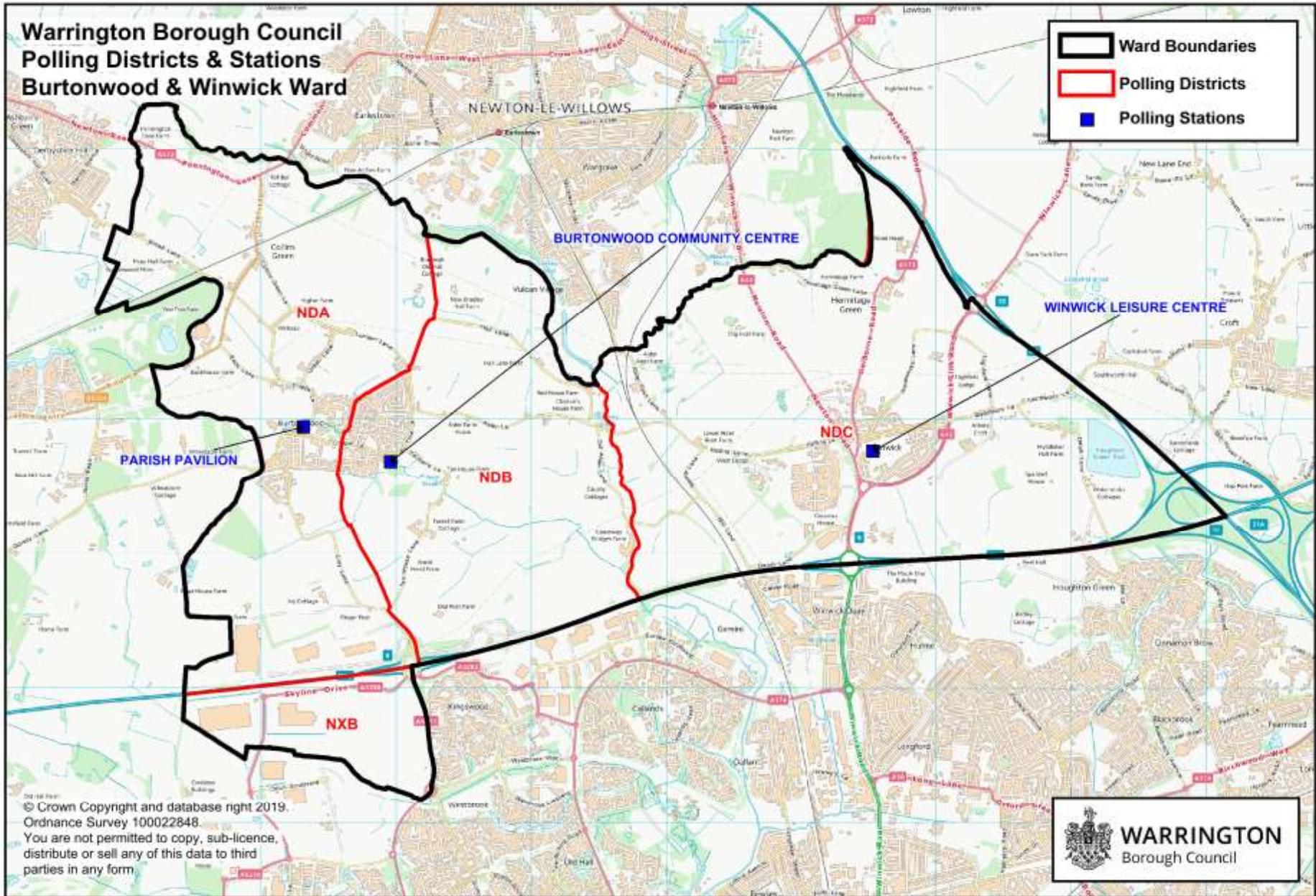
WINWICK PARISH COUNCIL

NDC – Winwick Ward

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
NDA	1585	255	Parish Pavilion, Clay Lane	Building closed down. Investigate alternative - Burtonwood Club on Phipps Lane.
NDB	1559	241	Burtonwood Community Centre	No comments on district and location. Recommend no change.
NDC	1947	387	Winwick Leisure Centre	No comments on district and location. Recommend no change.

Acting Returning Officer Comments: Burtonwood Club is suitable, recommend change to this location. Location was used in European Elections and worked well with good facilities and adequate parking.

Consultation: No comments received



**WARRINGTON NORTH PARLIAMENTARY CONSTITUENCY
CULCHETH GLAZEBURY AND CROFT WARD**

Electorate (Mar 2019) – 8618

Postal Voters (Mar 2019) – 1587

CULCHETH AND GLAZEBURY PARISH COUNCIL

NFA – Culcheth Ward

NFB – Culcheth Ward

NFC – Culcheth Ward

NFD – Glazebury and Mee Brow Ward

NFE – Glazebury and Mee Brow Ward

NFF – Newchurch Ward

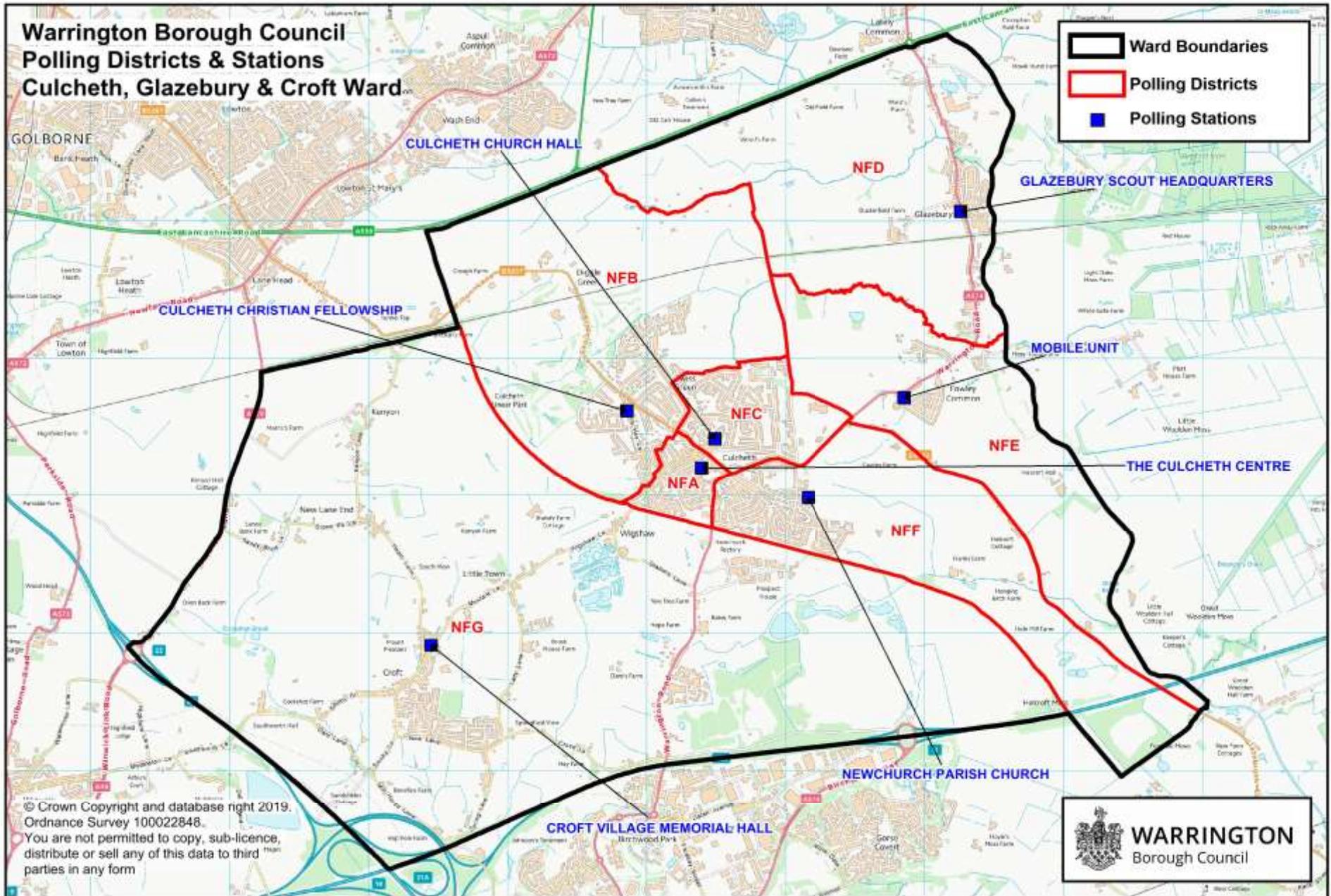
CROFT PARISH COUNCIL

NFG – Southworth Ward

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
NFA	848	166	Culcheth Community Centre	No comments on district and location. Recommend no change.
NFB	1527	317	Culcheth Christian Fellowship	No comments on district and location. Recommend no change.
NFC	1311	268	Culcheth Methodist Church Hall	No comments on district and location. Recommend no change.
NFD	899	159	Glazebury Scout Headquarters	No comments on district and location. Recommend no change.
NFE	580	81	Mobile Unit – Churchill Avenue	No other suitable locations available in district. Recommend no change.
NFF	1716	275	Newchurch Parish Church	No comments on district and location. Recommend no change.
NFG	1737	321	Croft Village Memorial Hall	No comments on district and location. Recommend no change.

Acting Returning Officer Comments: No changes required

Consultation: No comments received



**WARRINGTON NORTH PARLIAMENTARY CONSTITUENCY
FAIRFIELD AND HOWLEY WARD**

Electorate (Mar 2019) - 7715

Postal Voters (Mar 2019) – 1026

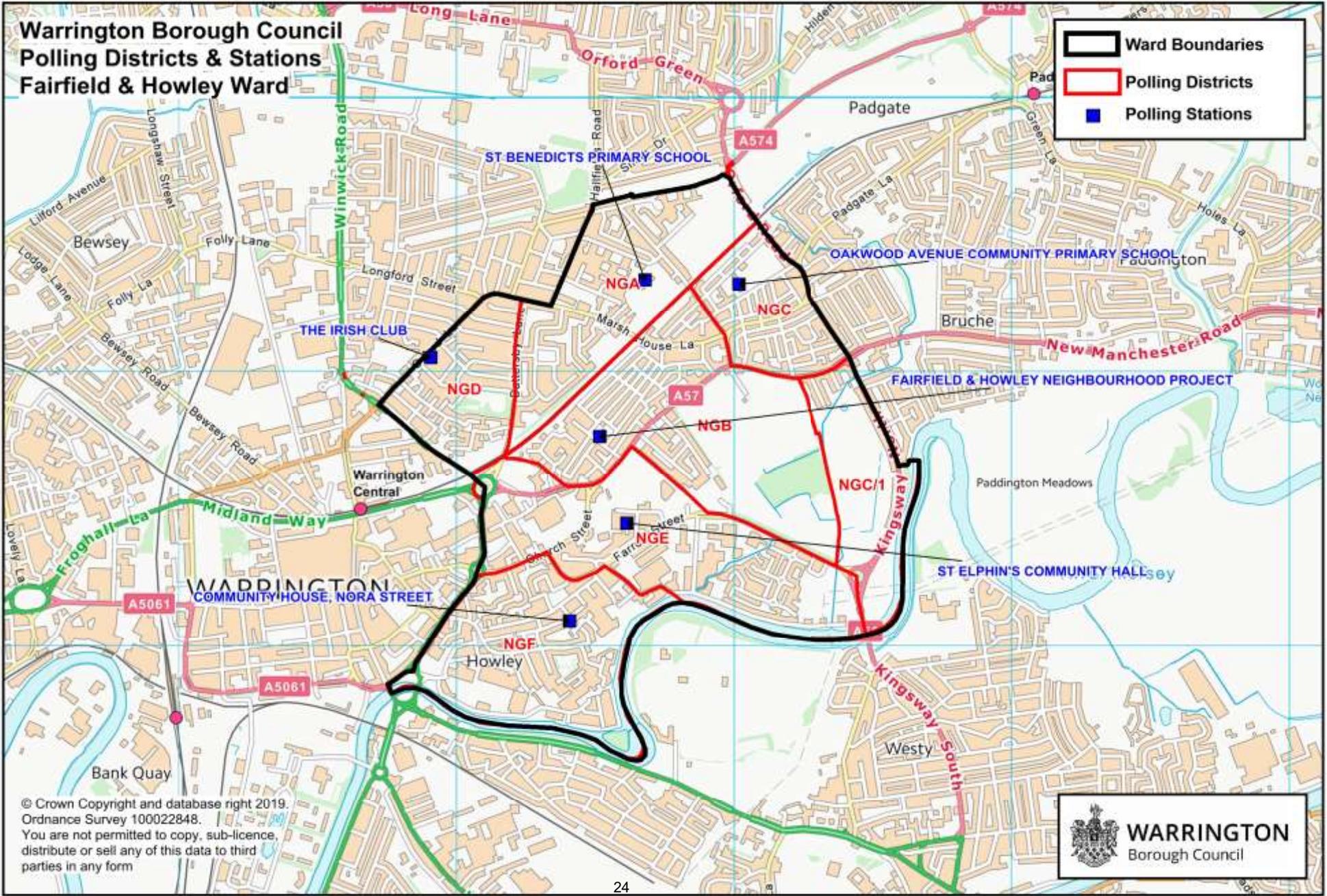
Polling District	Electorate Mar 2018	Postal voters Mar 2018	Current polling place	(Acting) Returning Officer Comments
NGA	1687	297	St Benedicts R C Primary School	No comments on district and location. Recommend no change.
NGB	1653	192	Fairfield and Howley Neighbourhood Project	No comments on district and location. Recommend no change.
NGC	1191	130	Oakwood Avenue Primary School	No comments on district and location. Recommend no change.
NGC/1	158	37	Oakwood Avenue Primary School	No comments on district and location. Recommend no change.
NGD	987	130	Irish Club	No comments on district and location. Recommend no change.
NGE	858	95	St Elphins Community Centre	No other suitable locations available. Recommend no change.
NGF	1181	145	Community House, Nora Street	No comments on district and location. Recommend no change.

Acting Returning Officer Comments: No changes required

Consultation: No comments received

**Warrington Borough Council
Polling Districts & Stations
Fairfield & Howley Ward**

Ward Boundaries
 Polling Districts
■ Polling Stations



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**WARRINGTON NORTH PARLIAMENTARY CONSTITUENCY
ORFORD WARD**

Electorate (Mar 2019) - 8179

Postal Voters (Mar 2019) – 1086

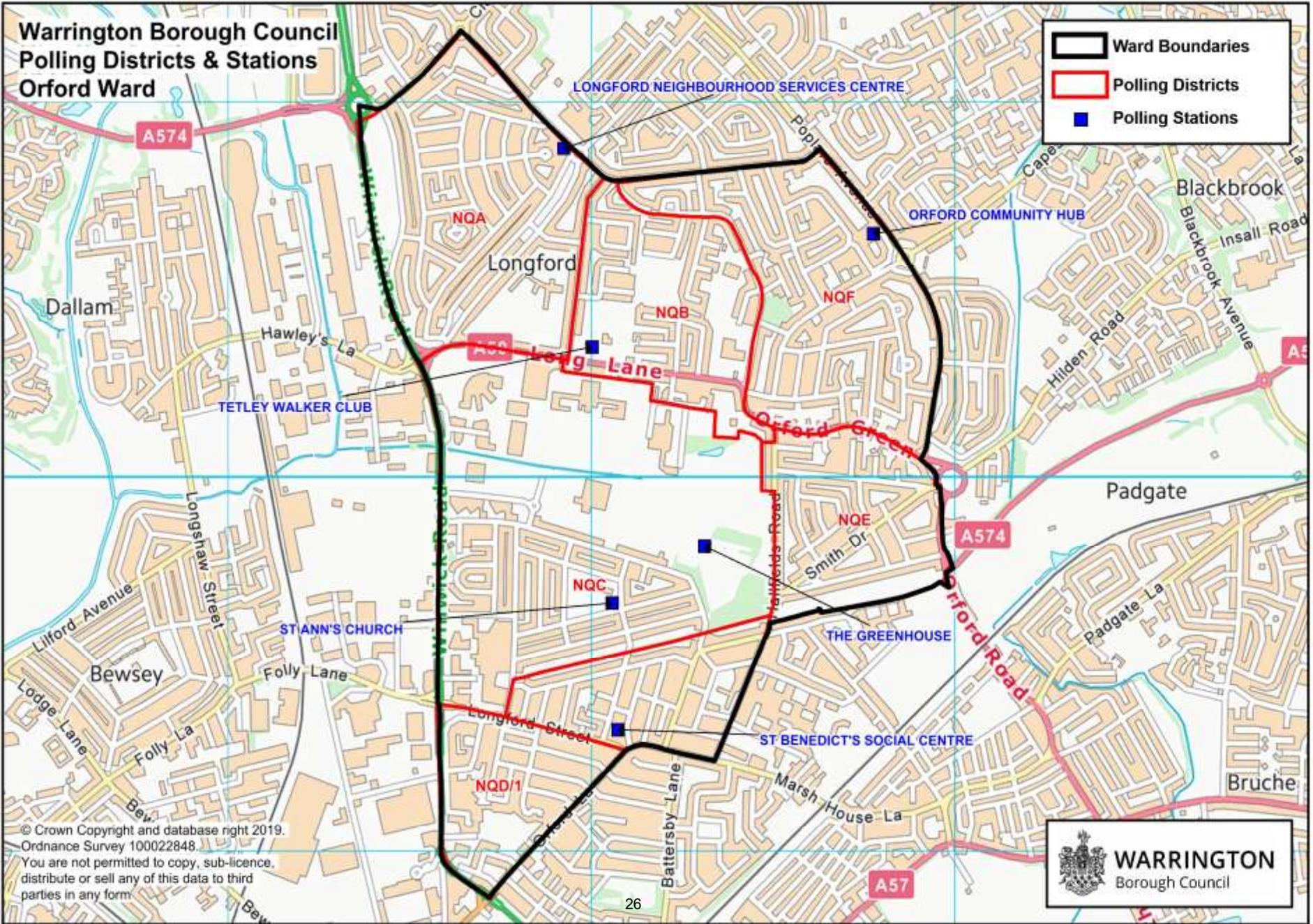
Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
NQA	1539	150	The Ray Humphreys Centre formerly Longford Neighbourhood Services Centre	No comments on district and location. Recommend no change.
NQB	959	165	Tetley Walker Sports and Social Club	No comments on district and location. Recommend no change.
NQC	1178	69	St Anns Church	No comments on district and location. Recommend no change.
NQD	1840	224	St Benedicts Social Centre	No comments on district and location. Recommend no change.
NQD/1	723	118	St Benedicts Social Centre	No comments on district and location. Recommend no change.
NQE	1037	223	Orford Jubilee Neighbourhood Hub	No comments on district and location. Recommend no change.
NQF	903	137	Orford Hub Community Centre	No comments on district and location. Recommend no change.

Acting Returning Officer Comments: No changes required

Consultation: No comments received

**Warrington Borough Council
Polling Districts & Stations
Orford Ward**

Ward Boundaries
 Polling Districts
■ Polling Stations



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WARRINGTON NORTH PARLIAMENTARY CONSTITUENCY**POPLARS AND HULME WARD**

Electorate (Mar 2019) - 8276

Postal Voters (Mar 2019) – 980

POULTON WITH FEARNHEAD PARISH

NSH – Blackbrook Ward

NSJ – Blackbrook Ward

WINWICK PARISH COUNCIL

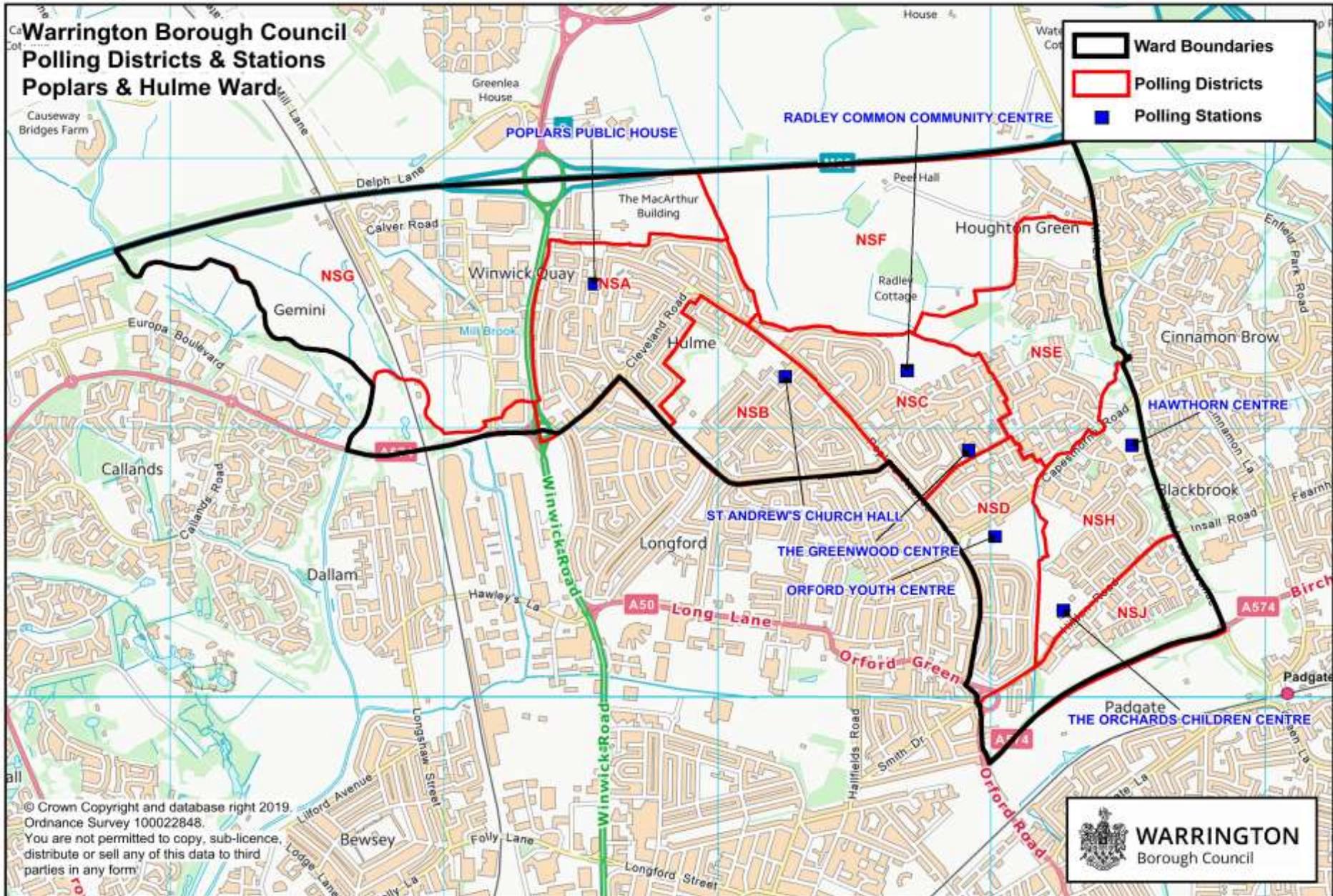
NSE – Peel Hall Ward

NSF – Peel Hall Ward

NSG – Peel Hall Ward

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
NSA	1898	218	Poplars Pub	No comments on district and location. Recommend no change.
NSB	1321	134	St Andrews Church Hall	No comments on district and location. Recommend no change.
NSC	1347	136	Radley Common Community Centre	No comments on district and location. Recommend no change.
NSD	1017	132	Orford Youth Base	No comments on district and location. Recommend no change.
NSE	926	136	Greenwood Community Centre	No other suitable locations available. Recommend no change.
NSF	115	19	Cinnamon Brow C E Primary School	No comments on district and location. Recommend no change.
NSG	90	16	Poplars Pub	No comments on district and location. Recommend no change.
NSH	763	122	The Hawthorn Centre	No comments on district and location. Recommend no change.
NSJ	799	67	The Orchard Childrens Centre (Little Acorns)	No comment on district and location. Recommend no change.

Acting Returning Officer Comments: No changes required**Consultation:** No comments received



**WARRINGTON NORTH PARLIAMENTARY CONSTITUENCY
POULTON NORTH WARD**

Electorate (Mar 2019) - 8058

Postal Voters (Mar 2019) – 1349

POULTON WITH FEARNHEAD PARISH COUNCIL

NTA – Longbarn, Fearnhead & Cinnamon Brow Ward

NTB – Longbarn, Fearnhead & Cinnamon Brow Ward

NTC – Longbarn, Fearnhead & Cinnamon Brow Ward

NTC/1 Longbarn, Fearnhead & Cinnamon Brow Ward

NTD - Longbarn, Fearnhead & Cinnamon Brow Ward

NTE – Houghton Green Ward

NTE/1 Houghton Green Ward

Winwick Parish Council

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
NTA	2383	432	Cinnamon Brow C E Primary School	No comments on district and location. Recommend no change.
NTB	2470	369	Fearnhead Cross Community and Youth Centre	No comments on district and location. Recommend no change.
NTC	1338	212	Padgate Youth & Community Centre	No comments on district and location. Recommend no change.
NTC/1	189	35	Padgate Youth & Community Centre	No comments on district and location. Recommend no change.
NTD	1029	187	New Horizons School	No comments on district and location. Recommend no change.
NTE	649	114	Cinnamon Brow Community Centre	No other suitable locations available. Recommend no change.

Consultation:

Date	Ward	Which polling place/station does your submission relate to?	If you would like to add any further comments on the proposed Polling Places then please write in the box below	Acting Returning Officer Comments
24 Jun 19	Poulton North	New Horizons School	<p>Parish Clerk I have discussed with Longbarn Residents Association who have suggested Padgate Village Club, although licensed it has a separate access other than the bar. The other alternative is a mobile unit on WBC land next to Raj's shop.</p> <p>The school have requested that an alternative site be used.</p>	<p>Padgate Village Club is outside of the polling district. In line with Electoral Commission best practice, mobile units should only be used in extreme circumstances. Recommendation, remain at New Horizons School.</p>

WARRINGTON NORTH PARLIAMENTARY CONSTITUENCY

POULTON SOUTH WARD

Electorate (Mar 2019) - 4863

Postal Voters (Mar 2019) – 814

POULTON WITH FEARNHEAD PARISH COUNCIL

NUA – Bruche Ward

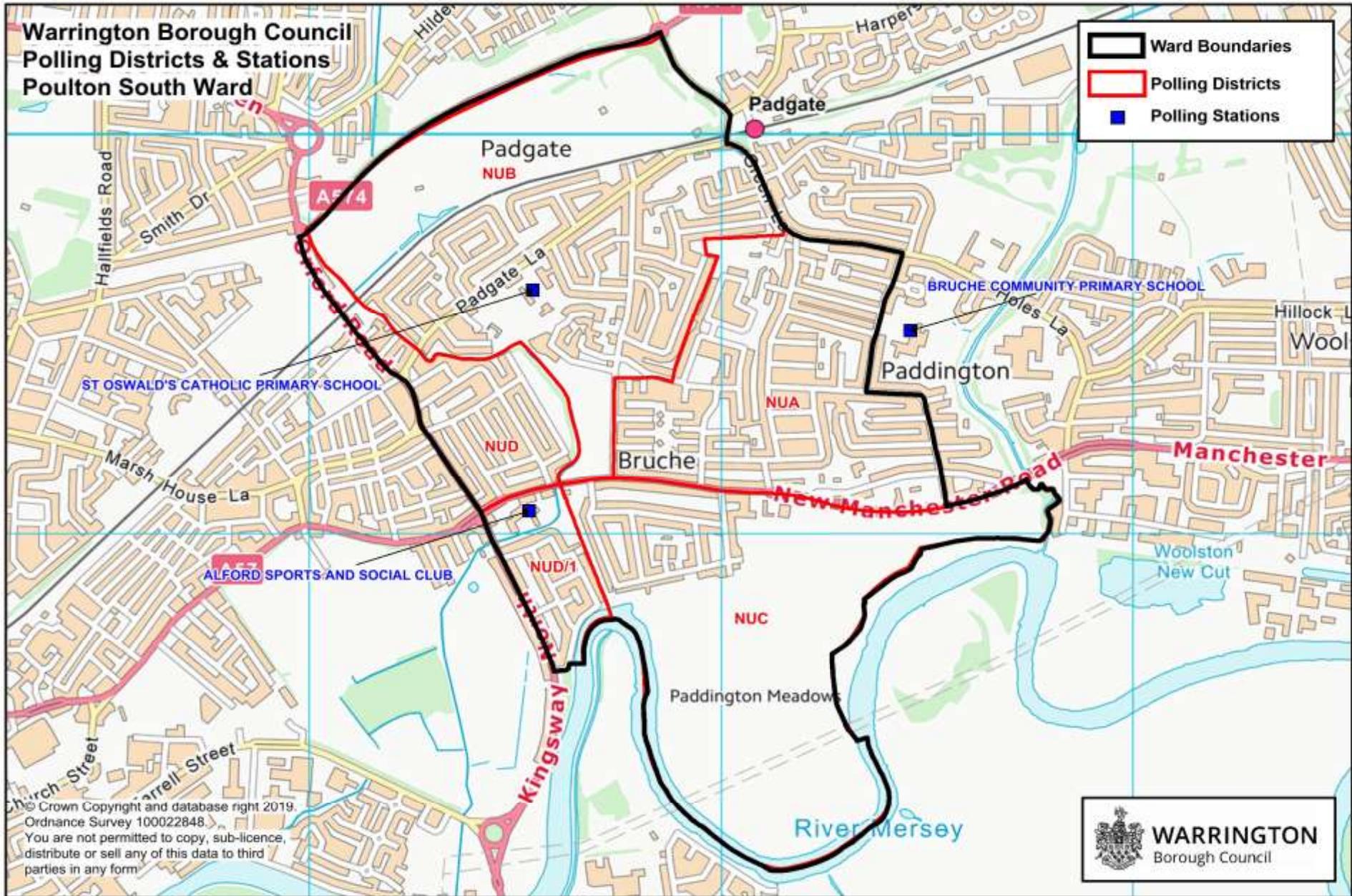
NUB – Bruche Ward

NUC – Bruche Ward

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
NUA	1563	332	Bruche Community Primary School	No comments on district and location. Recommend no change.
NUB	1776	243	St Oswalds Catholic Primary School	No comments on district and location. Recommend no change.
NUC	516	87	Alford Sports and Social Club	No comments on district and location. Recommend no change.
NUD	1008	152	Alford Sports and Social Club	No comments on district and location. Recommend no change.

