



Audit and Standards Committee

Tuesday, 16 July 2019 at 6.30 pm

**Large & Small Committee Room, King George V House, King George V
Road, Amersham**

A G E N D A

Item

1 Evacuation Procedures

2 Apologies for Absence

3 Minutes (*Pages 5 - 14*)

To approve the minutes of the Audit and Standards Committee meetings held on 10 April 2019 and 15 May 2019.

4 Declarations of Interest

5 Code of Conduct Complaints Monitoring Report 2018/19 (*Pages 15 - 18*)

Appendix 1: Member Complaints Procedure (Pages 19 - 54)

6 Code of Conduct and Complaints Procedure for Buckinghamshire Council as a Shadow Authority (*Pages 55 - 58*)

Appendix A: Shadow Authority Code of Conduct (Pages 59 - 68)

Appendix B: Shadow Authority Members Complaints Procedure (Pages 69 - 74)

Appendix C: Shadow Authority Protocol on Member and Officer Relations (Pages 75 - 78)

- 7 Standards Work Programme (*Pages 79 - 80*)
- 8 Internal Audit Progress Report (*Pages 81 - 90*)
- 9 Follow Up Review of 2018/19 Internal Audit Recommendations (*Pages 91 - 94*)
- 10 EY Annual Audit Fee Letter 2019/20 (*Pages 95 - 98*)
- 11 EY Working with you - Our Method Statement (*Pages 99 - 104*)
- 12 Approval of Draft Accounts (*To Follow*)
Appendix (Pages 105 - 184)
- 13 Audit Committee Work Programme (*Pages 185 - 186*)
- 14 Exclusion of the Public (if required)

To resolve that under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item(s) of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act.

Paragraph 3 Information relating to the financial or business affairs of any particular persons (including the authority holding that information).

- 15 Summary of Public Service Network Compliance (*Pages 187 - 190*)
Appendix 1 (Pages 191 - 200)
Appendix 2 (Pages 201 - 204)
Appendix 3 (Pages 205 - 210)

Note: All reports will be updated orally at the meeting if appropriate and may be supplemented by additional reports at the Chairman's discretion.

Membership: Audit and Standards Committee

Councillors: J Gladwin (Chairman)

A Bacon

C Ford

C Jackson

R J Jones

V Martin

D Phillips

N Varley

C Wertheim

E Jones, Independent Person

C Langley, Independent Person

Date of next meeting – Wednesday, 16 October 2019

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CHILTERN DISTRICT COUNCIL

MINUTES of the Meeting of the
AUDIT AND STANDARDS COMMITTEE
held on **10 APRIL 2019**

PRESENT: Councillor J Gladwin - Chairman

Councillors: A Bacon
C Ford
C Jackson
R J Jones
V Martin
D Phillips
N Varley
C Wertheim

E Jones (Independent Person)

APOLOGIES FOR ABSENCE None

The Chairman welcomed Paul King of Ernst & Young and Chris Harris of TIAA to the meeting.

42 MINUTES

The Minutes of the meeting of the Audit and Standards Committee held on 24 January 2019 were approved by the Committee and signed by the Chairman as a correct record.

43 DECLARATIONS OF INTEREST

There were no declarations of interest.

44 UPDATE ON STANDARDS FRAMEWORK

The Committee considered a report of the Monitoring Officer (MO) on the recommendations made by the Committee of Standards in Public Life (CSPL) following their review on local government ethical standards. The Committee's recommendations were in full at Appendix 1 to the report. The following key points were highlighted:

- Councillor register of interest forms were up to date, and Members were able to update their interests via the Extranet or by contacting Democratic Services.

- The Council kept a record of Town and Parish Councillor register of interests which had been largely complied with. Democratic Services reminded Clerks regularly to provide up to date register of interest forms for their Town/ Parish Councillors. These forms were published on the District and relevant Town/ Parish website.
- Some of the key recommendations of the CSPL were highlighted at section 3.5 of the Monitoring Officer's report.
- The CSPL found that the majority of Councillors and officer's maintain high standards of conduct.
- Where there was misconduct, this was usually due to social media use, bullying and harassment.
- There was considerable variation in codes of conduct nationally, and some of the codes failed to adequately address social media, bullying, harassment or other disruptive behaviour.
- The role of the Independent Person was an important safeguard in the current system, and the CSPL felt that the role should be strengthened and clarified.
- The current sanctions available to Local Authorities were deemed insufficient by the CSPL.
- The CSPL made 26 recommendations largely directed at central government as legislation would be required to make the changes.
- A national model code of conduct was suggested to ensure consistency in codes nationally. This was previously a requirement under the Local Government Act 2000, repealed by the 2011 Localism Act which gave authorities discretion over wording.
- The CSPL recommended that the current rules on declaring interests be repealed and replaced with an objective test. It was noted that Scotland and Wales have this provision.
- Further, that Councils be given discretion to establish standards committees with voting Independent Members and voting Members from dependant Parishes. The 2011 Localism Act repealed a similar requirement in the Local Government Act 2000.
- It was recommended that powers to suspend councillors be given back to Councils for a period of up to 6 months and with agreement of the

Independent Person. Councillors should be given the right of appeal to the Local Government Ombudsman.

- Parish Councils should be required to adopt the code of their principal authority (or the new model code).
- Monitoring Officers should be provided with adequate training, support and resources to undertake their role.
- Town and Parish Clerks should hold an appropriate qualification.
- Some of the recommendations were aimed at political groups; asking them to set clear expectations of their Members, and require Members to attend code of conduct training.

It was reported that a recommendation of a previous CSPL report on Intimidation in Public Life had now been implemented by the government, who had recently changed the rules that apply to local government elections. A Candidate or Councillor's home address was no longer required to be in the public domain during the election process.

The CSPL's best practice recommendations were detailed in the table at 3.6 of the report, reviewed and given a RAG status by the MO. It was noted that the gifts and hospitality register was not published quarterly as very few entries were made in the register.

Members were asked to consider whether formal standards complaints about the conduct of a Parish Councillor towards a Clerk should be made by the Chairman or Parish Council as a whole, rather than the Clerk in all but exceptional circumstances. However, Members felt that introducing this element into the complaints procedure could make the process of making a complaint more difficult for Clerks, and dissuade them from making formal complaints. The Audit and Standards Committee agreed that this recommendation should not be taken forward.

A question was asked as to how the Council audits the standards and performance of Council departments, and it was noted that the audit assurance for these issues was covered by compliance with the Code of Corporate Governance covered under agenda item 11. The Chairman advised that the Council's performance is regularly reviewed by the Resources and Services Overview Committees.

RESOLVED:

to note the current position and the recommendations made by the Committee on Standards in Public Life in their report on ethical standards in local government.

45 STANDARDS WORK PROGRAMME

Members were informed that standards work relating to the new Buckinghamshire Council would be considered by Members at future meetings of the Audit and Standards Committee.

It was noted that Chiltern, South Bucks and Wycombe District Council's legal departments would be assisting in aspects of Buckinghamshire County Council's (BCC) legal work when the County Council bring their legal service back in house from 1 October 2019. Members were pleased that this would support the saving of public funds.

RESOLVED:

that the work programme of the Audit and Standards Committee be agreed.

46 INTERNAL AUDIT PROGRESS REPORT

Members received a progress report on the internal audit work at Chiltern District Council (CDC) for 2018/ 2019. The progress of the work against the Annual Plan for 2018-2019 was set out in Appendix A. The review of contractor's health and safety arrangements was at Appendix B. The following key points were highlighted on the overall progress with the Plan:

- 6 audits were brought to conclusion during this period, including 5 substantial and 1 advisory. The HR absence management audit had been completed in 2018.
- 3 deferred audits would be taking place in 2019/20 Quarter 1: Benefits, Council Tax Support and Council Tax NDR due to bringing the South Bucks District Council (SBDC) Revenues and Benefits Service in house, as well as the arrangements of the new Buckinghamshire Council from April 2020. It was noted that these audits would not be repeated at the end of the period due to the move to the new authority.
- Work in the final Quarter of 2019/2020 would look at finalising all work over the period in readiness for the new authority.

It was noted that all audits were moving forward at pace. It was clarified that the Chiltern Pools audit would look at how the Chiltern Pools programme for the new leisure facility was managed. It was also noted that the finalising of the Counter Fraud and Payroll audits were imminent.

In relation to Appendix B, a concern was raised about the health and safety policies and procedures on the Intranet being out of date in respect of contractors working on construction projects. It was suggested that all policies have a review date on them, and there be a central register of policy review dates. The Director of Resources advised that all policies had a review date on them, and that it was the responsibility of the policy owner to review the policy at the appropriate date. Members were advised that the Councils' Health and Safety Committee would be reviewing this particular part of the policy, and that the Intranet page would be updated with the revised policy and procedures. A progress update on this matter would be brought to the next meeting of the Committee.

In response to a question, Members were advised that all departments across the Council were currently reviewing the names of all computer files, and that renaming of files would be completed by the end of the year.

RESOLVED:

that the report be noted.

47 INTERNAL AUDIT ANNUAL REPORT

The Committee received the Internal Audit Annual Report 2018/2019. The report summarised the outcomes of the reviews carried out on the organisation's framework of governance, risk management and control.

It was noted that the majority of audits were highlighted as substantial, and that there was a positive opinion of the year overall. There was a discrepancy in the tables shown on pages 40 and 41, which would be corrected and circulated to the Chairman. In response to a question, Members were advised that 'Substantial' and 'Reasonable' were deemed positive opinions.

RESOLVED:

that the report be noted.

48 EY ANNUAL CERTIFICATION REPORT

Members received the Ernst & Young (EY) certification of claims and returns annual report 2017-18.

- The work carried out on the housing benefit subsidy claim was summarised on page 50 of the report.
- It was noted that the DWP were currently considering the results reported to them, and that a letter relating to the determination of the amount of subsidy and whether there would be any adjustments had not yet been received by the Council, but the DWP historically took a lot of time to consider such matters. .
- Members were advised that some errors were made in terms of assessing claimants' level of income, but that this was common across all Local Authorities as authorities are dependent on the claimant notifying the Council of any changes to their circumstances in a timely manner. This was a difficult area to address due to more people working variable hours which affects their entitlements but the Council were taking steps to ensure claimants receive the benefits they are due and did not face unnecessary hardship.

RESOLVED:

that the report be noted.

49 EY ANNUAL AUDIT PLAN

The Committee received the EY annual audit plan report for year end 31 March 2019. The plan summarised the initial assessment of the key risks driving the development of an effective audit for the Council, and outlined the planned audit strategy in response to those risks.

It was noted that the overall materiality was largely unchanged from the previous year. In response to a question, Members were advised that information relating to valuations would be brought to a future meeting of the Committee. In terms of value for money, it was considered that the move to a single unitary authority was one potential significant risk for 2019/20.

Members were advised that there had been a 23% reduction in fees for 2018/19 due to Public Sector Audit Appointments Ltd (PSAA) who determine the fees, publishing a new scale fee, which was detailed in Appendix A to the report.

RESOLVED:

that the report be noted.

50 ANNUAL GOVERNANCE STATEMENT 18/19

The Committee were asked to consider and approve the Annual Governance Statement 2018/19. The statement was at Appendix 4 to the report.

It was noted that there had been little change from the past year. It was felt that the Council operated good governance processes and the Head of Finance advised Members of various ways in which Members could be assured of this. The Head of Finance proposed an amendment to the issue at section 6 of the statement to read:

'The main governance issue facing the authority is that, in its last year of existence, key controls and governance processes fail to an extent that creates material risks for Chiltern District Council and the new Council.'

It was noted that, subject to the Committee's approval, the statement is then submitted to the Council's Chief Executive and Leader for approval.

It was asked as to whether recruitment had been challenging in light of the unitary decision, and it was noted that officers were making sure that the Council had the resources necessary to continue to deliver services, and that this was being kept under close review.

A question was asked as to how Members can gain assurance that the Council is receiving value for money, and it was advised that there were a number of routes in which assurance could be gained. These included but were not limited to, reports to the Resources and Services Overview Committee, as well as the Audit and Standards Committee. A concern was raised as to the external appearance of the Amersham Multi-Story Car Park, and the Chairman advised that the business case for the car park was effectively reviewed by Members.

A question was asked as to the transition strategy for members of staff into the new unitary authority. It was noted that a key piece of work was being undertaken on this currently, and that all staff below senior tiers of management would be TUPE transferred into the new council on 1 April 2020. Members were advised that there also were new opportunities for members of staff to apply for roles in transformational work.

Note 1: Councillor R Jones leaves the meeting at 19.59.

RESOLVED:

- **to review the assurances provided;**
- **to consider whether there are any other significant gaps in control / assurance; and**
- **that the Annual Governance Statement be approved.**

Members of the Committee received a report with information on the procurement card processes. Guidance of the use of procurement cards, documents for staff, names of the members of staff who held cards and their limits, and analysis of card spend for 2017 – 2018 was at Appendices 1 – 4. This information was published online quarterly. Every transaction is reviewed by a Finance Officer, and then by the Head of Finance prior to the information being published.

A concern was raised as to the spend by the Golf Club, and it was advised that the analysis also contained spend by South Bucks District Council (SBDC) as well as CDC, that SBDC own a golf club, and that the spend related to the running of the club. Members also noted that members of staff were given the opportunity to have a Council funded backpack or trolley due to the new hot-desking and mobile working arrangements.

RESOLVED:

that the report be noted.

52 AUDIT WORK PROGRAMME

RESOLVED:

that the work programme of the Audit Committee be agreed.

The meeting ended at 8.17 pm

CHILTERN DISTRICT COUNCIL

MINUTES of the Meeting of the
AUDIT AND STANDARDS COMMITTEE
held on **15 MAY 2019**

PRESENT: Councillor J Gladwin - Chairman

Councillors: C Ford
C Jackson
R J Jones
V Martin
D Phillips
N Varley
C Wertheim

APOLOGIES FOR ABSENCE were received from Councillors A Bacon

53 ELECTION OF CHAIRMAN

It was moved by Councillor D Phillips, seconded by Councillor J Wertheim, and

RESOLVED:

That Councillor J Gladwin be elected Chairman of the Audit and Standards Committee for the year 2019/20.

The meeting ended at 9.05 pm

SUBJECT	Code of Conduct Complaints Monitoring Report 2018/19
RELEVANT MEMBER	Councillor John Gladwin, Chairman of Audit and Standards Committee
RESPONSIBLE OFFICER	Joanna Swift, Monitoring Officer
REPORT AUTHOR	Joanna Swift 01494 732761 joanna.swift@chilternandsouthbucks.gov.uk
WARD/S AFFECTED	None

1. Purpose of Report

This report informs the Committee about complaints received by the monitoring officer in 2018/19 that members have breached the code of conduct.

RECOMMENDATION

That the complaints information for 2018/19 is noted

2. Reasons for Recommendations

It is good practise for the Council to review the complaints received about members on a regular basis and consider any action required to address issues raised.

3. Content of Report

- 3.1 The Committee monitors complaints on an annual basis due to the low number of complaints made against elected and co-opted members of local authorities in Chiltern District.
- 3.2 The responsibility for assessing, investigating and hearing complaints about member conduct was passed to principal councils under the Localism Act 2011, together with the discretion to adopt local arrangements. The Committee reviews these arrangements regularly and a copy of the current Complaints Procedure is attached at Appendix 1 for information. Although the Localism Act removed the responsibility for Chiltern District Council to ensure high standards of conduct amongst town and parish councils in the district, any complaints that town or parish councillors may have breached their council's code of conduct are also dealt with under this complaints procedure.
- 3.3 There are a total of 219 elected and co-opted members of the district/town parish councils in Chiltern and historically the number of formal complaints about councillors has been very low. In 2018/19 there was an increase in formal complaints about district councillors from 1 to 3 complaints and 1 complaint about a town/parish councillor. Two of the complaints related to the handling of the same planning application at a Planning Committee meeting and the third related to a dispute at a community association. These proceeded to Stage 2 but the monitoring officer found no evidence of a breach of the code that warranted referral for investigation and therefore no further action was taken. In one case the councillor gave a written apology. The complaint about the parish councillor did not proceed past Stage 1.

3.4 The number of complaints received in financial year 2018/19 are shown in the following table, together with the figures for 2017/18 by way of comparison.

Authority	2018/19	2017/18
CDC	3	1
Town/Parish Councils	1	0
Total	4	1

3.5 In addition to the number of complaints received, it is useful to consider the type/nature of the allegations being made and this is shown in the table below. Members should note that complaints can fall into more than one category and complainants tend to allege multiple breaches of the code obligations.

Nature of Allegation	Number of Allegations	
	Towns/parish Councils	CDC
a) Failure to treat others with respect/bullying	1	4
b) Bringing the Council into disrepute	1	3
c) Using position for personal advantage		1
d) Failure to register a pecuniary interest		
e) Failure to disclose a pecuniary interest/withdraw from meeting		
f) Failure to register a personal or prejudicial interest/withdraw from a meeting		
g) Other	4*	6*

*Details of the other allegations are as follows:

- Failure to respect the confidentiality of information
- Failure to act in accordance with council rules on the use of the resources of the council for private or political purposes
- Failure to exercise independent judgement, taking decisions for good and substantial reasons
- Failed to show leadership to the council and local communities
- Failure to account for actions
- Failure to ensure the Council acted within the law

4. Consultation

Not applicable.

5. Options

The Committee has the option of requesting more frequent reports or the provision of different statistical information in order to assist with their monitoring role.

6. Corporate Implications

Financial - None

Legal – As set out in the report

Risks issues – None

Equalities - None

7. Links to Council Policy Objectives

Whilst there is no direct link to the Council's main objectives the monitoring of complaints contributes to ensuring good governance.