Acting Returning Officer Comments: No changes required

Consultation: No comments received



**WARRINGTON NORTH PARLIAMENTARY CONSTITUENCY
RIXTON AND WOOLSTON WARD**

Electorate (Mar 2019) – 7647
Postal Voters (Mar 2019) – 1299

RIXTON WITH GLAZEBROOK PARISH COUNCIL

NVA – Rixton Ward
NVB – Glazebrook Ward

WOOLSTON PARISH COUNCIL

NVC – East Ward
NVD – East Ward
NVE – West Ward

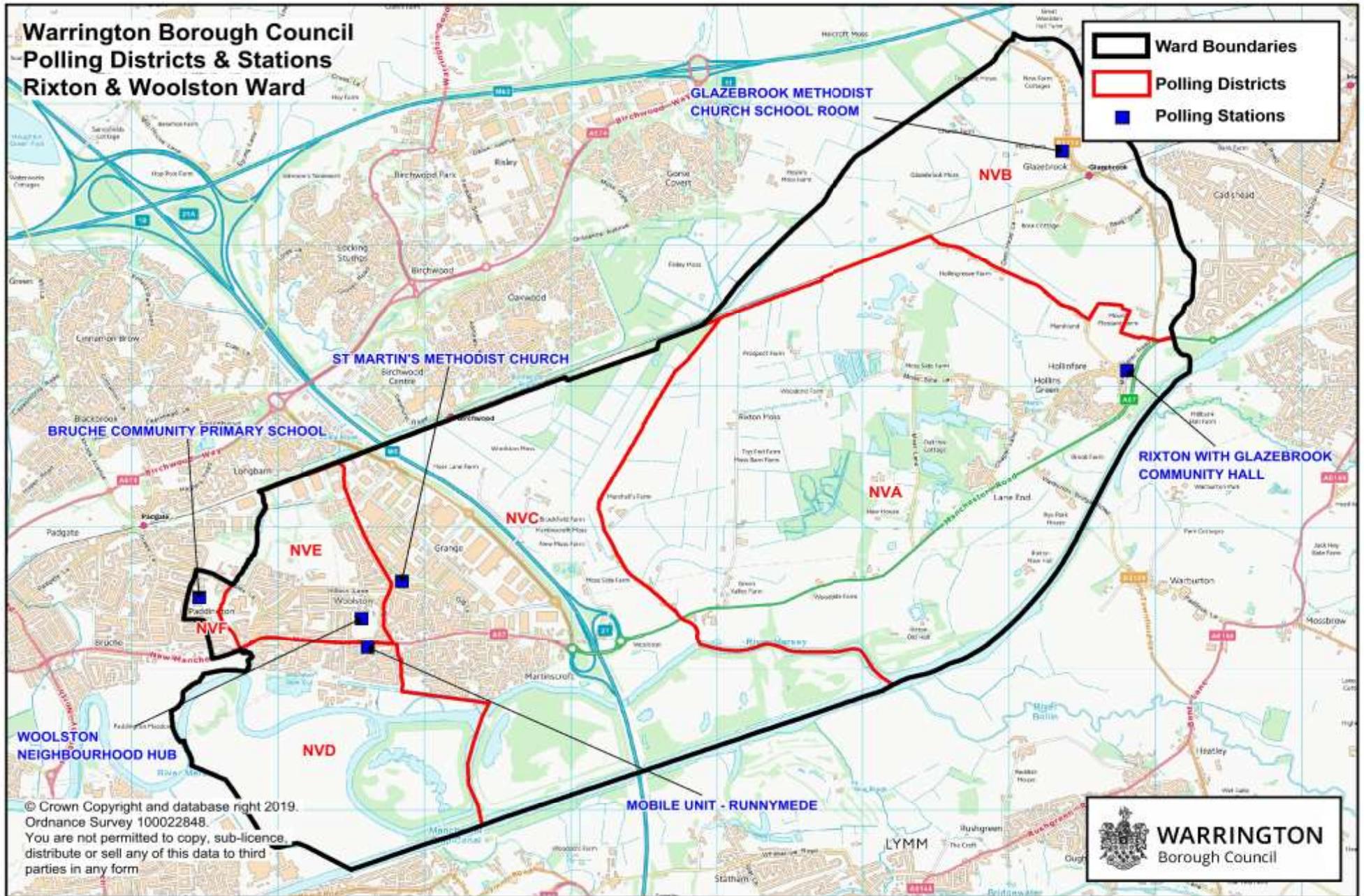
POULTON WITH FEARNHEAD PARISH COUNCIL

NVF – Paddington Ward

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
NVA	1158	204	Rixton with Glazebrook Community Hall	No comments on district and location. Recommend no change.
NVB	469	113	Glazebrook Methodist Church	No comments on district and location. Recommend no change.
NVC	2836	470	St Martins Methodist Church	No comments on district and location. Recommend no change.
NVD	846	94	Mobile Unit – Runnymede	No other suitable locations available in district. Recommend no change.
NVE	2038	359	Woolston Neighbourhood Hub	No comments on district and location Recommend no change.
NVF	300	59	Bruche Community Primary School	No comments on district and location Recommend no change

Acting Returning Officer Comments: No changes required

Consultation: No comments received



WARRINGTON NORTH PARLIAMENTARY CONSTITUENCY**WESTBROOK WARD**

Electorate (Mar 2019) – 5063

Postal Voters (Mar 2019) – 874

BURTONWOOD AND WESTBROOK PARISH COUNCIL

NXA – Westbrook Ward

NXB – Old Hall Ward

NXC – Westbrook Ward

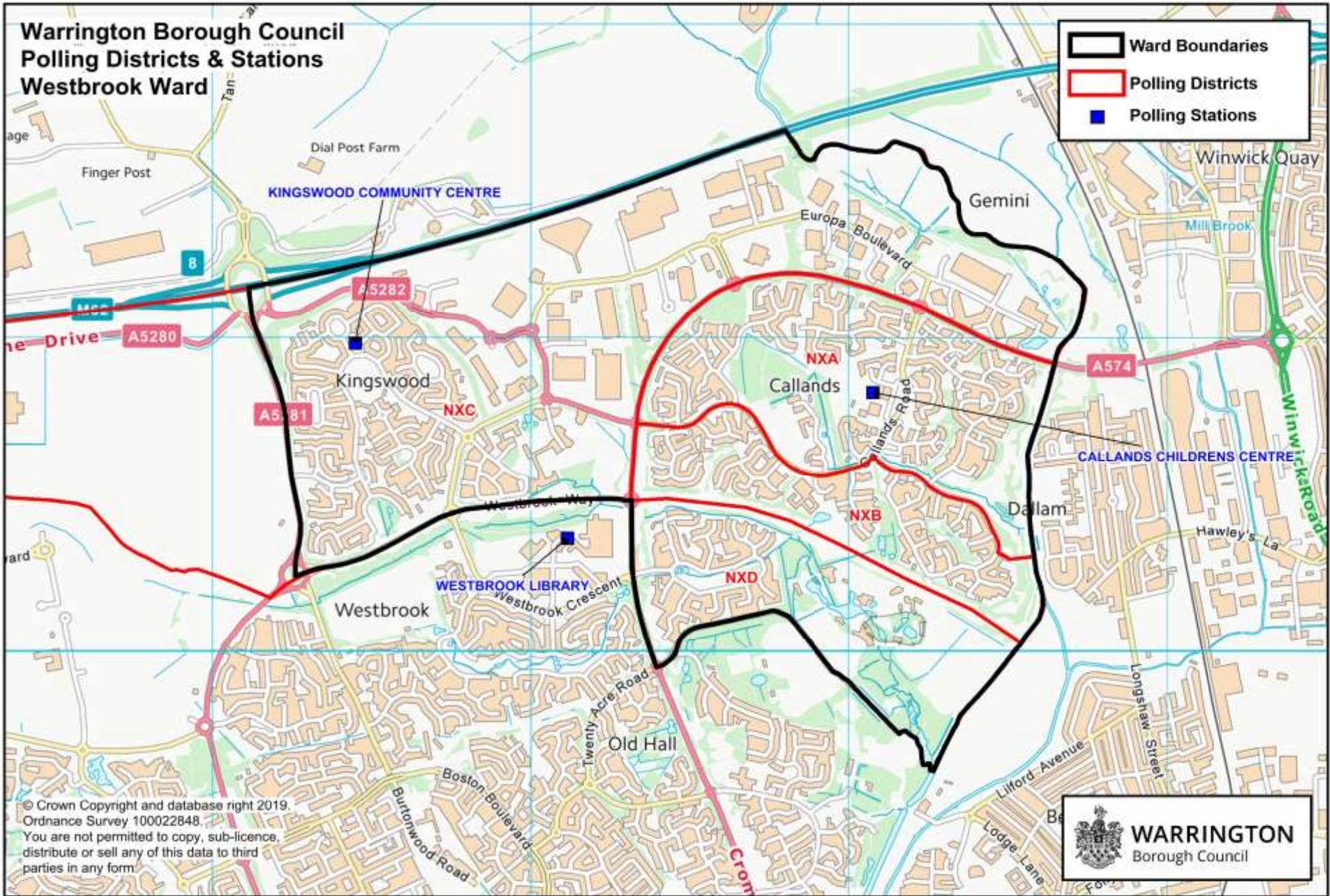
NXD – Old Hall Ward

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
NXA	1837	284	Callands Childrens Centre	No comments on district and location. Recommend no change.
NXB	1042	223	Callands Childrens Centre	No comments on district and location. Recommend no change.
NXC	1657	269	Kingswood Community Centre	No comments on district and location. Recommend no change.
NXD	527	98	Westbrook Library	No comments on district and location Recommend no change

Acting Returning Officer Comments: No changes required**Consultation:** No comments received

**Warrington Borough Council
Polling Districts & Stations
Westbrook Ward**

- Ward Boundaries
- Polling Districts
- Polling Stations



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Polling Districts and Polling Places Review 2019

Warrington South Final Proposals

**WARRINGTON SOUTH PARLIAMENTARY CONSTITUENCY
APPLETON WARD**

Electorate (Mar 2019) - 8242

Postal Voters (Mar 2019) – 2239

APPLETON PARISH COUNCIL

SAA – Cobbs & Hill Cliffe Ward

SAB – Cobbs & Hill Cliffe Ward

SAC – Cobbs & Hill Cliffe Ward

SAD – Cobbs & Hill Cliffe Ward

SAE – Hatton Parish Council

SAF – Stretton Parish Council

SAG – Higher Walton Ward

WALTON PARISH COUNCIL

SAE – Hatton Parish Council

SAF – Stretton Parish Council

SAG – Walton Parish Council –
Higher Walton

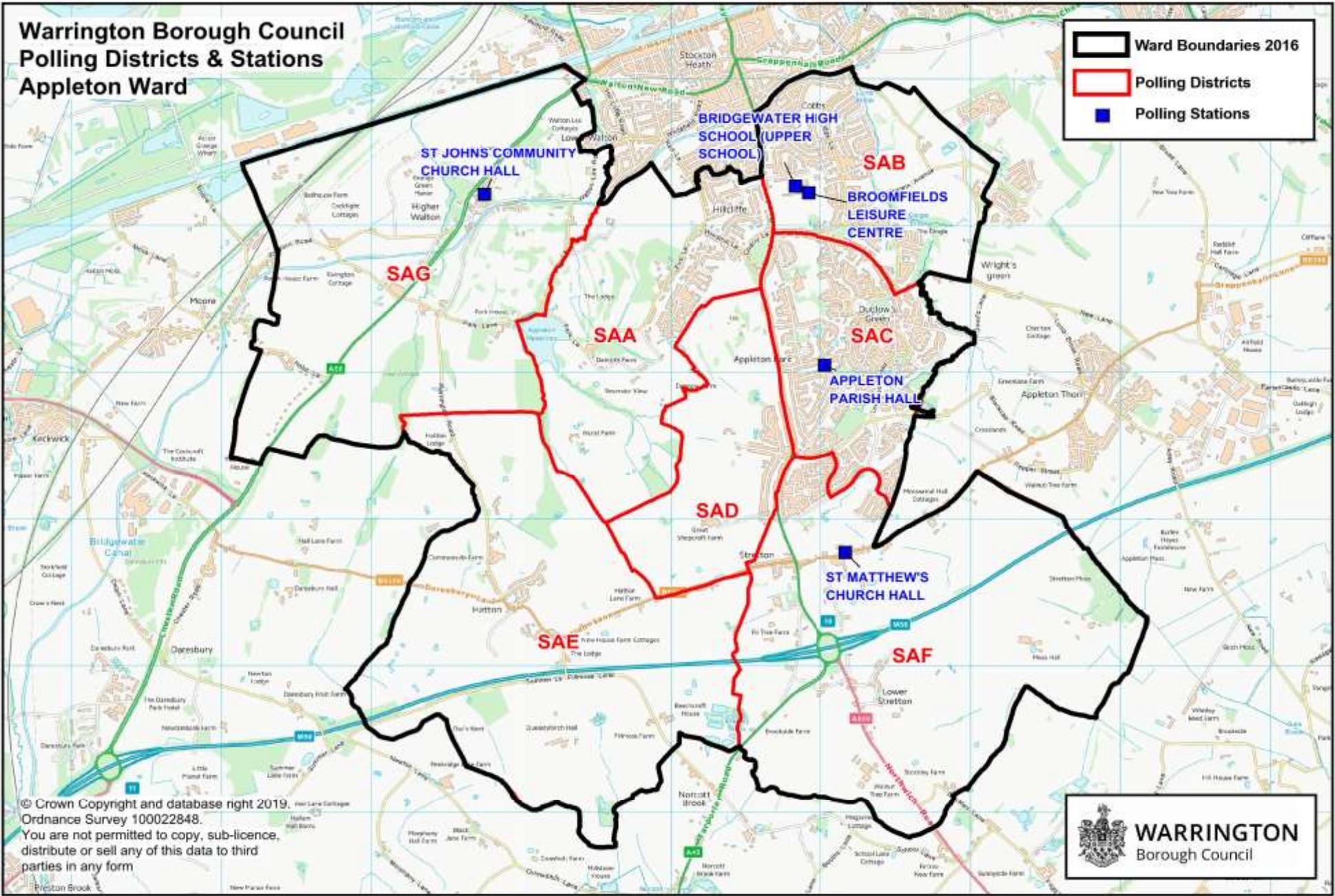
Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
SAA	852	255	Bridgewater High (Upper) School	No comments on district and location. Recommend no change.
SAB	2498	633	Broomfields Leisure Centre	No comments on district and location. Recommend no change.
SAC	2851	786	Appleton Parish Hall	No comments on district and location. Recommend no change.
SAD	514	158	Appleton Parish Hall	No comments on district and location. Recommend no change.
SAE	281	97	St Matthews Church Hall	No comments on district and location. Recommend no change.
SAF	918	223	St Matthews Church Hall	No comments on district and location. Recommend no change.
SAG	328	87	St Johns Community Church Hall	No comments on district and location. Recommend no change.

Consultation

Date	Ward	Which polling place/station does your submission relate to?	If you would like to add any further comments on the proposed Polling Places then please write in the box below	Acting Returning Officer Comments
25 Jun 19	Appleton	St Matthews Church Hall	<p>CLlr Brian Axcell Hatton Parish Council would prefer their polling station to be in Hatton, as has been the case in the past, rather than in Stretton</p>	<p>The previous station within Hatton is no longer available and no other suitable alternatives can be identified. Recommendation remain at St Matthew's Church Hall.</p>
4 Aug 19	Appleton	Hatton, Stretton & Walton	<p>CLlr Sharon Harris I fully support Hatton Parish Councils request to return to having a polling station in Hatton itself. All other polling stations in my ward require no change</p>	
6 Aug 19	Appleton	Hatton, Stretton & Walton	<p>CLlr Judith Wheeler I would fully support a move to provide a polling station for the residents of Hatton</p>	

**Warrington Borough Council
Polling Districts & Stations
Appleton Ward**

Ward Boundaries 2016
 Polling Districts
■ Polling Stations



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**WARRINGTON SOUTH PARLIAMENTARY CONSTITUENCY
BEWSEY AND WHITECROSS WARD**

Electorate (Mar 2019) - 6356

Postal Voters (Mar 2019) – 1064

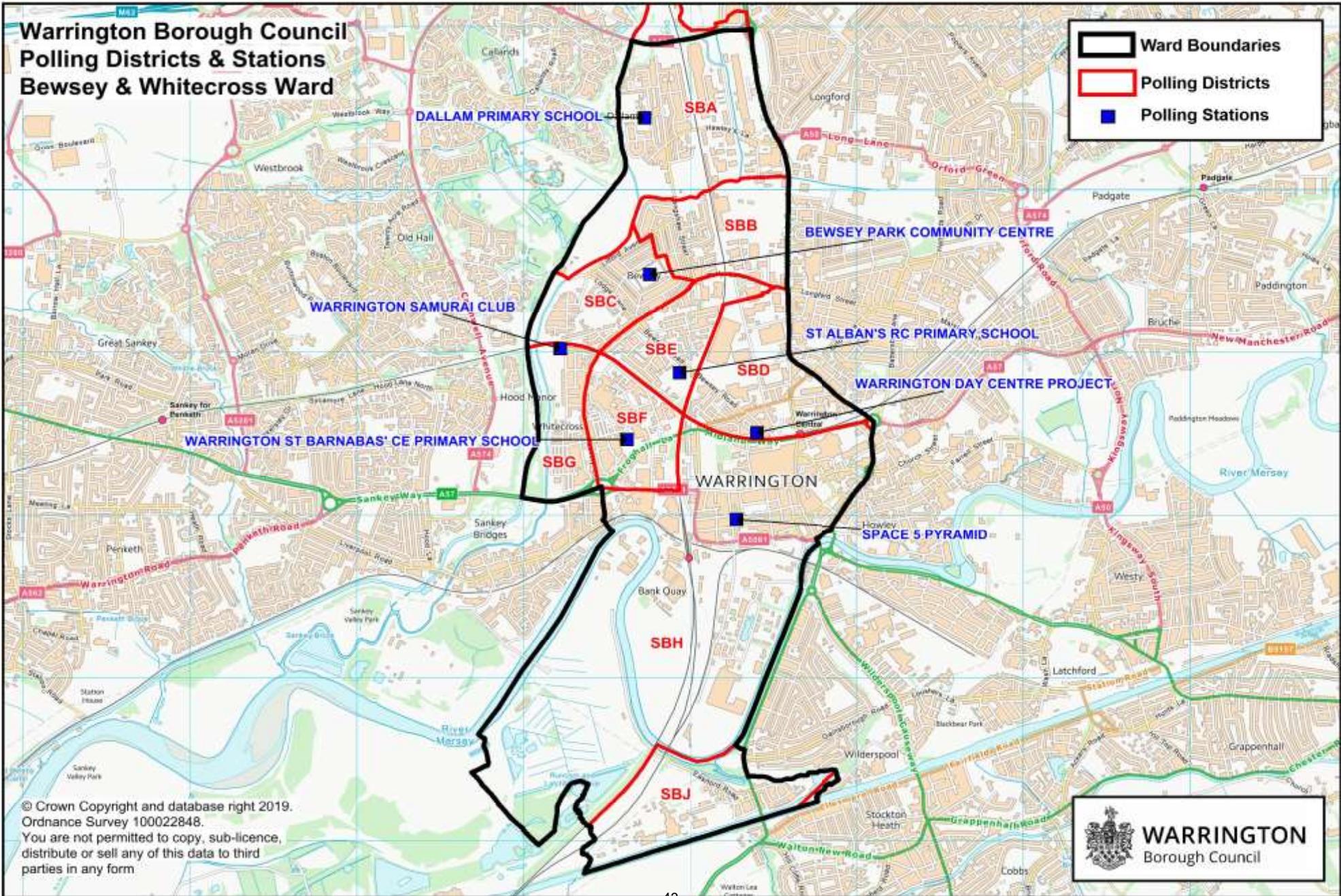
Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
SBA	927	146	Dallam Community House	No comments on district and location. Recommend no change.
SBB	806	133	Bewsey Park Community Centre	No comments on district and location. Recommend no change.
SBC	1058	217	Bewsey Park Community Centre	No comments on district and location. Recommend no change.
SBD	555	62	Warrington Day Centre Project	No comments on district and location. Recommend no change.
SBE	652	81	St Alban's R C Primary School	No comments on district and location. Recommend no change.
SBF	375	74	St Barnabas' C E Primary School	No comments on district and location. Recommend no change.
SBG	891	153	Warrington Samurai Judo Club	No comments on district and location. Recommend no change.
SBH	604	98	Pyramid	No comments on district and location. Recommend no change.
SBJ	488	100	St Werburghs Development Centre	No comments on district and location. Recommend no change.

Acting Returning Officer Comments: No changes required

Consultation: No comments received

**Warrington Borough Council
Polling Districts & Stations
Bewsey & Whitecross Ward**

Ward Boundaries
 Polling Districts
■ Polling Stations



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GREAT SANKEY PARISH COUNCIL

SEA – Central Ward
 SEB – Central Ward
 SEC – Central Ward
 SED – Central Ward

BURTONWOOD AND WESTBROOK PARISH COUNCIL

SEE – Old Hall Ward
 SEE/1 Old Hall Ward

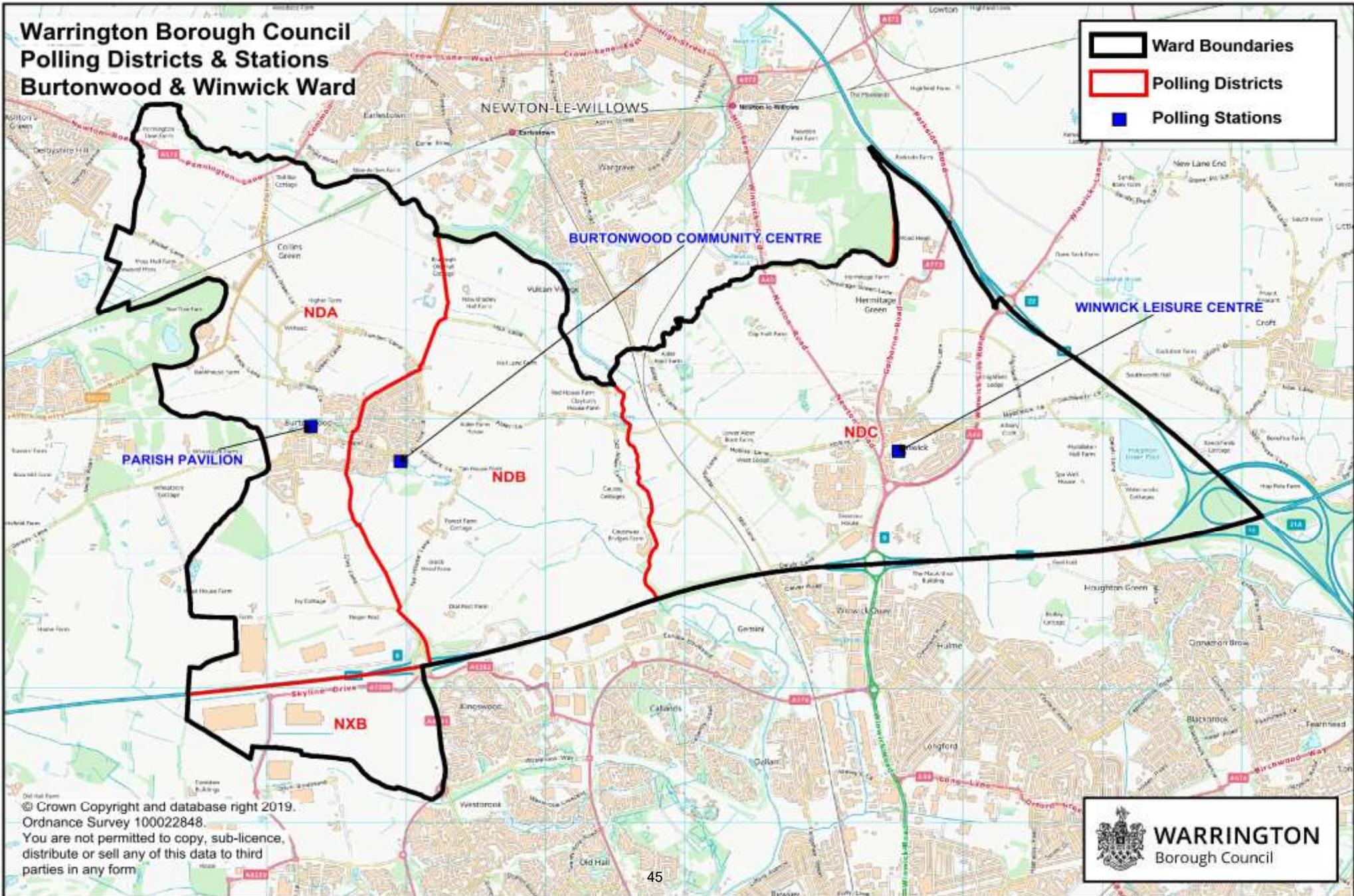
Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
SEA	1845	414	St Philips (Westbrook) Primary School	No comments on district and location. Recommend no change.
SEB	2707	475	Chapelford Village Primary School	No comments on district and location. Recommend no change.
SEC	2013	458	Chapelford Village Primary School	No comments on district and location Recommend no change.
SED	1327	214	Bewsey Barns Community Centre	No comments on district and location Recommend no change.
SEE	589	120	Westbrook Old Hall Primary School	No comments on district and location. Recommend no change.
SEE/1	128	38	Westbrook Old Hall Primary School	No comments on district and location. Recommend no change.

Acting Returning Officer Comments: No changes required

Consultation: No comments received

**Warrington Borough Council
Polling Districts & Stations
Burtonwood & Winwick Ward**

Ward Boundaries
 Polling Districts
■ Polling Stations



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**WARRINGTON SOUTH PARLIAMENTARY
CONSTITUENCY**

GRAPPENHALL WARD

Electorate (Mar 2019) - 5473

Postal Voters (Mar 2019) – 1157

GRAPPENHALL PARISH COUNCIL

SHA – Grappenhall Ward

SHC – Grappenhall Ward

SHD – Grappenhall Ward

APPLETON PARISH COUNCIL

SHB – Thorn Ward

STOCKTON HEATH PARISH COUNCIL

SHE – East Ward

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
SHA	1949	427	Grappenhall Library	No comments on district and location. Recommend no change.
SHB	1007	211	Appleton Thorn Village Hall	No comments on district and location. Recommend no change.
SHC	1034	219	Grappenhall Community Centre	No comments on district and location. Recommend no change.
SHD	543	134	Grappenhall Heys Primary School	No comments on district and location. Recommend no change.
SHE	940	166	Grappenhall Independent Methodist Church Hall	No comments on district and location. Recommend no change.

Acting Returning Officer Comments: No changes required

Consultation: No comments received

**WARRINGTON SOUTH PARLIAMENTARY CONSTITUENCY
GREAT SANKEY NORTH & WHITTLE HALL WARD**

Electorate (Mar 2019) - 8221
Postal Voters (Mar 2019) – 1640

GREAT SANKEY PARISH COUNCIL

SJA – North Ward
SJB – North Ward
SJC – North Ward
SJD – South Ward

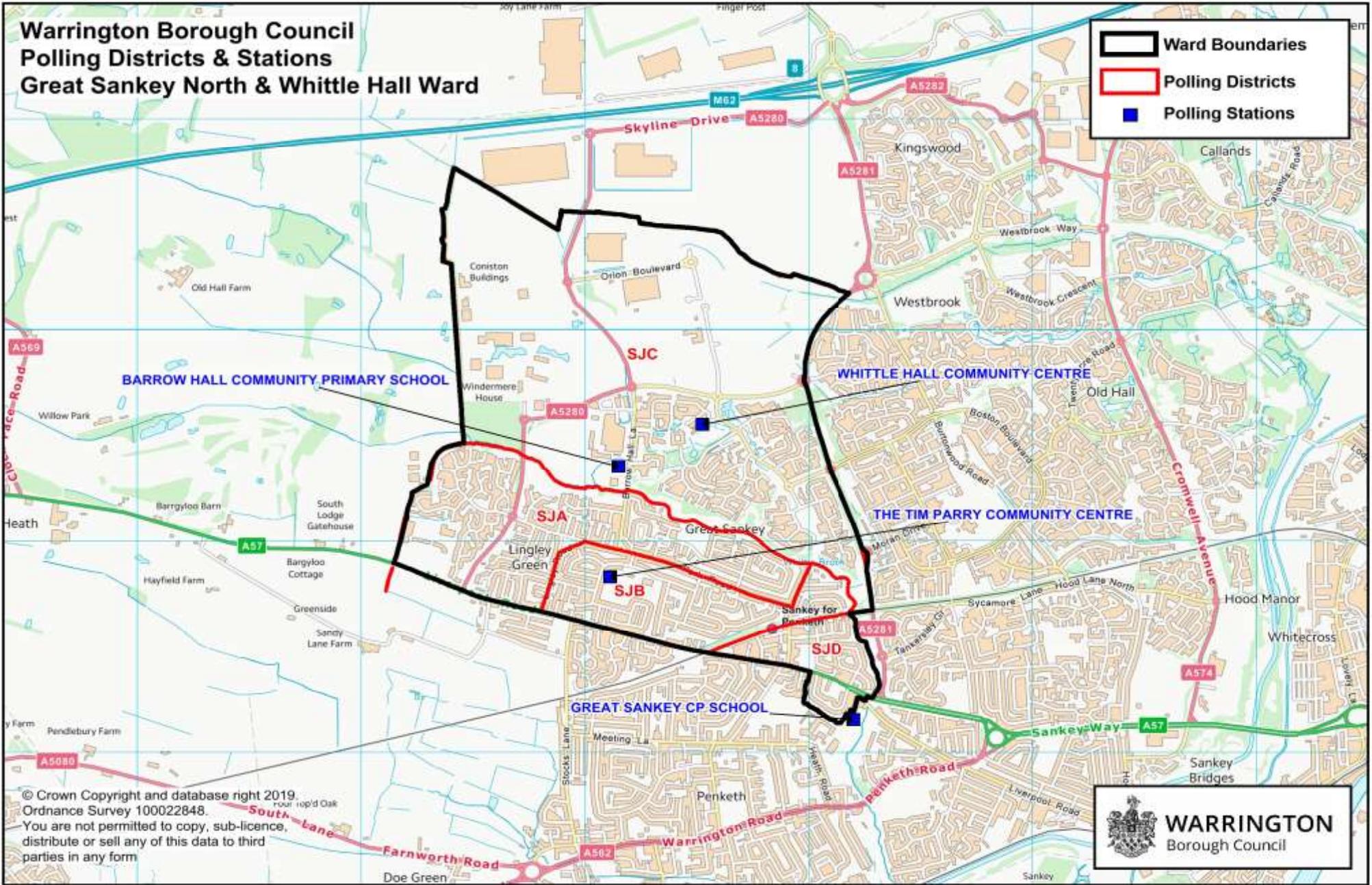
Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
SJA	2649	670	Barrow Hall Primary School	No comments on district and location. Recommend no change.
SJB	2775	397	Tim Parry Community Centre	No comments on district and location. Recommend no change.
SJC	2121	436	Whittle Hall Community Centre	No comments on district and location. Recommend no change.
SJD	676	137	Great Sankey Primary School	No comments on district and location. Recommend no change.

Acting Returning Officer Comments: No changes required

Consultation: No comments received

**Warrington Borough Council
Polling Districts & Stations
Great Sankey North & Whittle Hall Ward**

Ward Boundaries
 Polling Districts
■ Polling Stations



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WARRINGTON
 Borough Council

**WARRINGTON SOUTH PARLIAMENTARY CONSTITUENCY
GREAT SANKEY SOUTH WARD**

Electorate (Mar 2019) - 8244

Postal Voters (Mar 2019) – 1392

GREAT SANKEY PARISH COUNCIL

SKA – South Ward

SKB – South Ward

SKC – South Ward

SKD – South Ward

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
SKA	3339	539	Hood Manor Community Centre	No comments on district and location. Recommend no change.
SKB	1130	195	David Lloyd Tennis Centre	No comments on district and location. Recommend no change.
SKC	1375	247	Kings Community Centre	No comments on district and location. Recommend no change.
SKD	736	135	Great Sankey Children’s Centre	No comments on district and location. Recommend no change.
SKE	1664	276	Sankey Bridges Community Centre	No comments on district and location. Recommend no change.

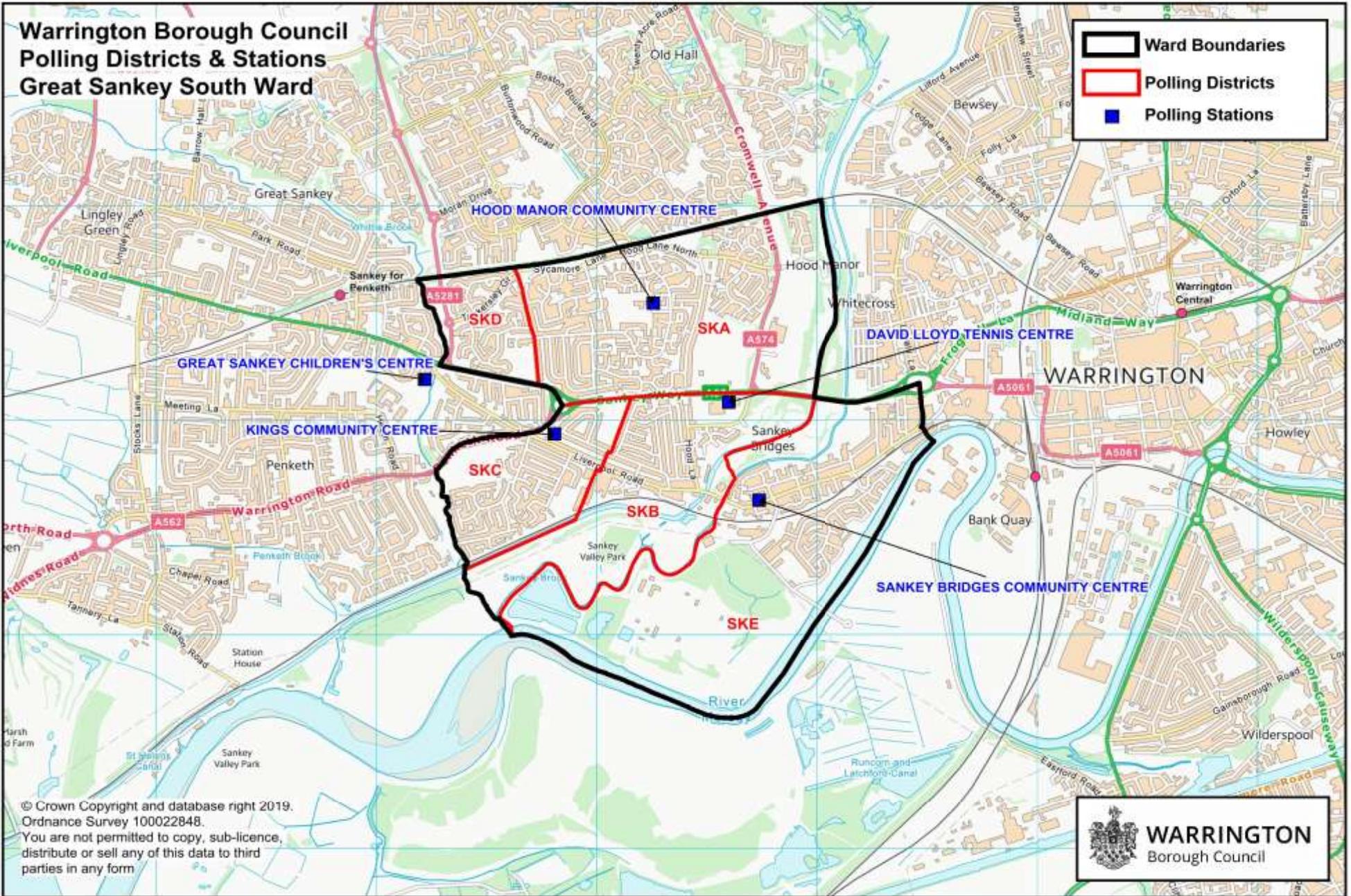
Acting Returning Officer Comments: No changes required

Consultation

Date	Ward	Which polling place/station does your submission relate to?	If you would like to add any further comments on the proposed Polling Places then please write in the box below	Acting Returning Officer Comments
25 Jun 19	Great Sankey South	Great Sankey South	Cllr Amanda King The 5 polling districts and polling places work well for the ward with proportional coverage and accessibility. I would recommend no change	No changes required

**Warrington Borough Council
Polling Districts & Stations
Great Sankey South Ward**

Ward Boundaries
 Polling Districts
 Polling Stations



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WARRINGTON SOUTH PARLIAMENTARY CONSTITUENCY**LATCHFORD EAST WARD**

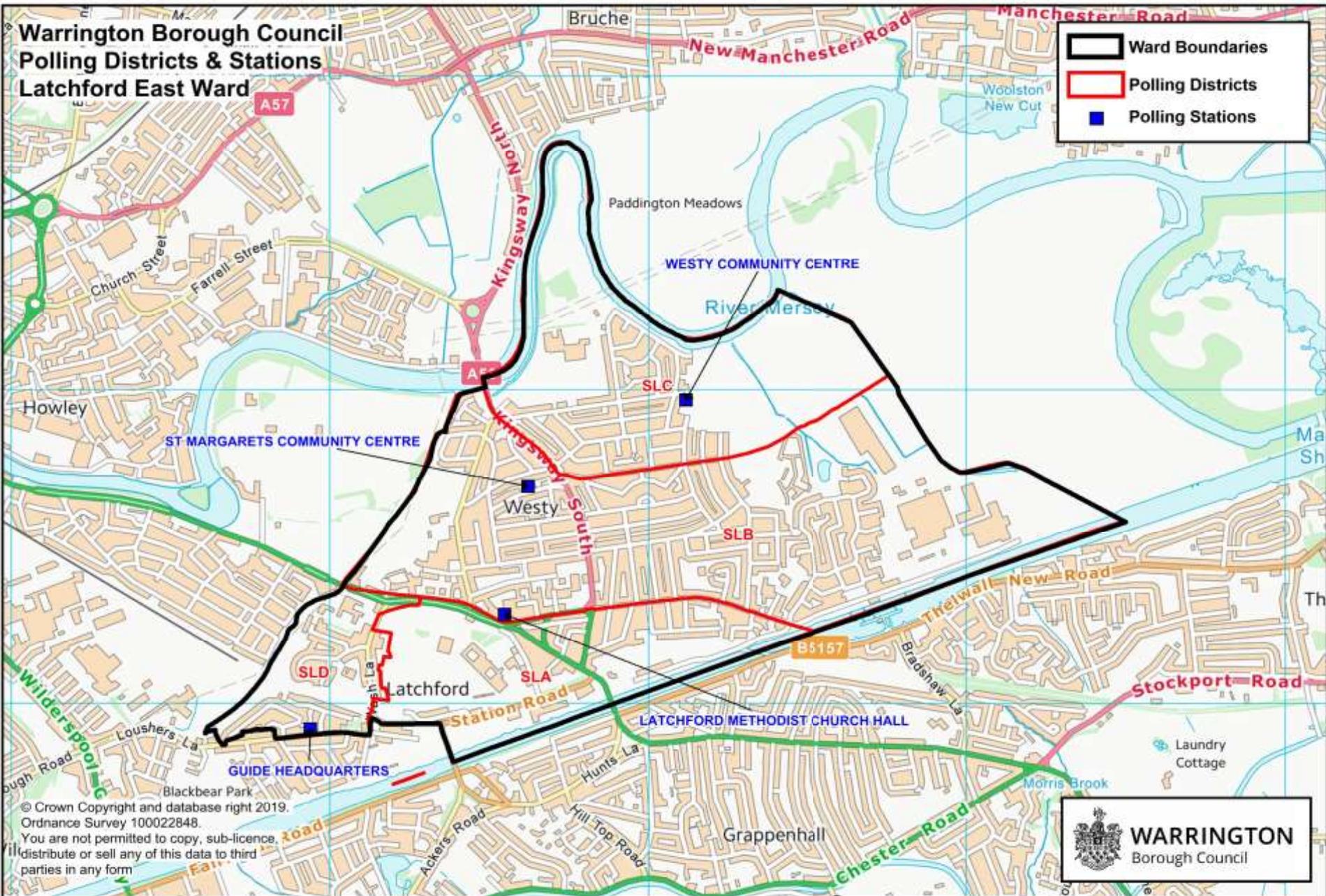
Electorate (Mar 2019) - 6432

Postal Voters (Mar 2019) – 860

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
SLA	893	140	Latchford Methodist Church Hall	No comments on district and location. Recommend no change.
SLB	3805	493	St Margaret's Community Centre	No comments on district and location. Recommend no change.
SLC	1157	144	Westy Community Centre	No comments on district and location. Recommend no change.
SLD	577	83	Guide Headquarters	Building demolished. Investigate alternatives – Christchurch Hall or Latchford Baptist Church Hall.

Consultation

Date	Ward	Which polling place/station does your submission relate to?	If you would like to add any further comments on the proposed Polling Places then please write in the box below	Acting Returning Officer Comments
2 Aug 19	Latchford East	Latchford East	<p>Cllr Hans Mundry I am happy with the Acting Returning Officers recommendation of Christchurch Hall as the new polling station</p>	<p>Following inspection Christchurch Hall is suitable with good facilities. Recommend Christchurch Hall as new polling place.</p>
2 Aug 19	Latchford East	Latchford East	<p>Cllr Karen Mundry I am happy with Acting Returning Officers recommendation of Christchurch Hall as the new polling places.</p>	



**WARRINGTON SOUTH PARLIAMENTARY CONSTITUENCY
LATCHFORD WEST WARD**

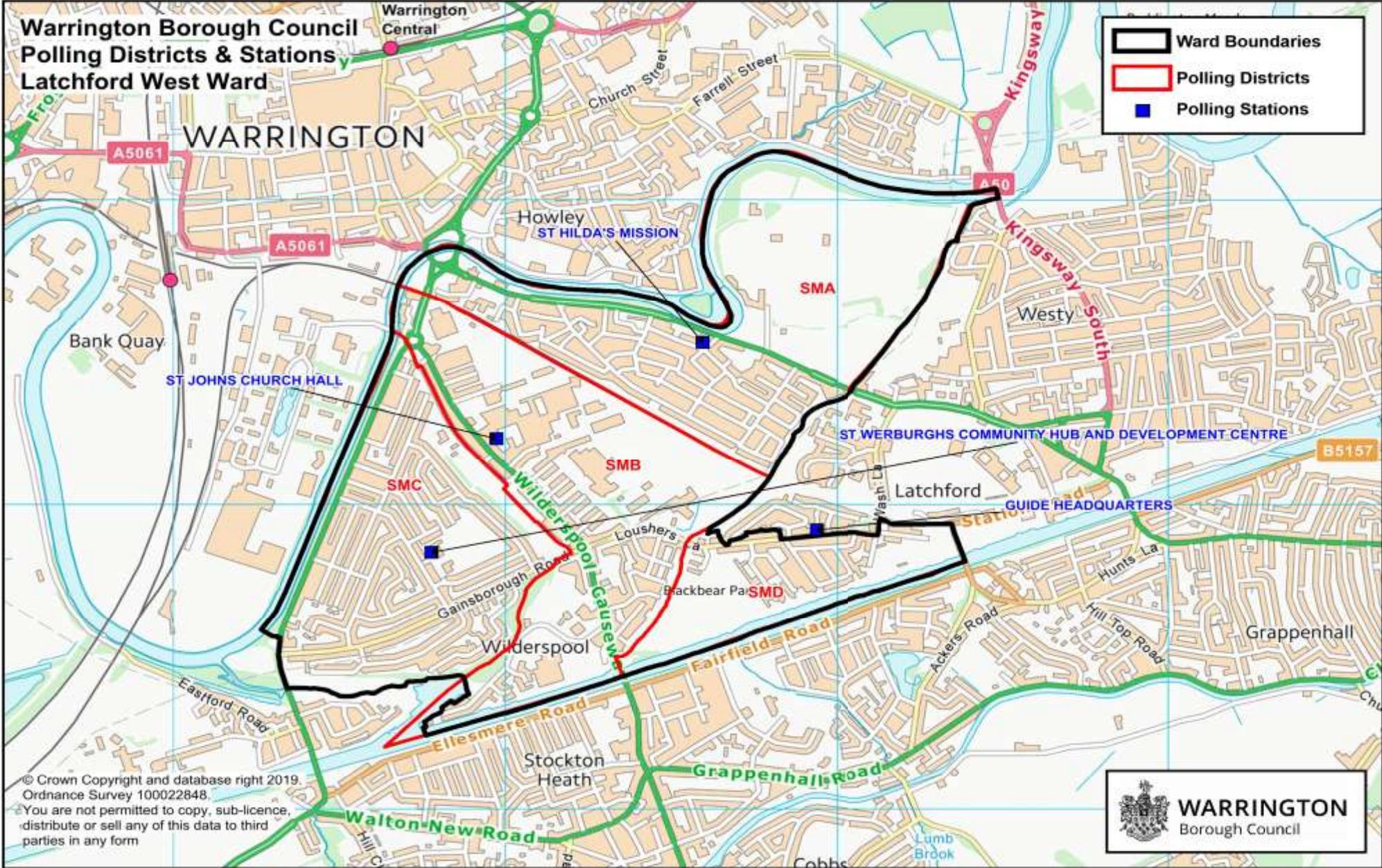
Electorate (Mar 2019) - 5687

Postal Voters (Mar 2019) – 1007

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
SMA	1831	261	St Hildas Mission	No comments on district and location. Recommend no change.
SMB	1110	198	St Johns Church Hall	No comments on district and location. Recommend no change.
SMC	2221	492	St Werburghs Community Hub and Development Centre	No comments on district and location. Recommend no change.
SMD	525	56	Guide Headquarters	Building demolished. Investigate alternatives Latchford Baptist Church Hall or Warrington Town Football Club.

Acting Returning Officer Comments: Following inspection Drivers Direct Stadium is suitable with good parking and facilities. Recommend Drivers Direct Stadium as new polling place.

Consultation: No comments received



WARRINGTON SOUTH PARLIAMENTARY CONSTITUENCY**LYMM NORTH & THELWALL WARD**

Electorate (Mar 2019) - 8999

Postal Voters (Mar 2019) – 2008

LYMM PARISH COUNCIL

SNA – Lymm North Ward

SNB – Lymm North Ward

SNC – Thelwall Ward

SND – Thelwall Ward

SNE – Thelwall Ward

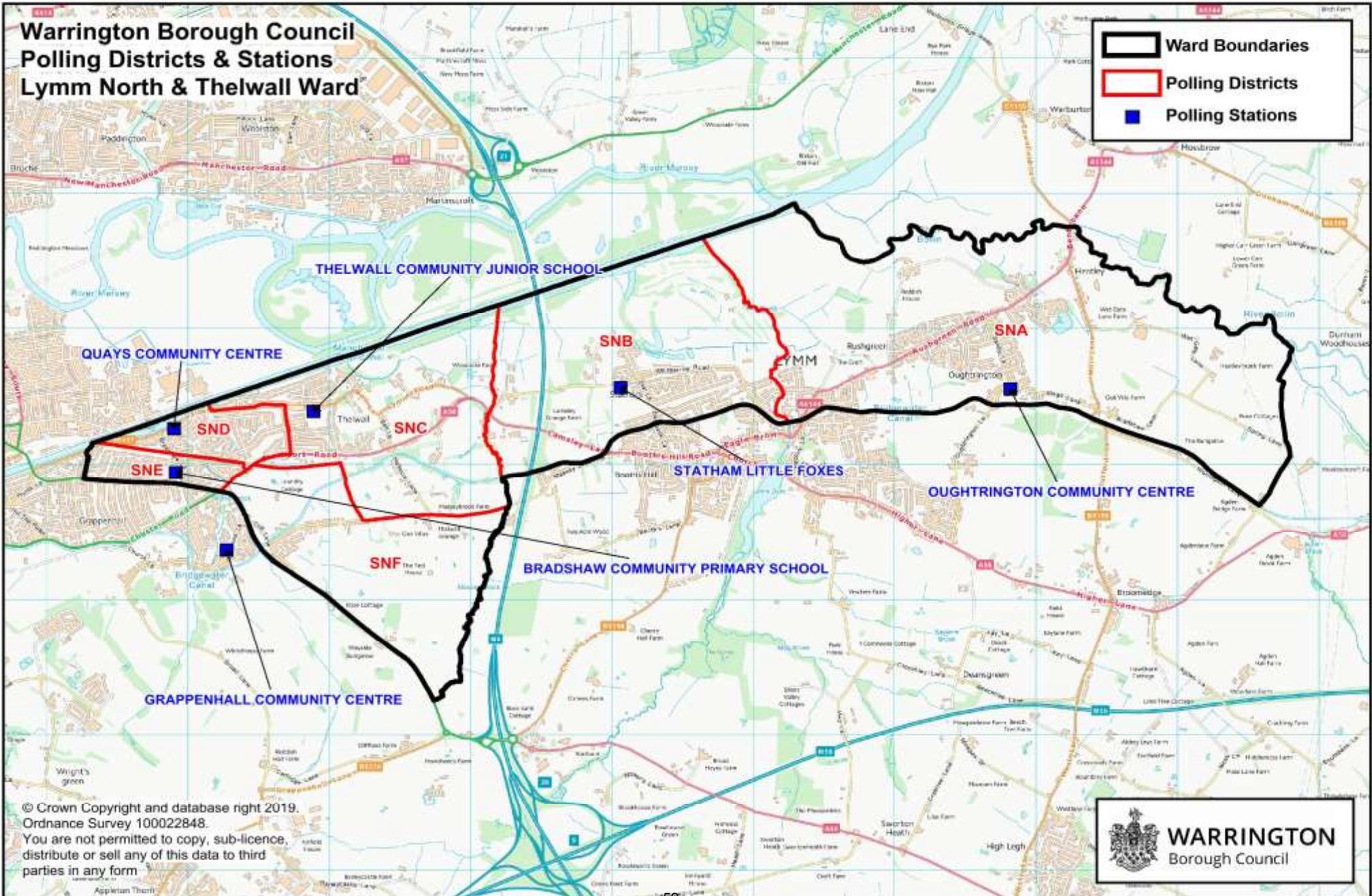
Grappenhall & Thelwall Parish Council

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
SNA	3223	773	Oughtrington Community Centre	No comments on district and location. Recommend no change.
SNB	1526	275	Statham Little Foxes	No comment on district and location. Recommend no change.
SNC	1421	358	Thelwall Community Junior School	No comments on district and location. Recommend no change.
SND	1445	276	Quays Community Centre	No comments on district and location. Recommend no change.
SNE	1078	228	Bradshaw Community Primary School	No comments on district and location. Recommend no change.
SNF	306	98	Grappenhall Community Centre	No comments on district and location Recommend no change

Acting Returning Officer Comments: No changes required**Consultation:** No comments received

**Warrington Borough Council
Polling Districts & Stations
Lymm North & Thelwall Ward**

Ward Boundaries
 Polling Districts
■ Polling Stations



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WARRINGTON SOUTH PARLIAMENTARY CONSTITUENCY**LYMM SOUTH**

Electorate (Mar 2019) - 4999

Postal Voters (Mar 2019) – 1241

LYMM PARISH COUNCIL

SPA – Lymm South Ward

SPB – Lymm South Ward

SPC – Lymm South Ward

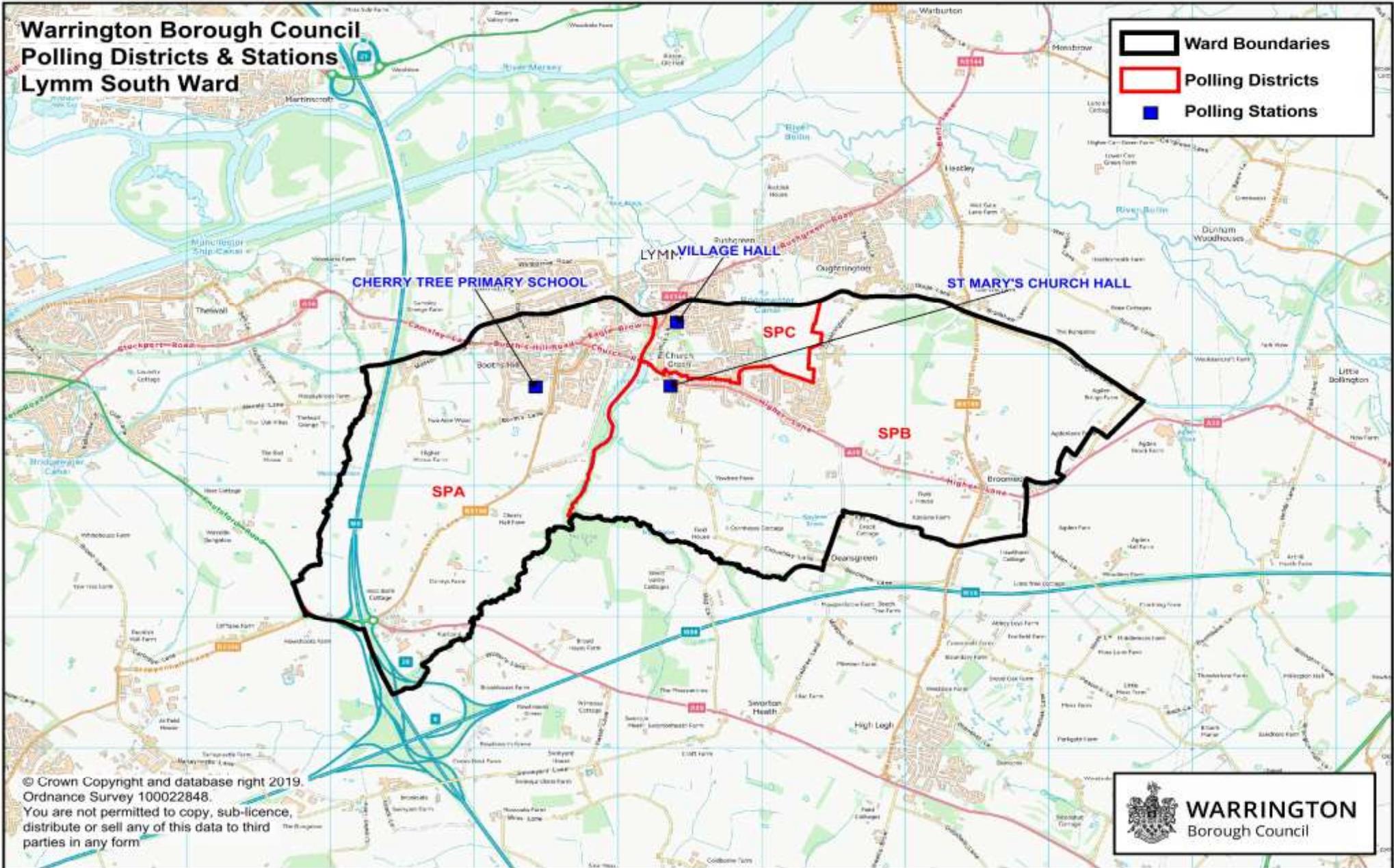
Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
SPA	2438	583	St Marys pre School	No comments on district and location. Recommend no change.
SPB	1425	365	St Marys Church Hall	No comments on district and location. Recommend change.
SPC	1136	293	Lymm Village Hall	No comments on district and location. Recommend no change.