Background Papers:	None except those referred to in the report
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CHILTERN
District Council

ARRANGEMENTS FOR DEALING WITH STANDARDS ALLEGATIONS UNDER THE LOCALISM ACT 2011 (ADOPTED 17 JANUARY 2018)

1. Context

These "Arrangements" set out how to make a complaint that an elected or co-opted Member of Chiltern District Council or a Parish or Town Council in the area has failed to comply with the Code of Conduct, and sets out how the Council will deal with allegations of a failure to comply with the Code of Conduct.

Under Sections 28(6) and (7) of the Localism Act 2011, the Council must have "arrangements" in place under which allegations that a Member or co-opted Member of the Council or of a Parish or Town Council in the area has failed to comply with the Code of Conduct can be investigated and decisions made on such allegations.

These arrangements must provide for the Council to appoint at least one Independent Person whose views must be sought before the Council takes a decision on an allegation which it has decided shall be investigated, and whose views can be sought by the Council at any other stage, or by a Member, or co-opted Member of a Parish or Town Council in the area, against whom an allegation has been made.

2. The Code of Conduct

The Council has adopted a Code of Conduct for its Members, which is attached at Appendix 2 and is available for inspection on the Council's website and on request by emailing the monitoring officer at: monitoringofficer@chiltern.gov.uk.

Each Town and Parish Council is also required to adopt a Code of Conduct and copies are available either on the Parish or Town Council's website or on request from the Clerk to the relevant Council.

3. Making a complaint

The monitoring officer is a senior officer of the Council who has statutory responsibility for maintaining the Register of Members' Interests and administers the procedure for dealing with complaints of Member misconduct.

To ensure the monitoring officer has all the information necessary to process your complaint, please complete the Model Complaint Form at Appendix 1, which can be downloaded from the Councils website at www.chiltern.gov.uk/contactus/commentscomplimentsandcomplaints and is also available on request from the Monitoring Officer by email to monitoringofficer@chiltern.gov.uk or by telephone to: 01494 732761.

Please provide your name and a contact address or email address your complaint can be

acknowledged and we can keep you informed of its progress. If you want to keep your name and address confidential, please indicate this and the reason why, in the space provided on the Complaint Form. Please note that we will not deal with anonymous complaints.

Please send your completed Complaint Form and any relevant documents by email to:

monitoringofficer@chiltern.gov.uk

Or by post to:

Monitoring Officer
Chiltern District Council
King George V House
King George V Road
Amersham HP6 5AW

4. What happens next?

The monitoring officer will acknowledge receipt of your complaint within 5 working days. If your complaint is **not** about member conduct then the Monitoring Officer will not consider it but will, where possible, refer you to any relevant procedure available.

For example the following are not covered by this complaints procedure:

- Complaints about the conduct of councillors when acting in their personal capacity i.e. not acting as an elected or co-opted member of the Council
- Dissatisfaction with a decision or action of the Council or one of its committees
- Complaints about a service provided by the Council
- Complaints about the Council's procedures
- The actions of people employed by the Council

If a complaint alleges that Members may have committed a criminal offence by breaching the "disclosable pecuniary interest" provisions under Section 34 of the Localism Act 2011, it will be referred to Thames Valley Police for consideration, in accordance with the Protocol at Appendix 8.

Your complaint will be considered in three Stages with the aim of reaching a satisfactory resolution. Under Stages One and Two only the details contained in the Complaint Form will be considered. Therefore it is important that you set out your complaint clearly and provide all the information you wish to be considered at the outset.

As a matter of fairness and natural justice we believe members who are complained about have a right to know who has made the complaint and to be provided with full details of the complaint. We are unlikely to withhold your identity or the details of your complaint unless you have good reason to believe that to do so would be contrary to the public interest, would prejudice any subsequent investigation or you have reasonable grounds for believing you or any witness in the matter would be at risk.

The Member will still be informed that a complaint has been made - and unless to do so would lead to the disclosure of your identity, will be informed of the paragraphs of the Code which are alleged to have been breached. However, your details and a full copy of the complaint will be

withheld until your request has been considered.

The assessment of a request for confidentiality will be considered against the following criteria – but with the balance always being in favour of disclosure unless exceptional circumstances exist to determine otherwise:

- 1) The complainant has reasonable grounds for believing that they will be at risk of physical harm if their identity is disclosed.
- 2) The complainant is an officer who works closely with the subject member and they are afraid of the consequences to their employment or of losing their job if their identity is disclosed.
- 3) The complainant suffers from a serious health condition and there are medical risks associated with their identity being disclosed (medical evidence may be required to be submitted).
- 4) Any other very special circumstances put forward by the complainant which identify reasonable grounds for believing that disclosure of details would result in the complainant or witnesses being intimidated or lead to evidence being compromised or destroyed.

Please note that requests for confidentiality or requests for suppression of complaint details will not be automatically be granted. The monitoring officer will consult with the Independent Person to consider your request alongside the substance of your complaint. If your request for confidentiality is not granted, you will be asked whether you wish the Council to continue to consider your complaint.

5. Stage One

We will tell the Member that you are complaining about that we have received a complaint and provide them with a copy (unless your request for confidentiality has been agreed).

The Member will be invited to respond within 20 working days – including in their response any suggestion to resolve the complaint.

This response will be made available to you and you will be asked if you are satisfied – if yes, no further action will be taken or the action proposed by the Member will proceed – or you will be asked if you wish your complaint to be considered further under Stage Two.

6. Stage Two

Your complaint will then be assessed by the monitoring officer having regard to the Referral Criteria at Appendix 3 and who will decide, after consultation with the Chairman/Vice-Chairman of the Councils Audit and Standards Committee and the Independent Person (whose views will be taken into account), whether your complaint should be referred for investigation. This will happen within an average of 20 working days from the commencement of Stage Two.

When a decision has been made you will be notified in writing. The monitoring officer will also write to the member(s) you have complained about and the parish or town clerk (if applicable). These letters will be sent within five working days of a decision being reached. The decision is made available for public inspection once the member concerned has been given a copy of the decision.

The decision of the monitoring officer is final and there is no right of appeal.

In appropriate cases, the monitoring officer may seek to resolve the complaint informally, without the need for a formal investigation. Such informal resolution may involve the Member accepting that his/her conduct was unacceptable and offering an apology or the complaint maybe considered suitable for mediation or such other remedial action by the Council on the recommendation of the monitoring officer. Where the Member concerned makes a reasonable offer of informal resolution such as an apology or agrees for the complaint to be mediated but you are not willing to accept that offer, the monitoring officer will take this into account in deciding whether the complaint merits formal investigation

7. Stage Three

If the decision at Stage Two is to investigate the complaint the monitoring officer will appoint an Investigating Officer, who may be another senior officer of the Council, an officer of another Council or an external investigator. The investigator's report will be considered by the Hearings Sub-Committee of the Council's Audit and Standards Committee. The Council has adopted a model procedure for the investigation of complaints, which is attached at Appendix 4 together with an explanatory flowchart. Details of the both the investigation procedure and the procedure if the matter proceeds to a hearing are explained further below.

8. How is the investigation conducted?

Ordinarily the Council would hope that investigations will take no more than 6 months to complete from the date the decision to investigate is taken. This will very much depend on the facts of each complaint and some investigations may be concluded earlier and others may take longer.

It is vital to the timely completion of investigations that you, as the complainant, and the subject Member under investigation, comply with the reasonable requirements of the Investigating Officer in terms of interview attendance and supplying relevant documents. If you, as the complainant, do not co-operate the Investigating Officer monitoring officer for direction as to whether the investigation should be terminated. Similarly if the subject Member does not comply, the Investigating Officer will proceed to determine the investigation in the absence of their contribution and may draw an adverse inference from their non-cooperation.

The Investigating Officer will normally carry out the investigation in accordance with the model procedure detailed at Appendix 4 although may decide to depart from this if the circumstances of the complaint warrant it.

As an initial step, and subject to any ruling on disclosure, the Investigating Officer may write to the subject Member at the beginning of the investigation to see if the subject Member still wishes to contest the complaint. Subject to this the investigation will normally follow the model procedure at Appendix 4.

At the end of the investigation, the Investigating Officer will produce a draft report and will send copies of the draft report, in confidence, to you and to the Member concerned to give you both an opportunity to identify any matter in that draft report which you disagree with or which you consider requires more consideration.

Having received and taken account of any comments which you may make on the draft report, the Investigating Officer will send his/her final report to the Monitoring Officer.

It should be noted that at any time during an investigation, the Investigating Officer may, following consultation with the Independent Person, refer the matter back to the monitoring officer for re-consideration as to whether the investigation should proceed if the Investigating Officer considers that the Re-consideration Criteria in Appendix 3 are satisfied.

9. What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?

The monitoring officer will review the Investigating Officer's report and consult with the Independent Person thereon. If having done so the monitoring officer is satisfied that the Investigating Officer's report is sufficient, the monitoring officer will write to you and to the Member concerned and to the Parish or Town Council on which the Member serves, notifying you that he is satisfied that no further action is required, and give you both a copy of the Investigating Officer's final report. If the monitoring officer is not satisfied that the investigation has been conducted properly, the Investigating Officer may be asked to re-consider his/her report.

10. What happens if the Investigating Officer concludes that there is evidence of a failure to comply with the Code of Conduct?

The Monitoring Officer will review the Investigating Officer's report and after consulting the Independent Person will consider whether Local Resolution should be attempted or the matter should proceed direct to hearing before the Hearings Sub-Committee.

• Local Resolution

The monitoring officer will consult with the Independent Person and with you as complainant and seek to resolve the complaint in a way that helps to ensure higher standards of conduct for the future. Such resolution may include the Member accepting that his/her conduct was unacceptable and offering an apology or the complaint being referred for mediation or such other remedial action as is considered appropriate in the circumstances. If the Member complies with the suggested resolution, the monitoring officer will report the matter to the Audit and Standards Committee and for complaints about Town/Parish councillors, the relevant Parish or Town Council, but will take no further action. However, if the Member concerned does not accept that the matter should be resolved in such a manner, the monitoring officer will refer the matter for a hearing before the Hearings Sub-Committee.

• Hearings Sub-Committee

If the monitoring officer considers that Local Resolution is not appropriate or the Member concerned does not accept that the matter should be resolved in such a manner, then the monitoring officer will submit the Investigating Officers report to the Hearings Sub-Committee which will conduct a Hearing before deciding whether the Member has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the failure.

In readiness for convening a meeting of the Hearings Sub-Committee, the monitoring officer will conduct a written "pre-hearing process", requiring the Member concerned to give their response

to the Investigating Officer's report in order to identify what is likely to be agreed and what is likely to be in contention at the Hearing.

If, through the "pre-hearing process", the Member concerned accepts the Investigating Officer's report, they will be given the opportunity to provide a statement of mitigation which they may invite the Hearings Sub-Committee to consider in their absence. Alternatively, the Member may elect to attend a Hearings Sub-Committee to present their mitigation. In either case, the "uncontested" hearing procedure will be followed as set out at Appendix 5.

Where, following the "pre-hearing process", the Investigating Officer's report remains in contention, the matter will be set down for a "contested" hearing before the Hearings Sub-Committee and the hearing procedure set out at Appendix 6 will be followed.

At the hearing, the Investigating Officer will present his/her report, call such witnesses as considered necessary and make representations to substantiate the conclusion that the Member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer may ask you, as the complainant, to attend and give evidence. Unless called to do so by the Investigating Officer, you do not have the right to address the Hearings Sub-Committee of your own volition.

The Member will then have an opportunity to give evidence, to call witnesses and to make representations about why they consider they did not fail to comply with the Code of Conduct. The Member may be represented legally or otherwise.

The Hearings Sub-Committee, with the benefit of any advice from the Independent Person, may conclude that the Member did not fail to comply with the Code of Conduct and so dismiss the complaint. If the Hearings Sub-Committee concludes that the Member did fail to comply with the Code of Conduct, the Chairman will inform the Member of this finding and the Hearings Sub-Committee will then consider what action, if any, should be taken. In doing this, the Hearings Sub-Committee will give the Member an opportunity to make representations to them and will consult the Independent Person before deciding what action, if any, to take in respect of the matter.

11. What action can the Hearings Sub-Committee take where a Member has failed to comply with the Code of Conduct?

The Council has delegated to the Hearings Sub-Committee such of its powers to take action in respect of individual Members as may be necessary to promote and maintain high standards of conduct. Accordingly, the Sub-Committee may:

- Write to the Member over their conduct;
- Publish its findings in the local media in respect of the Member's conduct;
- Report its findings to the Council or to the Parish or Town Council concerned;
- Recommend to the Member's Group Leader (or in the case of un-grouped Members, recommend to the Council or to Committees) that he/she be removed from any or all Committees or Sub-Committees of the Council;

- Recommend to the Leader of the Council that the Member be removed from the Cabinet or removed from particular Portfolio responsibilities;
- Instruct the monitoring officer to, or recommend to the Parish or Town Council concerned that it, arrange training for the Member;
- Recommend removal, or recommend to the Parish or Town Council concerned removal, of the Member from all outside appointments to which he/she has been appointed or nominated by the Council or the Parish or Town Council;
- Withdraw, or recommend to the Parish or Town Council concerned that it withdraws, facilities provided to the Member by the Council, such as a computer, website and/or email and Internet access; or
- Recommend that any aspects of the complaint that are considered suitable be referred for mediation between the parties; or
- Exclude, or recommend to the Parish or Town Council concerned that it excludes, the Member from the Council's offices or other premises with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee Meetings.

The Hearings Sub-Committee has no power to suspend or disqualify the Member or to withdraw a Member's basic allowance or any special responsibility allowances.

12. What happens at the end of the Hearing?

At the end of the hearing, the Chairman will announce the Sub-Committee's decision as to whether the Member has failed to comply with the Code of Conduct and as to any action which the Sub-Committee resolves to take.

As soon as reasonably practicable thereafter, the monitoring officer will prepare a formal decision notice in consultation with the Chairman of the Sub-Committee and send a copy to you, to the Member concerned and to any relevant Parish and Town Council, make such decision notice available for public inspection and report the decision to the next convenient meeting of the Audit & Standards Committee.

The decision of the Hearings Sub-Committee is final and is not subject to a right of appeal.

13. What is the Hearings Sub-Committee?

The Hearings Sub-Committee is made up of 3 elected Members of the Council's Audit & Standards Committee.

An Independent Person is invited to attend all meetings of the Hearings Sub-Committee and their views are sought and taken into consideration on whether a Member's conduct constitutes a failure to comply with the Code of Conduct and as to any action to be taken following a finding of failure to comply with the Code of Conduct.

14. Who is the Independent Person?

An Independent Person is someone who has been appointed by the Council under Section 28 of the Localism Act 2011.

Independent Persons must be appointed through a process of public advertisement, application and appointment by a positive vote of a majority of all members of the District Council – i.e. by full Council.

A Person is considered not to be 'independent' if they are, or have been in the previous 5 years:

- an elected or co-opted member or officer of the District Council or any Parish in the area
- an elected or co-opted member of any committee or sub-committee of the District Council or any Parish in the area

or they are a relative or close friend of a current elected or co-opted member or officer of the District Council or any Parish or Town Council the area – or any elected or co-opted members of any committee or sub-committee of such a Council.

15. Revision of these arrangements

The Audit & Standards Committee may amend these arrangements.

The Chairman of any Hearings Sub-Committee may, following consultation with the Independent Person, depart from the procedures detailed above where he/she considers it is expedient to do so in order to secure the effective and fair consideration of any matter.

If the monitoring officer considers that he/she may be conflicted in the discharge of these arrangements, he may delegate such matters to a Deputy monitoring officer to discharge.

16. Appeals

There is no right of appeal for you as complainant or for the Member against a decision of the monitoring officer or the Hearings Sub-Committee.

If you feel that the Council has failed to deal with your complaint in accordance with these arrangements, you may make a complaint to the Local Government Ombudsman.

Appendix 1	Model Complaint Form
Appendix 2	CDC Code of Conduct – Revised 28.02.18
Appendix 3	Assessment Criteria
Appendix 4	Procedure for Investigations
Appendix 5	Uncontested Hearing Procedure
Appendix 6	Contested Hearing Procedure
Appendix 7	Protocol with Thames Valley Police on Reporting Potential Criminal Offences



CHILTERN
District Council

COMPLAINT FORM MEMBER(S) CONDUCT

Your details

1. Please provide us with your name and contact details:

Title:	
First name:	
Last name:	
Address:	
Daytime telephone:	
Evening telephone:	
Mobile telephone:	
Email address:	

Your address and contact details will not usually be released unless necessary or to deal with your complaint.

However, we will tell the following people that you have made this complaint:

- the member(s) you are complaining about
- the Monitoring Officer of the authority
- the parish or town clerk (if applicable)
- the council's Independent Person (if required)
- members of the Hearings Sub-Committee convened to consider your complaint
- officers involved in mediation (if applicable)

We will tell them your name and give them a summary of your complaint. We will give them full details of your complaint where necessary or appropriate to be able to deal with it. If you have

serious concerns about your name and a summary, or details of your complaint being released, please complete section 5 of this form.

2. Please tell us which complainant type best describes you:

- Member of the public
- An elected or co-opted member of an authority
- Member of Parliament
- Local authority Monitoring Officer
- Other council officer or authority employee
- Other

Making your complaint

Once your complaint has been received a decision will be taken in accordance with the council's published arrangements as to what action, if any, should be taken on it which can be found on the Council's website at: <http://www.chiltern.gov.uk/article/8137/Complaints-about-Councillors>. You will not have the opportunity to attend a meeting at this stage. It is important that you provide all the information that you want taken into account as part of your complaint.

Please refer to the council's published arrangements under the heading 'Making a complaint' which explains the Three Stage process for dealing with your complaint.

3. Please provide us with the name of the member(s) you believe have breached the Code of Conduct and the name of their authority:

Title	First Name	Last Name	Council or Authority Name

It is important that you provide a summary of the information you wish to have taken into account (within the space provided below) so a decision can be made, in accordance with the published arrangements, whether to take any action on your complaint.