Acting Returning Officer Comments: No changes required**Consultation:** No comments received

**Warrington Borough Council
Polling Districts & Stations
Lymm South Ward**

Legend:

- Ward Boundaries
- Polling Districts
- Polling Stations



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WARRINGTON SOUTH PARLIAMENTARY CONSTITUENCY
PENKETH AND CUERDLEY WARD
 Electorate (Mar 2019) - 8389
 Postal Voters (Mar 2019) – 1813

SRA – Cuerdley Parish Council

PENKETH PARISH COUNCIL

- SRB – East Ward
- SRC – East Ward
- SRD – West Ward
- SRE – West Ward
- SRF – West Ward
- SRG – Liverpool Road Ward
- SRH – Liverpool Road Ward
- SRJ – South West Ward
- Great Sankey Parish Council

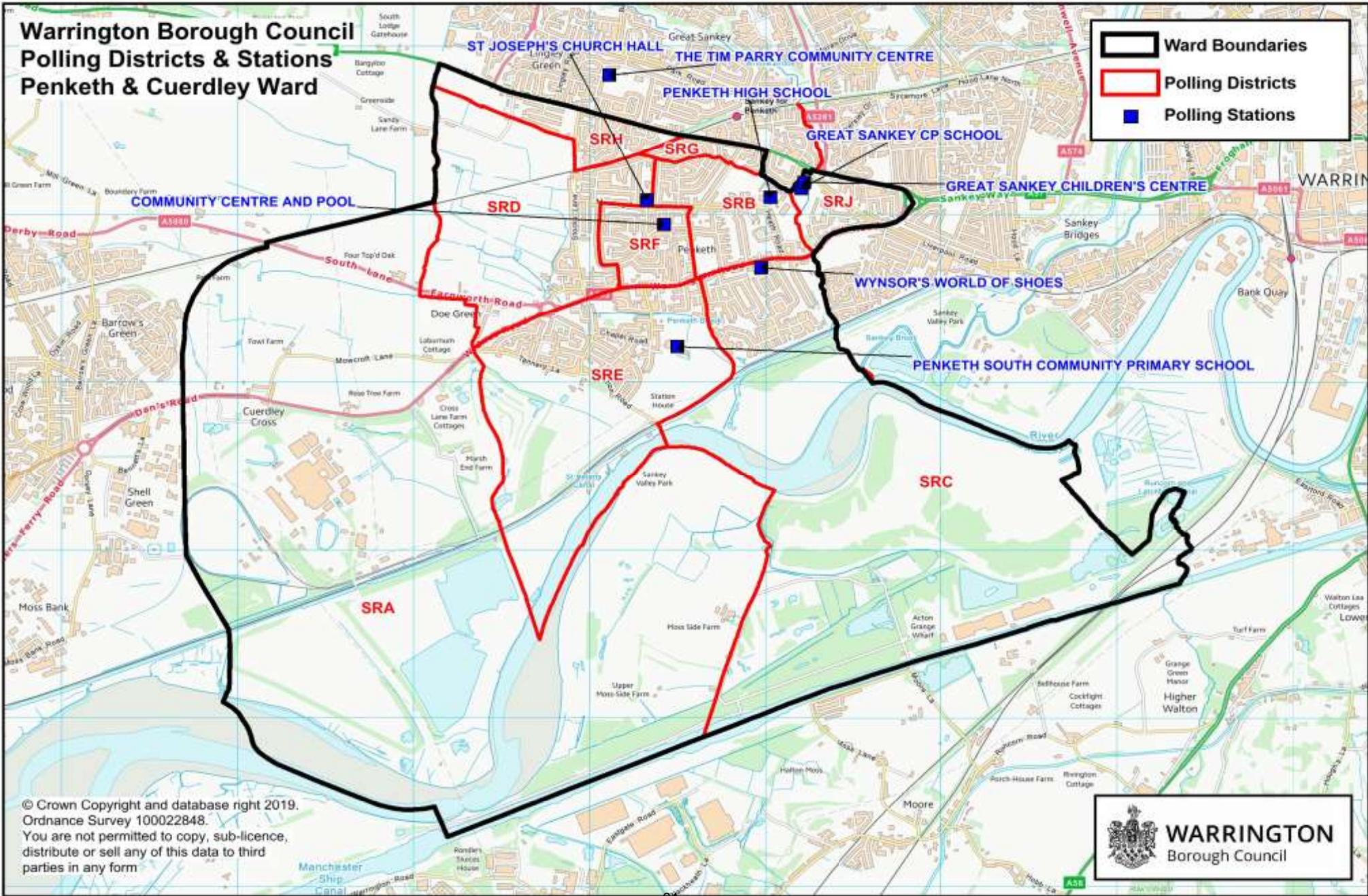
Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
SRA	91	26	Penketh South Community Primary School	No comments on district and location. Recommend no change.
SRB	1258	308	Penketh High School	No comments on district and location. Recommend no change.
SRC	1390	265	Wynsors World of Shoes	No comments on district and location. Recommend no change.
SRD	1344	275	St Josephs Church Hall	No comments on district and location. Recommend no change.
SRE	1863	436	Penketh South Community Primary School	No comments on district and location. Recommend no change.
SRF	988	209	Penketh Pool and Community Centre	No comments on district and location. Recommend no change.
SRG	262	60	Great Sankey Primary School	No comments on district and location. Recommend no change.
SRH	664	111	Tim Parry Community Centre	No comment on district and location Recommend no change
SRJ	529	123	Great Sankey Children’s Centre	No comment on district and location Recommend no change

Consultation

Date	Ward	Which polling place/station does your submission relate to?	If you would like to add any further comments on the proposed Polling Places then please write in the box below	Acting Returning Officer Comments
24 Jun 19	Penketh	Penketh South Community Primary	<p>Parish Clerk Comments regarding poor parking for Penketh South and too far for elderly to walk.</p>	<p>Previous consideration has failed to identify any suitable alternatives. Recommendation, remain at Penketh South Primary School.</p>

Warrington Borough Council Polling Districts & Stations Penketh & Cuerdley Ward

- Ward Boundaries
- Polling Districts
- Polling Stations



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WARRINGTON SOUTH PARLIAMENTARY CONSTITUENCY**STOCKTON HEATH WARD**

Electorate (Mar 2019) - 5585

Postal Voters (Mar 2019) – 1119

STOCKTON HEATH PARISH COUNCIL

SWA – West Ward

SWB – West Ward

SWC – West Ward

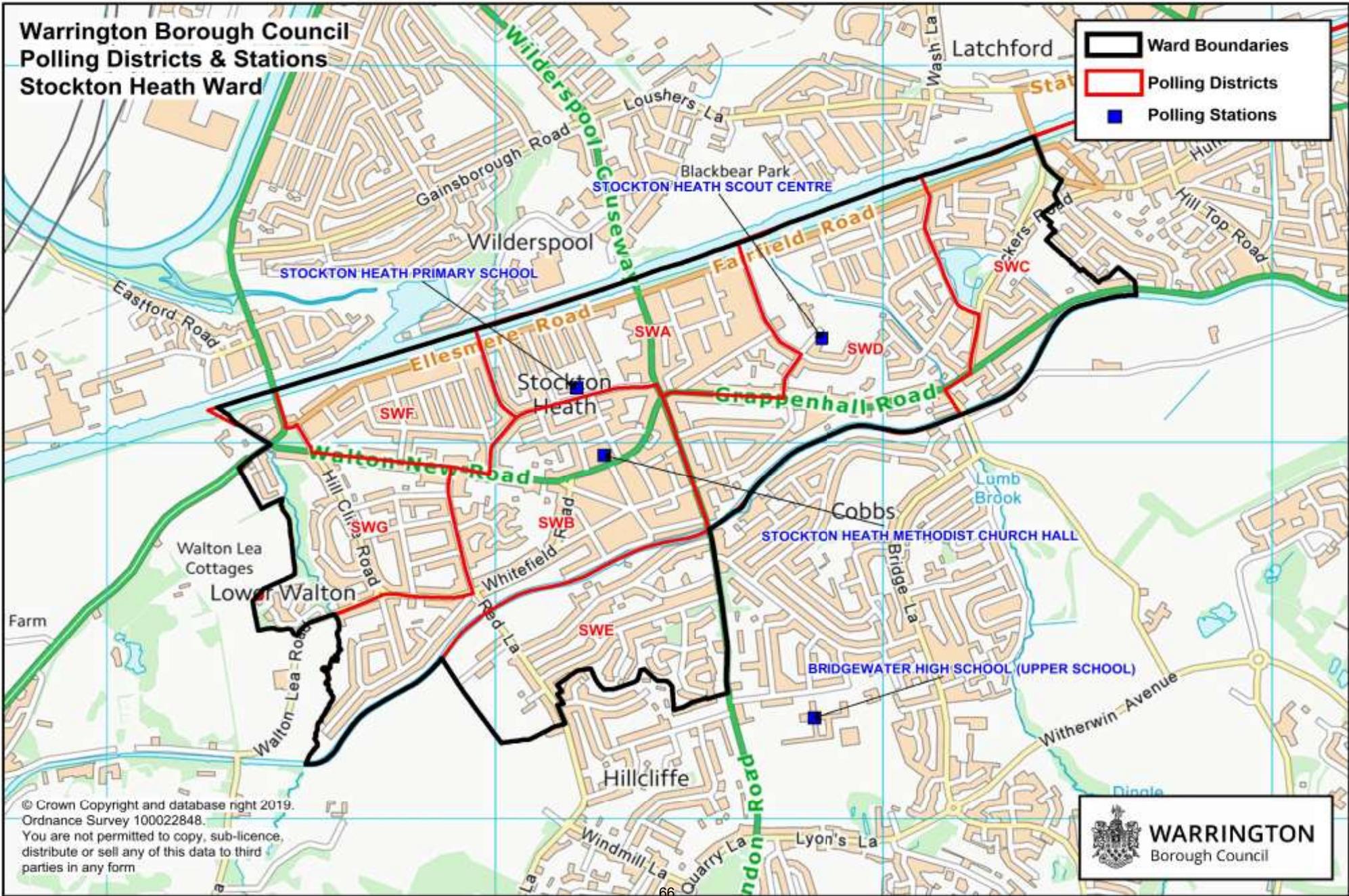
SWD – West Ward

Polling District	Electorate Mar 2019	Postal voters Mar 2019	Current polling place	(Acting) Returning Officer Comments
SWA	963	142	Stockton Heath Primary School	No comments on district and location. Recommend no change.
SWB	1394	264	Stockton Heath Methodist Church	No comments on district and location. Recommend no change.
SWC	487	116	Stockton Heath Scout Centre	No comments on district and location. Recommend no change.
SWD	1150	226	Stockton Heath Scout Centre	No comments on district and location. Recommend no change.
SWE	541	151	Bridgewater (Upper) High School	No comments on district and location. Recommend no change.
SWF	625	99	Stockton Heath Primary School	No comments on district and location. Recommend no change.
SWG	425	121	Stockton Heath Primary School	No comments on district and location. Recommend no change.

Acting Returning Officer Comments: No changes required**Consultation:** No comments received

**Warrington Borough Council
Polling Districts & Stations
Stockton Heath Ward**

	Ward Boundaries
	Polling Districts
	Polling Stations



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WARRINGTON BOROUGH COUNCIL

AUDIT AND CORPORATE GOVERNANCE COMMITTEE – 26 SEPTEMBER 2019

Report of: Matthew Cumberbatch, Head of Legal and Democratic Services and Monitoring Officer

Report Author: Adam Kellock, Senior Democratic Services Officer

Contact Details: **Email Address:** akellock@warrington.gov.uk **Telephone:** 01925 442112

Ward Members: All

TITLE OF REPORT: REVIEW OF OMBUDSMAN COMPLAINTS 2018/19

1. PURPOSE OF REPORT

1.1 To provide information in respect of the Ombudsman complaints received by the Council in 2018/19 and to analyse any trends or areas of concern.

2. CONFIDENTIAL OR EXEMPT

2.1 The report does not contain information which is either confidential or exempt.

3. INTRODUCTION

3.1 The Local Government and Social Care Ombudsman (LGSCO) may investigate complaints against local authorities in England, as well as all adult social care providers (including care homes and home care agencies) and some other organisations providing local public services. Where the Ombudsman finds that a council investigated has done something wrong (“maladministration”) it may make recommendations to as to how it should be put right.

3.2 The LGSCO publishes all decisions on their website although the names of the complainants are not published. In certain cases where it is not in the complainant's interest, or anonymity may be compromised, the LGSCO can decide not to publish a decision.

3.3 Each year the LGSCO publishes an Annual Review Letter tailored to each authority, which gives a summary of statistics on the complaints made about that authority for the year ending 31 March. The letter for Warrington for 2018/19 was published on 31 July 2019 and can be viewed using the following link.

<https://www.lgo.org.uk/your-councils-performance/warrington-council/statistics>

- 3.4 The letter from the Ombudsman accompanying the annual review stressed that the number of complaints, taken alone, is not necessarily a reliable indicator of an authority's performance. The volume of complaints should be considered alongside the uphold rate (how often the Ombudsman found fault when the complaint was investigated), and alongside statistics that indicate how the authority's willingness to accept fault and put things right when they go wrong. The Ombudsman also provides a figure for the number of cases where the authority provided a satisfactory remedy before the complaint reached the Ombudsman. Further, if the amount of complaints received by the Ombudsman (rather than the amount accepted by them for investigation) is considered against the amount of upheld decisions it reveals that of the 36 complaints made five were upheld giving an upheld rate of 13.89%.
- 3.5 A new aspect of the annual review included for 2018/19 are statistics relating to the authority's compliance with recommendations that have been made by the Ombudsman. It is the Ombudsman's view that this information provides a more comprehensive and insightful view of the authority's approach to complaint handling.

4. COMPLAINTS OVERVIEW 2018/19

- 4.1 The Annual Review Letter lists the numbers of complaints and enquiries received for the period 2018/19 by service area, as follows:-

Service Area	No. of Complaints
Adult Care Services	8
Benefits and Council Tax	6
Corporate and Other Services	0
Education and Children's Services	12
Environment Services	1
Highways and Transport	5
Housing	2
Planning and Development	2
Other	0
TOTAL	36

- 4.2 The highest number of complaints received, 12, was in the category of Education and Children's Services followed by eight relating to Adult Care Services and six relating to Benefits and Council Tax. Nationally, Education and Children's Services receives the greatest number of complaints, with Adult Care Services close behind which is reflected within Warrington. It is also worth noting that in the case of Adult Care Services, sometimes an element of the complaint may be in relation to the care provided by a commissioned provider, which can add to the complexity of investigating the issue.
- 4.3 It is worth noting that during 2017/18 the total number of complaints received was 48 meaning a reduction of 12 complaints overall. Particular attention should be drawn to Benefits and Council Tax which during 2017/18 represented the highest number of complaints

received at 15 whilst in 2018/19 this had reduced to six. The number of complaints received by other services remains comparable with the 2017/18 figures.

- 4.4 Comparison of the complaints/enquiries received and decisions made for the last four years is provided at Appendix A. The figures show that the number of complaints received and decisions made can fluctuate over the years having increased for 2017/18 and subsequently decreasing to more normal levels for 2018/19.
- 4.5 During 2018/19 a total of nine detailed investigations were carried out by the Ombudsman. Of these detailed investigations that were undertaken a total of five complaints were upheld. This represents 56% of investigated complaints being upheld which compares to an average rate of 55% in similar authorities.
- 4.6 Details of the complaints that were upheld are outlined at Appendix B. The details of the complaints are anonymised and also published by the Ombudsman.

5. COMPLIANCE

- 5.1 In line with the new aspect of reporting from the Ombudsman as outlined in paragraph 3.5, further information has been provided in relation to compliance figures for the five complaints that were upheld. Of the five complaints that were upheld the Ombudsman was satisfied in all cases that the Council had successfully implemented the recommendations. This high level of compliance is mirrored across similar authorities with an average compliance rate of 100%.
- 5.2 As outlined in paragraph 3.5 it is the view of the Ombudsman that the compliance rate in successfully implementing recommendations following a complaints represents a better measure of an authority's approach to complaint management.
- 5.3 An additional area worth noting is the number of upheld complaints in which the Ombudsman found that the Council had already provided a satisfactory remedy before the complaint reached the Ombudsman. These cases reflect when the Council had acknowledged that a remedy was required and had resolved an issue. This is seen as a good practice and reflective of an authority's approach to complaint handling. Of the five upheld complaints the Council had implemented a satisfactory remedy prior to the complaint reaching the Ombudsman in one case which represented 20% of the upheld cases. This compares favourably to an average of 11% for comparable authorities.
- 5.4 The below table provides further detailed comparison between Warrington and comparable local authorities with regards to the key performance areas of compliance with recommendations and the level of upheld complaints following detailed investigations. The authorities used in the comparison are the Council's CIPFA benchmarking authorities and provide the most accurate comparison.

Council	Compliance Rate	Upheld Rate	Satisfactory Remedies
Bath and North East	100%	42%	46%

Somerset			
Blackburn with Darwen	100%	45%	60%
Brighton & Hove	100%	54%	35%
Darlington	100%	73%	27%
Isle of Wight	100%	31%	0%
Milton Keynes	100%	47%	0%
North Lincolnshire	100%	50%	0%
Peterborough	100%	82%	11%
Reading	100%	56%	0%
Slough	100%	83%	0%
Southend-on-Sea	100%	57%	0%
Stoke on Trent	100%	68%	0%
Warrington	100%	56%	20%
Torbay	100%	71%	0%

- 5.5 The above table further demonstrates the figures provided by the Ombudsman within the report as Warrington ranks joint 7th out of 14 authorities in terms of upheld rate and 5th out of 14 authorities in terms of implementing satisfactory remedies. All authorities had a 100% compliance rate.

6. SUMMARY OF INDIVIDUAL DECISIONS 2018/19

- 6.1 Within the Authority, the Democratic Services Team acts as a central point of contact for the receipt of complaints and general communications from the LGSCO and both logs and forwards any complaints received to the relevant Directorate. In the case of Families and Wellbeing Directorate LGSCO complaints received are administered by the Customer Complaints Manager, who also has responsibility for the statutory adults and children's social care complaints systems. Other Directorates have differing arrangements for receipt and administration of complaints forwarded to them, which may involve use of a central point of contact (ie. the Executive Director's Personal Assistant) or referrals direct from Democratic and Services to the relevant head of service.
- 6.2 The Democratic Services Team retain a copy of any interim and final replies sent to the LGSCO by Directorates. Performance data monitored via the Council's EARS system in relation to initial response times to complaints was previously reported quarterly the Cabinet, however given the change in approach from the Ombudsman it has been determined that the performance data that was most relevant to be considered is information with regards to the upheld rate and compliance with recommendations as outlined above. The EARS system has subsequently been updated and this performance data will be considered and reported to Cabinet on an annual basis.
- 6.3 Attached at Appendix C provides a schedule which provides a summary of the individual complaints received and (where available) decisions taken by the LGSCO in 2018/19 based upon the records provided by the Ombudsman. It should be noted that the number of complaints received by the Ombudsman during the year was 37 and the number of decisions outlined in Appendix C gives the details of 22 complaints. The difference in these two figures

can be explained by a number of complaints being referred back to the Council for a local resolution if the Council's complaints procedure has not been completed or complaints that have been considered invalid or incomplete i.e. a complaint being made with regards to which the Ombudsman has no authority to investigate. Further to this the annual review outlines the complaints that have been completed within 2018/19 whilst some complaints submitted during that year are still ongoing and therefore a final decision cannot be reported.

7. FORMAL REPORTS ISSUED

7.1 There were no formal public interest reports issued against Warrington during 2018/19 by the Ombudsman, requiring publication of a statutory notice by the Borough Council.

8. FINANCIAL CONSIDERATIONS

8.1 There are no financial implications in connection with this report.

9. RISK ASSESSMENT

9.1 Failure to monitor feedback from the Ombudsman and to consider any emerging trends about complaints or systemic issues identified may lead to reputational risk to the Council.

10. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT

10.1 Analysis of future annual information may help to identify any trends relating to equality issues.

11. CONSULTATION

11.1 None for the purposes of this report.

12. REASONS FOR RECOMMENDATION

12.1 To inform Members about the Council's performance in relation to complaints made.

13. RECOMMENDATION

13.1 To note the summary of the complaints received and decisions made by the Ombudsman in 2018/19 in relation to Warrington and the comparative information for peer authorities and other national trends.

14. BACKGROUND PAPERS

LGSCO Annual Review Letters 2015/16 to 2017/18
 Part II (not for publication) - Log of Ombudsman Decisions (spreadsheet)

Contacts for Background Papers:

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LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN – 4 YEAR SUMMARY FROM ANNUAL REVIEW LETTERS 2015/16 – 2018/19

Complaints and Enquiries Received

Year	Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
2018/19	8	6	0	12	1	5	2	2	0	36
2017/18	9	15	3	7	7	1	2	4	0	48
2016/17	12	3	3	11	4	1	2	6	1	43
2015/16	11	6	2	9	6	2	1	2	1	40

Decisions Made

Year	Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After initial Enquiries	Detailed Investigations			Uphold Rate * ¹	Total
					Not Upheld	Upheld			
2018/19	1	0	9	15	4	5	56%	34	
2017/18	0	2	22	14	3	9	75%	50	
2016/17	2	1	16	13	3	2	40%	37	
2015/16	1	2	15	11	5	9	64%	43	

Notes

*¹ The LGSCO's uphold rate is calculated in relation to the total number of detailed investigations.

*² The number of remedied complaints may not equal the number of upheld complaints (shown immediately above). This is because, while the LGSCO may uphold a complaint because fault has been found, the LGSCO may not always find grounds to say that fault has caused injustice that ought to be remedied.

Complaints Remedied *²

	By LGSCO	Satisfactorily by Authority before LGSCO Involvement
2017/18	7	0
2016/17	0	1
2015/16	8	1

How complaints and enquiries were dealt with is explained below:

- **Upheld:** These are complaints where we have decided that an authority has been at fault in how it acted and that this fault may or may not have caused an injustice to the complainant, or where an authority has accepted that it needs to remedy the complaint before we make a finding on fault. If we have decided there was fault and it caused an injustice to the complainant, usually we will have recommended the authority take some action to address it;
- **Not upheld:** Where we have investigated a complaint and decided that a council has not acted with fault, we classify these complaints as not upheld;
- **Advice given:** These are cases where we give advice about why LGO would not look at a complaint because the body complained about was not within the LGO's scope or we had previously looked at the same complaint from the complainant, or another complaints handling organisation or advice agency was best placed to help them;
- **Closed after initial enquiries:** These complaints are where we have made an early decision that we could not or should not investigate the complaint, usually because the complaint is outside LGO's jurisdiction and we either cannot lawfully investigate it or we decide that it would not be appropriate in the circumstances of the case to do so. Our early assessment of a complaint may also show there was little injustice to a complainant that would need an LGO investigation of the matter, or that an investigation could not achieve anything, either because the evidence we see shows at an early stage there was no fault, or the outcome a complainant wants is not one we could achieve, for example overturning a court order;
- **Incomplete/invalid:** These are complaints where the complainant has not provided us with enough information to be able to decide what should happen with their complaint, or where the complainant tells us at a very early stage that they no longer wish to pursue their complaint;
- **Referred back for local resolution:** We work on the principle that it is always best for complaints to be resolved by the service provider wherever possible. Furthermore, the Local Government Act 1974 requires LGO to give authorities an opportunity to try and resolve a complaint before we will get involved. In many instances, authorities are successful in doing this.

Upheld Complaints – 01 April 2018 to 31 March 2019

Service Area	Complaint Details
Adult Social Care	The Council failed to provide information about the potential costs of a permanent move to a residential care home, and delayed completing a financial assessment. The family were under the impression the placement was fully funded, so were shocked to receive an invoice ten months later for nearly £19,000. Care fees are rightly due, but due to the delay the Council should offer payment in instalments. The Council will pay £500 to acknowledge the distress, time and trouble caused.
Highways and Transport	Mr D complains the Council has not dealt with his complaint about a lack of communication during a parking appeals process properly. Mr D can apply to the TEC (Traffic Enforcement Centre) to submit a late witness statement about his parking penalties if he wishes to challenge these. There was some delay in the Council following the timescales in its complaints procedure and there is some uncertainty about the date a stage three response was sent. But this did not cause any significant injustice to Mr D.
Housing	Mr X complained about the Council's failure to respond properly to his complaints of noise disturbance from neighbouring properties. The Council is at fault for failing to follow up recommendations it made in its first response to the complaint and in failing to assess Mr X's home under the Housing Health and Safety Rating System earlier. This led to some uncertainty for Mr X. The Council is in the process of resolving the noise problems through building works which it is funding itself. This is a satisfactory remedy.
Benefit and Council Tax	Mr B complains that the Council took action to recover an overpayment of benefits, despite a bankruptcy order having been obtained at court. The Ombudsman finds Council was at fault in taking recovery action once it knew of the bankruptcy order. It has substantively remedied this by refunding the sum recovered. I recommend the Council should also issue a formal apology.
Adult Social Care	The Council's care provider, Bridgewater Care, failed to tell both the Council and Mr X it was ending its care of Mr X's wife. However, this did not cause Mr and Mrs X a significant personal injustice as the Council identified an alternative provider which Mr X declined. The Council had reinforced its agreed procedures with its providers to prevent a repeat of the fault.

Summary of Individual Decisions – 01 April 2018 to 31 March 2019

Service Area	Complaint Details
Adult Social Care	We will not investigate Mr X's complaint about the action the Council took when he and his mother tried to find his mother's missing money. We could not achieve a worthwhile outcome and other agencies are better placed to address the relevant matters.
Planning and Development	Miss X complained the Council failed to properly consider her neighbour's planning application. We found no fault by the Council.
Education and Children's Services	There is no fault in the Council's decision not to provide school transport for Mrs M's son, B. The Ombudsman cannot question decisions taken without fault.
Benefits and Council Tax	The Ombudsman will not investigate Mr B's complaint that the Council delayed sending business rates bills to him and failed to tell him about the court hearing date. This is because we cannot reconsider the court's decision on his liability for business rates or investigate the Council's conduct and commencement of court proceedings.
Education and Children's Services	The Ombudsman cannot investigate Mr X's complaint about children service's involvement in his contact with his children. Some events are too old and there are no compelling reasons to investigate them now. Part of his complaint is about evidence given to a Court, which the law prevents us investigating, and we cannot achieve the outcome he seeks.
Adult Social Care	The Council failed to provide information about the potential costs of a permanent move to a residential care home, and delayed completing a financial assessment. The family were under the impression the placement was fully funded, so were shocked to receive an invoice ten months later for nearly £19,000. Care fees are rightly due, but due to the delay the Council should offer payment in instalments. The Council will pay £500 to acknowledge the distress, time and trouble caused.
Highways and Transport	Mr X complains the Council failed to reduce light intrusion into his bedroom from a new LED street light. The Council is not at fault. The Council considered the guidance, and decided the light level on Mr X's bedroom window was within the accepted recommended levels.
Housing	The Ombudsman cannot investigate this complaint about the complainant's move to his home in 2006. This is because the Ombudsman cannot investigate a council when it is acting as a landlord and because this is a late complaint.

Highways and Transport	Mr D complains the Council has not dealt with his complaint about a lack of communication during a parking appeals process properly. Mr D can apply to the TEC (Traffic Enforcement Centre) to submit a late witness statement about his parking penalties if he wishes to challenge these. There was some delay in the Council following the timescales in its complaints procedure and there is some uncertainty about the date a stage three response was sent. But this did not cause any significant injustice to Mr D.
Housing	Mr X complained about the Council's failure to notify him of structural defects in the house which he bought from it in 2007. The Ombudsman should not exercise his discretion to investigate this complaint. This is because the matter concerns a legal dispute about the purchase which could only be resolved by the courts.
Benefits and Council Tax	The Ombudsman will not investigate this complaint about council tax and council tax support. This is because there were appeal rights the complainant could have used.
Other	We will not investigate Ms X's complaint about a data breach. The Information Commissioner is better placed to consider the complaint. And Ms X may go to court.
Benefits and Council Tax	Mr X complains that the Council has sought to recover overpaid business rates relief from him. The Ombudsman will not investigate this complaint because there is no evidence of fault by the Council causing injustice.
Education and Children's Services	Mr C complained about the independent school appeal panel's decision to refuse to offer his son a place at his preferred school. Based on the evidence I have seen there is no fault in the conduct of the school admissions appeal hearing. The Ombudsman has no grounds to question the panel's decision not to uphold the appeal.
Benefits and Council Tax	The Ombudsman will not investigate Mr B's complaint about the wording used on the Council's council tax demand for his second home. The Council has now changed the wording and the Ombudsman could not achieve any more for Mr B. And there is no significant injustice to Mr B arising from the fault he claims.
Other	The Ombudsman will not investigate Mr B's complaint that the Council failed to reopen a complaint he made in 2014 after he provided it with new information. This is because it is unlikely an investigation would find fault or we could add to the Council's investigation or reach a different conclusion.
Housing	Mr X complained about the Council's failure to respond properly to his complaints of noise disturbance from neighbouring properties. The Council is at fault for failing to follow up recommendations it made in its first response to the complaint and in failing to assess Mr X's home under the Housing Health and Safety Rating System earlier. This led to some uncertainty for Mr X. The Council is in the process of resolving the noise problems through building works which it is funding itself. This is a satisfactory remedy.

Benefits and Council Tax	Mr B complains that the Council took action to recover an overpayment of benefits, despite a bankruptcy order having been obtained at court. The Ombudsman finds Council was at fault in taking recovery action once it knew of the bankruptcy order. It has substantively remedied this by refunding the sum recovered. I recommend the Council should also issue a formal apology.
Education and Children's Services	We cannot investigate Mr X's complaint about how the Council allegedly failed to protect his children from harm and the Council's subsequent failure to address his complaints. Mr X's concerns for his children's welfare were raised in court proceedings and so the Ombudsman cannot investigate the complaint.
Adult Social Care	The Ombudsman will not investigate Mr A's late complaint about care his mother received in 2015. This is because Mr A could have come to the Ombudsman sooner so there is no good reason to disapply the law and investigate now.
Education and Children's Services	The Ombudsman will not investigate Ms X's complaint about how the Council has managed arrangements for her contact with her son who is in care. Ms X has an alternative remedy at court if she disagrees with the care or contact arrangements for her son.
Adult Social Care	The Council's care provider, Bridgewater Care, failed to tell both the Council and Mr X it was ending its care of Mr X's wife. However, this did not cause Mr and Mrs X a significant personal injustice as the Council identified an alternative provider which Mr X declined. The Council had reinforced its agreed procedures with its providers to prevent a repeat of the fault.

**WARRINGTON BOROUGH COUNCIL
AUDIT AND CORPORATE GOVERNANCE COMMITTEE
26 SEPTEMBER 2019**

Report of the: Monitoring Officer
Report Author: Jean Gleave, Head of Internal Audit, Risk & Insurance
Contact Details: Email Address: Jean.gleave@warrington.gov.uk Telephone: 01925 442354
Ward Members: All

TITLE OF REPORT: AUDIT AND CORPORATE GOVERNANCE COMMITTEE SELF ASSESSMENT AND REVIEW OF EFFECTIVENESS

1. PURPOSE OF THE REPORT

1.1 The purpose of the reports, attached at Appendices A & B is to present the completed self assessment document and the evaluation of the effectiveness of the Committee to the Audit and Corporate Governance Committee for review and approval. Nominated members Councillors Hart and Marks completed the self assessment and evaluation at a workshop on 4 September 2019; the Monitoring Officer and the Head of Internal Audit assisted with the interpretation of the questions and gave advice on best practice. Nominated member Councillor Warburton also completed the self assessment.

1.2 The self assessment checklist and the evaluation of effectiveness assessment are taken from the Chartered Institute of Public Finance & Accountancy (CIPFA) Practical Guidance for Audit Committees April 2018; this incorporates CIPFA's Position Statement: 'Audit Committees in Local Authorities and Police (2018)' ('the Position Statement') which sets out CIPFA's view of the role and functions of an audit committee, and replaces the previous 2013 Position Statement. This provides members of the Committee with an opportunity to assess the performance and effectiveness of the Committee and to identify any areas where development is needed.

2. CONFIDENTIAL OR EXEMPT

Not confidential.

3. FINANCIAL CONSIDERATIONS

N/A

4. RISK ASSESSMENT

A key requirement for the Audit and Corporate Governance Committee in order for the Committee to meet its Terms of Reference is to assess its own performance.

5. EQUALITY AND DIVERSITY/EQUALITY IMPACT ASSESSMENT

There are no specific equalities issues in relation to the content of this report.

6. CONSULTATION

N/A

7. REASONS FOR RECOMMENDATIONS

- 7.1 To ensure that the Council maintains an effective framework of internal control and manages its key risks and to ensure the continued provision of an effective Audit and Corporate Governance Committee.
- 7.2 To assist the Council in meeting its statutory requirement to review the effectiveness of its systems of internal control and prepare an annual governance statement (section 6 of The Accounts and Audit Regulations 2015).

8. RECOMMENDATION

That the Audit and Corporate Governance Committee reviews and approves the attached completed self assessment document and the evaluation of the effectiveness of the Committee and the action points noted:

- To continue to review TOR on an annual basis at an early meeting at the beginning of the municipal year.
- Have an awareness of the role of other committees (including Health Scrutiny Committee) and consider links, in order to avoid duplication, but be aware of any gaps in assurance. Committee to liaise with Chairs of other Committees to seek information as appropriate.
- Sub Committees make recommendations for the improvement of governance, risk and control – include paragraph in the annual report on the work of the sub committees.
- To receive an update on the work of the Treasury Management Advisory Board.
- To receive further assurance around ethical governance arrangements.
- To continue to develop training:
 - i) Include role of the Committee in Member induction training.
 - ii) Training to be provided for new Members of the Committee.
 - iii) Ongoing training - to include in Member development review and consider as part of the LGA review.
 - iv) Committee to decide on areas that they would want seminars and information events to cover.
- Invite managers to attend committee meetings to discuss particular reports and risk areas as required and to ensure that actions are implemented as required.

- Committee to support the appointment of an independent member in accordance with CIPFA guidance.
- Benchmarking to be provided to Committee re Independent Members on Committees.
- Follow up actions as noted in the self assessment and self evaluation exercise in order to improve value added.
- To consider further review of key partnership governance arrangements in the Committee work programme.

9. BACKGROUND PAPERS

Chartered Institute of Public Finance & Accountancy (CIPFA) Practical Guidance for Audit Committees 2018

CONTACTS FOR BACKGROUND PAPERS:

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Self-assessment of good practice

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, then it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

A regular self-assessment can be used to support the planning of the audit committee work programme and training plans. It can also inform an annual report.

Good practice questions	Yes	Partly	No	Comments/Action
Audit committee purpose and governance				
1 Does the authority have a dedicated audit committee?	Y			As described in the Constitution
2 Does the audit committee report directly to full council?	y			Committee produces annual report to Full Council and can raise any concerns. There is a right of access to Cabinet.
3 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	y			TOR refer to the CIPFA guidance and include consideration of the Council's framework of assurance. ACTION - continue to review TOR on an annual basis at an early meeting at the beginning of the municipal year. Have an awareness of the role of other committees in order to avoid duplication but be aware of any gaps in assurance.
4 Is the role and purpose of the audit committee understood and accepted across the authority?		In part		Set out in the Constitution - role and purpose understood by some members, however not fully understood by all members and officers. Can be very complex to new members and can take some time for members to understand the role of the Committee. Committee has a key role and it is critical that Committee members have the required training, as they join the Committee and ongoing. ACTION - i) Include role of the Committee in Member induction training. ii) Training to be provided for new Members of the Committee.

				<p>iii) Ongoing training - to include in Member development review and consider as part of the LGA review.</p> <p>iv) Committee to decide on areas that they would want seminars and information events to cover.</p> <p>v) Committee to liaise with Chairs of other Committees to seek information as appropriate.</p>
5	Does the audit committee provide support to the authority in meeting the requirements of good governance?	Y		Committee review the Strategic Risk Register, consider reports and provide a good level of challenge to officers.
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?		In part	<p>Committee provides annual report to Full Council but this may not generate challenge or debate. Provision at Full Council meetings for motions / questions however very few questions.</p> <p>External Audit / Internal Audit would raise any issues as part of the review of governance arrangements if performance was not satisfactory.</p> <p>ACTION – as per action 4 iii) - to include in Member development review and consider as part of the LGA review.</p>

Good practice questions	Yes	Partly	No	Comments/Action
Functions of the committee				
7 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?				
■ good governance	Y			
■ assurance framework, including partnerships and collaboration arrangements	Y			Need to ensure challenge to key partners continues to be in place ACTION - Consider links to other Committees including Health Scrutiny committee.
■ internal audit	Y			
■ external audit	Y			
■ financial reporting	Y			
■ risk management	Y			Strategic risks register reviewed by Committee however consider any gaps in assurance. ACTION – Consider invitations to officers as required to understand key risk areas and to ensure required actions have been followed up.
■ value for money or best value	Y			
■ counter fraud and corruption	Y			
■ supporting the ethical framework	Y			

Good practice questions	Yes	Partly	No	Comments/Action
8 Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	Y			Annual self assessment and self evaluation process completed. Annual report of the committee sets out the work undertaken in accordance with the terms of reference.
9 Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?		In part		Evaluation of the effectiveness of the committee, including the wider areas from the CIPFA guidance, considered as part of this assessment. ACTION – Committee to support the appointment of an independent member in accordance with CIPFA guidance.
10 Where coverage of core areas has been found to be limited, are plans in place to address this?		In part		If any gaps are identified in the self assessment / self evaluation process, then actions are noted and addressed. ACTION – Consider invitations to officers as required to understand key risk areas and to ensure required actions have been followed up.
11 Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?	Y			Committee has limited decision making powers.

Good practice questions	Yes	Partly	No	Comments/Action
Membership and support				
<p>12 Has an effective audit committee structure and composition of the committee been selected?</p> <p>This should include:</p> <ul style="list-style-type: none"> ■ separation from the executive ■ an appropriate mix of knowledge and skills among the membership ■ a size of committee that is not unwieldy ■ consideration has been given to the inclusion of at least one independent member (where it is not already a mandatory requirement) 	<p>Y (2)</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y (1)</p>	<p>In part (2)</p>		<p>Subject to appointed Members knowledge and expertise</p> <p>ACTION – i) Committee to support the appointment of an independent member in accordance with CIPFA guidance.</p> <p>ii) Benchmarking to be provided to Committee re Independent Members on Committees.</p>
<p>13 Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council as appropriate for the organisation?</p>	N/A	N/A	N/A	Not yet appointed.
<p>14 Does the chair of the committee have appropriate knowledge and skills?</p>	Y			
<p>15 Are arrangements in place to support the committee with briefings and training?</p>	Y			<p>Training programme in place and members' training is recorded. Member development forum in place. Members will also ask for training as required.</p>
<p>16 Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?</p>		In part (2)	N (1)	<p>Elected members with a mix of skills and provide good challenge. Element of self assessment of skills required. Training provided and members seek any further training as necessary.</p>

17	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	y			
18	Is adequate secretariat and administrative support to the committee provided?	y			

Good practice questions		Yes	Partly	No	Comments/Action
Effectiveness of the committee					
19	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?			N	The committee obtains feedback from Internal and External Audit plus Full Council can provide feedback when annual report is presented. Action – as per Action 4 v) Committee to liaise with Chairs of other Committees to seek information as appropriate.
20	Are meetings effective with a good level of discussion and engagement from all the members?	Y (2)	In part (1)		Action – as per Actions 4 ii) and iii) – training for new Members and ongoing training - to include in Member development review and consider as part of the LGA review.
21	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?		In part		ACTION – Consider invitations to officers as required to understand key risk areas and to ensure required actions have been followed up.
22	Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	Y (1)	In part (2)		ACTION –Sub Committees make recommendations – include paragraph in the annual report on the work of the sub committees
23	Has the committee evaluated whether and how it is adding value to the organisation?		In part (2)	N (1)	Annual self assessment and self evaluation process completed. Action - Follow up of actions as noted in the self assessment will improve value added.
24	Does the committee have an action plan to improve any areas of weakness?	Y			Actions from the self assessment / self evaluation process noted and addressed.
25	Does the committee publish an annual report to account for its performance and explain its work?	Y			Annual report produced.

Evaluating the Effectiveness of the Audit Committee

September 2019

Assessment key

5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1
Promoting the principles of good governance and their application to decision making.	<p>Providing robust review of the Annual Governance Statement (AGS) and the assurances underpinning it.</p> <p>Working with key members to improve their understanding of the AGS and their contribution to it.</p> <p>Supporting reviews/audits of governance arrangements.</p>	<p>Robust review of the draft AGS and review of the final version. Review of opinions to support the AGS from internal and external audit.</p> <p>Review of reports from the officer Governance Group which provide assurance of the governance arrangements in place in the Council.</p> <p>Review of annual risk management report.</p>	4

	<p>Participating in self-assessments of governance arrangements.</p> <p>Working with partner audit committees to review governance arrangements in partnerships.</p>	<p>Members of the Committee attend the Treasury Management Board.</p> <p>ACTION – to receive an update on the work of the Treasury Management Advisory Board.</p> <p>Limited consideration of governance arrangements with partner bodies (health, livewire, culture Warrington)</p> <p>ACTION - to consider further review of key partnership governance arrangements.</p>	<p>2</p>
<p>Contributing to the development of an effective control environment.</p>	<p>Monitoring the implementation of recommendations from auditors.</p> <p>Encouraging ownership of the internal control framework by appropriate managers.</p> <p>Raising significant concerns over controls with appropriate senior managers.</p>	<p>Progress report from internal audit on a regular basis notes implementation of recommendations and highlights high priority recommendations outstanding. External audit reports.</p> <p>ACTION Invite managers into the Committee meetings to ensure follow up of key actions.</p> <p>ACTION Continue to hold strategic seminars on key issues</p>	<p>3</p> <p>3</p> <p>3</p>

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	<p>Reviewing risk management arrangements and their effectiveness, eg risk management benchmarking.</p> <p>Monitoring improvements.</p> <p>Holding risk owners to account for major/strategic risks.</p>	<p>Regular review of the Strategic Risk Register.</p> <p>Consider risk areas and request assurance.</p> <p>ACTION - invite managers to attend committee meetings to discuss particular reports / risk areas as required.</p>	4
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	<p>Specifying its assurance needs, identifying gaps or overlaps in assurance.</p> <p>Seeking to streamline assurance gathering and reporting.</p> <p>Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit</p>	<p>Committee question reports received, are aware of the risks and will challenge assurances provided. Reports received from the officer Governance Group; framework of assurance monitored by this group.</p> <p>ACTION – as above</p> <p>Regular reporting into the Committee from internal audit, external audit and risk management.</p>	3 3 4
Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.	<p>Reviewing the audit charter and functional reporting arrangements.</p> <p>Assessing the effectiveness of internal audit arrangements and supporting improvements.</p>	<p>Meetings held with internal audit without officers present.</p> <p>Committee approves the internal audit charter, strategy and reporting arrangements. Right of access of Head of Internal Audit (HIA) to Committee Chair.</p> <p>Annual assessment of the effectiveness of internal audit by the HIA and</p>	5

		independent external assessment undertaken every 5 years in line with Standards and requirements .	
Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1
Aiding the achievement of the authority’s goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.	<p>Reviewing how the governance arrangements support the achievement of sustainable outcomes.</p> <p>Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place.</p> <p>Reviewing the effectiveness of performance management arrangements.</p>	<p>Work included in the internal and external audit plans.</p> <p>Areas of high expenditure and high risks Need further assurance on such areas. ACTION - invite managers to attend committee meetings to discuss high risk areas and projects as required.</p>	3
Supporting the development of robust arrangements for ensuring value for money.	<p>Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee.</p> <p>Considering how performance in value for money is evaluated as part of the AGS.</p>	External audit report on value for money not provided for 2017/18 owing to the objection to the accounts.	2
Helping the authority to implement the values of good governance, including effective arrangements for countering fraud bribery and corruption risks.	<p>Reviewing arrangements against the standards set out in CIPFA’s <i>Managing the Risk of Fraud</i> (Red Book 2).</p> <p>Reviewing fraud risks and the effectiveness of the organisation’s strategy to address those risks.</p>	Regular reports received by the Committee that cover all areas of anti fraud work carried out across the Council.	4

	Assessing the effectiveness of ethical governance arrangements for both staff and members / governors.	ACTION –request more feedback from sub committees. Need further assurance around ethical governance arrangements	3
Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1
Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.	Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English. Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encouraging greater transparency Publishing an annual report from the Committee	Meetings held in public with minimal part 2 items, reports and minutes published. Press in attendance at meetings.	4 4 5

WARRINGTON BOROUGH COUNCIL

AUDIT AND CORPORATE GOVERNANCE COMMITTEE 26 SEPTEMBER 2019

Report of: Lynton Green, Deputy Chief Executive and Director of Corporate Services

Report Author: Jean Gleave, Head of Internal Audit, Risk and Insurance

Contact Details: **Email Address:** **Telephone:**
Jean.Gleave@warrington.gov.uk 01925 442354

Ward Members: ALL

TITLE OF REPORT: **ANNUAL RISK AND INSURANCE REPORT 2018/19**

1. PURPOSE

1.1 The report provides an overview of the Council's strategic risk management and insurance activity for the financial year 2018/19.

2. CONFIDENTIAL OR EXEMPT

2.1 The report is not confidential or exempt.

3. INTRODUCTION AND BACKGROUND

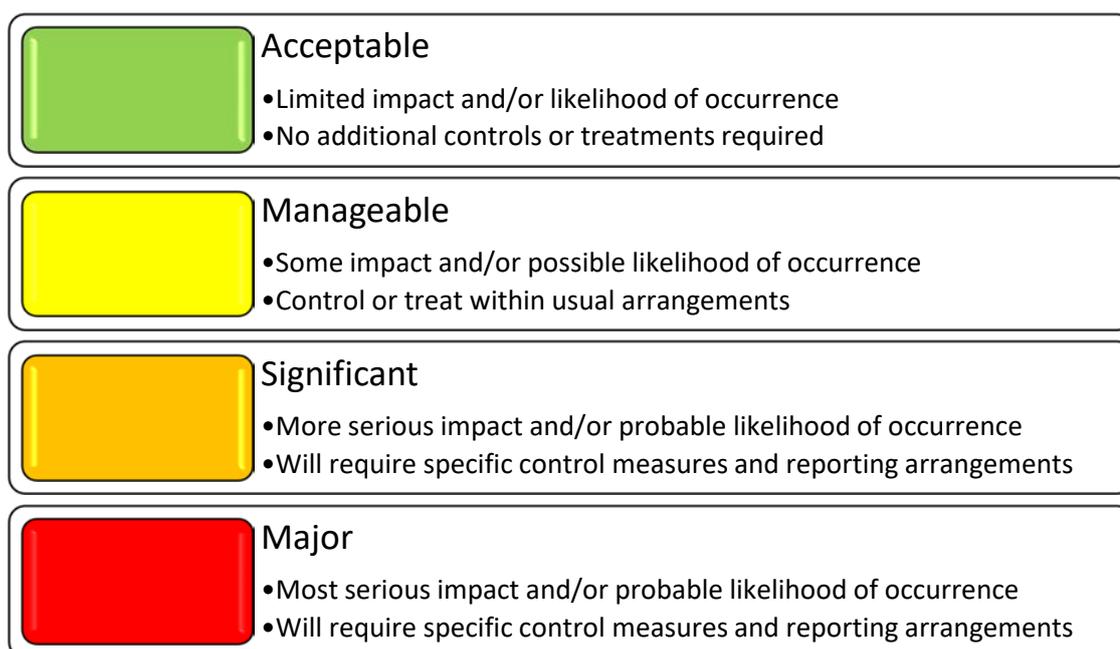
3.1 The risk and insurance service supports projects, directorates and senior managers to maintain appropriate risk management arrangements and ensures that insurance cover is in place to protect the Council from the risk of financial loss arising from its responsibilities as an employer, an owner and occupier of property, a highways authority and a provider of public services.

3.2 The service also facilitates the reporting process, to ensure that directorate management teams, the senior management team (SMT), Cabinet and Audit & Corporate Governance Committee have appropriate oversight of strategic risks and associated control arrangements.

4. STRATEGIC RISK MANAGEMENT

- 4.1 Strategic risks are those which have the potential to impact on the Council’s achievement of its corporate pledges and strategic objectives. The strategic risk register therefore provides an overview of the most important risks facing the Council. Operational registers are also maintained at directorate, service and project level.
- 4.2 Systems of risk management typically include reference to risk tolerance and risk appetite. Risk tolerance identifies those risks which organisations are able to accept and manage, and those which are deemed unacceptable. Risk appetite can be thought of as the amount of risk an organisation is willing to pursue or be exposed to, in pursuit of its strategic and organisational objectives.
- 4.3 By virtue of its statutory responsibilities for public services and associated functions the Council often has limited choice in whether or not to accept or tolerate risk. Clearly there are some types of risks where the Council’s tolerance will be extremely low, or risk averse, for example, those that could impact the safety of service users, employees, members or the general public. However, it is not possible to articulate the Council’s appetite for every form of risk it may encounter or to predetermine which risks are acceptable or not acceptable.
- 4.4 The Council’s Policy and Strategy for risk management aims to inform and strengthen the decision making process, by ensuring that:
- Risks, as well as benefits and opportunities, are always considered, identified and reported.
 - Risks are assessed and recorded consistently.
 - Proposals which are likely to involve higher or more challenging levels of risk, are subject to a robust and detailed risk appraisal process.
 - Risks which are likely to impact the achievement of one or more corporate objectives or to carry significant financial implications are escalated to the senior management team, Cabinet and the Audit & Corporate Governance Committee for review and approval.
 - Exposure to risks for which the Council’s tolerance is low is minimised.
- 4.4 The Council adopts a consistent approach to the assessment of risk, taking account of the potential impact of each risk, as well as the likelihood that the risk will materialise. This allows risks to be scored, ranked, and compared. Whilst not an exact science, the ranking of risks provides an indication of the Council’s tolerance, as summarised below in Figure 1 below.

Figure 1



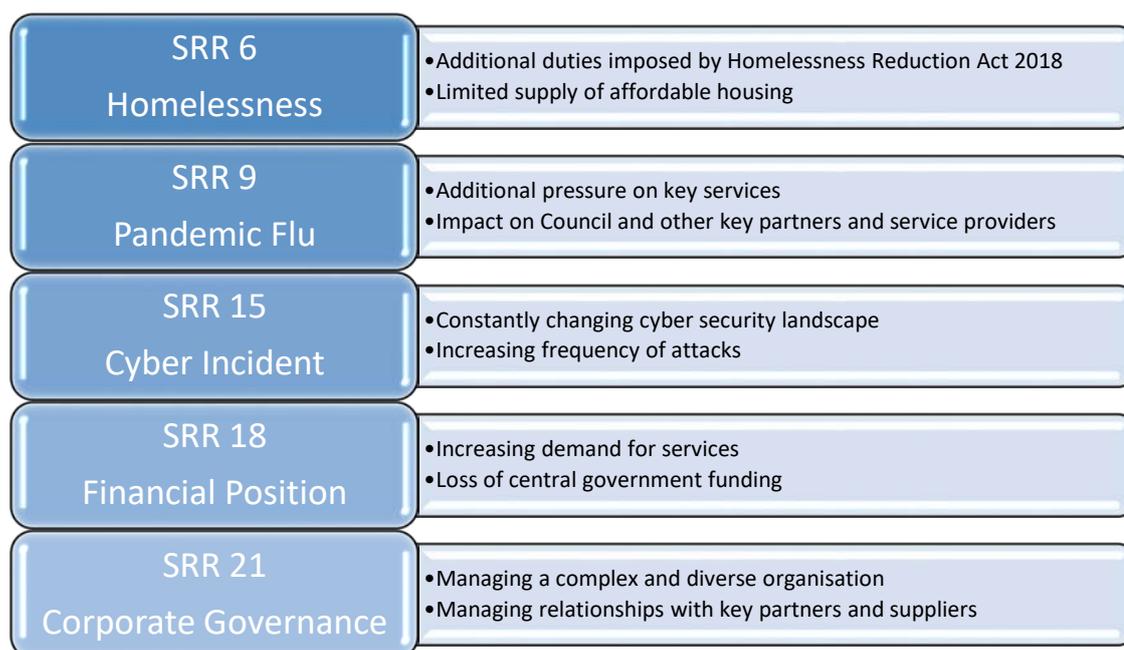
4.5 The strategic risk register for Q4 2018/19, reviewed by Cabinet in June 2019 and by Audit & Corporate Governance Committee in July 2019, is provided as Appendix 1 to this report. Figure 2 presents an overview of the Council’s strategic risk profile and specifically, the number of risks recorded against each ranking, at the end of 2018/19.

Figure 2

I M P A C T	ASSESSMENT	SCORE	RISK ASSESSMENT				
	SEVERE	5		1		4	
	SERIOUS	4			10	7	1
	MODERATE	3			1	1	
	MINOR	2					1
	TRIVIAL	1					
ASSESSMENT			RARE	UNLIKELY	POSSIBLE	PROBABLE	ALMOST CERTAIN
SCORE			1	2	3	4	5
LIKELIHOOD							

4.6 The most highly rated risks for 2018/19 are summarised in Figure 3 below. Detailed control strategies are in place to manage each of these risks and progress is monitored closely by SMT, Cabinet and Audit & Corporate Governance Committee.

Figure 3



- 4.7 A review of changes to the strategic risk register over the course of the year, together with other intelligence including performance and finance reports to Cabinet, provides an indication of the effectiveness of the Council’s risk management arrangements.
- 4.8 At the end of 2017/18, there were 23 risks recorded on the register. Two of these, SRR 3 (safeguarding) and SRR 4 (inspection judgements) were split to provide greater clarity about the management of risks in adults’ and children’s social care services. One risk, SRR 8 (the risk of a complete failure in the health and social care system) was removed, because the risks were captured elsewhere. The risks involved in moving towards a more collaborative system of health and social care continue to be managed and monitored as part of the Better Care Fund and Warrington Together programmes.
- 4.9 Two new risks, SRR 22 and SRR 23, were identified, relating to the potential impact of the UK’s exit from the European Union and the migration of Council staff into the new offices being constructed as part of the Time Square development. Recognition of these risks did not mean that management arrangements were ineffective but has enabled more detailed oversight by SMT and Cabinet.
- 4.10 Over 80% of the risks recognised at the end of 2017/18 have remained stable during 2018/19. Risk scores have reduced for two risks, relating to the challenge of maintaining high standards of educational performance in the face of ongoing reforms (SRR 5) and delivery of the Great Sankey Neighbourhood Hub project (SRR 14). External factors have increased the assessment of risks associated with the stability of the local social care market (SRR 2) and a potential cyber incident (SRR 15).
- 4.11 A comparison of the strategic risk registers for 2017/18 and 2018/19 is presented in Figure 4 below.

Figure 4



5. INSURANCE ACTIVITY

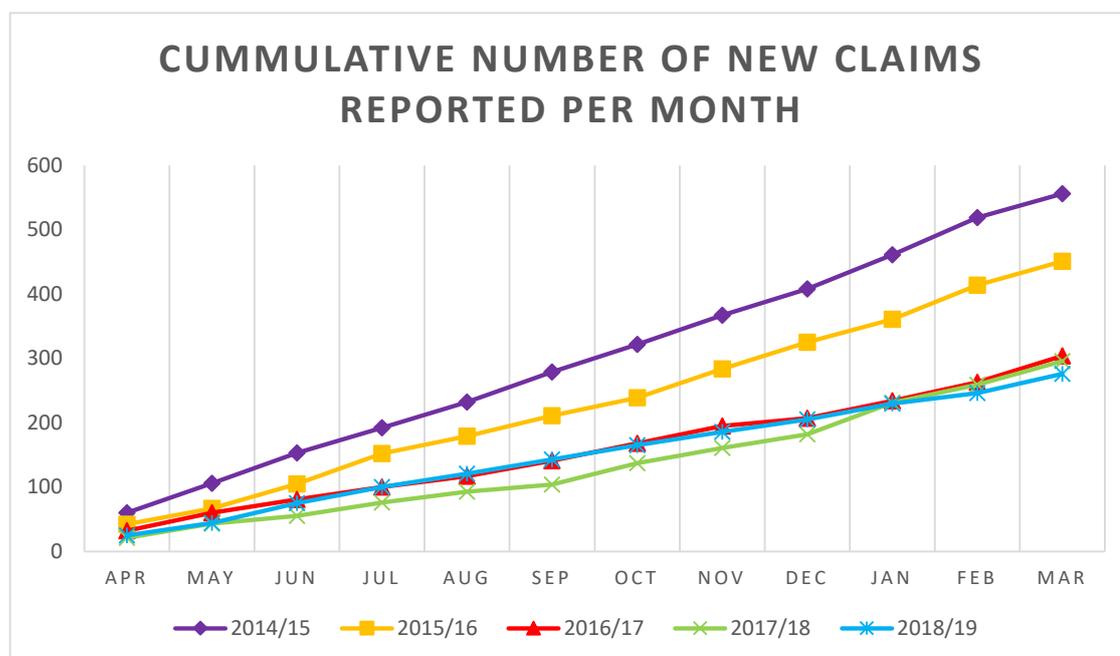
- 5.1 The Council contracts with Salford City Council to manage insurance and compensation claims on its behalf. In agreement with our liability and motor insurers, the Council has delegated authority to Salford to settle claims valued up to £25,000. In practice, settlements are agreed in consultation with the risk and insurance service.
- 5.2 Claims with an estimated total cost of more than £25,000 and claims not covered by this agreement continue to be managed by insurers with support from Salford and the risk and insurance service. The main exclusions to the handling agreement are complex claims and claims alleging libel or slander, error by officers in the performance of statutory duties, professional negligence in the provision of services to third parties and medical malpractice.
- 5.3 Insurance claims activity for the period April 2018 to March 2019 is summarised in Figure 5 below. The information presents the year end position for 2018/19. There are some minor differences between these totals and those reported at Q2 and Q4 which are the result of post period adjustments.
- 5.4 Should the Council be found liable for the totality of the outstanding caseload, insurers would meet costs over the excess for the relevant policies, currently estimated at £1.228 million. The balance of £1.960 million would fall to the Council and is provided for within the Council’s insurance fund.