For example:

- You should be specific, wherever possible, about exactly what you are alleging the member said or did. For instance, instead of stating that the member insulted you, you should give the exact words used.
- You should provide the dates of the alleged incidents wherever possible. If you cannot provide exact dates it is important to give a general timeframe.
- You should confirm whether there are any witnesses to the alleged conduct and provide their names and contact details if possible.
- You should provide any relevant background information.

Please indicate which paragraphs of the Code of Conduct you consider the member(s) to have breached by ticking the appropriate box(es).

- 3.1 "You must provide leadership to the council and communities within its areas by personal example."
- 3.2 "You must respect others and not bully any person."
- 3.3 "You must recognize that officers (other than political assistants) are employed by and serve the whole council."
- 3.4 "You must respect the confidentiality of information which you received as a member."
- 3.5 "You must not misconduct yourself in a manner which is likely to bring the council into disrepute."
- 3.6 "You must use your position as a member in the public interest and not for personal advantage."
- 3.7 "You must act in accordance with the council's reasonable rules on the use of the resources of the council for private or political purposes."
- 3.8 "You must exercise your own independent judgment, taking decisions for good and substantial reasons."
- 3.9 "You must account for your actions, particularly by supporting the council's scrutiny functions."
- 3.10 "You must ensure the council acts within the law."
- 6, 9 or 10 (Interest requirements re: Personal, Prejudicial or Disclosable Pecuniary Interests)

4. Please explain in this section (or on separate sheets) what the member has done that you believe breaches the Code of Conduct. If you are complaining about more than one member you should clearly explain what each individual person has done that you believe breaches the Code of Conduct.

Please provide us with details of your complaint (within the space provided)

Please explain what steps, if any, you have taken to resolve this complaint directly with the member concerned?

Would you be prepared to engage in mediation with the member concerned, if considered appropriate, to try and resolve the complaint?

Yes / No

If you answered no please state reason why below:

Mediation is a way of resolving disputes with the assistance of an independent mediator who will try and help the parties reach a solution to the dispute that both parties are agreeable to. The independent mediator will avoid taking sides, making judgements or giving guidance. They are simply responsible for developing effective communications between the parties with a view to a common sense settlement being arrived at. Mediation is a voluntary process and will only take place if the parties agree and remains confidential to the parties involved.

Only complete this next section if you are requesting that your identity is kept confidential

5. In the interests of fairness and natural justice, we believe members who are complained about have a right to know who has made the complaint. We also believe they have a right to be provided with a summary of the complaint. We are unlikely to withhold your identity or the details of your complaint unless you have good reasons.

Please note that requests for confidentiality or requests for suppression of complaint details will not automatically be granted. If your request for confidentiality is not granted, we will usually allow you the option of withdrawing your complaint.

However, it is important to understand that in certain exceptional circumstances where the matter complained about is very serious, we can proceed with an investigation or other action and disclose your name even if you have expressly asked us not to.

Please provide us with details of why you believe we should withhold your name and/or the details of your complaint:

6. Additional Help

Complaints must be submitted in writing. This includes fax and electronic submissions. However, in line with the requirements of the Disability Discrimination Act 2000, we can make reasonable adjustments to assist you if you have a disability that prevents you from making your complaint in writing.

If you need any support in completing this form, please let us know as soon as possible.



CODE OF CONDUCT FOR MEMBERS

Adopted on 15 August 2012

Revised on 28 February 2018

1. General Provisions

Introduction

1. (1) The Council has adopted this Code of Conduct pursuant to section 27 of the Localism Act 2011 (the Act) to promote and maintain high standards of behaviour by its members and co-opted members whenever they conduct the business of the Council including the office to which they were elected or appointed or when they claim to act or give the impression of acting as a representative of the Council
- (2) This Code of Conduct complies with Section 28 the Act and is consistent with the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Scope

2. (1) This Code of Conduct applies to you whenever you are acting in your capacity as a member of Chiltern District Council, including:
 - (a) at formal meetings of the Council, its Committees and Sub-Committees, its Cabinet and PAG's
 - (b) when acting as a representative of the authority
 - (c) in taking any decision as a Cabinet member or a Ward Councillor
 - (d) in discharging your functions as a ward Councillor
 - (e) at briefing meetings with officers
 - (f) at site visits and
 - (g) when corresponding with the authority other than in a private capacity
- (2) Where you act as a representative of the Council:
 - (a) on another authority, you must when acting for that authority, comply with that other authority's code of conduct; or
 - (b) on any other body, you must, when acting for that other body, comply with this Code of Conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject

General obligations

3. You must:
- (1) provide leadership to the council and communities within its area, by personal example and
 - (2) respect others and not bully any person
 - (3) recognise that officers (other than political assistants) are employed by and serve the whole council
 - (4) respect the confidentiality of information which you receive as a member:
 - (i) not disclosing confidential information to third parties unless required by law to do so or where there is a clear and over-riding public interest in doing so; and
 - (ii) not obstructing third parties' legal rights of access to information
 - (5) not misconduct yourself in a manner which is likely to bring the council into disrepute
 - (6) use your position as a member in the public interest and not for personal advantage
 - (7) act in accordance with the council's reasonable rules on the use of the resources of the council for private or political purposes
 - (8) exercise your own independent judgement, taking decisions for good and substantial reasons:
 - (i) attaching appropriate weight to all relevant considerations including, where appropriate, public opinion and the views of political groups
 - (ii) paying due regard to the advice of officers, and in particular to the advice of the statutory officers, namely the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer and
 - (iii) stating the reasons for your decisions where those reasons are not otherwise apparent
 - (9) account for your actions, particularly by supporting the council's scrutiny function
 - (10) ensure that the council acts within the law.

2. Interests

Personal interests

4. In addition to the statutory requirements under the Act in relation to Disclosable Pecuniary Interests (DPI's) and as set out in Paragraph 10 below, and save for the subject interest already having been declared as a DPI and the statutory provisions complied with, the following Paragraphs 5 to 9 shall also apply.
5. (1) You have a personal interest in any business of the council where either:
- (a) it relates to or is likely to affect:
 - (i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council;
 - (ii) any body:
 - (aa) exercising functions of a public nature;
 - (bb) directed to charitable purposes; or
 - (cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union),
 of which you are a member or in a position of general control or management;
 - (iii) any person or body who employs or has appointed you;
 - (iv) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £50;
 - (b) a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected by the decision;
- (2) In sub-paragraph (1)(b), a relevant person is:
- (a) a member of your family or any person with whom you have a close association; or
 - (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
 - (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
 - (d) any body of a type described in sub-paragraph (1) (a) (i) or (ii).

Disclosure of personal interests

6. (1) Subject to sub-paragraphs (2) to (5), where you have a personal interest in any business of the council and you attend a meeting of the council at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

- (2) Where you have a personal interest in any business of the council which solely relates to a body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council, you need only disclose to the meeting the existence and nature of that interest if that interest is prejudicial.
- (3) Where you have a personal interest in any business of the council of the type mentioned in paragraph 5(1) (a) (iv), you need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.
- (4) Sub-paragraph (1) only applies where you are aware or ought reasonably to be aware of the existence of the personal interest.
- (5) Subject to paragraph 9(1) (b), where you have a personal interest in any business of the council and you have made an executive decision in relation to that business, you must ensure that any written statement of that decision records the existence and nature of that interest.
- (6) Having declared a personal interest you may continue to speak and vote on the item of business concerned.

Prejudicial interest generally

7. (1) Subject to sub-paragraph (2), where you have a personal interest in any business of the council you also have a prejudicial interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.
- (2) You do not have a prejudicial interest in any business of the council where that business:
 - (a) does not affect your financial position or the financial position of a person or body described in paragraph 5:
 - (b) does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 5; or
 - (c) relates to the functions of the council in respect of:
 - (i) an allowance, payment or indemnity given to members;
 - (ii) any ceremonial honour given to members; and
 - (iii) setting council tax or a precept under the Local Government Finance Act 1992.

Prejudicial interests arising in relation to overview and scrutiny committees

8. You also have a prejudicial interest in any business before an overview and scrutiny

committee of the council (or of a sub-committee of such a committee) where:

- (a) that business relates to a decision made (whether implemented or not) or action taken by the cabinet, PAG's or another of the council's committees, sub-committees, joint committees or joint sub-committees; and
- (b) at the time the decision was made or action was taken, you were a member of the cabinet, PAG's, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.

Effect of prejudicial interests on participation

9. (1) Subject to sub-paragraph (2), where you have a prejudicial interest in any business of your council:
- (a) you must declare the existence and nature of your interest and withdraw from the room or chamber where a meeting considering the business is being held:
 - (i) in a case where sub-paragraph (2) applies, immediately after making representations, answering questions or giving evidence;
 - (ii) in any other case, whenever it becomes apparent that the business is being considered at that meeting;
 unless you have obtained a dispensation from your council's monitoring officer;
 - (b) you must not exercise executive functions in relation to that business; and
 - (c) you must not seek improperly to influence a decision about that business.
- (2) Where you have a prejudicial interest in any business of the council you may attend a meeting (including a meeting of the overview and scrutiny committee of the council or of a sub-committee of such a committee) but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

Disclosable Pecuniary Interest

10. A Disclosable Pecuniary Interest (DPI) is as defined in 'The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012' (The Regulations) and the categories of interest are set out in Appendix A.

Note: In addition to the statutory requirements under the Act, Council Procedure Rules require you to withdraw from the room or chamber where the meeting is being held if you have a DPI in an item of business being considered at that meeting unless a Dispensation has been granted pursuant to and in accordance with Section 33 of the Act.

3. Registration of Members' Interests

Registration or Disclosure of members' interests

11. (1) Subject to paragraph 12, you must, within 28 days of:
- (a) in relation to a DPI, the Regulations coming into effect namely 1.7.12
 - (b) in relation to Personal Interests, this Code being adopted by or applied to the council; or
 - (c) otherwise your election or appointment to office (where that is later),
- register in the council's register of members' interests, maintained under Section 29 of the Act, details of any DPI which you or your spouse or civil partner (or person with whom you are living as spouse or civil partner) may have, together with your personal interests where they fall within a category mentioned in paragraph 5(1) (a), by providing written notification to the council's monitoring officer.
- (2) Failure to register or disclose any DPI in accordance with section 30(1) or 31(2), (3) or (7) of the Act, or participating in any discussion or vote in contravention of section 31(4) of the Act, or taking any steps in contravention of section 31(8) of the Act, is a criminal offence and risks a fine not exceeding level 5 on the standard scale (currently £5,000) or disqualification as a member for a period not exceeding 5 years.
- (3) Subject to paragraph 12, you must, within 28 days of becoming aware of any new DPI and/or personal interest or change to any DPI and/or personal interest registered under paragraph (1), register details of that new DPI and/or personal interest or change by providing written notification to the council's monitoring officer.
- (4) Subject to Paragraph 12, you are required to disclose the existence and nature of any DPI when it arises at a meeting even where already registered in the Register or pending registration so the minutes can be duly noted.

Sensitive interest

12. (1) Where you consider that you have a sensitive interest (whether or not a DPI), and the council's monitoring officer agrees, if the interest is entered in the Council's register, copies of the register that are made available for inspection and any published version of the register, must not include details of the interest (but may state that the member has an interest the details of which are withheld under section 32 (2) of the Act) and any public declaration required need only state the fact an interest arises without further detail.
- (2) You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under paragraph (1) is no longer a sensitive interest, notify the Council's monitoring officer asking that the interest be included in the Council's register of members' interests.

- (3) In this Code, "sensitive interest" means an interest, the nature of which is such that you and the Council's monitoring officer consider that disclosure of the details of the interest could lead to you, or a person connected with you, being subject to violence or intimidation.

Dispensations

13. On a written request made to the Council's Monitoring Officer, the Council may grant a dispensation for you to participate in a discussion and vote on a matter at a meeting even if you have a DPI or a prejudicial interest and that you be relieved of the obligation to otherwise withdraw from the room in which the matter is being considered if the Council considers that the number of members otherwise prohibited from taking part in the meeting would be so great a proportion of the body transacting the business that it would impede the transaction of the business; or the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote on the business; or it is in the interests of the inhabitants in the Council's area to allow you to take part or that without the dispensation the Councils Executive would be prohibited from participating in the matter or it is otherwise appropriate to grant a dispensation.

Appendix A – Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a DPI are set out in Chapter 7 of the Act.

DPI's are defined in the Regulations 2012 as follows:

Interest	Prescribed description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992).</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority:</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to M's knowledge):</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where:</p> <p>(a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either:</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p>

	(ii) if the share capital of that body is more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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For this purpose:

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means a member of a relevant authority; “member” includes a co-opted member; “relevant authority” means the authority of which M is a member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) or 31(7), as the case may be, of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

ASSESSMENT CRITERIA

Stage 1 Criteria

Before the assessment of a complaint begins, the Monitoring Officer must be satisfied that the complaint meets the following requirements:

- (i) It is a complaint against one or more named Members of the Council or a Parish or Town Council within the area;
- (ii) The named Member or Members were in Office at the time of the alleged conduct and acting in their official capacity; and
- (iii) The complaint, if proven, would be a breach of the Council's Code of Conduct in force at the relevant time.

If the complaint fails any one of these tests, it cannot be investigated as a breach of the Council's Code of Conduct and the complainant must be informed that no further action can be taken in relation to the complaint. If it passes all three tests then it can be assessed according to the criteria set out below.

Stage 2 Criteria

The Monitoring Officer is unlikely to refer a complaint for investigation where it falls into any of the following categories:

- (a) The complaint appears to be vexatious, malicious, politically motivated, relatively minor, insufficiently serious, tit-for-tat, or there are other reasons why an investigation may not be in the public interest.
- (b) The same, or substantially similar, complaint has already been the subject of assessment or investigation and there is nothing more to be gained by further action being taken.
- (c) It appears that the complaint concerns or is really about dissatisfaction with a Council decision or policy rather than a breach of the Code of Conduct.
- (d) There is not enough information currently available to justify a decision to refer the matter for investigation.
- (e) The complaint is about someone who has died, resigned, is seriously ill or is no longer a Member of the Council concerned and therefore it is not in the public interest to pursue.
- (f) Where the allegation is anonymous, unless it includes documentary or photographic evidence indicating an exceptionally serious or significant matter and it is considered in the public interest that it be investigated.
- (g) Where the event/s or incident/s took place more than 6 months prior to the date of

complaint being received or where those involved are unlikely to remember the event/s or incident/s clearly enough to provide credible evidence.

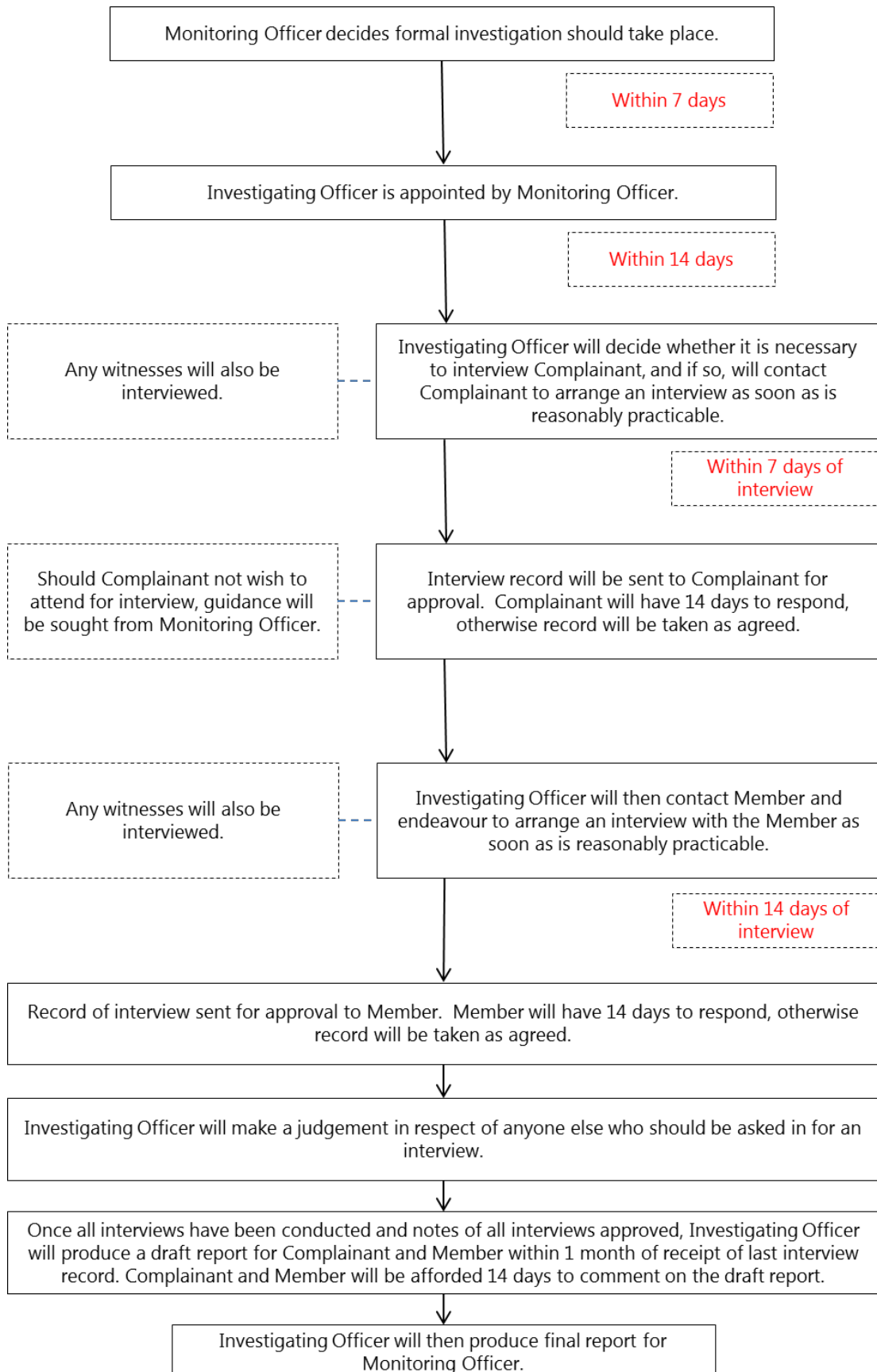
- (h) The complaint is such that it is unlikely that an investigation will be able to come to a firm conclusion on the matter and where independent evidence is likely to be difficult or impossible to obtain.
- (i) If it is considered that the subject Member has **offered** a satisfactory remedy to the complainant (for example by apologising) or the complaint is capable of other informal resolution **such as mediation** and the Member complained of is amenable to such approach.
- (j) If it is satisfied that having regard to the nature of the complaint and the level of its potential seriousness, the public interest in conducting an investigation does not justify the cost of such an investigation.
- (k) Where the allegation discloses a potential breach of the Code of Conduct but it is considered that the complaint is not serious enough to warrant any further action and:
 - the Member and Officer resource needed to investigate and determine the complaint is wholly disproportionate to the matter complained about; or
 - in **all** the circumstances there is no overriding public benefit or interest in carrying out an investigation.