Figure 5

Insurance Claims Activity 2018/19	Number of Claims	Cost Estimates £'000
Outstanding caseload at 1 April 2018	231	3,005
Claims opened during 2018/19	318	1,162
Claims closed during 2018/19	-294	-919
Revaluations of outstanding claims		-60
Outstanding caseload at 31 March 2019	255	3,188

5.5 The total number of claims opened in 2018/19 includes claims which have been reported, investigated and closed in previous periods, and then re-opened after submission of additional information by claimants. Excluding these claims, 276 new claims were reported in 2018/19, compared to a total of 296 new claims for the previous year. This continues the trend, observed last year and demonstrated in Figure 6 below, of an overall reduction in the number of new claims being presented.

Figure 6

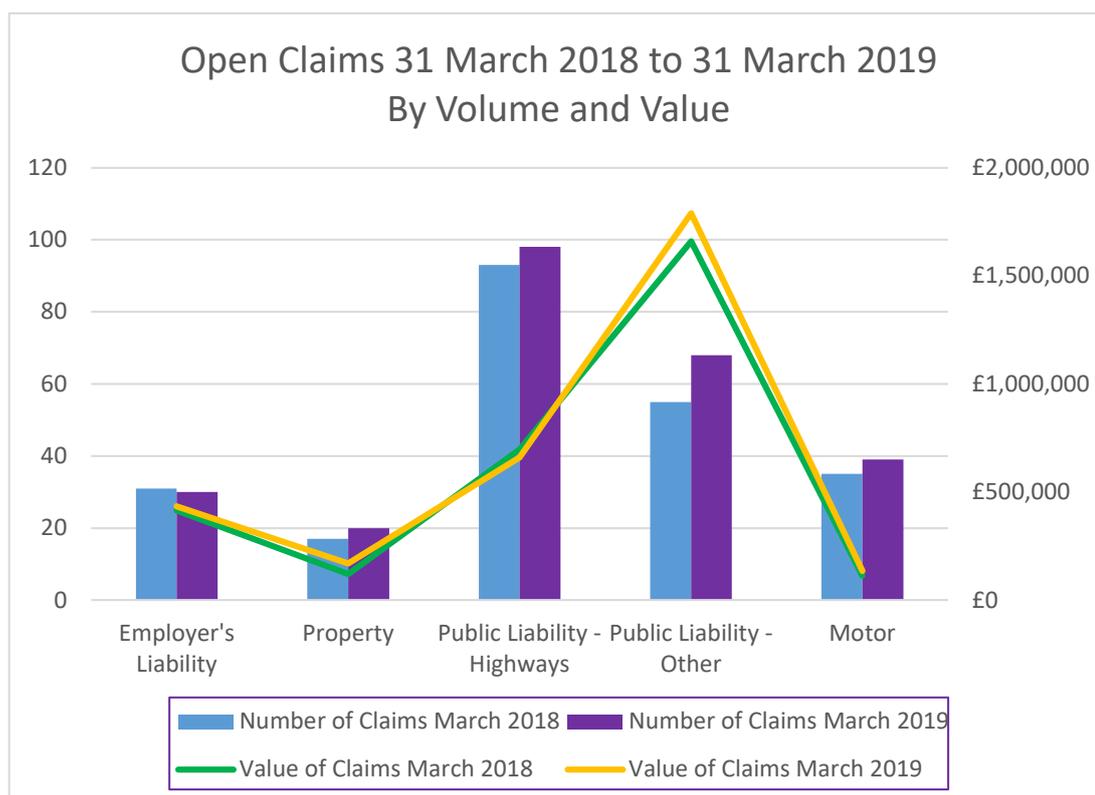


5.6 Whilst it is not possible to be definitive about the reasons behind this trend, we believe that it is likely to be attributable to:

- Our proactive approach to risk management, which monitors claim activity and reports any developing trends or areas of concern to directorates and SMT for consideration and action.
- The Council’s significant investment in highways maintenance, together with effective policies and practices for highways inspections and complaints.
- Our robust approach to the investigation and management of claims, particularly where fraud is suspected.
- External reforms which mean that low value personal injury claims are becoming less attractive to claims management companies and solicitors.

5.7 Analysis of the year-end open caseload confirms that the majority of claims are highways related public liability claims. However, non-highways related public liability claims continue to account for the highest proportion of the caseload by value. Comparison with the equivalent data for 2017/18, as provided in Figure 7 below confirms that the composition of the caseload has remained relatively consistent, although we have experienced a small increase in more complex, non-highways public liability claims.

Figure 7



6. FINANCIAL CONSIDERATIONS

6.1 Where there are high-level financial implications associated with particular risks these will be recognised in the impact scoring for that risk. For example, a significant breach of information governance or health and safety requirements could result in the Council being fined by the Information Commissioner’s Office or the Health and Safety Executive.

6.2 In consultation with the accountancy service, we have maintained the level of reserves and provisions established to meet the future excess costs of insurance claims at the same levels as in 2017/18. Total funds of £4.7 million, including an actuarial estimate of roughly £2.0 million for claims which have been incurred but not yet reported to us, have been set aside. Although claim numbers are reducing overall, and we have robust claims handling arrangements in place, our claims portfolio is potentially becoming more complex, as noted in section 5 above. The levels of reserves and provisions will continue to be reviewed annually.

6.3 We also maintain reserves and provisions totalling just over £0.5 million to meet the cost of claims lodged against the Council’s former insurer, Municipal Mutual Insurance (MMI), which is now insolvent. Claims are currently being paid by MMI at a rate of 75%, with the Council required to contribute the remaining 25%.

6.4 Members will be aware that in recent years the Council has chosen to accept higher excess levels on its employer’s liability, public liability and motor policies to secure reductions in premium costs. A robust approach to the investigation of claims is therefore critical to ensuring the Council maintains effective control over claim settlements for which it is primarily responsible. To illustrate the impact of this, we have previously reported the total costs incurred to settle claims closed during the financial year. However:

- Year on year comparisons can be distorted by genuine variations in the claims profile.
- Focusing on claim settlement costs does not take account of other risk management costs, such as policy premiums and claims handling costs.

6.5 This year, we have therefore compiled a Total Cost of Risk Analysis, to demonstrate that although the proportion of costs funded by the Council is increasing, costs are reducing overall.

Figure 8

Total Cost of Risk Analysis	2016/17 £'000	2017/18 £'000	2018/19 £'000
Insurance Premiums	960.2	915.5	994.2
Claims Handling Costs	167.3	135.0	115.0
Brokerage	12.5	12.5	12.5
Council Funded Claims Costs	298.8	601.3	250.9
Insurer Funded Claims Costs	729.3	283.1	251.9
Total Cost of Risk	2,168.1	1,947.4	1,624.5
Proportion Funded by Council	66.4%	85.5%	84.5%

6.6 We continue to adopt a robust approach to the investigation of spurious and suspect claims and Salford’s expertise has been particularly beneficial in this respect. Of the 294 claims closed in 2018/19:

- 228 were closed without settlement or cost, producing notional savings of just under £1,000,000.
- 10 public liability claims were specifically investigated for fraud, resulting in notional savings of £67,000

6.7 Notional savings represent the difference between the amount which could have been paid to settle the claim (settlements plus costs) and the actual costs incurred in investigation.

7. RISK ASSESSMENT

7.1 The Council must ensure that it has appropriate risk management arrangements in place in order to manage its risks and maintain a sound system of internal control. Failure to manage risks effectively can in some circumstances lead to an increase in insurance claims. Insurance cover is in place to manage the financial impact of this but as noted above, the Council now carries higher levels of excess on its employer’s liability, public liability and motor policies.

8. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT

8.1 The matters discussed in this report do not give rise to any specific equality and diversity implications.

9. CONSULTATION

9.1 N/A.

10. REASONS FOR RECOMMENDATION

10.1 To ensure that the Council maintains an effective framework of internal control and continues to manage its key risks, and to ensure the continued review of the Council’s strategic risks.

11.2 To assist the Council in meeting its statutory responsibility to review the effectiveness of its systems of internal control and prepare an annual governance statement.

11. RECOMMENDATION

11.1 The Audit & Corporate Governance Committee is recommended to note the annual review of risk management and insurance activity for 2018/19.

12. BACKGROUND PAPERS

- (i) The Strategic Risk Register
- (ii) Risk Management Reports to SMT, Cabinet and the Audit and Corporate Governance Committee
- (iii) Analysis of claim data extracted from LACHS (may contain sensitive and/or confidential information which will require redaction before release)

Contact for Background Papers:

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Alison Weir Risk and Insurance Manager	Alison.Weir@warrington.gov.uk	01925 442613

Reference / Ownership			Risk Assessment							Control Strategy		
Risk Number	Strategic Lead	Lead Officer	Risk Description	Original SMT Score	Likelihood Q4	Impact Q4	Quarterly Score Q3	Quarterly Score Q4	Direction of Travel	Existing Treatment / Controls (arrangements you already have in place to reduce the likelihood and/or impact of the potential risk)	Planned Treatment / Controls (to be implemented during 2018/19) (arrangements you plan to put in place to reduce the likelihood and/or impact of the potential risk)	Contingency Plans (arrangements which can be put into place if the risk was to materialise now)
SRR 1a	SP	Catherine Jones	The Council is unable to manage the demand for adults social care services resulting in additional financial pressures.	12	3	4	12	12	↕	Adults Transformation Board - Prevent, Reduce Delay - monitoring of targeted projects to manage demand First Response Service - manage demand at the Front Door . Monthly Contracts Board - oversight of all contracts and takes account of such issues as risk, market resilience etc. Warrington Together - Frailty Hub at WHH established to target elderly frail service demand	Adult Transformation Board - In year 2, the demand management transformation programme in Adult services remains on target for the majority of Phase 1 deliverables by end of March 2019. This includes 12 month review of First Response Service, further development of IAG offer, multi agency plan for roll out of strengths based approaches, Transitions project. Assisted Living Strategy drafted - 3 year plan to reduce demand through assistive technology, self help , integrated approaches to delivery with health partners, single handed care. Refreshed ASC Market Position Statement drafted to shape market provision to meet future need more effectively. Warrington Together Frailty Hub - service extended from 2 days to 4 days with plans to staff to 5 days in January 2019. 24 hour Rapid Intervention Service planned for Go Live January 2019 - supports people to return home from Frailty Hub and avoid admission to Hospital. Venn Consulting commissioned to analyse flow across the Health and Social Care system and identify where resources should be targeted. Integrated Community Teams Workstream established and continuing to develop the Locality Model and adopt a multiagency approach to targeting high end users of services to manage demand. Re-tender of Domiciliary Care Framework to shape delivery model to improve demand management across the borough. Review of AMHP service delivery model. Review of Safeguarding Team Model to manage increased referrals from care sector.	Depending on how the demand presents and for which group of service users - contingency includes: Prioritising and risk assessing need, use of local, regional and national Market options, multi-agency review of provision etc. utilise Warrington Together Programme, Provider Market Engagement Events, establishing new provider forums that seek to understand market pressures better and work with skills for care regarding external market workforce planning.
SRR 1b	SP	Amanda Amesbury	The Council is unable to manage the increasing demand for children's social care services, resulting in additional financial pressures and potentially unmanaged reductions in service provision.	12	3	4	12	12	↕	Children's Services continue to oversee need and 'demand' on an operational level, with operational activities to manage, prioritise and track fluctuations and changes in demand effectively, whilst safely reducing the number of children in care. Reports are provided to the OBB Board. Families First - The Edge of Care Service are supporting this work by providing a range of support to Warrington's in house residential children's homes. The Families First Service is also working to reduce the number of children on the Edge of Care and safely reduce the number of children subject to Child Protection Plans by providing a comprehensive range of support including a respite care offer. Early Help has established a first response team at the front door with the aim being that this service will direct referrals away from children's social care and into early help (where appropriate) As we implement the local plan and see a population growth we will need to consider resourcing needs (more children moving into Borough will inevitably lead to increase in demand).	Children's Services will be linking into the benefits realisation work undertaken by Adult Services to ensure that there is a coordinated approach to demand management across the directorate.	Depending on how the demand presents and for which group of service users - contingency includes: Prioritising and risk assessing need, use of local, regional and national Market options, multi-agency review of provision etc.

Reference / Ownership			Risk Assessment							Control Strategy		
Risk Number	Strategic Lead	Lead Officer	Risk Description	Original SMT Score	Likelihood Q4	Impact Q4	Quarterly Score Q3	Quarterly Score Q4	Direction of Travel	Existing Treatment / Controls (arrangements you already have in place to reduce the likelihood and/or impact of the potential risk)	Planned Treatment / Controls (to be implemented during 2018/19) (arrangements you plan to put in place to reduce the likelihood and/or impact of the potential risk)	Contingency Plans (arrangements which can be put into place if the risk was to materialise now)
SRR 1c	SP	Paula Worthington	The Council is unable to manage the demand on the high needs budget leading to a considerable overspend.	16	4	4	16	16	↕	Families First – The Edge of Care Service are supporting this work by providing a range of support to parents and carers alongside support to Warrington’s in house residential children’s homes. The Families First service is also working to reduce the number of children on the Edge of Care and safely reduced the number of children subject to Child Protection Plans by providing a comprehensive range of support including a respite care offer. Early help has established a first response team at the front door with the aim being that this service will direct referrals away from children’s social care and into early help (where appropriate).	A deficit reduction plan was presented to Schools Forum in March 2018 and it was agreed to develop eight of the proposals further as a way to mitigate the overspend on the high needs block. A review of external placements has been scheduled for 2019/20 to assess and manage the demand for high cost provision. The application to the DfE to establish an ASD Free School in Warrington has been successful and once in place will reduce some of the need to place children with these needs out of area. Work on 19-25 provision will continue to be developed and the transition service is working closely with Adults and Childrens to deliver alternative offers of support to reduce spend on external placements and improve the early identification of appropriate support to meet the needs of young people locally.	DSG reserves could be used to reduce the deficit for 2018/19, which will otherwise be rolled over to 2019/20 and will add to the existing burdens in the High Needs Block.
SRR 2	SP	Catherine Jones	The local social care market, particularly services for adults, becomes unstable, leading to difficulties in meeting assessed need.	16	4	4	16	16	↕	This is a national issue and we monitor closely the fluctuations and changes in need and capacity of the local markets for domiciliary, residential, nursing, supported living and other services. Monitoring takes place at least weekly and in some areas daily. Multiagency Teleconference arrangements daily/weekly depending on pressures. There are a number of fora established including providers and partners to review and monitor how sufficiency and quality is maintained in key areas. When markets show signs of stress or difficulty there are efforts provide support, incentives and re commissioning to reduce pressure. Significant uplift in rates for domiciliary care providers to stabilise the market. Increased availability of EMI Nursing Dementia plus placements which has been a particular area where capacity has been low.	Contracts Board Meetings Monthly - regular reviews of sufficiency and quality in the social care sector working closely with partners and providers to create more sustainable arrangements. Safeguarding and Quality Assurance team work closely with contractsand commissioning to proactively identify and support providers who require improvement. Improving the Qualityof Care action plan drafted Refreshed Market Position Statement drafted to give providers a full assessment of our market needs allowing them to plan and develop services more proactively where we have gaps or shortages. Review and refresh of Better Care Fund governance and monitoring arrangements to ensure available resources maximised	Depending on which sector is unstable affecting which group/s of service users - contingency includes: Prioritising and risk assessing need, use of local, regional and national Market options, multi-agency review of provision, price review etc.
SRR 3a	SP	Catherine Jones / Amanda amesbury	A failure in safeguarding services results in the death of, or significant injury to, a vulnerable adult,	12	3	4	12	12	↕	Regular and effective management oversight and supervision of caseloads and practice quality as per policy including support and oversight from specialist staff. Establishment of full time Principle Social Workers for Adults and Children responsible for quality and development of social work practice Quarterly audits of children’s casework undertaken by both the local Adults and Children’s safeguarding boards and the Safeguarding Quality Assurance Teams; and commissioning, procurement and contract management arrangements. Robust arrangements in place via the Safeguarding Boards to commission SAR’s and ensure learning from incidents of significant injury or death are translated into practice improvement	Maintenance of current controls Implement Childrens recruitment and retention strategy in 2017/18 to ensure that caseloads are managable. Review of Adult Safeguarding model 2018-2019 to ensure resources targeted most effectively childrens’s - systemic practice training commenced, to drive and improve practice, purpose to ensure safeguarding is the priority Implement recommendations of 12 month evaluation of First Response Team who respond to a significant amount of initial safeguarding concerns with support from specialist services. Adult Training Panel review of Safeguarding and DOLS training across the workforce Teaching Partnership in place and continues to develop	Follow safeguarding adults pathway including notification to Safeguarding Board Chair. Decision making to commission Safeguarding Adults Reviews in order to understand cause and implement learning actions required to address issues and any failure.

Reference / Ownership			Risk Assessment							Control Strategy		
Risk Number	Strategic Lead	Lead Officer	Risk Description	Original SMT Score	Likelihood Q4	Impact Q4	Quarterly Score Q3	Quarterly Score Q4	Direction of Travel	Existing Treatment / Controls (arrangements you already have in place to reduce the likelihood and/or impact of the potential risk)	Planned Treatment / Controls (to be implemented during 2018/19) (arrangements you plan to put in place to reduce the likelihood and/or impact of the potential risk)	Contingency Plans (arrangements which can be put into place if the risk was to materialise now)
SRR 3b	SP	Amanda Amesbury	A failure in safeguarding services, due to failure to recruit and retain suitably qualified and experienced social workers, or a failure in partnership working results in the death of, or significant injury to, a vulnerable child.	12	3	4	12	12	↕	Existing controls to mitigate a failure in safeguarding services include regular and effective management oversight and supervision, workforce planning arrangements to ensure that caseloads are manageable, quarterly audits of children's casework undertaken by both the local Adults and Children's safeguarding boards and the Safeguarding Quality Assurance Teams; and commissioning, procurement and contract management arrangements.	Maintenance of current controls, implementing recruitment and retention strategy in 2017/18 to ensure that caseloads are manageable. Re-design of adult services creating a new first Response Team, who respond to a significant amount of initial safeguarding concerns with support from specialist services should enhance responsiveness and consistency of initial assessments and interventions. Further developed briefings in relation to reviews and learning from practice.	Children's safeguarding arrangements follow a similar pathway to adults. As of April 2019 we have launched the new safeguarding partnership which we believe will strengthen our safeguarding practice.
SRR 4a	SP	Catherine Jones /Amanda amesbury	The Council receives notice of a significantly adverse inspection judgement from the Care Quality Commission or other regulatory body or severe adverse reputational damage. This could result in the loss of one or more key providers, impacting the Council's ability to meet assessed need and ultimately, the imposition of external advisors to manage service provision on behalf of the Council.	12	3	4	12	12	↕	Adults and Care Quality Team - robust performance monitoring systems for care providers in place and strong networks with local CQC inspectorate enable the sharing of intelligence and proactive targeted support to weaker providers to prevent market failure. Internally regular performance and audit of activity is benchmarked against targets and in the context of inspection standards. This is used to inform development and investment plans to maintain standards. For contracted services there are regular monitoring arrangements and escalation processes where standards fall below expectations. Due diligence financial checks are carried out for all providers prior to entering contracting arrangements. In the event of unsatisfactory CQC or Ofsted judgements there are processes of risk assessment and then action planning that range from support through to default and closure. a robust audit framework is in place in children's to assure ourselves of progress being made.	Adults Dignity and Care Quality Team - Improving the Quality of Care Action Plan drafted for delivery in 2019 to improve standards of care in residential settings. A focused inspection with good outcomes and a positive annual conversation gives cause for some optimism that inspection is less to be feared as progress is being made. Additional strategic capacity has been established in 2017/18 to lead the SEND reform agenda and ensure compliance with the SEND code of practice. An inspection preparation project board had been convened around children's social care and SEND inspections which will ensure readiness.	Adults contingency includes: Prioritising and risk assessing need, use of local, regional and national Market options, multi-agency review of provision, price review etc. Children's - urgent review of comments of inspectors would need to be considered and remedial action taken
SRR 4b	SP	Amanda Amesbury	The Council receives a significantly adverse inspection judgement from the Ofsted or other regulatory body or severe adverse reputational damage.. This could result in the loss of one or more key providers, impacting the Council's ability to meet assessed need and ultimately, the imposition of external advisors to manage service provision on behalf of the Council.	12	3	4	12	12	↕	Internally regular performance and audit of activity is benchmarked against targets and in the context of inspection standards. This is used to inform development and investment plans to maintain standards. For contracted services there are regular monitoring arrangements and escalation processes where standards fall below expectations. In the event of unsatisfactory CQC or Ofsted judgements there are processes of risk assessment and then action planning that range from support through to default and closure.	A focused inspection with good outcomes and a positive annual conversation gives cause for some optimism that inspection is less to be feared as progress is being made. Additional strategic capacity has been established in 2017/18 to lead the SEND reform agenda and ensure compliance with the SEND code of practice. An inspection preparation project board had been convened around children's social care and SEND inspections which will ensure readiness. LGA peer review of permanence due to take place in April 2019 will offer challenge and support to our improvement activity across the service.	Follow safeguarding adults pathway including notification of Safeguarding Chair and decision making regarding Safeguarding Adults Review in order to understand cause and implement actions required to address issues and any failure.
SRR 5	SP	Paula Worthington	Ongoing educational reforms, including academisation and the national formula funding review, could impact on the Council's ability to support Warrington's schools and maintain high standards of educational performance.	9	3	3	6	9	↑	The Education Services School Improvement Team identify vulnerabilities in educational performance via the Keeping All Schools Under Review (KASUR) Forum and respond accordingly to support the attainment of high educational outcomes and in readiness for Ofsted inspections. The LA is working closely with the Teaching Schools to develop a model of high improvement.	There are ongoing discussions with individual schools regarding academisation and their desire to convert. At this time this is managed by the Education Service as 'business as usual' activity.	Work is underway to explore an enhanced traded services offer to schools, but if all schools did convert to academies the local authority would move to deliver its statutory functions only.

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SRR 6	MAA	Dave Cowley	Legislative changes are operational from 3rd April 2018 and place additional demands on the Council to manage homelessness. Reduced number of affordable homes being built in the town outstripped by right to buy, welfare reform, and low turnover of social housing.	20	5	4	20	20	↕	Warrington Homelessness Strategy and Housing Strategy. New duties for relief and prevention of homelessness have been operational from April 2018 under the Homelessness Reduction Act. We have implemented changes to the housing allocations policy. We have increased the numbers of temporary accommodation, including New Start for rough sleepers and working with RSLs. New Start is a package of support and accommodation for former rough sleepers.	The changes in legislation have come with limited additional resources to implement the changes. We have successfully bid for further grants to supplement the funding available to us for homelessness prevention and to support move-on. We are preparing to tender all homelessness services to quality specification, and prioritising intensive support to the most vulnerable. The homelessness strategy will be refreshed in 2019/20.	The new duties have resulted in queueing up in temporary accommodation and increasing numbers of families and individuals to whom we owe a duty. The Severe Weather Emergency Protocol arrangements have been put in place, with further reliance on emergency bed and breakfast provision where that can be accessed. Due to change in software systems and KPIs that came with the new legislative duties, we are reliant on the quarterly figures produced by MHCLG - while council IT colleagues have been trying to arrive at a resolution that can extract local metrics from the new database.
SRR 7	MAA	Muna Abdel Aziz Steve Park	The Council, working with its partners, is unable to reduce health inequalities across Warrington.	12	4	4	16	16	↕	Warrington Health in Business Programme. Warrington Wellbeing hub. Central Area Neighbourhood Renewal Board and Masterplan. Health in Business events, hosted through the Business Exchange. Active travel. Ongoing ESF programme for careers and local people into jobs.	Will require the following interventions across council departments and with health partners: Employer pledge and health in business programme. Inclusive growth programme. Social value in procurement. Warrington Wellbeing in collaborative clusters/outreach community activities. Need to enhance work with parish councils in the most deprived areas outside of Central. Workplace Wellbeing Charter commitment across organisations. Business engagement to introduce physical and mental wellbeing initiatives, including health kiosk and Active travel. Propose to undertake an assessment of the supply/demand and access to employment opportunities. Work with schools on skills and careers. Skills for Care.	The gap in employment rates for those with long term condition or disability has been widening year on year from 2013/14. Most recent data for 2016/17 confirm the widening gap. ESF projects to be enhanced and poverty reduction initiatives to be considered. Health and Wellbeing initiatives will benefit businesses for increased productivity as a result of lower absence rates.
SRR 9	MAA	Theresa Whitfield Tracy Flute	Warrington experiences a Pandemic Flu outbreak which creates significant additional pressure on key services at the same time as limiting our ability to respond to those pressures.	20	4	5	20	20	↕	Flu Pandemic remains one of the highest risks on the national risk register. At a Resilience Forum level WBC works with its Cheshire partners to ensure multi agency response plans are in place and regularly maintained. Locally through the Health Protection Forum partners share planning and consider any potential gaps. Level of alert and preparedness remains high. The WBC Corporate Flu pandemic plan has been reviewed and reflects the response arrangements and alert phases that would be implemented nationally which tie into the Resilience Forum response structures. Outbreak Control Plans / response structure in place to provide immediate response during assessment phase. Despite the level of preparedness across the Council and all partners, impact of a Flu Pandemic will be subject to the severity of the strain of influenza, which will only be known once an outbreak is detected. If clinical attack rates are at a higher level this will undoubtedly have an impact on continuity across all services / partners. For this reason, in the absence of any assurance of the type of strain that could emerge, the scoring remains the same.	Corporate, Directorate and service level business continuity / flu pandemic plans have been reviewed and revised during 2018. Consideration will be given to arranging an exercise to appropriately test plans in 2019. An internal audit review is proposed to consider business continuity preparedness in 2019/20.	A pandemic declaration would result in a Major Incident declared, it would be a national emergency situation with full national command & control arrangements in place. The WBC Major Emergency Plan (MEP) would be invoked which outlines the full response structures and would underpin the Councils response to a Flu Pandemic and the management of associated BC implications. Cheshire Resilience Forum has a Flu Pandemic response plan which reflects the multi-agency response structures outlined within the MEP. Health, social care and education integrated flu plan for Warrington has been developed to provide coordination and assurance in Warrington in the event of a pandemic.

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SRR 10	S Park	Stephen Fitzsimons	Warrington experiences a significant downturn in the economy, which could impact the Council in various ways, including: - increasing the demand for services to support vulnerable people and other frontline services such as benefits, council tax support, contact centre etc. - detrimental impacts for the performance of the commercial estate; - reducing the availability and/or increasing the cost of raw materials, component parts and other resources which in turn could affect the delivery of the Council's major regeneration and infrastructure projects.	12	3	4	12	12	↕	Accountancy and Property officers regularly monitor the current performance of the commercial estate and report any major variations as part of the budget monitoring process. The performance of the Birchwood Park estate and delivery of key regeneration projects is closely monitored by programme specific boards. The OBB managing demand workstream working alongside traditional management systems will look to mitigate any potential impact of increased demand for services. Greater focus on financial checks and ongoing due diligence as part of the pre-procurement process, particularly for large regeneration projects and schemes.	Officers are aware of the impact of the Carillion liquidation and the potential effect upon main and sub contractors supporting the wider regeneration programme. A company/contractor risk register has been established and is monitored and updated regularly to identify potential/emerging concerns. Where necessary, officers will work with contractors to ensure security of service provision and if necessary to introduce specific contingency plans.	Service/project specific contingency plans are introduced wherever concerns are identified.
SRR 11	S Park	Michael Bell	The Council receives a successful legal challenge to the Local Plan which could result in a Plan being imposed.	20	2	5	10	10	↔	A formal Corporate Governance structure and project planning approach for the Local Plan was introduced in Q3 2017/18, overseen by a new Local Plan Board comprising senior officers from across the Council. A Member Forum has also been established to facilitate ongoing liaison. Barristers have been appointed to provide legal opinion prior to each key stage of the Plan making process and the Council is engaging with the Planning Inspectorate, MHCLG and Homes England to identify and address any potential issues. A detailed project plan, risk register and issues log has been established to ensure that the Local Plan Board can assess risks and agree mitigations.	Following approval of the draft Plan for consultation, the Council will undertake a series of detailed public consultation events at the Halliwell Jones Stadium. The outcome of these consultations will be used to update the Plan, prior to its submission for Examination in Public by an independent inspector. Legal opinion will continue to inform each stage of the process and formal Executive Board and Council approval will be sought to proceed.	The main risk for legal challenge is following the adoption of the Local Plan. The Local Plan Board will therefore maintain a detailed risk register and develop contingency plans well ahead of the adoption of the Local Plan.
SRR 12	D Boyer	Theresa Whitfield	Warrington experiences a major incident, which creates significant additional pressure on key services at the same time as limiting our ability to respond to those pressures.	16	4	4	16	16	↕	Subject to the type of incident and the resulting disruption, the impact on the organisation and its ability to maintain critical services whilst supporting the incident response could be significant, particularly in a protracted incident and dependent on the consequence management issues arising. The Council has well tested, maintained plans in place and all risk specific plans are reviewed in line with statutory requirements. Resilience of the organisation to support and sustain a protracted response is undoubtedly enhanced due to tiers 1-4 of the organisation being trained in specific roles linked to out of hours response arrangements. Training and exercising continues each year to build resilience and maintain competency and awareness of response arrangements. Updated Business Continuity Profiles have been reviewed and are on WINNIE. Whilst the Council's preparedness to respond to Major Incidents is at a higher level than in previous years every Major Incident is unique in circumstance and as a result consequence management will have different levels of demand subject to the type and severity of the incident. For this reason, impact / likelihood is difficult to reduce in scoring given the uncertainty around potential cause (deliberate or natural) therefore the score has remained the same.	A campaign to encourage additional volunteers to undertake roles such as Emergency Centre Manager and Rest Centre Manager will take place through Your Voice in the first quarter of 2019 with training for ECM / RCM being planned for later in 2019. This will hopefully increase resilience of the volunteer pool.	The Major Emergency Plan, risk specific plans are all in place and tested in line with statutory timeframes. A test of the Evacuation & Shelter plan is to take place in partnership with Halton Borough Council in September 19. The statutory test of the COMAH plan for the one Top Tier site within the Borough takes place in June 19.