Re-consideration Criteria

The Investigating Officer may, following consultation with the Independent Person, refer an investigation to the Monitoring Officer for re-consideration as to whether the investigation should proceed where:

- As a result of new evidence or information, the Investigating Officer is of the opinion that the matter is materially less serious than may have seemed apparent to the Monitoring Officer when the decision was made to refer the complaint for investigation, and a different decision may have been made had the Monitoring Officer been aware of the new evidence or information;
- The Member who is the subject of the allegation has died, is seriously ill or has resigned from the Council concerned and in the circumstances the Investigating Officer is of the opinion that it is no longer appropriate to proceed with the investigation; or
- Other circumstances arise, which in the reasonable opinion of the Investigating Officer, render it appropriate for the investigation to be referred to the Monitoring Officer for re-consideration.

PROCEDURE FOR INVESTIGATIONS



**AUDIT & STANDARDS COMMITTEE
OUTLINE PROCEDURE FOR HEARINGS SUB-COMMITTEE
(UNCONTESTED)**

Preliminary Procedural Issues

1. Introductions
2. Declarations of Interest (if any)
3. To consider any request for the exclusion of Press and Public

Breach of the Code of Conduct

4. Monitoring Officer (or his/her representative) to present summary report, including the findings of fact made by the Investigating Officer, and refer to outcome of pre-hearing process.
5. Views of the Independent Person sought.
6. Members of the Sub-Committee to raise/clarify issues.
7. The Sub-Committee will retire, along with the Monitoring Officer, to determine whether there has been a breach of the Code of Conduct. The Sub-Committee's decision will be reported back to the meeting by the Democratic Services Officer.

Action to be taken

8. Monitoring Officer (or his/her representative) to outline possible sanctions.
9. Investigating officer to make submissions on appropriate sanction, if any.
10. Member or (his/her representative) to present statement of, or provide oral, mitigation, including on what sanction, if any, should be imposed.
11. Views of the Independent Person sought.
12. Members of the Sub-Committee to raise/clarify issues.
13. The Sub-Committee will retire, along with the Monitoring Officer, to consider what sanction, if any, should be imposed. The Sub-Committee's decision will be reported back to the meeting by the Democratic Services Officer.

Close of Hearing

**AUDIT & STANDARDS COMMITTEE
OUTLINE PROCEDURE FOR HEARINGS SUB-COMMITTEE (CONTESTED)**

Preliminary Procedural Issues

1. Introductions
2. Declarations of Interest (if any)
3. To consider any request for the exclusion of Press and Public

Findings of Fact

4. Monitoring Officer (or his/her representative) to present summary report and refer to outcome of pre-hearing process.
5. Investigating Officer to present report and call such witnesses as he/she considers necessary to substantiate his/her conclusion(s) within the report.
6. Member (or his/her representative) to raise/clarify issues with the Investigating Officer, including the questioning of the Investigating Officer's witnesses.
7. Members of the Sub-Committee to raise/clarify issues with the Investigating Officer, including the questioning of the Investigating Officer's witnesses.
8. Member (or his/her representative) to present their case and call such witnesses as he/she considers necessary.
9. Investigating Officer to raise/clarify issues with the Member (or his/her representative), including the questioning of the Member's witnesses.
10. Members of the Sub-Committee to raise/clarify issues with the Member (or his/her representative), including the questioning of the Member's witnesses.
11. Views of the Independent Person sought.
12. Members of the Sub-Committee to raise/clarify issues with the Independent Person.
13. The Sub-Committee will retire, along with the Monitoring Officer, to determine its findings of fact.
14. The Sub-Committee's decision will be reported back to the meeting by the Democratic Services Officer.

Breach of the Code of Conduct

15. The Sub-Committee will need to consider whether or not, based on the facts it has found, the Member has breached the Code of Conduct.
16. Investigating Officer to address the Sub-Committee on whether the facts found constitute a breach of the Code of Conduct.
17. Member (or his/her representative) to address the Sub-Committee as to why the facts found do not constitute a breach of the Code of Conduct.
18. Views of the Independent Person sought.
19. Members of the Sub-Committee to raise/clarify issues.
20. The Sub-Committee will retire, along with the Monitoring Officer, to determine whether there has been a breach of the Code of Conduct. The Sub-Committee's decision will be reported back to the meeting by the Democratic Services Officer.

(If the Sub-Committee determine that there has been no breach of the Code of Conduct, the complaint will be dismissed. If, however, the Sub-Committee determine that there has been a breach of the Code of Conduct, the procedure at paragraph 21 will apply).

Action to be taken

21. The Sub-Committee will need to determine what sanction, if any, should be imposed as a result of the Member's breach of the Code of Conduct.
22. Monitoring Officer (or his/her representative) to outline possible sanctions.
23. Investigating officer to make submissions on appropriate sanction, if any.
24. Member (or his/her representative) to make submissions on whether any sanction should be imposed.
25. Views of the Independent Person sought.
26. Members of the Sub-Committee to raise /clarify issues.
27. The Sub-Committee will retire, along with the Monitoring Officer, to consider what sanction, if any, should be imposed. The Sub-Committee's decision will be reported back to the meeting by the Democratic Services Officer.

Close of Hearing

PROTOCOL BETWEEN CHILTERN DISTRICT COUNCIL AND THAMES VALLEY POLICE

Purpose

To agree a protocol for the reporting of potential criminal offences arising under Section 34 of the Localism Act 2011 concerning the registration and/or disclosure of Disclosable Pecuniary Interests (DPIs) (as defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

1. If the Monitoring Officer receives a complaint regarding a potential DPI offence they will undertake an initial assessment of the allegation having regard to the following criteria:
 - Has the alleged offence been committed in the last 3 years?
 - Was the Member concerned subject to the Localism Act 2011 at the time of the alleged offence?
 - Is it proportionate to conduct a criminal investigation rather than a code of conduct investigation for the alleged offence?
2. If the Monitoring Officer considers that the answer to each of the above criteria is "yes" the Monitoring Officer will make immediate contact with Thames Valley Police through the nominated single point of contact (see Appendix B for named Police contact).
3. Similarly if Thames Valley Police receive a complaint from a member of the public they will inform the relevant Monitoring Officer of the receipt of that complaint. (Each authority will be responsible for providing up to date contact details of their appointed Monitoring Officer from time to time – see Appendix B for named Monitoring Officer contacts.)
4. Thames Valley Police will register the complaint and conduct an initial assessment of the complaint but may approach the relevant Monitoring Officer for background information on the complaint.
5. If Thames Valley Police decide not to prosecute the matter they will normally pass the relevant evidence to the relevant Monitoring Officer so that consideration can be given to a Code of Conduct breach being pursued. In the event that the relevant Council decides to pursue a Code of Conduct breach they will inform Thames Valley Police of their decision.
6. Both the relevant Monitoring Officer and Thames Valley Police will endeavour to keep complainants regularly updated as to the progress of complaints.

Signed on behalf of Thames Valley Police:

Signed on behalf of Aylesbury Vale District Council:

Signed on behalf of Buckinghamshire County Council:

Signed on behalf of Chiltern District Council:

Signed on behalf of South Bucks District Council:

Signed on behalf of Wycombe District Council:

Signed on behalf of Buckinghamshire &
Milton Keynes Fire Authority:

Signed on behalf of Royal Berkshire Fire Authority:

The original signed version is retained by Legal Services. Signed and dated by all parties as of

..... 2018.

Appendix A – Extracts from Localism Act 2011

30 Disclosure of pecuniary interests on taking office

1. A member or co-opted member of a relevant authority must, before the end of 28 days beginning with the day on which the person becomes a member or co-opted member of the authority, notify the authority's monitoring officer of any disclosable pecuniary interests which the person has at the time when the notification is given.
2. Where a person becomes a member or co-opted member of a relevant authority as a result of re-election or re-appointment, subsection (1) applies only as regards disclosable pecuniary interests not entered in the authority's register when the notification is given.
3. For the purposes of this Chapter, a pecuniary interest is a "disclosable pecuniary interest" in relation to a person ("M") if it is of a description specified in regulations made by the Secretary of State and either:
 - a) It is an interest of M's; or
 - b) It is an interest of:
 - i) M's spouse or civil partner;
 - ii) a person with whom M is living as husband and wife; or
 - iii) a person with whom M is living as if they were civil partners, and M is aware that that other person has the interest.
4. Where a member or co-opted member of a relevant authority gives a notification for the purposes of subsection (1), the authority's monitoring officer is to cause the interests notified to be entered in the authority's register (whether or not they are disclosable pecuniary interests).

31 Pecuniary interests in matters considered at meetings or by a single member

1. Subsections (2) to (4) apply if a member or co-opted member of a relevant authority:
 - a) Is present at a meeting of the authority or of any committee, sub-committee, joint committee or joint sub-committee of the authority;
 - b) Has a disclosable pecuniary interest in any matter to be considered, or being considered, at the meeting; and
 - c) Is aware that the condition in paragraph (b) is met.
2. If the interest is not entered in the authority's register, the member or co-opted member must disclose the interest to the meeting, but this is subject to section 32(3).
3. If the interest is not entered in the authority's register and is not the subject of a pending notification, the member or co-opted member must notify the authority's monitoring officer of the interest before the end of 28 days beginning with the date of the disclosure.
4. The member or co-opted member may not:
 - a) Participate, or participate further, in any discussion of the matter at the meeting; or
 - b) Participate in any vote, or further vote, taken on the matter at the meeting; but this is subject to section 33.

5. In the case of a relevant authority to which Part 1A of the Local Government Act 2000 applies and which is operating executive arrangements, the reference in subsection (1)(a) to a committee of the authority includes a reference to the authority's executive and a reference to a committee of the executive.
6. Subsections (7) and (8) apply if:
 - a) A function of a relevant authority may be discharged by a member of the authority acting alone;
 - b) The member has a disclosable pecuniary interest in any matter to be dealt with, or being dealt with, by the member in the course of discharging that function; and
 - c) The member is aware that the condition in paragraph (b) is met.
7. If the interest is not entered in the authority's register and is not the subject of a pending notification, the member must notify the authority's monitoring officer of the interest before the end of 28 days beginning with the date when the member becomes aware that the condition in subsection (6)(b) is met in relation to the matter.
8. The member must not take any steps, or any further steps, in relation to the matter (except for the purpose of enabling the matter to be dealt with otherwise than by the member).
9. Where a member or co-opted member of a relevant authority gives a notification for the purposes of subsection (3) or (7), the authority's monitoring officer is to cause the interest notified to be entered in the authority's register (whether or not it is a disclosable pecuniary interest).
10. Standing orders of a relevant authority may provide for the exclusion of a member or co-opted member of the authority from a meeting while any discussion or vote takes place in which, as a result of the operation of subsection (4), the member or co-opted member may not participate.
11. For the purpose of this section, an interest is "subject to a pending notification" if:
 - a) Under this section or section 30, the interest has been notified to a relevant authority's monitoring officer; but
 - b) Has not been entered in the authority's register in consequence of that notification.

32 Sensitive interests

1. Subsections (2) and (3) apply where:
 - a) A member or co-opted member of a relevant authority has an interest (whether or not a disclosable pecuniary interest); and
 - b) The nature of the interest is such that the member or co-opted member, and the authority's monitoring officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.
2. If the interest is entered in the authority's register, copies of the register that are made available for inspection, and any published version of the register, must not include details of the interest (but may state that the member or co-opted member has an interest the

details of which are withheld under this subsection).

3. If section 31(2) applies in relation to the interest, that provision is to be read as requiring the member or co-opted member to disclose not the interest but merely the fact that the member or co-opted member has a disclosable pecuniary interest in the matter concerned.

33 Dispensations from section 31(4)

1. A relevant authority may, on a written request made to the proper officer of the authority by a member or co-opted member of the authority, grant a dispensation relieving the member or co-opted member from either or both of the restrictions in section 31(4) in cases described in the dispensation.
2. A relevant authority may grant a dispensation under this section only if, after having had regard to all relevant circumstances, the authority:
 - a) Considers that without the dispensation the number of persons prohibited by section 31(4) from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business;
 - b) Considers that without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business;
 - c) Considers that granting the dispensation is in the interests of persons living in the authority's area;
 - d) If it is an authority to which Part 1A of the Local Government Act 2000 applies and is operating executive arrangements, considers that without the dispensation each member of the authority's executive would be prohibited by section 31(4) from participating in any particular business to be transacted by the authority's executive; or
 - e) Considers that it is otherwise appropriate to grant a dispensation.
3. A dispensation under this section must specify the period for which it has effect, and the period specified may not exceed four years.
4. Section 31(4) does not apply in relation to anything done for the purpose of deciding whether to grant a dispensation under this section.

34 Offences

1. A person commits an offence if, without reasonable excuse, the person:
 - a) Fails to comply with an obligation imposed on the person by section 30(1) or 31(2), (3) or (7);
 - b) Participates in any discussion or vote in contravention of section 31(4); or
 - c) Takes any steps in contravention of section 31(8).
2. A person commits an offence if under section 30(1) or 31(2), (3) or (7) the person provides information that is false or misleading and the person:
 - a) Knows that the information is false or misleading; or
 - b) Is reckless as to whether the information is true and not misleading.

3. A person who is guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale.
4. A court dealing with a person for an offence under this section may (in addition to any other power exercisable in the person's case) by order disqualify the person, for a period not exceeding five years, for being or becoming (by election or otherwise) a member or co-opted member of the relevant authority in question or any other relevant authority.
5. A prosecution for an offence under this section is not to be instituted except by or on behalf of the Director of Public Prosecutions.
6. Proceedings for an offence under this section may be brought within a period of 12 months beginning with the date on which evidence sufficient in the opinion of the prosecutor to warrant the proceedings came to the prosecutor's knowledge.
7. But no such proceedings may be brought more than three years:
 - a) After the commission of the offence; or
 - b) In the case of a continuous contravention, after the last date on which the offence was committed.
8. A certificate signed by the prosecutor and stating the date on which such evidence came to the prosecutor's knowledge is conclusive evidence of that fact; and a certificate to that effect and purporting to be so signed is to be treated as being so signed unless the contrary is proved.
9. The Local Government Act 1972 is amended as follows.
10. In section 86(1)(b) (authority to declare vacancy where member becomes disqualified otherwise than in certain cases) after "2000" insert "or section 34 of the Localism Act 2011".
11. In section 87(1)(ee) (date of casual vacancies):
 - a) After "2000" insert "or section 34 of the Localism Act 2011 or"; and
 - b) After "decision" insert "or order".
12. The Greater London Authority Act 1999 is amended as follows.
13. In each of sections 7(b) and 14(b) (Authority to declare vacancy where Assembly member or Mayor becomes disqualified otherwise than in certain cases) after sub-paragraph (i) insert:
"(ia) under section 34 of the Localism Act 2011".
14. In section 9(1)(f) (date of casual vacancies):
 - a) Before "or by virtue of" insert "or section 34 of the Localism Act 2011"; and
 - b) After "that Act" insert "of 1998 or that section".

Appendix B – Monitoring Officer/Police Contacts

Thames Valley Police

Detective Inspector Gavin Tyrell
Economic Crime Unit
Email: gavin.tyrell@thamesvalley.pnn.police.uk
Tel: 01189 181800 / 07976 269128

Chiltern and South Bucks District Councils

Joanna Swift
Email: monitoringofficer@chiltern.gov.uk
monitoringofficer@southbucks.gov.uk
Tel: 01494 732761

Buckinghamshire County Council

Linda Forsythe
Email: lforsythe@buckscc.gov.uk
Tel: 01296 383640

Aylesbury Vale District Council

Ifty Ali
Email: iali@aylesburyvaledc.gov.uk
Tel: 01296 585032

Wycombe District Council

Julie Openshaw
Email: julie.openshaw@wycombe.gov.uk
Tel: 01494 421252

Buckinghamshire & Milton Keynes Fire Authority

Graham Britten
Email: Gbritten@bucksfire.gov.uk
Tel: 01296 744441

Royal Berkshire Fire Authority

Graham Britten
Email: Gbritten@bucksfire.gov.uk
Tel: 01296 744441

SUBJECT	Code of Conduct and Complaints Procedure for Buckinghamshire Council as a Shadow Authority
RELEVANT MEMBER	Councillor John Gladwin, Chairman of Audit and Standards Committee
RESPONSIBLE OFFICER	Joanna Swift, Monitoring Officer
REPORT AUTHOR	Joanna Swift 01494 732761 joanna.swift@chilternandsouthbucks.gov.uk
WARD/S AFFECTED	None

1. Purpose of Report

This report informs the Committee about the standards arrangements in place for members during the Shadow Authority period for Buckinghamshire Council.

RECOMMENDATION

That the Committee note this report

2. Reasons for Recommendations

All members of Chiltern District Council are automatically members of the Shadow Authority for Buckinghamshire Council and therefore will be subject to the standards arrangements in place when acting in that capacity.

3. Content of Report

- 3.1 The Buckinghamshire (Structural Changes) Order 2019 came into force on 23 May 2019 and creates a Shadow Authority for the non-metropolitan district council of Buckinghamshire which is established on 1 April 2020. The Order provides that Part 7 of the Localism Act 2011 dealing with standards applies in relation to the Shadow Authority, as if it were a district council (but not a principal authority in relation to a parish council). The Shadow Authority is therefore required to promote and maintain high standards of conduct and to adopt a code dealing with the conduct that is expected of its members when they are acting in that capacity. The Shadow Authority must also have arrangements in place for investigating allegations that a member has failed to comply with the code of conduct. The requirement to compile, maintain and publish a register of members' disclosable pecuniary interests also applies, together with the requirement for members to declare if they have a disclosable pecuniary interest in any item of the Shadow Authority's business, and not to take part in the discussion or vote on that item.

- 3.2 At the first meeting of the Shadow Authority held on 3 June the code of conduct attached at Appendix A was adopted. Members must abide by this code when acting in their capacity as members of the Shadow Authority. The Committee will note that code contains 7 general obligations as to member conduct. These are broadly similar to the obligations in the Council's code. The statutory requirement to disclose pecuniary interests is included in the code but a lighter touch is adopted in relation to the disclosure of other personal and prejudicial interests (called "non-statutory disclosable interests"). This reflects the fact that the Shadow Authority has no regulatory functions. The Committee's attention is also drawn to the protocol which the Shadow Authority has adopted for dealing with relationships between members and officers which is attached at Appendix C.
- 3.3 The Shadow Authority adopted the arrangements for dealing with complaints about members conduct at Appendix B. This provides for complaints to be made to the Shadow Authority's monitoring officer who has authority to decide whether or not a complaint which discloses a breach of the code should be referred for investigation in consultation with an Independent Person. The referral criteria are similar to those adopted by the Council. Following an investigation again the Shadow Authority's monitoring officer can decide whether the complaint should be referred for a hearing which will be conducted by the Shadow Overview and Scrutiny Committee.
- 3.4 Members still remain subject to Chiltern District Council Code of Conduct and complaints procedure when acting in their capacity as Chiltern District councillors until 1 April 2020 when the council is abolished. After that date and until the local elections in May members must comply with the Shadow Authority's code of conduct. Members who are not re-elected will retire from the Authority on the 4th day after the local elections.
- 3.5 A new code of conduct and standards arrangements will be developed for Buckinghamshire Council having regard to the recent report on local government standards published by the Committee on Standards in Public Life. This will be the subject of a future report to this Committee.

4. Consultation

Not applicable

5. Options

This report is for noting.

6. Corporate Implications

Financial - None

Legal – As set out in the report

Risks issues – None

Equalities - None

7. Links to Council Policy Objectives

No direct links to the Council's main objectives but awareness of the standards arrangements for the Shadow Authority is part of ensuring good governance generally.

8. Next Steps

A report on the standards arrangements for Buckinghamshire Council will be brought back to a future meeting of the Committee.

Background	None except those referred to in the report
Papers:	

PART 5 -
CODE OF CONDUCT AND
MEMBER/OFFICER PROTOCOL

Code of Conduct for Shadow Members

The Code of Conduct, as set out below, was adopted by the Shadow Authority with effect from 3rd June 2019.

The Members' Code of Conduct is intended to promote high standards of behaviour amongst the elected Members of the Shadow Authority.

The Code sets out the standard of service that is expected from Members of the Shadow Authority. In particular, Members should act in an open and transparent manner and should not do anything which would prejudice the reputation of the Shadow Authority.

It is important Members carry out their duties having regard to the Shadow Authority expected standards of conduct, and if in any doubt they should seek guidance from the Shadow Authority Monitoring Officer. Where Members believe they may have an interest, they should consult the Shadow Authority Monitoring Officer in advance of the meeting they will be attending. A considered answer cannot be given at the meeting itself in the absence of all the facts.

This Code is adopted in accordance with Section 27(2) of the Localism Act 2011. This requires local authorities to adopt a Code of Conduct that is expected of Members.

UNDERLYING PRINCIPLES

The Code is underpinned by the following principles of public life which should be borne in mind when interpreting its meaning:-

- i. **Selflessness** - Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.
- ii. **Integrity** - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- iii. **Objectivity** - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- iv. **Accountability** - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- v. **Openness** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- vi. **Honesty** - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

- vii. **Leadership** - Holders of public office should promote and support these principles by leadership and example.

APPENDIX A TO THIS CODE:

Sets out the definitions of Disclosable Pecuniary Interests.

PART 1

GENERAL PROVISIONS

1. Introduction and interpretation

- 1.1. This Code applies to **you** whenever you are acting in your capacity as a Member of Shadow Authority including:-
- (a) When acting as a representative of the authority;
 - (b) At briefing meetings with Shadow Authority officers;
 - (c) When corresponding with the authority other than in a private capacity.
 - (d) When posting comments on Social Media.
 - (e) Any of the Authority's meetings, advisory groups, boards, working parties and panels

2. General obligations

2.1. You must treat others with respect.

2.2. You must not:

- (a) do anything which may cause the Authority to breach UK equalities legislation;
- (b) bully or harass any person;
- (c) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the Authority.
- (d) conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute.
- (e) disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where you have consent of a person authorised to give it or are required by law to do so.
- (f) use or attempt to use your position as a Member improperly to confer or secure an advantage for yourself or and advantage or disadvantage for any other person or body.

PART 2

INTERESTS

3. Disclosable Pecuniary Interests

3.1. Breaches of the rules relating to Disclosable Pecuniary Interests may lead to criminal sanctions being imposed (as the law stands).

3.2. You have a disclosable pecuniary interest if it is of a description specified in Regulations made by the Secretary of State, (attached at Appendix A), and either:

(a) it is an interest of yours, or

(b) it is an interest of:

(i) your spouse or civil partner;

(ii) a person with whom you are living as husband and wife, or

(iii) a person with whom you are living as if you were civil partners

and you are aware that that other person has the interest.

4. Registration of Disclosable Pecuniary Interests

4.1. You must, within 28 days of:

(a) this Code being adopted or applied by the Authority; or

(b) your election or appointment (where that is later),

notify the Shadow Authority Monitoring Officer in writing of any Disclosable Pecuniary Interests you have at that time.

4.2. You must, within 28 days of becoming aware of any new Disclosable Pecuniary Interest or any change to any such interest, notify the Shadow Authority Monitoring Officer in writing of that new pecuniary interest or change.

5. Disclosable Pecuniary Interests in Matters Considered at Meetings

5.1. If you attend a meeting and have and are aware that you have a Disclosable Pecuniary Interest in any matter to be considered, or being considered, at that meeting:-

if the interest is not entered in the Authority's register of Members' interests, you must, disclose to the meeting the fact that you have a

Disclosable Pecuniary Interest in that matter. If you have not already done so, you must notify the Shadow Authority Monitoring Officer of the interest before the end of 28 days beginning with the date of the disclosure, and

- (a) irrespective of whether the interest is registered **you must not** – unless you have obtained a dispensation from the Shadow Authority Monitoring Officer:
 - (i) participate, or participate further, in any discussion of the matter at the meeting; or
 - (ii) remain in the meeting room whilst the matter is being debated or participate in any vote taken on the matter at the meeting.

6. Non Statutory Disclosable Interests (Personal)

6.1. A non statutory interest can be pecuniary or non pecuniary.

6.2. You have a “non-statutory disclosable interest” in an item of business of your authority where:

- i) a decision in relation to that business might reasonably be regarded as positively affecting the well-being or financial standing* of you or a member of your family or a person or body with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the Ward or electoral area for which you have been elected or otherwise of the authority’s administrative area;

or

- ii) it relates to or is likely to affect any of the interests listed in the Table in the Appendix A to this Code, but in respect of a member of your family (other than a “relevant person”) or a person or body with whom you have a close association

and that interest is not a disclosable pecuniary interest.

6.3. If you attend a meeting and are aware that you have a “Non Statutory Disclosable Interest” in any matter to be considered, or being considered, at that meeting:

- (a) You must, disclose to the meeting the fact that you have a Non-Statutory Disclosable Interest in that matter, and
- (b) If the interest is one which a Member of the public with knowledge of the relevant facts would reasonably regard as so significant as to prejudice your judgement of the public interest, you **must not**:
 - (i) participate, or participate further, in any discussion of the matter at the meeting; or

- (ii) remain in the meeting room whilst the matter is being debated or participate in any vote taken on the matter at the meeting;

apart from making representations, giving evidence or answering questions, prior to the commencement of the debate on that matter in a situation where a member of the public would be able to do so.

7. Sensitive Interests

- 7.1. Where you consider (and the Shadow Authority Monitoring Officer agrees) that the nature of a Disclosable Pecuniary or Non-Statutory Interest is such that disclosure of the details of the interest could lead to you or a person connected with you being subject to intimidation or violence, it is a "sensitive interest" for the purposes of this Code, and the details of the sensitive interest do not need to be disclosed to a meeting, although the fact that you have a sensitive interest must be disclosed to the Shadow Authority Monitoring Officer.

8. Dispensations

- 8.1. Where a Member is prohibited from voting on or participating in discussions on matters in which they have a Disclosable Pecuniary Interest or a Non-statutory Disclosable Interest ("**Relevant Non-Statutory Disclosable Interest**"), a Member may on written notice to the Shadow Authority Monitoring Officer (by letter or email) request the grant of a dispensation to permit them to participate in the voting or discussions on such matters.
- 8.2. A dispensation requested may be granted only if, after having regard to all relevant considerations, the Shadow Authority Monitoring Officer is satisfied that one of the following grounds for the grant of dispensations applies:
 - (a) without the dispensation the number of persons prohibited from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business; or
 - (b) without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business; or
 - (c) granting the dispensation is in the interests of persons living in the authority's area; or
 - (d) Part 1A of the Local Government Act 2000 applies as the Shadow Authority is operating executive arrangements (Cabinet), and she/he considers that without the dispensation each Member of the authority's executive would be prohibited by section 31(4) of the Act from participating in any particular business to be transacted by the authority's executive, or

(e) considers that it is otherwise appropriate to grant a dispensation.

- 8.3. Any Member who has been granted a dispensation must declare the nature and existence of the dispensation before the commencement of any business to which the dispensation relates.
- 8.4. A copy of the dispensation, in writing, shall be kept by the Shadow Authority Monitoring Officer.

Part 5 - Appendix A**Disclosable Pecuniary Interests (DPIs)**

The duties to register, disclose and not to participate in respect of any matter in which a Member has a DPI are set out in Chapter 7 of the Localism Act 2011. DPIs are defined in Regulations made in 2012 as follows:-

<i>Interest</i>	<i>Prescribed description</i>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992).
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority - (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge) - (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where - (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and (b) either -

- (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
- (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Definitions

For this purpose –

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a Member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means a Member of a relevant authority;

“member” includes a Co-opted Member;

“relevant authority” means the authority of which M is a Member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) or 31(7), as the case may be, of the Act;

“relevant person” means M or any other person referred to in section 30 (3) (b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Part 5 - Appendix B**SHADOW AUTHORITY ARRANGEMENTS FOR DEALING WITH STANDARDS ALLEGATIONS UNDER THE LOCALISM ACT 2011****Context**

1. These "Arrangements" are made in accordance with section 28 (6) and (7) of the Localism Act 2011. They set out how to make a complaint against a member of the Shadow Authority that has failed to comply with the Shadow Authority's Code of Conduct. They also set out how the Shadow Authority will deal with any complaints about such failures.

The Code of Conduct

2. The Shadow Authority has adopted a Code of Conduct for Members, and this Code is available for inspection on the Shadow Authority website.

The Independent Person

3. The Shadow Authority is required to appoint at least two independent persons. The Shadow Authority must consult an independent person and take his/her views into account before making a decision on a complaint that it has investigated.
4. The independent person may be consulted at various stages in the complaints process and can also be consulted by a Member who is the subject of a complaint.

Making a complaint

5. A complaint that a member of the Shadow Authority has failed to observe the Council's Code of conduct should be submitted to:

The Monitoring Officer
Shadow Buckinghamshire Council
County Hall
Waltham Street
HP20 1UA

6. The Monitoring Officer is a senior officer of the authority who has statutory responsibility for maintaining the register of Members' interests and who is responsible for administering the arrangements for complaints about Member misconduct.
7. In order to ensure that the Monitoring Officer has all the information needed to process complaints, they should be submitted using the model complaint form which also explains the process and the relevant referral criteria at initial assessment. The complaint form can be downloaded from the Shadow Authority website. A copy of the form is also available on request from the Monitoring Officer.

8. Complainants must provide their name, postal address and, where possible, their email address. The Shadow Authority will not normally process an anonymous complaint, unless there is a clear public interest in doing so.
9. The Monitoring Officer will acknowledge receipt of the complaint and will notify the Member against whom the complaint is directed by providing a copy of the complaint to them within 5 working days of receiving it, and will keep both the complainant and the Member informed about the progress of the complaint.
10. **Initial Assessment**
- The Monitoring Officer will assess every Member Code of Conduct complaint received to determine whether it discloses a potential breach of the Code of Conduct. If the Monitoring Officer concludes the complaint does not disclose a potential breach of the Code of Conduct then the Monitoring Officer may reject the complaint. Potential breaches of the code will be assessed by the Monitoring Officer after consultation with the Independent Person and will take a decision as to whether it merits formal investigation. This decision will normally be taken within 20 working days of receipt of a complaint but may take longer if additional information is sought or if the complaint is complex or involves the consideration of substantial documentation.
11. Whilst each allegation will be considered on its individual merits, the following “Referral Criteria” will be used at the initial assessment to decide whether to accept a complaint for investigation, take no further action or to decide upon some form of local resolution.
12. **Referral Criteria**
- Is the subject Member still a serving Member?
 - Is the information submitted sufficient on which to make a decision?
 - Is the complaint the same as or similar to a previous complaint?
 - the complainant’s view of the action which is proposed or has been taken
 - the steps already taken or proposed to remedy the action complained of
 - complaints about a shadow member by another shadow member will not normally be referred until the Monitoring Officer considers that other processes such as informal, political group or Chairman mediation have taken place
 - the time passed since the alleged conduct occurred
 - whether the complaint involves conduct too trivial to warrant further action
 - whether the complaint appears to be malicious, politically motivated or tit for tat
 - whether the matter complained of is an individual act or part of a continuous pattern of behaviour which should be cumulatively considered

- the public benefit in investigating the alleged complaint
 - the availability and cost of resources balanced with the seriousness of the alleged matter
 - any complaint made by an officer about a shadow member will normally only be referred for investigation after the protocol for Member/Officer Relations has been pursued.
 - any other substantial reason.
13. Where the Monitoring Officer requires additional information in order to come to a decision, he/she may ask the complainant to provide further information, and may also request information from the Member against whom the complaint is directed.
14. **Informal Resolution**
- In appropriate cases, the Monitoring Officer may seek to resolve the complaint informally without the need for a formal investigation. Such informal resolution may involve, for example, the Member accepting that his/her conduct was unacceptable and offering an apology, or other appropriate remedial action. Where the member or the shadow authority makes a reasonable offer of informal resolution, but the complainant is unwilling to accept that offer, the Monitoring Officer will take account of this in deciding whether the complaint merits formal investigation.
15. **Investigation**
- If the Monitoring Officer decides that a complaint merits formal investigation, he/she will appoint an Investigating Officer, who may be another officer of the authority, an officer of another authority or an external investigator.
16. The Investigating Officer will decide whether he/she needs to meet or speak to the complainant to understand the nature of the complaint, to obtain an understanding of events, to identify what documents the Investigating Officer needs to see and who the Investigating Officer needs to interview.
17. The Investigating Officer will normally contact the Member against whom the complaint has been made to provide him/her with a copy of the complaint and to obtain the member's explanation of events. The Member will be invited to identify what documents the Investigating Officer needs to see and who he/she needs to interview.
18. In exceptional cases, where it is appropriate to keep the complainant's identity confidential or where disclosure of the details of the complaint to the member might prejudice the investigation, the Monitoring Officer may redact the complainant's name and address from the papers given to the Member, or delay notifying the Member until the investigation has progressed sufficiently.
19. At any point, the Investigating Officer may refer the complaint to the Monitoring Officer to resolve it without a full investigation or to reject it.

20. At the end of his/her investigation, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to the complainant and to the Member concerned, to give them both an opportunity to identify any matter in the report with which they disagree or which requires more consideration.

21. Having received and taken account of any comments made on the draft report, the Investigating Officer will submit his/her final report to the Monitoring Officer.

22. The Monitoring Officer will review the Investigating Officer's report and will decide what action to take. There are three possible courses of action:

- i. **No action**
- ii. **Local Resolution**
- iii. **Hearing**

23. **No Action**

If the Investigating Officer concludes that there has been no breach and the Monitoring Officer is satisfied that this conclusion is sound, then he/she may decide that no further action should be taken in relation to the complaint. If the Monitoring Officer is not so satisfied, then his/her decision will be final.

24. **Local Resolution**

If the Investigating Officer concludes that there has been a breach of the Shadow Authority Code of Conduct, the Monitoring Officer may, after consulting the Independent Person, seek a local resolution of the complaint.

25. A local resolution may include the Member acknowledging that his/her conduct was unacceptable and offering an apology and or accepting other remedial action by the Shadow Authority..

26. If the Member and the complainant agree to accept the suggested resolution, the Monitoring Officer will take no further action. Neither the Member nor the complainant has the right to reject the Monitoring Officer's suggested resolution and any non-acceptance by either will be reported to the Overview and Scrutiny Committee.