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SRR 13	S Park	Steve Park	The Council's flagship regeneration project, Time Square, is not delivered to time, budget or specification.	16	4	4	16	16	↔	The regeneration scheme is run as a controlled programme by experienced personnel, with a number of subgroups addressing specific work streams of the programme all reporting to the Programme Board. The programme maintains a risk register which is updated quarterly. The minutes and risk register are shared with Risk and Corporate Governance, CIPG and SMT. Internal audit has an open and standing invitation to attend the programme board and do so on a regular basis. The major construction is now mostly complete and risk for this is reduced there is some minor slippage in programme but this is being accommodated. Budget pressure has been resolved and the project remains viable. There is a risk that failure to secure restaurant operators prior to opening of the scheme would result in a significant revenue pressure for the Council. This has been addressed by engaging specialists in the area and this has delivered results, most notably in the Botanist signing an agreement for Lease as anticipated that occupiers will start to take leases in the 12 months prior to opening. The uptake of occupiers is monitored and driven by a small group focussed on that task and reports through to the Time Square Programme Board. Although not a programme risk the successful transition of the Council offices is a critical factor in the success of the project and mitigation is now in place to ensure this, albeit with some residual risk.	The multi-storey car park opened in November but still has some defects which we are currently dealing with through the contract. The programme group continues to monitor risks and identify mitigation measures as required. There is a risk that failure to secure restaurant operators prior to opening of the scheme would result in a significant revenue pressure for the Council.	Both WBC staff and Warrington Market could remain in existing locations should the scheme be delayed. Financial impacts from any failure to let would be mitigated by finding alternative occupiers.
SRR 14	S Park	Steve Park	The Great Sankey Hub project was taken over by the Council from Livewire in Summer 2017. Having taken on this responsibility, the Council is unable to deliver the project to time, budget or specification.	16	5	2	10	10	↔	The Hub is now open and in use. The project will remain under the control of Warrington & Co until commercial completion.	The project is now complete but will remain on the register until commercial completion.	The project is now complete but will remain on the register until commercial completion.
SRR 15	LG	Heather Berry	The Council experiences a major cyber incident.	16	4	5	16	20	↑	Security Incident Event Management System (Logarithm) alerts to potential threats from both external and internal sources and is configured to assist with PSN/PCI DSS standards. PSN compliance with Code of Connection, verified by annual review, including password cracking tests and penetration testing. Quarterly external penetration testing undertaken by CREST/CHECK approved third party. Quarterly penetration testing for compliance with PCI DSS undertaken by approved third party. ISO 27001 accreditation in place for ICT service and primary locations. Three year certification, verified by annual site survey and three day recertification visit. NCSC best practice guidance is reviewed and considered when procedures, services and systems are designed and implemented. The ICT Services engages with the Cyber Information Sharing Partnership (CISP) and receives alerts/notifications via this forum.	Our existing technical treatment and controls are deemed appropriate. They have so far withstood the cyber-attacks we have been subject to and we are constantly looking at new and changing guidance with relevant authorities to understand new attack types and protection measures available: both preventative and detection/defensive. NCC Group was commissioned in December 2018 to undertake an independent review of our operational cyber security measures and also our planned strategy. Following review of the NCC recommendations and other relevant assessments, a report is being prepared for SMT to provide an overview of the current cyber security landscape and to recommend improvement actions: - Further training and communications to raise awareness of cyber risks and control measures - Strengthened reporting arrangements into SMT and the ICT portfolio holder - Tightened controls over the commissioning and procurement of technology.	Business Continuity and Data Recovery Plans.

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SRR 16	LG	Sarah Gallier	The Council experiences a significant breach of information governance through failing to maintain compliance with the General Data Protection Regulations (GDPR) and the Data Protection Act (DPA) 2018.	12	4	3	12	12	↕	While the Council has training in place via elearning, supplementary face to face sessions and dedicated Winnie IG pages, there are still information breaches and incidents occurring which could lead to a breach of the DPA. Numbers of reportable to the ICO breaches remain low and the ICO have closed all breaches without action or penalty due to the mitigating controls in place such as encrypted laptops and mandatory data protection training. The eLearning course has been replaced by a new course specifically for the Data Protection Act 2018. GDPR and DPA 2018 are now business as usual activities and working groups/specific subject groups/supplementary training are delivered as and when required. There has been an increase in the complexity of subject access requests and complaints about the use of individuals data which now have an impact on the IG team resources as they support the directorates receiving these.	New data protection act 2018 course now available. Working groups for the FOI reps and training sessions on processing subject access requests are in place and ongoing. Meetings to go through individual ropas and information queries/concerns available to all teams and planned in as and when they are required.	Full incident reporting process in place in the event of a breach of the GDPR/DPA including scoring to ensure that we can report within the required 72 hours.
SRR 17	SP	Theresa Whitfield	The Council experiences a significant breach of health and safety requirements which could result in serious injuries or deaths of employees, members, service users or members of the public. Such a breach would result in action on the part of the regulator (HSE) and potentially claims for compensation also.	12	3	4	12	12	↔	The Health & Safety Policy is reviewed annually in line with H&S requirements. The policy outlines roles and responsibilities at all levels of the organisation in addition to key roles (ie Premise Manager). The policy is based on the Health & Safety management arrangements (HSG65) if Officers assume their delegated responsibilities and ensure that adequate arrangements are in place at a service level, the organisation should be assured that arrangements are adequate to comply with H&S law / regulation. The ultimate duties of the Chief Executive will be continued to be delivered through the principles of delegation and on the basis of managers managing H&S risks. Standard Operating Procedures (SOPs) and Guidance Notes (GNs) support managers to consider risks and ensure arrangements are in place to comply with relevant legislation / regulations. Whilst assurance through audits indicates compliance with areas tested, not all services / buildings within the Council are audited - there is a reliance on learning from audits being shared and monitored through Directorate H&S committees. As this learning is embedded, this reduces the likelihood of a breach, however, in the event of a breach the impact could be considerable (subject to the nature and the level of breach identified) in terms of legal, financial and reputational impact. All final audit reports are shared through Directorate committees in addition to a "common themes" action tracker to support shared learning and implementation of improvement recommendations across all service areas. There is evidence to suggest an improving picture but in some areas learning from audits still needs to be embedded and for this reason, until assurance is evident at Directorate and Central H&S Committees, the score remains the same.	The Team undertake the Competent Adviser role to all LA Maintained Schools / education establishments where the Council is the employer and has a statutory duty to provide access to competent H&S advice. The Team also offer the service via a SLA to all schools (including Academies) where the Council are not the employer. Schools are audited on an annual basis. Subject to the assurance level, detailed on site audits are undertaken where necessary. Reports are provided to the Head / Governors. Directorate audit reports are provided to the service manager and ultimately the Executive Director (final version). Audit outcomes are monitored through Directorate and Central H&S committees, actions arising are shared across service areas to maximise learning and enhance H&S management systems across the Directorates.	If a breach were to occur this would result in HSE inspection to identify failings (if any) which immediately attracts a Fee For Intervention from the initial notification, followed by potential for Improvement Notice, Notice of Contravention or Legal Action subject to severity. If evidence can't be produced to support the adequacy of H&S management arrangements at a service level (ie compliance with the Councils Policy, SOPs / Guidance Notes in order to comply with legislation / regulation) the HSE could take action at a level commensurate to the risks identified. No specific contingency plans are prepared in advance as all service managers are required and expected to consider H&S risks and ensure adequate management systems are in place as part of their management responsibilities.
SRR 18	LG	Claire Harris	The Council's financial position becomes unstable because of a failure to deliver the planned transformation programme (demand management, commercialisation and digitalisation).	15	4	5	20	20	↔	The Council monitors its financial position on a monthly basis at Outcomes Based Budgeting (OBB) Board and formally to SMT and Executive Board on a quarterly basis. Delivery projects and savings targets are monitored through these formal routes and also in more detail at the project level through monthly programme meetings.	The Outcomes Based Budgeting process is constantly under review and the financial pressures require a tightening of reporting and accountability of the financial position via the OBB board. The outcome of the LGA review (ongoing through Quarter 4) may reflect on some of the financial challenges the Authority continues to face. The Authority will continue to review the effectiveness of the aims and the outcomes of the OBB process to ensure it continues to deliver the financial resilience required in the current financial climate.	The Outcomes Based Budgeting board is overseeing the development of a Financial Continuity Plan as part of its financial governance arrangements. Such a plan represents good financial governance when resources are stretched, however the Council also continues to maintain a robust level of reserves that can be utilised for short term fluctuations in financial expectations and has confidence in current financial processes to continue to achieve a balanced budget over the next four year Medium Term Financial Planning cycle.

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SRR 19	GH	Gareth Hopkins - CS Steve Peddle - F&W Steve Park/Dave Boyer - ERGE	The Council is unable to maintain a sufficiently skilled and stable workforce. To include specific consideration of the impact of Brexit and the potential loss of staff in services either directly provided by the Council or where there is a close level of interaction/inter-dependence with the Council, such as health care or construction.	12	3	4	12	12	↕	SMT monitors recruitment and retention on a monthly basis via a standard report. DMTs have added this risk to directorate registers and undertake service specific monitoring and review. The Council has a specific recruitment and retention strategy for Children's Social Workers and a number of policies and programmes (i.e. Market Supplement Policy, Training and Development programme) which are used across the workforce.	Renewed L&D prospectus and focus on use of the Apprenticeship Levy. Corporate Services DMT to hold regular discussions on turnover and recruitment. FWB DMT - Dedicated task in Adults to be established January 2019 to co-ordinate sustainable focused recruitment approach across the sector. E&T reviewing temporary staffing levels within Waste and Street Services to minimise agency spend.	Agency Staff Framework. External recruitment agencies. FWB commissioners to check that providers are preparing for no-deal Brexit.
SRR 20	MC	Gareth Hopkins - CS Steve Peddle - F&W Steve Park/Dave Boyer - ERGE	The Council faces legal challenge and/or claims for compensation because of a failure to provide services or manage organisational change in accordance with requirements or new legislation/regulation.	12	3	4	12	12	↕	Each Directorate understands requirements for statutory services. Programme of transformation underpinned by the OBB programme. FWB robust approach to complaints, including early engagement with legal services and risk and insurance, to consider complex cases and attempt to resolve complaints at an early stage. Formal governance arrangements, including Programme Boards, in place for major programmes.	Transformation work to take into account protection of any statutory services. Risk and Insurance will engage with all directorates to support the proactive handling of complaints. FWB putting regular Legal Gateway MDT meetings in place.	Legal/Insurance services to respond to legal challenge and/or claims for compensation.
SRR 21	MC	Gareth Hopkins - CS Steve Peddle - F&W Steve Park/Dave Boyer - ERGE	The Council experiences a failure in its corporate governance arrangements. To include consideration of partnership governance and contract management arrangements, governing the Council's relationships with key partners and suppliers.	20	4	5	20	20	↕	Corporate Governance Framework in place, comprising: Code of Corporate Governance; Codes of Conduct; Constitution; Financial Procedures; Contract Procedure Rules; Scheme of Delegation; Anti-Fraud, Corruption and Bribery Policies; Risk Management Policy and Procedures. All policies are subject to regular review and update.	Training to be provided via middle management forum and leadership development forum on financial regulations, contract regulations, council policies. Finance to provide training and support to senior managers through DMTs. Regulations and policies to be enforced through disciplinary action as appropriate. MO to conduct a review of governance arrangements including the decision making process and the use of delegated powers.	Urgent authorisation process in place as part of financial regulations, with retrospective authorisation process set out.

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SRR 22	SB	Matt Cumberbatch - CS Steve Peedle - F&W Steve Park/Dave Boyer - ERGE	Impact of BREXIT for the Council and for Warrington: Potential skills shortages. Relocation of key businesses and employers. Reduction in investor confidence. Uncertainty regarding UK funding to replace loss of structural funds (Shared Prosperity Fund). Uncertainty regarding rights of non UK EU citizens (residency, employment, benefits and access to public services). Increased demand for Council services. Impact on Council and local supply chains for goods and services. Transitional arrangements from EU to UK legislation, regulations and powers.	16	4	4	16	16	↕	The Impact of BREXIT and the associated consequence management implications remains unclear. Weekly teleconferences take place at a Resilience Forum Tactical level in addition to a number of other teleconferences at SCG, LRF Chairs, LRF Secretariat to assess preparedness of LRF responders, submit weekly RAG assessments and to feed back any issues / concerns identified by the LRF to MHCLG. At the current time no issues are being reported by WBC services that are outside the capability of business continuity arrangements to cope. Work has been ongoing with local service providers (Social Care) to ascertain the impact which again is considered to be low at this point. Contingency arrangements are in place and have been shared in relation to schools meals provision. The Chief Executive / Deputy Chief Executive / Monitoring Officer are briefed immediately following the weekly teleconferences to ensure any actions are taken forward at SMT / discussed with wider SMT members. Regional Chief Executives group / information sharing network also shares information on a weekly basis at Chief Executive level. Technical notices have been cascaded through SMT for consideration by relevant service managers which in turn will inform their BC planning arrangements. Governance Group is monitoring preparations across the Council. Given the uncertainty of BREXIT and the potential implications particularly in the case of a no deal, at this stage the Council is as assured as it can be that the impact will be limited. However, until there is further clarity and information is provided by Central Government related to key areas such as revised Statutory Instruments / Legal Implications it is suggested that the scoring remains the same.	Continue to monitor developments and undertake Warrington specific impact assessments as details emerge. Continue to provide weekly RA for Cheshire LRF to MHCLG. All Technical notices have been shared through Directors for relevant service areas to consider impact. Risk assess contracts and supply chains and implement mitigation plans. Continue to engage with major suppliers, contractors and employers.	Major Emergency Plan is the Council's plan that would be invoked to respond to any emergency. Other plans (and national plans) are in place and may be invoked subject to the particular circumstances
SRR 23 (NEW FOR Q4)	GH	Vicky Rowe	Resources to support the transition to the new Council offices are insufficient, impacting on our ability to deliver transition to time, budget and requirements.	16	4	4		16	↑	New Project Manager resourced from Business Intelligence Team and attending overall TSQ Programme Board. Head of Finance providing support to Ground Floor workstream. Project Board monitoring performance against budget and project plan.	Resource planning exercise to be undertaken upon completion of programme plan.	If key deadlines missed, staff would remain in existing locations. If budget is at risk of overspend, requirements will be reviewed to identify opportunities for savings/value engineering.

WARRINGTON BOROUGH COUNCIL
AUDIT AND CORPORATE GOVERNANCE COMMITTEE
26 September 2019

Report of the: Director of Corporate Services
Report Author: Danny Mather, Head of Corporate Finance
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Ward Members: All

TITLE OF REPORT: 2019/20 TREASURY MANAGEMENT QUARTER 1 MONITORING REPORT

1. PURPOSE OF THE REPORT

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly (Treasury Management Strategy, annual and mid-year reports), but preferably more frequently. This report provides an update on the 2019/20 treasury activity and performance and therefore ensures this Council is implementing best practice in accordance with the Code. This report is being presented to the Audit and Corporate Governance committee as they are the body charged with the scrutiny of Treasury Management by the Council.

1.2 This report provides an update on the 2019/20 treasury activity and performance undertaken up to period 5 (31 August 2019). The report also provides an assessment of the economic environment in that period.

2. BACKGROUND

2.1 Treasury Management is the management of the Council's cash flows, its banking, money market and capital market transactions together with the effective control of the risks associated with those activities.

2.2 The table below shows the Council's treasury portfolio at the end of August 2019:

	Balance 31 March 2019 £m	Balance 31 August 2019 £m	Movement during year £m
Council Treasury Portfolio			
Council Borrowing			
- short-term temporary borrowing	40.140	130.210	90.070
- long-term borrowing	830.539	930.504	99.965
Total Borrowing	870.679	1060.714	190.035
Council Investments			
- deposits with financial institutions	-66.082	-100.741	-34.659
	-66.082	-100.741	-34.659
- non-treasury investments	-251.600	-251.600	0.000
Total Investments	-317.682	-352.341	-34.659
NET	552.997	708.374	155.376

3. COUNCIL INVESTMENTS

- 3.1 The Council often has a positive cash flow due to the fact that it receives cash in advance of spending such as grants, business rates and Council Tax. The Council also maintains reserves and provisions which are earmarked for various approved purposes.
- 3.2 This means that the Council has at times, surplus cash balances pending expenditure in line with approved budgets and the capital investment programme. These balances are invested and generate interest, which forms part of the Council's budget.
- 3.3 The table above shows that at 31st August 2019 the Council held £121.745m of investments, an increase of £34.659m on the balance at the start of the financial year. This is relating to the change in balances for the bank accounts for general cash flow.

- 3.4 The Council has re-classified some investments included on the balance sheet as non-treasury investments which are determined as Council policy investments as detailed below:

Non-Treasury Investments Counter Party	Start Date	Maturity Date	Balance 31/03/2019 £	Balance 31/08/2019 £
Warrington Borough Transport Shar	01/04/00	31/03/25	888,000	888,000
Joint Venture with Wire Regenerati	01/04/00	31/03/25	3,789,971	3,789,971
Warrington Sports Holding Ltd	01/04/00	31/03/25	1,650,000	1,650,000
Municipal Bond Agency	04/12/14	31/03/25	200,000	200,000
Redwood Bank	04/04/17	04/04/22	30,367,606	30,367,606
Birchwood Business Park	09/09/17	31/03/42	214,704,641	214,704,641
			251,600,218	251,600,217

- 3.5 Investments at 31st August 2019 by maturity were:

Treasury Investment Portfolio	£m
Overnight Deposit	69.475
Between 1 week and 1 month	0.000
Between 1 and 3 months	10.140
Between 3 months and 1 year	10.000
Over 1 year	11.126
Total Investments	100.741

- 3.6 Investment at 31st August 2019 by counterparty were:

Treasury Investment Portfolio	£m
Banks	10.440
Building Societies	0.000
Money Market Funds	18.935
Property Funds	10.576
Bonds	0.000
Loans Other	40.649
Other Externally Mgt Funds	20.140
Total Investments	100.741

3.7 The breakdown of the overnight deposits and fixed investments are shown below:

Overnight Deposits Counter Party	Balance 31/03/2019	Balance 31/08/2019	Movement	Yearly Avg Interest Rate
	£	£	£	%
Santander (A&L)	0	0	0	#DIV/0!
Bank of Scotland	0	0	0	
Yorkshire Bank	0	0	0	
Nat West (Select Liquidity)	5,516,000	10,440,000	4,924,000	0.31%
Handelsbanken	0	0	0	
Legal and General MMF	0	4,230,000	4,230,000	0.18%
Federated (Prime Rate) MMF	16,280,000	10,725,000	(5,555,000)	0.95%
Aberdeen (Standard Life) MMF	0	0	0	#DIV/0!
Deutsche MMF	0	0	0	
CCLA MMF	0	3,980,000	3,980,000	1.03%
Amundi MMF	0	0	0	#DIV/0!
Escrow Account	8,020,000	40,100,000	32,080,000	#DIV/0!
	29,816,000	69,475,000	39,659,000	0.39%

Fixed Investments Counter Party	Start Date	Maturity Date	Interest Rate	Principal
CCLA	30/04/13	30/04/23	4.687	10,576,466
Solar Bonds 1 - Rolls Royce	30/10/15	15/04/19	6.000	0
LiveWire Community Energy	29/02/16	28/02/26	4.000	301,499
LiveWire Community Energy	18/10/16	18/10/21	4.000	247,545
Just Cash Flow Bond	10/01/18	14/11/19	7.100	10,140,000
Altana Wealth	07/09/18	31/03/20	3.000	5,000,016
Altana Wealth	12/10/18	31/03/20	3.000	5,000,032
Total Investments				31,265,558

3.8 **Local Authority Property Fund** – the Council’s original investment of £10m with the CCLA Property Fund had increased to £13.515m at the end of last year. During last financial year units were sold to another local authority for £3m. This has proven to be a good investment for the Council. The initial £10m investment has provided an additional £3m to the Council’s funds. The value of the fund at the end of the year is £10.790m. The fund has also delivered a good dividend in the region of 4.7% for this financial year.

3.9 **Solar Bond Rolls Royce** – the bond matured in April 2019. The Council has no further solar bond investments.

3.10 **Livewire** – there has been no further investments with Livewire during the period.

3.11 **Just Cash Flow Bond** – the bond is held and the half yearly interest has been received at a rate of 7.15%. The bond is due to mature in November 2019.

3.12 **Altana Wealth Bond** – two investments totalling £10m are currently held and interest has been received at an annual equated rate of 3%.

4. NON TREASURY INVESTMENT

4.1 CIPFA issued revisions to the Prudential Code, Treasury Management Code and Treasury Guidance Notes in 2017. As from 2019-20 all local authorities will be required to provide an additional Capital Strategy report to provide:

- A high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
- An overview of how the associated risk is managed.
- The implications for future financial sustainability.

4.2 This report will provide details of the non-treasury investments and reporting requirements will be developed through the year.

4.4 The Council has classified the loans to Housing Associations and Commercial loans as a long term debtor in the Council's final accounts. The details are shown below:

Facility £	Long Term Debtors: Counter Party	Start Date	Maturity Date	Original Drawdown	Balance 31/03/19	Outstanding Principal	Movement in Year
10,000,000	Warrington D1 £1m	13/08/10	11/08/35	1,000,000	790,818	775,423	(15,395)
	Warrington D2 £3m	07/06/12	07/06/37	3,000,000	2,487,257	2,442,740	(44,517)
1,819,234	Golden Gates Housing Trust	27/02/12	27/02/37	1,819,234	1,512,373	1,499,312	(13,061)
30,000,000	Muir D1 £2m	22/04/14	22/04/39	2,000,000	1,781,785	1,769,265	(12,520)
	Muir D2 £1m	02/07/15	02/07/40	1,000,000	910,895	904,411	(6,484)
	Muir D3 £4m	29/04/16	29/04/41	4,000,000	3,706,625	3,680,514	(26,111)
	Muir D4 £2m	13/06/16	13/06/41	2,000,000	1,858,932	1,845,385	(13,547)
	Muir D5 £3.5m	15/07/16	15/07/41	3,500,000	3,239,519	3,214,658	(24,861)
43,000,000	Helena Housing Group	31/07/14	31/07/39	15,000,000	13,464,617	13,272,081	(192,536)
60,000,000	Guinness (Wulvern) Housing Group	11/09/14	11/09/39	10,000,000	10,000,000	10,000,000	0
9,000,000	Your D1 £3m	28/11/14	28/11/39	3,000,000	2,695,618	2,675,808	(19,810)
20,000,000	Equity D1 £10m	29/06/16	29/06/41	10,000,000	9,295,566	9,227,908	(67,658)
9,000,000	Wirral Methodist D1 £500k	09/01/17	09/01/42	500,000	455,000	450,000	(5,000)
	Wirral Methodist D2 £500k	03/08/17	03/08/42	500,000	470,000	460,000	(10,000)
	Wirral Methodist D3 £2m	28/03/18	23/03/43	2,000,000	1,920,000	1,900,000	(20,000)
	Wirral Methodist D4 £1m	07/01/19	07/01/44	1,000,000	1,000,000	980,000	(20,000)
	Wirral Methodist D5 £1m	12/04/19	12/04/44	1,000,000	1,000,000	990,000	(10,000)
25,000,000	Cheshire Peaks & Plains Housing	13/03/18	24/10/42	4,000,000	4,000,000	4,000,000	0
100,000,000	One D1 £10m	05/03/18	24/10/42	10,000,000	10,000,000	10,000,000	0
	One D2 £25m	26/03/18	26/09/42	25,000,000	23,979,592	23,724,490	(255,102)
	One D3 £15m	30/04/18	24/10/42	15,000,000	14,540,816	14,234,694	(306,122)
5,000,000	Arawak Walton D1 £250k	16/07/18	05/07/42	250,000	244,792	239,583	(5,208)
	Arawak Walton D2 £500k	28/08/18	05/07/42	500,000	489,510	484,266	(5,245)
	Arawak Walton D3 £1m	30/05/19	05/07/42	1,000,000	0	1,000,000	1,000,000
7,000,000	Helena Housing Group						0
70,000,000	Torus Housing						0
25,000,000	St Vincents Housing Association						0
50,000,000	Places for People						0
500,000	Prestwich Northwestern						0
30,000,000	Johnnie Johnson Housing						0
42,500,000	Your Housing						0
250,000	Warrington Borough Transport	26/03/13	30/06/17	250,000	0	0	0
400,000	Warrington Borough Transport	03/04/13	30/06/17	400,000	0	0	0
7,500,000	OMEGA Facility 1	09/12/14	09/01/19	7,500,000	0	0	0
5,400,000	OMEGA Facility 1	27/11/15	09/01/19	5,234,625	0	0	0
551,369,234				130,453,859	109,843,714	109,770,535	(73,179)

4.5 Wirral Methodist Housing Association drew down £1m in April 2019 and Arawak Walton Housing Association drew down £1m in May 2019. There have been various quarterly repayments during the period.

4.6 The Council has non-treasury investments on the balance sheet which are detailed below.

Non-Treasury Investments Counter Party	Start Date	Maturity Date	Balance 31/03/2019 £	Balance 31/08/2019 £
Warrington Borough Transport Shar	01/04/00	31/03/25	888,000	888,000
Joint Venture with Wire Regenerati	01/04/00	31/03/25	3,789,971	3,789,971
Warrington Sports Holding Ltd	01/04/00	31/03/25	1,650,000	1,650,000
Municipal Bond Agency	04/12/14	31/03/25	200,000	200,000
Redwood Bank	04/04/17	04/04/22	30,367,606	30,367,606
Birchwood Business Park	09/09/17	31/03/42	214,704,641	214,704,641
			251,600,218	251,600,217

4.6.1 **Warrington Borough Transport Shares** – is wholly owned by the Council. With regard to the organisations draft financial year end 2018/19 management accounts the net assets are £3.437m. There was a surplus in the account of £170k from £114k in the previous year.

4.6.2 **Wire Regeneration Joint Venture (Southern Gateway)** – the Council entered into the Wire Regeneration joint venture (JV) in March 2014. Council property and cash to the value of £3.7m were invested in the 50/50 joint venture with the main purpose being the pro-active regeneration of the southern gateway site around the old Wilderspool rugby ground, with the secondary purpose to generate some income back to the Council by way of an investor dividend.

The old rugby ground has been demolished and plans are ongoing for the development of the site working with both neighbouring property owners and potential residential development. The asset value of the joint venture reflects retention of the Council's original investment, however to date the JV has paid no dividend back to the Council.

4.6.3 **Warrington Sports Holding Ltd** – the last accounts filed November 2017 showed the net assets of £10.4m. The accounts showed a loss of £73k which had been reduced from the loss of £260k in the previous year. The Council's shares are valued in the Council's accounts at £1.650m and will be amended to £1.3m on review.

4.6.4 **Municipal bonds Agency (MBA)** – The Council currently owes £200k worth of shares in the LGAs Municipal Bonds Agency. There was an article in the May 2019 edition of Room 151 that the MBA is set to outsource its management and operations to an external provider in a bid to get its first bond issue off the ground.

4.6.5 **Redwood Bank** – the Council took a 33% stake in Redwood Bank in 2017 and planned to make an investment of up to £30m investment. The £30m was paid in 2017/18 (£10.249m) and 2018/19 (£19.730m). The Banks purpose is to lend the Small Medium Sized Enterprises (SMEs). A full comprehensive business case was drawn up and agreed by the Council’s Executive Board and in line with the results of a Warrington Business survey carried out in 2013 which showed there was a high need for this type of bank. The Bank is operating successfully and to the business plan. During the 2017/18 audit of the Statement of Accounts a member of the public raised an objection to the accounts based on the Redwood Bank transaction. This objection is still being reviewed by the Council’s external auditors Grant Thornton and because of this Grant Thornton have yet to sign off the 2017/18 Statement of Accounts.

Another objection has been raised on the 2018/19 accounts and Grant Thornton are currently reviewing.