27. **Hearings**

If the Monitoring Officer considers that 'local resolution' or 'no action' is not appropriate or adequate, then the Monitoring Officer will submit the Investigating Officer's report to the Overview and Scrutiny Committee, which will conduct a hearing into the complaint before deciding whether the Member has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the matter.

28. Following the hearing, the Overview and Scrutiny Committee, with the benefit of any advice from the Independent Person, may conclude that the Member did not fail to comply with the Code of Conduct, and so will dismiss the complaint.
29. If the Overview and Scrutiny Committee concludes that the Member has failed to comply with the Code of Conduct, the Chairman will inform the Member of this finding and the Overview and Scrutiny Committee will then consider what action, if any, should be taken as a result of the Member's failure to comply with the Code.
30. Before reaching a decision, the Overview and Scrutiny Committee will give the Member an opportunity to make representations and will consult the Independent Person.

Sanctions

31. The Shadow Authority has delegated to the Overview and Scrutiny Committee authority to take such action in respect of individual Members as may be available to promote and maintain high standards of conduct. Accordingly the Overview and Scrutiny Committee may –
 - i. censure the Member;
 - ii. publish its findings in respect of the Member's conduct;
 - iii. report its findings to the Shadow Authority Council for information;
 - iv. instruct the Monitoring Officer to arrange training for the Member.
32. The Independent Person is invited to attend all meetings of the Overview and Scrutiny Committee when Standards issues are on the agenda and his/her views will be sought and taken into consideration before the Overview and Scrutiny Committee takes any decision on whether the Member's conduct constitutes a failure to comply with the Code of Conduct and also as to any action to be taken following a finding of failure to comply with the Code of Conduct.

33. Revision of these arrangements

The Shadow Authority has delegated its responsibilities under Chapter 7 of the Localism Act 2011 to the Monitoring Officer. The Monitoring Officer may in consultation with the Chairman of the Shadow Authority amend the arrangements for dealing with Standards allegations made under the Localism Act 2011.

Part 5 - Appendix C**Protocol on the relationship between Members and Officers****1. Introduction**

- 1.1 The purpose of this protocol is to guide Shadow Members and officers of the Shadow Authority in their relations with one another in such a way that ensures that the Shadow Authority runs smoothly.
- 1.2 The relationship between Shadow Members and officers is an essential ingredient that goes into the successful working of the Shadow Authority and is characterised by mutual respect, informality and trust.
- 1.3 Responsibility for the operation of this protocol lies with the Head of Paid Service.
- 1.4 The relationship between Shadow Members and officers is based on the following principles:
- (a) the purpose of the Shadow Authority is to prepare for the transition to the new Buckinghamshire Council and it is in the interests of all of the inhabitants of the Shadow Authority's area that this is achieved seamlessly and without favouring one party over another;
 - (b) the Shadow Authority is a single entity;
 - (c) the separate functions of the Shadow Authority are part of the Shadow Authority as a corporate body;
 - (d) in everything they do, Shadow Members and officers must act within the law and comply with relevant codes of conduct;
 - (e) dealings between Shadow Members and officers are based on mutual trust and respect;
 - (f) the relationship must exist on a professional basis only so that the ability of an officer to deal impartially with Shadow Members or political groups cannot be impeached without good cause; and
 - (g) Officers should not approach Shadow Members on employment matters except as agreed by the Head of Paid Service.
- 1.5 Shadow Members and officers each have their own roles to play in the work of the Shadow Authority and care should be taken to avoid one encroaching upon the other.

The role of Members

- (a) To provide the political direction and leadership of the Shadow Authority.
- (b) To ensure that transformation is achieved in accordance with the policies and plans approved by the Shadow Authority.
- (c) To receive and consider appropriate professional advice from officers and

to have that advice recorded, so that all Shadow Members are fully aware of the implications of their decisions and have the assurance that their decisions comply with the law.

- (d) To make reasonable comment and ask questions about the Shadow Authority's decisions and performance both at formal meetings and informally. An officer's seniority and area of responsibility will determine what are reasonable comments and questions.
- (e) To represent the Shadow Authority externally.
- (f) To act as advocates on behalf of their constituents.
- (g) To be free to robustly question officers in order to understand reports and recommendations but not to seek to compel officers to change their advice, if to do so would prejudice the officers integrity or be in breach of the Code of Conduct.

The role of officers

- (a) To serve the whole Shadow Authority as a single corporate body.
- (b) To provide wherever practicable, support to all Shadow Members in their representational role and act to uphold the rights of Shadow Members in law and under the Constitution.
- (c) To take decisions within their area of responsibility which have been delegated to them but recognising that, where functions have not been delegated to officers, it is the right of Shadow Members to take the final decisions in the light of officers' advice.
- (d) To provide factual, honest and objective advice. The advice and the actions officers take should be politically neutral and should serve the interests of the Shadow Authority as a whole. Officers do not give advice on party political matters.

2. Officer advice to Shadow Members and Party Groups

2.1 For the proper functioning of the Shadow Authority as a whole, officers will normally be permitted to share information freely between themselves.

2.2 Where the information has been given on the basis of party political confidentiality:

- (a) officers will respect that confidentiality unless they believe that any action appears to be in conflict with the law, or would amount to an abuse of the processes of the Shadow Authority or a breach of their professional integrity and in those circumstances may share that information with other officers where they believe it to be necessary to check the legality, financial probity or procedural regularity of any action disclosed by that information.
- (b) The request for party political confidentiality will be honoured by any officers with whom the information is shared.

- 2.3 Where party political confidentiality has been requested, officers may invite those Shadow Members requesting confidentiality to agree to the information being shared with the other political groups on the grounds that it would assist the more effective functioning of the Shadow Authority; however, in the absence of any such agreement to waive confidentiality, officers will continue to respect it.
- 2.4 Correspondence between an individual Shadow Member and an Officer should only be copied to another Officer or Member where it is reasonably necessary, and this must be borne in mind at all times. Where it is necessary to copy the correspondence to another Shadow Member or Shadow Officer, this should be made clear to the original recipient. In other words, a system of "silent copies" or "blind copies" should not be employed.
3. **Support services to Shadow Members and Party Groups**
 - 3.1 Support services and resources must only be used on Shadow Authority business and should never be used in connection with any political or campaigning activity or for private purposes.
4. **Shadow Members' access to information and to Shadow Authority documents**
 - 4.1 Shadow Members may ask the Officers for such information, explanation and advice as they may reasonably need in order to assist them in discharging their role. This can range from a request for general information about some aspect of the Shadow Authority's activities to a request for specific information on behalf of a constituent.
 - 4.2 A Shadow Member does not have a right to "a roving commission" to examine documents of the Shadow Authority. Mere curiosity is not sufficient. The crucial question is the determination of the "need to know". This question must initially be determined by the Officer holding the document in question. In the event of dispute, the question falls to be determined by the Monitoring Officer.
 - 4.3 In addition to the above a Shadow Member may request information under the Freedom of Information Act 2000, and the Local Government Act 1972 provides a statutory right of access to documents. Any document which is in the Shadow Authority's possession and contains material relating to any business to be transacted at a meeting of the Shadow Authority, a Committee or Sub Committee or the Shadow Executive is to be open to inspection by any Shadow Member. However, there is no right of inspection where it appears to the Monitoring Officer that a document discloses certain classes of exempt information as set out in Access to Information Procedure Rules.
 - 4.4 The Code of Conduct limits the ability of a Shadow Member to disclose confidential information.
5. **Summary of Expectations of Shadow Members and of officers**

5.1 Shadow Members can expect from officers:

- (a) A commitment to the Shadow Authority as a whole and not to any political group.
- (b) A working partnership.
- (c) An understanding of and support for respective roles, workloads and pressures.
- (d) A timely response to enquiries and complaints.
- (e) Professional advice not influenced by political views or preference, which does not compromise the political neutrality of officers.
- (f) Regular and up to date information that can reasonably be considered relevant to the needs of Shadow Members.
- (g) Awareness of and sensitivity to the political environment.
- (h) Dignity, respect and courtesy.
- (i) Integrity, mutual support and confidentiality.

5.2 Officers can expect from Shadow Members:

- (a) A working partnership.
- (b) Political leadership and direction.
- (c) Respect, dignity and courtesy.
- (d) Integrity, mutual support and confidentiality.
- (e) Not to be subject to bullying or to be put under undue pressure.
- (f) Not to use their position or relationship with officers to advance their personal interests or those of others or to influence decisions improperly.
- (g) To comply at all times with the Shadow Authority's Code of Conduct.

CHILTERN DISTRICT COUNCIL

AUDIT & STANDARDS COMMITTEE

STANDARDS WORK PROGRAMME

2019/2020

		2019		2020	
	Contact	16.07.19	16.10.19	23.01.20	12.03.20
16.07.19					
<ul style="list-style-type: none"> Complaints Monitoring Report 2018/19 	Joanna Swift	X			
<ul style="list-style-type: none"> Code of Conduct and complaints procedures for Buckinghamshire Council as a Shadow Authority 	Joanna Swift	X			
16.10.19					
<ul style="list-style-type: none"> Annual Review of Code of Conduct and Complaints Procedure 	Joanna Swift		X		
<ul style="list-style-type: none"> Committee on Standards in Public Life Annual Report 	Joanna Swift		X		
23.01.20					
<ul style="list-style-type: none"> Proposed Code of Conduct and complaints procedures for Buckinghamshire Council 	Joanna Swift			X	
12.03.20					
<ul style="list-style-type: none"> Code of Conduct and complaints procedure for Buckinghamshire Council 	Joanna Swift				X
<ul style="list-style-type: none"> Complaints Monitoring Report 2019/20 	Joanna Swift				X

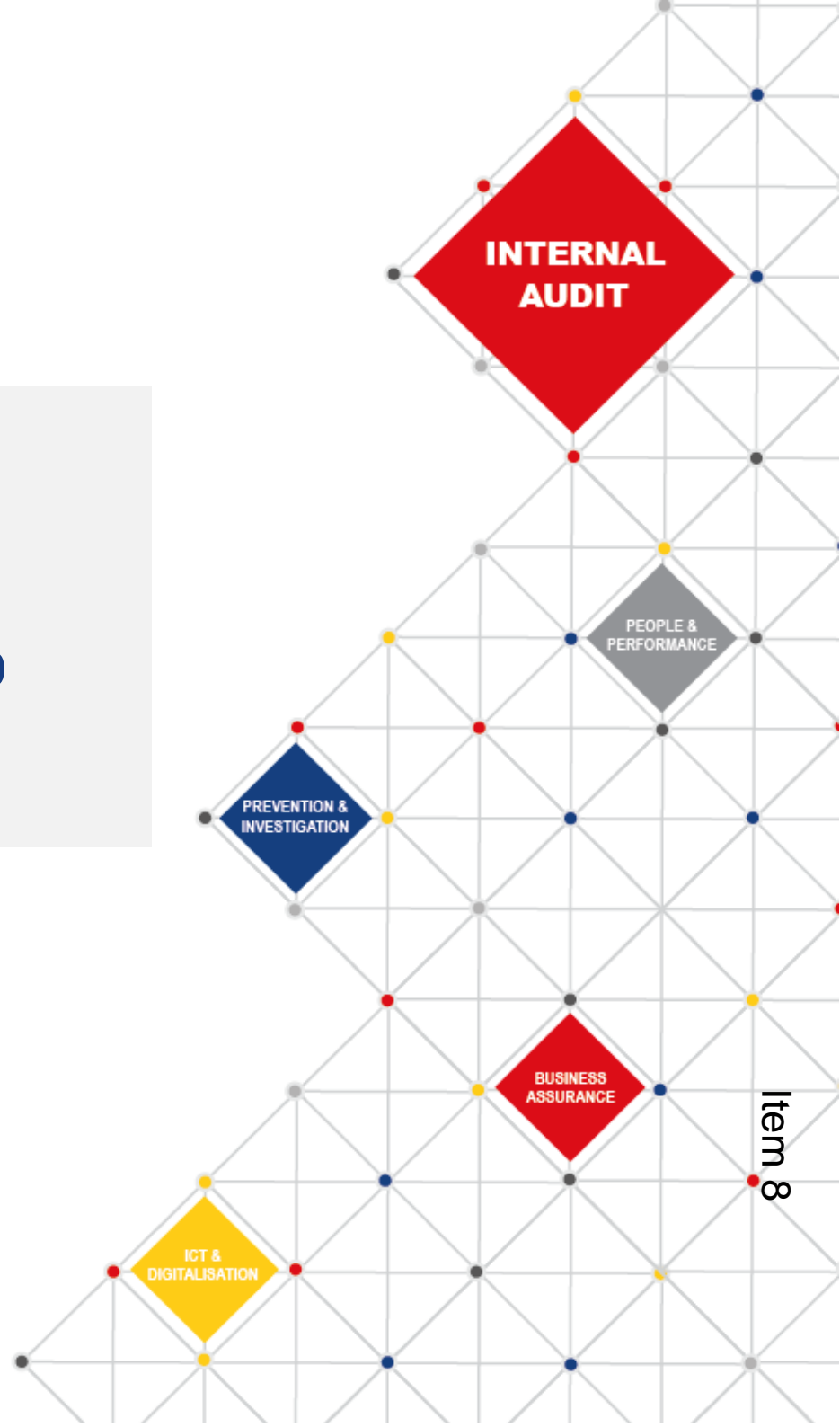
Chiltern District Council

Internal Audit Progress Report 2019/20

Audit and Standards Committee – 16 July 2019

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FINAL



INTRODUCTION

1. This summary report provides the Audit Committee with an update on the progress of our work at Chiltern and South Bucks District Council as at 7 June 2019.

PROGRESS AGAINST THE 2019/20 ANNUAL PLAN

2. Our progress against the Annual Plan for 2018 -19 is set out in Appendix A. Our progress against the Annual Plan for 2019 -20 is set out in Appendix B. The results of finalised audits with Priority 1 or 2 recommendations are shown at Appendix C.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

3. We have identified no emerging risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation.

AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

4. The table below sets out details of audits finalised since the previous meeting of the Audit and Standards Committee on 9 April 2019.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
<u>2018/19 Audit reports</u>								
Building Control	Substantial	12.04.2019	16.04.2019	23.04.2019	-	-	-	-
Overtime Arrangements	Advisory	15.05.2019	23.05.2019	29.05.2019	-	-	4	-
Governance	Reasonable	31.03.2019	8.04.2019	11.04.2019	-	-	3	1
Payroll	Substantial	18.04.2019	29.04.2019	3.05.2019	-	-	1	-
Procurement	Reasonable	25.04.2019	30.05.2019	4.06.2019	-	2	2	-
Temporary Accommodation	Substantial	27.04.2019	1.05.2019	5.05.2019	-	-	1	-

*OEM = Operational Effectiveness Matters (these are good practice suggestions that have arisen during the audit)

Copies of the finalised reports (recommendations only) where priority one or two recommendations have been made are attached at Appendix C

CHANGES TO THE ANNUAL PLAN 2019/20

- 6. There are no changes proposed to the Annual Plan at this time.

FRAUDS/IRREGULARITIES

- 7. We have not been advised of any frauds or irregularities in the period since the last summary report was issued.

LIAISON

- 8. We liaise with EY and provide reports and working paper files, as required.
We have regular client meetings with the Audit, Fraud and Error Reduction Manager and Head of Finance.

PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS

- 9. We have not made any Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous Progress Report

RESPONSIBILITY/DISCLAIMER

- 10. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Progress against the Annual Plan for 2018/19

System	Planned Quarter	Days	Current Status	Comments
Governance	3	8	Final report issued 11 April 2019	
Risk Management		0(8)		Cancelled
Procurement	2	8	Final report issued 4 June 2019	
Counter Fraud	1	8	Final report issued 20 May 2019	
Data Protection		0(8)		Cancelled
Business Continuity	2	7	Final report issued 3 August 2018	
Purchase Cards	2	8	Final report issued 20 th September 2018	
Expenses	1	8	Final report issued 22 August 2018	
Project Management	2	8	Draft report issued 29 March 2019	
Main Accounting	3 or 4	7	Final report issued 8 January 2019	
Payroll	3 or 4	15	Final report issued 3 May 2019	
Accounts Receivable (Debtors)	3 or 4	8	Final report issued 25 January 2019	
Accounts Payable (Creditors)	3 or 4	8	Final report issued 21 January 2019	
Benefits		13		Audit deferred to Q1 2019/20
Council Tax Support		13		Audit deferred to Q1 2019/20
Council Tax and NDR		25		Audit deferred to Q1 2019/20
Cash and Bank	3 or 4	7	Final report issued 27 March 2019	
Budgetary Control	3 or 4	7	Final report issued 4 March 2019	
ICT - Annual Network Audit	3 or 4	6	Draft report issued 8 April 2019	

System	Planned Quarter	Days	Current Status	Comments
ICT - GDPR	2	6	Draft report issued 3 May 2019	
ICT - Customer Experience	2	6	Draft report issued 7 June 2019	
ICT – Members ICT Support		0(6)		Cancelled
ICT – Cyber Security		0(6)		Cancelled
ICT – User Access to Business Systems		0(8)		Cancelled
Temporary Accommodation follow up	2	8	Final report issued 5 May 2019	
Housing Section 106	2	8	Draft report issued 25 April 2019	
Disabilities Facilities Grant	1	5	Final report issued 27 June 2018	
Safeguarding	1	6	Final report issued 3 August 2018	
Chiltern Pools		0(8)		Cancelled
New Chiltern Car Park	3	8	Draft report issued 5 April 2019	
Contractor’s Health & Safety Arrangements	2	8	Final report issued 13 February 2019	
Property & Asset Management	2	8	Final report issued 15 October 2018	
Planning Development & Enforcement	2	11	Draft report issued 25 April 2019	
Building Control	1	8	Final report issued 23 April 2019	
HR - Absence Management	4	8	Final report issued 20 December 2018	Additional audit carried forward from 2017/18
<u>Crematorium</u>				
Annual Internal Audit		6	Final report issued 26 June 2018	
Additional audit	4	0(6)		Cancelled

KEY:

	=	To be commenced
	=	Site work commenced

	=	Draft report issued
	=	Final report issued

Progress against the Annual Plan for 2019/20

System	Planned Quarter	Days	Current Status	Comments
Governance	3	8		
Complaints and Compliments	2	6		
Performance Management/Efficient Working	1	8	In progress	
Contracts	1	9		
Information Governance/Data Quality	3	8		
Subject Access Requests	2	8		
Emergency Planning	2	8		
Health and Safety – Internal Arrangements	2	7		
Purchase Cards	1	8	In progress	
Expenses	1	8	In progress	
Main Accounting	3	7		
Payroll	3	11		
Accounts Receivable (Debtors)	3	8		
Accounts Payable (Creditors)	3	8		
Benefits	1	13	In progress	
Council Tax Support	1	13	In progress	
Council Tax and NDR	1	25	In progress	
Cash and Bank	3	7		

System	Planned Quarter	Days	Current Status	Comments
Treasury Management	3	7		
ICT – Annual Network Audit	2	6		
ICT – IT Strategy	2	6		
ICT – Information Management	2	6		
Housing Allocations and Homelessness/Temp Accommodation	2	8		
Disabilities Facilities Grant	1	5	Draft report issued 13 June 2019	
Leisure Contract	2	8		
Waste services (Chiltern, Wycombe and South Bucks)	2	11		
Car Parking	2	7		
Commercial Rents/debt recovery	1	8		
Equalities	3	8		
<u>Crematorium</u>				
Annual Internal Audit	1	6		
Additional audit	1	6		

KEY:

	= To be commenced
	= Site work commenced
	= Draft report issued
	= Final report issued

Recommendations – Priority 1 and 2 Only

Audit Report: Procurement
Report Issued: 4 June 2019

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	Testing highlighted inconsistencies in the approach where framework agreements were being used as the procurement method in relation to (i) evidencing whether alternative frameworks or other alternative procurement options have been considered, (ii) the use of frameworks which involve a direct award or necessitate using a sole provider for the services and whether this should be treated as a Procedure Rules exception, and (iii) the contract award evaluation and three stage award decision sign off process, particularly in cases where this involves a sole provider (unless these are to be treated as exceptions as referred to above).	Guidance be developed relating to the use of frameworks and the evidence to be maintained in these cases to ensure that all aspects of the Councils' Contracts Procedure Rules are adhered to.	2	<i>Agreed. However unlikely to be a priority to address due to the move to Unitary.</i>	N/A	

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Item 8

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	Across the sample tested, there were a mix of different types of documents evidencing the Councils' contractual commitments where contracts were procured via a framework (Delivery Agreements, Call-Off Contracts, Project Order forms, Work Orders). In accordance with the Contracts Procedure Rules, contracts with a total spend of more than £50,000 must be executed under the Councils' common seal. All of the 13 contracts reviewed which were awarded via frameworks were above this threshold; in 5 cases (relating to 2 projects) the contract documents had been executed by signature only.	Action be taken to ensure that contract documents entered into via frameworks are executed in accordance with internal Council requirements.	2	<i>Agreed. However unlikely to be a priority to address due to the move to Unitary.</i>	N/A	

Chiltern and South Bucks District Councils

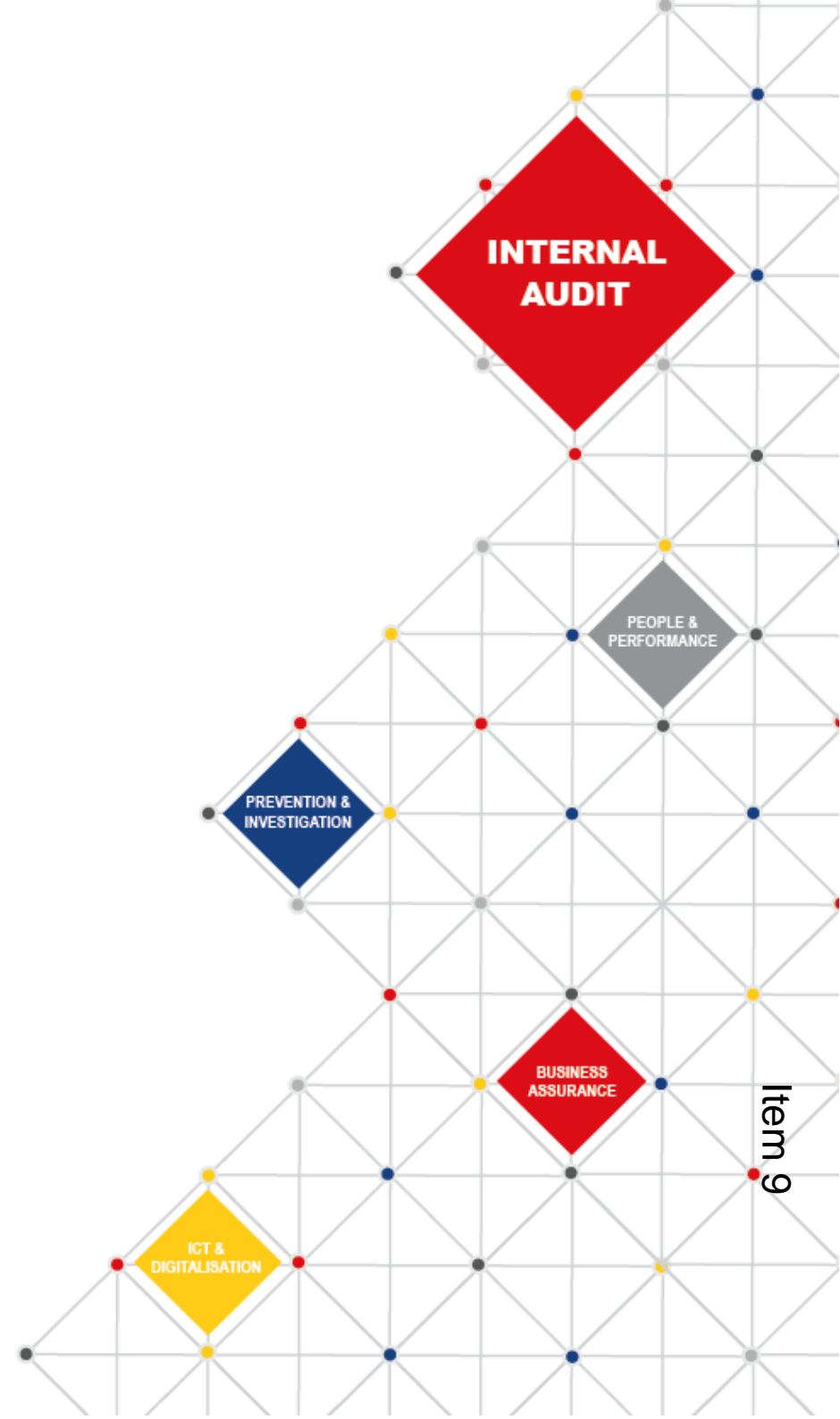
Follow Up Review of 2018/19 Internal Audit Recommendations

June 2019

FINAL

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2018/19



Executive Summary

INTRODUCTION

1. This follow up review by TIAA established the management action that has been taken in respect of the priority 1, 2 and 3 recommendations arising from the internal audit reviews listed below at Chiltern and South Bucks District Councils, which had been finalised during 2018/19. Unless otherwise specified, these were joint audit reviews for both Chiltern and South Bucks. The review was carried out during April and May 2019.

Review	Year	Date of Final Report
ICT - Telecoms	2017/18	27 September 2018
Waste Services (Chiltern & Wycombe)	2017/18	10 October 2018
Crematorium (Chiltern)	2018/19	26 June 2018
Disabled Facilities Grant	2018/19	27 June 2018
Business Continuity	2018/19	3 August 2018
Safeguarding	2018/19	3 August 2018
Expenses	2018/19	22 August 2018
Absence Management	2018/19	20 September 2018
Purchase Cards	2018/19	26 September 2018
Property and Asset Management	2018/19	15 October 2018
Main Accounting	2018/19	8 January 2019
Creditors	2018/19	21 January 2019
Debtors	2018/19	25 January 2019
Budgetary Control	2018/19	4 March 2019
Cash & Bank	2018/19	27 March 2019

KEY FINDINGS

2. The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss. From the work carried out the following evaluations of the progress of the management actions taken to date have been identified.

Evaluation	Number of Recommendations
Implemented	22
Outstanding	2
No Longer Applicable	2
Not Implemented	0

3. For the 22 recommendations that have been confirmed as Implemented, no further action is necessary and specific details have not been included in this report.

4. In relation to the 2 recommendations classified as Outstanding, both relate to recommendations which have not yet reached their implementation date. As such, for these recommendations no action was required at this time and specific details have not been included in this report. These recommendations will continue to be periodically monitored as they reach their intended implementation dates.

SCOPE AND LIMITATIONS OF THE REVIEW

- 5. The review considered the progress made in implementing the recommendations made in the previous internal audit reports and to establish the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations.
- 6. The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.
- 7. For the purposes of this review reliance was placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

RELEASE OF REPORT

- 8. The table below sets out the history of this report.

Date draft report issued:	14 th June 2019
Date management responses rec'd:	14 th June 2019
Date final report issued:	14 th June 2019

Bob Smith
Chief Executive
Chiltern District Council
King George V House
King George V Road
Amersham HP6 5AW

26 April 2019

Ref: Fee Letter/19-20

Direct line: 01189 281556

Email: PKing1@uk.ey.com

Dear Bob

Annual Audit 2019/20

We are writing to confirm the audit that we propose to undertake for the 2019/20 financial year at Chiltern District Council.

From 2018/19, local government and police bodies have been responsible for making their own arrangements for the audit of the accounts and reporting on the housing benefit subsidy claim.

The Secretary of State for Housing, Communities and Local Government has specified Public Sector Audit Appointments (PSAA) as an appointing person under provisions of the Local Audit and Accountability Act 2014. PSAA has appointed auditors for bodies that opted into the national scheme. Appointments were made for the duration of the five-year appointing period, covering the audits of the accounts for 2018/19 to 2022/23.

The appointment of an auditor to report on the Council's housing benefit subsidy claim is no longer covered by the PSAA appointment.

Indicative audit fee

For the 2019/20 financial year, PSAA has set the scale fee for each opted in body. Following consultation on its Work Programme and Scale of Fees, PSAA has maintained scale audit fees at the same level as for 2018/19, unless there are specific circumstances which require otherwise.

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies.

The audit fee covers the:

- Audit of the financial statements;
- Value for money conclusion; and
- Whole of Government accounts.

Our final fee will include the impact of additional risks and/or circumstances that are out of the scope of the scale fee, for example:

- Additional work performed on asset valuations, including the involvement of our valuation specialists;
- Additional work performed on the valuation of the net pension liability, including the involvement of our pension specialists; and
- Additional work arising from the implementation of IFRS 16 Leases.

This indicative fee is based on certain assumptions, including:

- The overall level of risk in relation to the audit of the financial statements is not significantly different to that of the prior year;
- Officers meet the agreed timetable of deliverables;
- Our accounts opinion and value for money conclusion are unqualified;
- Appropriate quality of documentation is provided by Officers;
- There is an effective control environment; and
- Prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below.

As we have not yet completed our audit for 2018/19, our audit planning process for 2019/20 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

Summary of fees

	Indicative fee 2019/20 £	Planned fee 2018/19 £	Actual fee 2017/18 £
Scale Fee	31,792	31,792	41,288
Total Code audit fee	31,792	31,792	41,288
Certification of Housing Benefits Claim	9,915*	9,915*	9,240

*The indicative fee for certification work in 2018/19 does not include any extended testing that may be required and which is included in the comparative figures.

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance. All variations to the scale fee will be subject to PSAA approval.

Billing

The scale fee will be billed in 4 quarterly instalments of £7,948.

Audit plan

Our plan is expected to be issued in December 2019. This will communicate any significant financial statement and value for money risks identified, planned audit procedures to respond to those risks and the estimated fee implications of these additional procedures. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Director of Resources and communicate the revised fee and the matters giving rise to any adjustments to the scale fee in our Audit Results Report which we will present to the Audit and Standards Committee.

For a high level overview of our approach and further information on how we intend to work with you under the PSAA contract, please refer to our leaflet 'EY working with you' which is enclosed.

We remain committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me, or Janet Dawson as our Government and Public Sector Assurance Leader at jdawson1@uk.ey.com. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, by writing to him at 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely



Paul King
Associate Partner
For and on behalf of Ernst & Young LLP

cc. Jim Burness, Director of Resources [Section 151 Officer]
Councillor John Gladwin, Chairman of the Audit and Standards Committee

Confidential

EY working with you

An overview of our approach

March 2019

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Building a better
working world

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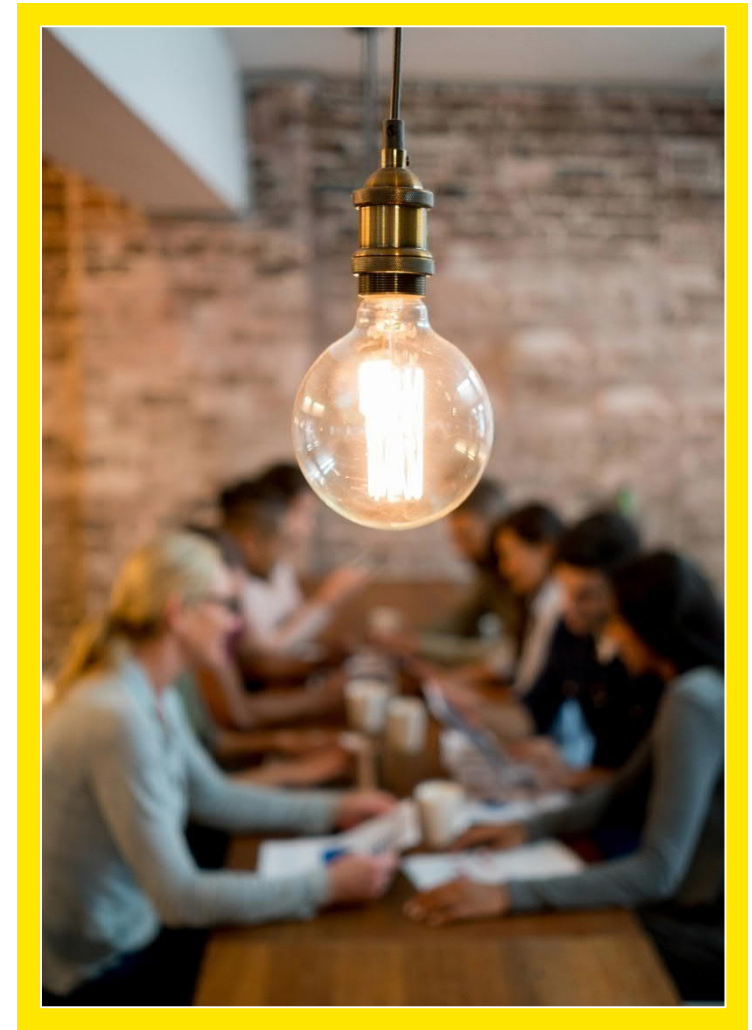


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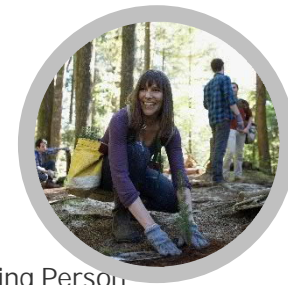
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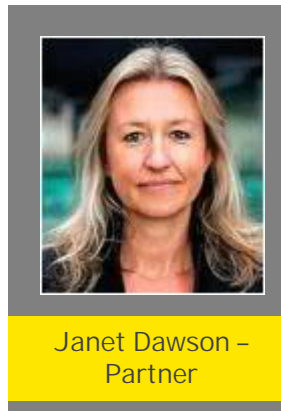
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Our commitment to you



Chiltern District Council opted into the Public Sector Audit Appointments (PSAA) Appointing Person scheme which started in 2018/19. PSAA appointed EY as your auditors. PSAA is responsible under the Local Audit (Appointing Person) Regulations 2015 for monitoring compliance with the contract and is committed to ensuring good quality audit services are provided by its suppliers. Details of PSAA's audit quality monitoring arrangements are available from its website, www.psaa.co.uk.



I am the lead partner for this contract, and EY's Global Government and Public Sector Assurance Leader. I have been a partner in Government and Public Sector (GPS) assurance services for 14 years, and have over 20 years of experience and knowledge from working in the sector. My work across health and central government brings an understanding of the broader context of the environment that you operate within.

My appreciation of the value of audit, transparency, and the importance of working in partnership with the public sector aligns with PSAA in promoting and supporting those values through our work. I have asked Paul King to lead your engagement on behalf of EY. Our commitment to quality and culture of consultation means that they will draw on the expertise within the firm in fulfilling this responsibility.

Our extensive experience of providing a range of assurance services has demonstrated that strong relationships, clear communication, and investing time with our clients to understand their issues delivers the highest quality outcomes.

This is our commitment to you.

Our contract with PSAA contains a method statement which sets out the firm's commitment to deliver quality audit services, our audit approach, and what clients can expect from us. A summary of the key points of the method statement follows. It is provided as a guide and reference for liaising with us, and a benchmark for you to provide feedback on our performance to PSAA via its survey in Autumn 2019.



Working with you

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Communication

Our experience shows that close, constructive working relationships are built on trust and open dialogue.

Paul King is your engagement lead and responsible for our relationship protocols, overall audit service and quality. We meet regularly with Officers and Members, discussing sector challenges and bringing insights from our network. Your engagement manager, Malcolm Haines, is a key contact and brings significant experience of managing local authority audits.

Our relationship protocols allow you to escalate concerns to Janet Dawson (Contact Partner) or Steve Varley (UK Managing Partner) should you need to.