4.6.6 **Birchwood Park** - The Council acquired the benefit of Birchwood Park in September 2017. There is careful and detailed ongoing management of the Park through both a Council officer group and external professional bodies. The performance of the asset manager Patrizia is also being monitored on a weekly basis to ensure the Park continues to be operated on a commercial basis for the benefit of the Council.

A three year Business Plan is in place that sets the standards of performance, income expectation and cost management through to 2021. In recent months, new lettings at the Park have maintained with occupancy (over 93%) remaining higher than when the Park was acquired last September with annual gross income in excess of £14m.

Further development of the Park is currently being investigated with a business case being prepared. Any proposal will be subject to Executive Board approval.

4.7 Property investments

- 4.7.1 **Pure Gym** – the Council acquired the investment asset in 2016. The tenant company continues to trade well across the UK and maintains two gyms in Warrington. Pure Gym was sold to US private equity house Leonard Green in 2017 in a deal reportedly worth £600m. In March 2018 Pure Gym announced plans to more than double in size to 500 gyms and is looking at international expansion. The Council continues to receive the rent with a net income return of over £130k per year.
- 4.7.2 **Kerfoot Street (Matalan)** – the Council acquired the investment asset in 2017. The tenant Matalan has completed an internal refurbishment with a level of expenditure and investment reflecting the company's value of the store. In June 2019 it reported total revenues reached £1.1bn in the year to February, up by 3.8% on the same time last year and pre-tax profits reached £30.1m from £20m last time. The Council continues to receive the rent with a net income return of over £320k per year.
- 4.7.3 **Bank Street (DW Sports)** – the Council acquired the investment asset in 2016. The tenant continues to trade from the store and the future of the site strongly linked to the opening of the Time Square scheme in 2020 indicating a positive outlook. Dave Whelan Sports Ltd reported turnover last year of £222.9m up from £203.5m but pre-tax losses widened from £7.99m to £8.93m. The Council continues to receive the rent with a net income return of over £300k per year.
- 4.7.4 **Warehouse at Stretton (Eddie Stobart)** – the Council acquired the investment asset in 2018/19. The tenant continues to trade from the facility. The rent payable increased by 1.5% pa. Eddie Stobart have recently secured consent to construct an additional distribution warehouse on land close by at Stretton confirming their commitment to this location. The Council continues to receive the rent with a net income of £550k.
- 4.7.5 **Stanford House, Birchwood (Talk Talk)** – the Council acquired the investment asset in 2018/19. The tenant (Talk Talk) lease the property until December 2025 and although they are no longer in occupation they are responsible to pay the rent until the lease end. The property which sit next to Birchwood Park is currently being marketed by Talk Talk. The Council continues to receive the rent with a net income return of £650k.
- 4.7.6 **Atlantic House/Appleton House (Highways Agency/New Balance)** – the Council acquired the investment asset in 2018/19. The tenant continues to trade from the facility. The Highways Agency have recently completed a high quality refurbishment and Atlantic House is now seen as role model for their future offices. The Council continues to receive the rent with a net income return of £500k.
- 4.7.7 **Farnworth, Bolton (Tesco Foodstore)** – the Council acquired the investment asset in February 2019. The tenant continues to trade from the store. In April 2019 Tesco the UK's

largest supermarket reported group sales up 11.5% to £56.9 billion. The Council continues to receive the rent with a net income return of £850k.

5. COUNCIL BORROWING

5.1 The Council borrows to fund the approved capital investment programme in accordance with its prudential indicators. It also borrows to finance cash flows in the short term.

5.2 The strategy aim for borrowing is to minimise the revenue cost of debt whilst securing the Council from unexpected revenue pressures caused by changes in interest rates.

5.3 The Council's borrowing portfolio as at 31st August 2019 is made up of the following:

Borrowing Portfolio	£
Longer Term	
PWLB	736,992,108
Banks in UK	65,000,000
Local Government	32,000,000
Rest of the World	43,500,000
Other financial intermediaries	53,012,275
Temporary	
Other financial intermediaries	209,947
Local Government	130,000,000
Total Borrowings	1,060,714,330

5.4 In order to minimise the revenue cost of debt, the majority of the Council's borrowing is at interest rates fixed for the duration of the loan. Borrowing at 31st August 2019 by type of loan is detailed below:

Borrowing Portfolio	£m
Variable interest rates	50.210
Fixed interest rates	1,010.504
Total Borrowings	1,060.714

- 5.5 In addition to borrowing at fixed rates, certainty can be locked in by borrowing over extended periods. An analysis of the maturity profile of fixed rate borrowing at 31st August 2019 was:

Borrowing Portfolio	£m
Within 12 months	135.210
Between 1-5 years	160.278
Between 5-10 years	100.000
Between 10-15 years	45.000
Between 15-25 years	263.937
Between 25-30 years	0.000
Between 30-39 years	152.790
Between 40+ years	203.500
Total Borrowings	1060.714

- 5.6 Borrowing has been taken from the PWLB and temporary loans from local authorities as detailed in the table below:

Period	PWLB Taken £k	PWLB Repaid £k	Temporary Taken £k	Temp Repaid £k
Balance b/fwd.		637,027		40,140
Annuity Repay		(1,045)		
April 2019			10,000	(10,000)
May 2019	31,000		70	
June 2019			90,000	(20,000)
July 2019	30,000		20,000	
August 2019	40,000			
Total	101,000	(1,045)	120,070	(30,000)
Balance c/fwd.		736,982		130,210

5.7 The tables below show the detail of the loans making up the Council's debt portfolio.

Money Market Counter Party	Start Date	Maturity Date	Interest Rate %	Principal £
DEPFA BANK PLC	21/04/07	21/10/66	5.800	5,000,000
BAYERISHCE LANDESBANK	27/03/02	27/03/42	4.980	5,000,000
COMMERZBANK (prev EURAPAISCHE HYPO)	02/04/02	02/04/42	5.000	5,000,000
COMMERZBANK (prev EURO HYPO)	26/04/02	28/04/42	4.990	15,000,000
DEPFA BANK PLC	01/04/03	01/04/43	4.223	5,000,000
DEPFA ACS BANK	01/04/03	01/04/43	4.304	10,000,000
DEXIA FINANCE PUBLIC BANK	24/11/05	24/11/65	3.820	10,000,000
BARCLAYS BANK	03/04/06	05/04/66	3.810	5,000,000
BARCLAYS BANK	20/01/06	20/01/66	3.960	10,000,000
BARCLAYS BANK	26/07/07	26/07/77	4.180	25,000,000
DEXIA FINANCE PUBLIC BANK	16/08/06	17/08/76	4.230	13,500,000
Hampshire CC	13/12/18	12/12/21	1.400	5,000,000
Milton Keynes	24/11/14	25/11/19	2.000	5,000,000
Prudential Bond : Variable Rate Linked to	25/08/15	25/08/55	0.846	50,000,000
Pinnacle Insurance PLC	08/09/17	08/09/20	0.900	3,000,000
Barking & Dagenham London Borough of	08/09/17	08/09/20	0.920	20,000,000
Buckinghamshire & Milton Keynes Fire Au	08/09/17	08/09/20	0.900	2,000,000
Bonds	01/04/08	01/04/50	0.500	12,275
Total Outstanding				193,512,275

Public Works Loan Board Counter Party	Start Date	Maturity Date	Interest Rate %	Principal £
PWLB - Maturity	25/09/97	23/03/23	6.625	277,737
PWLB - Maturity	22/02/07	30/09/56	4.350	222,189
PWLB - Maturity	15/01/10	15/01/35	4.530	438,824
PWLB - Maturity	26/11/10	30/09/55	5.260	555,473
PWLB - Maturity	15/09/14	15/09/39	3.940	10,000,000
PWLB - Maturity	29/06/16	28/04/66	2.500	20,000,000
PWLB - Maturity	07/03/17	07/03/22	1.260	10,000,000
PWLB - Maturity	08/03/17	08/03/23	1.370	10,000,000
PWLB - Maturity	08/03/17	08/03/25	1.660	10,000,000
PWLB - Maturity	08/03/17	08/03/26	1.790	10,000,000
PWLB - Maturity	08/03/17	08/03/27	1.910	5,000,000
PWLB - Maturity	08/03/17	08/03/28	2.020	5,000,000
PWLB - Maturity	08/03/17	08/03/29	2.120	5,000,000
PWLB - Maturity	08/03/17	08/03/30	2.210	5,000,000
PWLB - Maturity	08/03/17	08/03/31	2.290	5,000,000
PWLB - Maturity	08/03/17	08/03/32	2.360	5,000,000
PWLB - Maturity	08/03/17	08/03/33	2.430	5,000,000
PWLB - Maturity	08/03/17	08/03/34	2.480	5,000,000
PWLB - Maturity	08/03/17	08/03/35	2.520	5,000,000
PWLB - Maturity	08/03/17	08/03/36	2.560	5,000,000
PWLB - Maturity	08/03/17	08/03/24	1.510	10,000,000
PWLB - Maturity	08/09/17	08/09/58	2.350	22,000,000
PWLB - Maturity	08/09/17	08/09/59	2.340	23,000,000
PWLB - Maturity	08/09/17	08/09/60	2.330	23,000,000
PWLB - Maturity	08/09/17	08/09/61	2.320	23,000,000
PWLB - Maturity	08/09/17	08/09/62	2.310	23,000,000
PWLB - Maturity	08/09/17	08/09/63	2.310	23,000,000
PWLB - Maturity	01/11/17	31/10/56	2.570	50,000,000
PWLB - Maturity	01/11/17	31/10/36	2.710	50,000,000
PWLB - Maturity	22/02/18	22/02/28	2.460	15,000,000
PWLB - Maturity	19/03/18	19/03/24	1.960	10,000,000
PWLB - Maturity	10/04/18	10/04/28	2.280	10,000,000
PWLB - Maturity	16/07/18	16/07/29	2.250	10,000,000
PWLB - Maturity	16/07/18	16/07/30	2.310	10,000,000
PWLB - Maturity	16/07/18	16/07/31	2.350	10,000,000
PWLB - Maturity	18/09/18	18/03/28	2.270	30,000,000
PWLB - Maturity	21/11/18	21/11/23	1.740	50,000,000
PWLB - Maturity	21/02/19	21/02/24	1.640	25,000,000
PWLB Maturity	26/03/19	25/03/24	1.570	15,000,000
PWLB Maturity	16/05/19	16/05/54	2.420	30,000,000
PWLB Maturity	23/07/19	23/07/44	2.220	30,000,000
PWLB Maturity	16/08/19	16/08/37	1.810	20,000,000
PWLB Maturity	16/08/19	16/08/38	1.850	20,000,000
			Total PWLB Maturity Loans	653,494,223

Public Works Loan Board Counter Party	Start Date	Maturity Date	Interest Rate %	Principal £
PWLB Annuity	13/08/10	13/08/35	3.940	41,404
PWLB Annuity	27/02/12	27/02/37	3.760	1,437,927
PWLB Annuity	11/06/12	11/06/37	3.260	2,387,581
PWLB Annuity	24/04/14	24/04/39	3.940	1,739,254
PWLB Annuity	04/08/14	04/08/39	3.800	13,012,218
PWLB Annuity	28/11/14	28/11/39	3.140	2,617,057
PWLB Annuity	02/07/15	02/07/40	3.210	888,368
PWLB Annuity	29/04/16	29/04/41	2.860	3,655,944
PWLB Annuity	13/06/16	13/06/41	2.450	1,819,162
PWLB Annuity	29/06/16	27/06/41	2.260	9,074,862
PWLB Annuity	19/07/16	19/07/41	2.030	3,167,170
PWLB Annuity	30/05/19	25/11/42	1.940	1,000,000
			Total PWLB Annuity Loans	40,840,947
Public Works Loan Board Counter Party	Start Date	Maturity Date	Interest Rate %	Principal £
PWLB EIP	11/01/17	11/01/42	2.440	450,000
PWLB EIP	03/08/17	03/08/42	2.320	460,000
PWLB EIP	26/03/18	24/09/42	2.480	23,979,592
PWLB EIP	28/03/18	28/03/43	2.460	1,920,000
PWLB EIP	30/04/18	30/10/42	2.530	14,387,755
PWLB EIP	28/08/18	29/08/42	2.330	479,592
PWLB EIP	07/01/19	07/01/44	2.240	980,000
				42,656,939
			Total PWLB Outstanding Loans	736,992,108

Temporary Loans Counter Party	Start Date	Maturity Date	Interest Rate %	Principal £
Parish Council Loans	Various	01/04/18	0.500	209,947
Mid Lothian Council	22/03/19	23/03/20	1.700	10,000,000
London Borough of Ealing	20/02/19	19/02/20	1.120	5,000,000
Hampshire CC	14/03/19	12/03/20	1.130	5,000,000
Derbyshire CC	14/03/19	01/04/19	0.900	0
Sedgemoor DC	15/03/19	01/04/19	0.950	0
Solihull Metro BC	01/04/19	03/02/20	1.100	5,000,000
Durham CC	01/04/19	12/03/20	1.130	5,000,000
Barnsley,Doncaster,Sheffield Comb	21/03/19	19/03/20	1.100	10,000,000
Kent CC	18/06/19	18/12/19	0.820	5,000,000
Thurrock BC	18/06/19	18/12/19	0.820	5,000,000
West Yorkshire PCC	18/06/19	18/03/20	0.880	10,000,000
West Yorkshire CA	18/06/19	18/03/20	0.880	10,000,000
LB Islington	18/12/19	16/12/20	1.100	0
West England CA	18/06/19	19/02/20	0.840	5,000,000
LB Havering	18/06/19	16/06/20	0.950	5,000,000
LB Ealing	24/06/19	18/12/19	0.820	5,000,000
Gt Manchester CA	18/06/19	20/06/19	0.820	0
Cambridgeshire & Peterborough CA	20/06/19	18/06/20	0.950	20,000,000
LB of Hackney	01/07/19	03/01/20	0.800	5,000,000
North Yorkshire CC	01/07/19	02/03/20	0.850	5,000,000
Gwent PCC	05/07/19	28/02/20	0.820	5,000,000
Gwent PCC	05/07/19	31/03/20	0.850	5,000,000
Pinnacle Insurance	18/06/19	16/06/20	0.950	5,000,000
	Total Outstanding			130,209,947

6. COMPLIANCE WITH TREASURY AND PRUDENTIAL LIMITS

- 6.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are outlined in the approved Treasury Management Strategy Statement.
- 6.2 During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown below:

Prudential Indicator	2019/20 Indicator £m	2019/20 Forecast £m
Capital Expenditure	400.3	401.8
<u>In Year Borrowing Requirement</u>		
Authorised limit for external debt	1733.4	1733.4
Operational boundary for external debt	1633.4	1633.4
Gross Borrowing	1333.4	1060.7
Investments		-100.7
Net Borrowing	1333.4	960.0
Capital Financing Requirement (CFR)	1356.6	1354.7
Ratio of financing costs to net revenue str	17.6	0.0
<u>Incremental impact of capital investment decisions:</u>		
a) Increase in council tax (band change) p	11.6	12.12
Limit of fixed interest rates based on net c	100%	100%
Limit of variable interest rates based on n	40%	40%
Principal sums (£m) invested > 364 days	£100	£11
<u>Maturity structure of borrowing limits:</u>		
Under 12 months	30%	12.7%
12 months to 2 years	30%	2.4%
2 years to 5 years	35%	12.8%
5 years to 10 years	30%	9.4%
10 years and above	100%	62.7%

7. MANAGEMENT OF RISK

- 7.1 Credit and counterparty risk and market risk in the period have been successfully managed within and monitored against the framework approved in the Treasury Management Strategy approved by Council in February 2018.

8. ECONOMIC UPDATE

- 8.1 During the quarter ended 31st July 2019:
- The economy showed signs of regaining momentum after the slowdown in Qtr1;
 - Employment growth rose strongly but wage growth softened;
 - Consumer price inflation eased further;
 - The MPC struck a more hawkish tone at its June meeting;
 - Public sector borrowing undershot the Office for Budget Responsibility's (OBR) forecasts;
 - Progress on Brexit negotiations stalled;
 - Equity markets were buffeted by increased global trade tensions.
- 8.2 **UK Economy** – after only tepid annual economic growth of 1.4% in 2018, growth in quarter 1 was unexpectedly strong at 0.5%. However, this was boosted by stock building ahead of the original March Brexit deadline so quarter 2 is now expected to be zero or slightly negative.
- 8.3 After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. There may not be any further action from the MPC until the uncertainties over Brexit clear. If there were a no deal exit, it is likely that Bank Rate would be cut in order to support growth. Nevertheless, the MPC does have concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling marginally to 3.4% more recently. Growth in employment fell to only 32,000 in the three months to April, well below the 2018 average, while the unemployment rate remained at 3.8%, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.
- 8.4 AS for CPI inflation itself, this rose slightly to 2.1% in April before falling back again to 2.0% in May, and is likely to remain around this level over the next two years. If there was a no deal Brexit though, it could rise towards 4%, primarily as a result of imported inflation on the back of a weakening pound.
- 8.5 The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.3%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.
- 8.6 **Brexit** – the Conservative leadership is aiming for Brexit to happen by, or on, 31 October, even if there is no deal. However, it is unclear if there will be majority support in the Commons for any option. If there was a stalemate in the Commons, then that would

increase the chances of a general election in 2019; this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

- 8.7 **USA** – President Trump’s massive easing of fiscal policy in 2018 fuelled a (temporary) boost in consumption in 2018 which generated an upturn in the rate of growth to 2.9% for 2018, just below the target of 3%. Growth in quarter 1 of 2019 was a strong 3.1% but current expectations are for this to weaken considerably in quarter 2. The strong growth in employment numbers during 2018 has faded more recently, indicating that the economy is cooling, while inflationary pressures are also weakening. After the Fed increased rates by 0.25% in December to between 2.25% and 2.50%, market expectations have swung to now expecting the Fed to cut rates by 1.0% - 1.25% in total to counter the expected downturn in growth. Financial markets have priced in a first cut of 0.25% for July.
- 8.8 **Eurozone** – the annual rate of growth for 2018 was 1.8% but is expected to fall to around half that rate in 2019. The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), has prompted the ECB to take new measures to stimulate growth. At its March meeting it said that it expected to leave interest rates at their present levels “at least through the end of 2019”, but that was of little help to boosting growth in the near term. Consequently, it announced a third round of targeted longer-term refinancing operations (TLTROs); this provides banks with cheap borrowing every three months from September 2019 until March 2021 which means that, although they will have only a two-year maturity, the Bank is making funds available until 2023, two years later than under its previous policy. As with the last round, the new TLTROs will include an incentive to encourage bank lending, and they will be capped at 30% of a bank’s eligible loans. However, the downturn now appears to be gathering momentum so market expectations have moved on to expecting possibly a small increase in the deposit rate from -0.4% to -0.5% and a resumption of quantitative easing, but possibly more focused on purchases of corporate debt than government debt.
- 8.9 **China** – economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.
- 8.10 **Japan** – has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

- 8.11 **World Growth** – the trade war between the US and China on tariffs is a major concern not only to financial markets and China itself, but also for world growth, as any downturn in China will spill over into impacting countries supplying raw materials to China. Concerns are focused on the synchronised general weakening of growth in the major economies of the world compounded by fears that there could even be a recession looming up in the US, though this is probably overblown. These concerns have resulted in government bond yields in the developed world falling significantly during 2019, which has then caused equity prices to rise. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available in terms of monetary policy measures, when rates are already very low in most countries, (apart from the US), and there are concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks.
- 8.12 Link Asset Services’ Forward View – it is unlikely that the MPC would increase Bank Rate before Brexit is clear. The first increase in Bank Rate has been suggested for February 2020 to August 2020. The forecast for the end of the three year forecast period has been lowered from 1.75% to 1.50%. Financial markets, (short sterling rates), are now expecting a first increase in Bank Rate towards the end of 2023. Forecasts for average investment earning beyond the three year time horizon will be heavily dependent on economic and political developments.
- 8.13 The general situation for Gilt yields and PWLB rates is for volatility in bond yields to endure as investor fears and confidence ebb and flow between favouring relatively more “risky” assets i.e. equities, or the “safe haven” of government bonds. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently, although there are likely to also be periods of sharp volatility from time to time.
- 8.14 It was considered that the Fed. Rate would go up more quickly and more strongly than Bank Rate in the UK, but now it is likely to fall before the second stage of any UK monetary policy tightening.
- 8.15 The forecast are predicated on an assumption that there is no break-up of the Eurozone or EU, (apart from the departure of the UK), within our forecasting time period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth. However, the current round of increases in tariff rates sparked by President Trump, both actual and threatened, are causing concern around the potential impact on world growth and also on inflationary pressures.

9. INTEREST RATE FORECAST

9.1 The table below provides a summary of Link's interest rate forecast:

Rates	Bank	5yr PWLB	10yr PWLB	25yr PWLB	50yr PWLB
Sept-19	0.75%	1.50%	1.80%	2.40%	2.30%
Dec-19	0.75%	1.60%	1.90%	2.50%	2.40%
Mar-20	0.75%	1.70%	2.00%	2.60%	2.50%
Jun-20	0.75%	1.80%	2.10%	2.70%	2.60%
Sep-20	1.00%	1.90%	2.20%	2.80%	2.70%
Dec-20	1.00%	2.00%	2.30%	2.90%	2.80%
Mar-21	1.25%	2.10%	2.40%	3.00%	2.90%
June-21	1.25%	2.10%	2.50%	3.00%	2.90%
Sep-21	1.50%	2.20%	2.60%	3.10%	3.00%
Dec-21	1.50%	2.30%	2.60%	3.20%	3.10%
Mar-22	1.50%	2.40%	2.70%	3.30%	3.20%

9.2 After the August 2018 increase in Bank Rate to 0.75%, the first above 0.5% since the financial crash, the MPC has put any further action on hold, probably until such time as the fog of Brexit might clear and there is some degree of certainty of what the UK will be heading into. The above forecast is based on a central assumption that there will be some form of middle through agreement on a reasonable form of Brexit. Bank Rate forecasts will have to change if this assumption does not materialise e.g. a no deal Brexit on 31 October could well prompt the MPC to do an immediate cut of 0.5% in Bank Rate back to 0.25%. All other forecasts for investment and borrowing rates would also have to change.

9.3 The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.

10. ANNUAL INVESTMENT STRATEGY

10.1 The Treasury Management Strategy Statement (TMSS) for 2019/20, which includes the Annual Investment Strategy, was approved by the Council in February 2019. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield

10.2 The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with rated financial institutions, using the suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information and internal due diligence.

11. DEBT RESCHEDULING

11.1 Debt rescheduling opportunities have been limited in the current economic climate and structure of interest rates following increases in Public Works Loan Board (PWLB) new borrowing rates in October 2010. During the period from April to August 2019 no debt rescheduling was undertaken.

12. YEAR END FORECAST POSITION

12.1 The Council is forecasting an under spend on the budget at year end, based on the figures at the end of August 2019. Further analysis and monitoring will be undertaken during the year and updates provided.

13. TREASURY DEVELOPMENTS

13.1 **Treasury Management Board** – met during the period. Detail updates and discussion took place on the following areas:

- Loans update
- Solar Farms
- Redwood Bank
- Property Investment Strategy
- Public Sector Social Impact Fund
- Housing Development Company
- Energy Company
- Potential new property investments
- LOBOs
- Closure of Accounts

13.3 Loans to Housing Associations:

- **One Housing Group – Citystyle Living Limited** – further work is continuing on negotiating the Heads of Terms since the Executive Board approval in October 2018.
- **Places for People** - facility was agreed at the Executive Board in April 2019 to increase the facility by £50m and extend the facility for another 5 years.
- **Irwell Valley** – the facility was agreed at the Executive Board in April 2019 for a facility of £30m.

- **Your Housing** – Nuvu Living (Liverpool Waters) LLP – further work is continuing with regard to the development loan as difficulties have arisen on the site and the completion is expected in February 2020.
- 13.4 **Solar Farms** - the York Solar farm development got on site in April 2019 and progress is good, anticipated completion and commissioning in October with operation from November. Legal agreements for the Operation and Maintenance and the Energy Contract (PPA) are well advanced. The Hull Solar farm received funder approval in June, anticipated on site in August with completion and commissioning December. As detailed in table 3.7 there has been £33.4m transferred to an Escrow account as a commitment to the solar farms.
- 13.7 **Other Property Investment** – alongside Birchwood Park, the Council has carefully acquired a number of property investment assets to secure further net annual income. This portfolio covers different business classes, locations and size of investment ensure a balanced approach to spread and minimise risk to the Council. This portfolio is also managed by a professional team supported by external investment market expertise. The income in 2018/19 from these assets exceeded forecast.
- 13.7.1 **Apollo Leisure Park, Gemini** – the Council acquired the investment asset in June 2019. Five tenants trade from the Park including Travelodge, Mitchells & Butler, Starbuck and Subway. The Council receives the rents with a net income return of £300k.
- 13.7.2 **Warehouse Ashely Retail Park, Widnes (Tesco)** – the Council acquired the investment asset in June 2019. The tenant continues to trade from the store. The Council receives the rents with a net income return of over £1.4m per year.
- 13.7.3 **Store, Cheadle Hulme (Asda)** – the Council acquired the investment asset in August 2019. The tenants continue to trade from the store.
- 13.8 **Public Sector Social Investment Fund** – a report is due to be submitted to Cabinet in September 2019 to create a fund with Altana Wealth who are an international Fund Management Company.
- 13.9 **Housing Company** – the Local Housing Companies were incorporated in February 2019. The companies (named “Incrementum”) have three officers of the Council as Directors, and an inaugural Board Meeting was held in April 2019. The Development Company has accessed design and construction services for its tow initial sites at Sycamore Lane and Chatfield Drive (‘Foxwood’) via the Scape Venture Framework Agreement. An initial master-planning and feasibility appraisal has commenced with Wates Construction. The local planning authority has provided comments on the initial proposals, and Business Plans for these first two sites are being progressed in parallel with the master-planning exercises. The Business Cases for the two sites are programmed to be taken to the September 2019

Cabinet for funding approval. The Housing Companies have also been successful in attracting an offer of £1.8m of Accelerated Construction funding from Homes England.

- 13.11 **LOBOs** – The Council reviews their LOBO portfolio on an ongoing basis for re-finance opportunity.

14. CONFIDENTIAL OR EXEMPT

- 14.1 Not confidential.

15. FINANCIAL CONSIDERATIONS

- 15.1 Not applicable.

16. RISK ASSESSMENT

- 16.1 A full risk assessment has been undertaken. The Council's annual Treasury Management Strategy details the financial risk facing the Council's treasury portfolio over the coming year.

17. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT

- 17.1 The Finance Service undertakes Equality Impact Assessment (EIA) in its wider functions. Service changes that emerge from proposals contained in the Treasury Management Strategy are subject to equality impact assessments.

18. CONSULTATION

- 18.1 Not applicable.

19. CONCLUSION

- 19.1 All investment and borrowing activity has been undertaken in full compliance with the Council's approved Treasury Management Policy and Treasury Management Strategy.

20. REASONS FOR RECOMMENDATIONS

- 20.1 To ensure the Council complies with the 2011 revised CIPFA Treasury Management Code of Practice.

21. RECOMMENDATIONS

- 21.1 That the assurance provided by this report is considered by committee and noted.

22. BACKGROUND PAPERS

22.1 Treasury working papers.

Contacts for Background Papers:

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Audit and Corporate Governance Committee Work Programme - 2019/20

Agenda Item/Report	25/07/19	26/09/19	21/11/19	01/16/20	06/02/20	19/03/20	09/04/20
TRAINING							
Informal meeting with Internal and External Auditors			X				
Insurance and Risk Management		X					
Review of training requirements for the committee							X
CORPORATE GOVERNANCE							
Review of the Code of Corporate Governance	X						
Annual Report of the Officer Governance Group and Implementation of the Annual Governance Statement Action Plan	X						
Progress report of the Officer Governance Group					X		
Risk and Insurance Update	X				X		
Annual Risk Management and Insurance Report			X				
Review of Ombudsman Comaplnants			X				
Audit and Corporate Governance Committee Self-Assessment and Review of Effectiveness						X	X
FINANCE							
Audit of the Statement of Accounts	X						
Management Letter of Representation	X						
Write off of unrecoverable debt			X			X	

Audit and Corporate Governance Committee Work Programme - 2019/20

Write off of unrecoverable Council Tax debt		X		X	
Approval of NNDR1 Form			X		
Council Tax Base			X		
Approval of Accounting Policies					X
TREASURY MANAGEMENT					
Annual Treasury Outturn Report	X				
Treasury Management Monitoring Report		X		X	
Treasury Management Strategy				X	
Treasury Management Practuces Statement					X
INTERNAL AUDIT					
Anti-Fraud, Bribery and Corruption Annual Report	X				
Anti-Fraud, Bribery and Corruption Update			X		
Annual Governance Statement	X				
Annual Report of the Chief Internal Auditor on the system of internal control	X				
Internal Audit Quarterly Performance Report	X		X	X	X
Internal Audit Charter			X		
Internal Audit Quality Assurance and Improvement Programme			X		