Our Audit Planning Report contains further information on our planning approach and timetable, giving you a risk based, tailored audit. We ensure our senior leaders are accessible for management and members.



Knowledge and training

Significant investment in the development of dedicated GPS teams is part of our commitment to improve skills in the public sector. Our structured recruiting and training approach delivers the best audit quality. All our training is developed by technical specialists and is quality and risk assessed. Staff must pass online tests following training, to demonstrate they can apply the learning in practice.

GPS sector specific training including emerging opportunities and risks, new requirements and specific technical areas, e.g., capital accounting, group accounts, LG pensions and other areas.

Topics are derived from our sector knowledge and stakeholder engagement.

We share these insights with you via our Audit Committee Briefings, Public Sector Accounting Workshops, Audit Committee Forums and other bespoke training sessions.



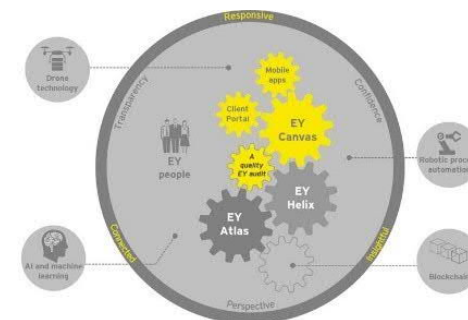
Quality and Innovation

Audit quality is our primary goal in ensuring confidence in public services in a landscape of constant change and uncertainty. Factors which contribute to achieving consistently high quality audits are our people, tailored audits, consultation, and engagement quality reviews.

Our consultation policies are built upon a culture of collaboration, whereby audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting issues.

Audit quality is at the heart of our innovation strategy.

We will continue to innovate and integrate new technologies into our audit process. The technologies discussed so far are just the start of our journey, designed to grow and be enhanced with additional functionalities.



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Value beyond the audit

In line with the firm's broader vision to build a better working world, EY's commitment to, and investment in, the public sector is focussed on delivering sustainable social value.

We are the first of the Big 4 firms to establish an apprenticeship programme awarded 'employer status' by the Skills Funding Agency, that specifically addresses the needs of deprived communities. 'EY Business Apprenticeships' is a way of investing in local people, directly challenging the UK skills gap, whilst prioritising those from deprived communities, and disadvantaged backgrounds. Our work under the PSAA contract enable us to create around 165 additional apprentice roles.

EY was also the major graduate recruiter to change our minimum entry requirements, increasing inclusivity by opening up opportunities for talented individuals regardless of their background and education.



Economic and Social

We deliver socio-economic improvements by carefully aligning existing initiatives to our clients' objectives, for example, local authorities' focus on local employability.

Examples include: Removing barriers to employment and education: our 'Smart Futures' initiative provides Year 12 students access to paid work experience, employability workshops and career talks plus 10-months of mentoring from an EY employee. We deliver this from 11 EY offices across the UK. The benefit to you is that we focus on state schools and prioritise those on free school meals. In addition, our 'Stay Curious' and 'Employability Support' initiatives raise awareness of audit career opportunities to STEM students and provide CV advice, networking, mock interviews and assessment centres. Collectively the improvement outcomes include increased employability for young people in the community, connecting schools, universities, employers and building confidence in the students themselves.

Supporting local businesses for prosperity in the community: the EY Foundation, our independent charity, supports collaboration between young people and local businesses. The benefit is a community better connected, focussed on key issues, and providing a voice to the under privileged.

Our global EY Ripples programme enables our staff to donate time to make use of their knowledge, skills and experience to support young people and impact entrepreneurs, by providing mentoring support, business skills training, and more equitable access to resources – to drive sustainable inclusive growth.

Environmental

We protect the environment by minimising waste and using resources efficiently, e.g., we proactively manage and monitor the environmental impacts of our supply chain, and our own people. We encourage carbon footprint reduction through initiatives such as Bike to Work, Flexible Working Policy, and our sustainable travel strategy. We have also made changes to our processes from procurement to recruitment to minimise the environmental impact of them on the wider world.

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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Ernst & Young LLP

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CHILTERN
District Council

Statement of Accounts
For the year ended 31 March 2019

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1. About Chiltern District Council

Chiltern District Council serves the urban areas of Amersham, Chesham, Chalfont St Peter, Chalfont St Giles, Little Chalfont, Prestwood and Great Missenden, Holmer Green and Seer Green, as well as a number of outlying villages.

The overall population of the district is approximately 95,000. It covers an area of 196 square kilometres. 88% of the District is green belt, and large parts of the District are designated as an Area of Outstanding Natural Beauty.

The District Council was established on 1 April 1974. There are 40 councillors. The whole Council was elected in May 2015. The Conservative Group holds 38 seats and controls the Council. There are 2 Liberal Democrats.

The Authority provides a wide range of services to the people living, working and studying in the area. It operates a Cabinet system with the following responsibilities:

- Council Leader - Strategy and direction of the Council, political leadership, public profile and regional representation, communications, performance, policy, human resources, and strategic finance.
- Customer Services – Housing Benefits, Council Tax and Non-Domestic Rate collection, and Customer Services.
- Environment – Estates, facilities, Council car parks, waste management, flooding and carbon management.
- Healthy Communities – Community, leisure, environmental health, community safety, licensing and housing.
- Support Services – Business transformation, ICT, legal, democratic services, land charges, audit and finance.
- Sustainable Development - Development management, building control, planning enforcement, trees and conservation, strategic transport, economic development, planning policy and the Local Development Framework.

Further information about the Authority can be obtained from the following website address www.chiltern.gov.uk.

2. Format of Accounts

The financial statements are prepared on an accruals basis and follow best practice recommended by the Code of Practice on Local Authority Accounting.

The various statements include, where relevant, comparative figures relating to the previous financial year and supporting notes.

The 2017/18 accounts have been restated due to the CIPFA requirement to remove overhead recharges. Overhead recharges have a net balance of nil, therefore this change does not affect the overall total on provision of services. This is a presentation change only.

The statements summarise the overall financial position of the Authority and include the following:

Comprehensive Income and Expenditure Statement - This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices and shows how that cost has been financed from Council Tax payers, Business Rate income and Government grants.

Movement in Reserves Statement - This statement shows the movement in the year of the different reserves held by the Authority, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other reserves.

Balance Sheet – This statement shows the assets and liabilities of all the activities of the Authority and the balances and reserves at the Authority's disposal.

Cash Flow Statement – This statement shows the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

Collection Fund – This statement reflects a statutory requirement to maintain a separate Collection Fund, which shows the transactions of the Authority as a billing authority in relation to council tax and non-domestic rates, and the way in which the total amount collected has been distributed to the precepting authorities and Central Government.

3. Joint Working

With South Bucks District Council

On 19th January 2012 Chiltern District Council and South Bucks District Council signed an Inter Authority Agreement to establish Joint Arrangements to work together to share a Joint Chief Executive and a Joint Senior Management Team and then to examine the opportunities for further savings by collaboration and the joining together of services, assets, officer posts and officer teams.

The authorities have a shared Chief Executive and Directors, as well as joint Heads of Service. The two councils have also implemented opportunities for further savings by collaboration and the joining together of services, assets, officer posts and officer teams.

However, the authorities remain sovereign independent bodies, and keep their separate identities, retain their own Councillors and budgets, and set their own council taxes.

With Wycombe District Council

In partnership with Wycombe District Council, Chiltern let a new waste and recycling contract in 2012/13. The new contract went live on 4th March 2013, and provides all residents with an enhanced recycling service.

4. Financial Context

The Council continues to be in a period of challenge for local authorities, as it is faced with having to maintain and improve key services in a time of reducing resources. The Authority is committed to working with its communities to try and shape the development of the local areas to their needs and aspirations, whilst at the same time recognising the importance of maintaining a low council tax, and attempting to minimise the impact of reduced resources.

On 28th February 2018 the Council set its budget for 2018/19 to take account of the continuing material reduction in funding to the Authority as shown in the following table.

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Business Rate Baseline	8,062	8,216	8,284	8,352	8,637
Business Rate Tariff	-6,732	-6,861	-6,918	-6,958	-7,201
Baseline Need	1,330	1,355	1,366	1,394	1,436
Revenue Support Grant (RSG)	1,506	1,125	407	0	0
Transitional Grant	0	0	134	100	0
Total	2,836	2,480	1,907	1,494	1,436
Year on Year Change (£k)		-356	-573	-413	-58
Year on Year Change (%)		-13%	-23%	-22%	-4%

The 2018/19 budget incorporated over £800,000 of savings, budget reductions and increased income.

The Authority was also in the position to set aside £0.6m to support the capital programme. This was agreed in order to make the Capital Programme sustainable in the medium term.

5. Financial Outturn**Revenue Income and Expenditure**

The table below summarises the Authority's revenue income and expenditure and compares the budget for the year with the actual expenditure. It also shows how the overall Authority expenditure was funded by income from Council Tax payers, business rate income, and Government Grants. The numbers here differ to the figures shown on the Comprehensive Income and Expenditure Statement as some items of expenditure, such as depreciation, are presented differently.

	Latest Budget £'000	Outturn £'000	(Under)/ Over Spend £'000
Leader Portfolio	705	637	-68
Healthy Communities	1,779	1,533	-246
Customer Services	1,184	897	-287
Environment	1,231	1,300	69
Support Services	3,383	3,397	14
Planning & Economic Development	1,175	1,311	136
Net Cost of Services	9,457	9,075	-382
Interest & Investment Interest	-90	-187	-97
Interest Payable	378	310	-68
Contributions from LDF/Planning Reserve/Ec Dev Reserve	-393	-230	163
Contribution to Elections Reserve	20	20	-
Contribution to Capital Programme	1,025	1,025	-
Contribution to Repairs and Renewals Reserve	96	96	-
Budget Requirement	10,493	10,109	-384
Council Tax Payers	-8,025	-8,025	-
Non- Domestic Rates (NDR)	-1,436	-1,436	-
Non- Domestic Rates (NDR) - General Grants	-270	-270	-
Non- Domestic Rates (NDR) - Growth	-330	-385	-55
Levy payable on Business Rates Growth	300	296	-4
General Grants - New Homes Bonus	-618	-618	-
General Grants - Other	-	-45	-45
Collection Fund Council Tax Surplus	-114	-168	-54
Collection Fund NDR Deficit (From NDR)	-	757	757
Net Deficit for the Year	-	215	215

The following table then reconciles the above figures to the figures in the Statement of Accounts (see note 6 for more details).

	£'000
Deficit on Provision of Services (From Comprehensive Income and Expenditure Statement)	11,514
Adjustments between Accounting Basis and Funding Basis	-10,292
Net Transfer to Earmarked Reserves	-1,006
Decrease in General Fund Reserve	215

Movement in Reserves

The Movement in Reserves Statement shows the movement in the year of the different reserves held by the Authority.

The key movements in the Authority's usable reserves are as follows.

- The General Fund Balance decreased by £215,000 to £6,432,000. This is mainly because of adjustments relating to retained income from Non-Domestic Rates.
- Earmarked reserves decreased by £1,006,000 to £11,525,000.
- The Authority's Capital Receipts Reserve has been reduced to nil.

The key movements in the Authority's unusable reserves are as follows.

- The Pensions deficit decreased by £1,488,000. The accumulated estimated pension fund deficit now stands at £43,126,000.
- The Revaluation Reserve balance decreased by £2,782,012 due to the downwards revaluation of Amersham Multi Storey car park.

Capital Expenditure

Capital expenditure is all expenditure on the acquisition, creation, or enhancement of Property, Plant and Equipment assets, which yield benefits to the Authority and the services it provides for a period of more than one year.

Total capital expenditure for the year amounted to £8,059,000. This was financed from internal capital receipts, borrowing and central Government grants. Further details are shown in note 22.

Financial Position at Year End

The Balance Sheet shows the Authority's assets and liabilities as at 31 March and the following table provides a summary of the Authority's key assets and liabilities.

	Value 31 March 2018 £m	Value 31 March 2019 £m
Assets		
Property, Plant and Equipment	43.4	39.7
Investment Property	2.7	2.8
Investments, Cash and Bank Holdings	22.7	19.2
Debtors	13.0	9.7
Liabilities		
Short Term Creditors	7.3	7.5
Short Term Provisions	1.1	0.9
Finance Lease Liability	0.7	0.4
Pension Liability	44.6	43.1

The Authority, as part of the terms and conditions of employment, offers retirement benefits to staff. Although these benefits will not be payable until employees retire, the Authority has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

This pension liability has been accounted for under International Accounting Standard 19 Employee Benefits (IAS19) and in common with many public and private companies, who offer defined benefit pension schemes; the current IAS 19 valuation of the pension fund assets is significantly less than the actuarial estimate of the liability. For Chiltern the pension asset value is £50.0m and the liability £93.1m giving a net deficit of £43.1m as at 31 March 2019.

However the Authority's actual contributions to the pension fund are independently assessed by the scheme actuary on a different statutory basis to ensure that any deficit on the pension fund is made good over the period that the liabilities will arise and contributions to the fund are determined by the actuary's advice.

Cash Flow

The Cash Flow Statement shows the inflows and outflows of cash arising from transactions with third parties. It shows that in 2018/19 the amount of cash and cash equivalents held by the Authority decreased by £592,000. This is mainly due to timing differences in relation to Business Rates and Council Tax.

Collection Fund

The Collection Fund Statement shows the transactions of the Authority as a billing authority in relation to council tax and non-domestic rates.

In 2018/19 CDC raised £80.0m in Council Tax. Council Tax income is paid over to the precepting bodies (Bucks County Council, Bucks Fire & Rescue, Police & Crime Commissioner of Thames Valley, Parish & Town Councils and CDC) and the amount paid over in 2017/18 (£79.2m) equals the amount that was requested as part of the 2018/19 budget setting process.

In 2018/19 CDC raised £20.6m in business rates. Business rate income as estimated by the Government is shared as follows: Central Government 50%; CDC 40%, Bucks County Council 9%; Bucks Fire & Rescue 1%. Business rates income in excess of this figure is shared on a different basis as the Council was part of a business rates pool in 2018/19.

6. Financial and Non-Financial Performance

In 2018/19 Chiltern District Council has:

- Prepared the Local Plan for consultation, which will help shape future development in the district up until 2036.
- Appointed an Economic Development Team.
- Opened the Amersham Multi-Storey Car Park extension in November 2018.
- Improved the recycling rate to 59.2%.
- Collected 99.4% of the Council Tax amounts due and 98.6% of the Business Rates amounts due, and won IRRV Revenues Team of the Year (District Authority).

7. Other Matters to Report

We also report to you the following matters:

- Apart from the matters disclosed above, there are no other significant factors affecting the Accounts that require highlighting in 2018/19.
- There are no significant changes in accounting policy to report.
- The Authority did not have any need to borrow any additional monies.
- There are no significant contingencies or material write offs to report.
- There are no material events after the reporting date to report.

8. Future Plans / Unitary Authority

On 1 November 2018 the Secretary of State for the Ministry of Housing Communities and Local Government announced the creation of a new single unitary district council that will cover the whole of Buckinghamshire, excluding Milton Keynes.

This means that the following Councils will cease to exist on 31 March 2020 Aylesbury Vale District Council, Buckinghamshire County Council, Chiltern District Council, Wycombe District Council and South Bucks District Council. These councils will be replaced by a new district unitary authority called Buckinghamshire Council.

2019/20 will therefore be the final year of existence for Chiltern District Council.

In this final year Chiltern District Council will:

- Continue to make savings in order to deal with on-going reductions in Government funding.
- Continue to prepare the Joint Local Plan for inspection, which will help shape future development in the area up until 2036.
- Ensure our open spaces and leisure facilities are suitable for the needs of our residents now and in the future.
- Complete the delivery of the Housing Strategy to help people in need to secure appropriate housing.
- Mitigate the impact of major infrastructure projects arising from planning development, by working with partners.
- Progress the joint arrangements with South Bucks District Council, with the focus of changing ways of working to provide more efficient services that respond to the evolving needs of residents and businesses.
- Work with other public sector bodies on the delivery of the public services to provide more efficient and co-ordinated services where possible.

CDC is also continuing to develop a replacement for the Chiltern Pools leisure centre. This project will result in the Authority undertaking additional long term borrowing to help fund this.

9. Further Information

Further information on the financial affairs of the Authority can be obtained from:

Director of Resources
Chiltern District Council
Council Offices
King George V House
King George V Road
Amersham
Bucks
HP6 5AW

The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Director of Resources.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Director of Resources' Responsibilities

The Director of Resources is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom ("the Code").

In preparing this Statement of Accounts, the Director of Resources has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- Complied with the Local Authority Code.

The Director of Resources has also:

- kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I confirm that the Statement of Accounts presents a true and fair view of the financial position of the Council as at 31 March 2019 and its income and expenditure for the year then ended.

Director of Resources

Date: 31 May 2019

Comprehensive Income and Expenditure Statement Appendix

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; which is likely to be different from the accounting cost.

2017/18 (Restated)				Note	2018/19		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000			Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
1,367	-717	650	Leader Portfolio		1,347	-581	766
6,584	-3,583	3,001	Healthy Communities Portfolio		6,735	-1,614	5,121
20,753	-19,261	1,492	Customer Services Portfolio		20,253	-19,016	1,237
10,487	-7,798	2,689	Environment Portfolio		19,444	-10,522	8,922
4,562	-1,761	2,801	Support Services Portfolio		4,389	-1,415	2,974
2,620	-1,233	1,387	Planning and Economic Development		4,115	-2,456	1,659
68	-	68	Repairs & Renewals		273	-	273
46,441	-34,353	12,088	Cost of Services		56,556	-35,604	20,952
			Other Operating Expenditure				
		2,813	Parish Council Precepts & Grant				3,002
		-125	(Gain) / loss on disposal of non-current assets				-
		43	Pension Administration Expenses	24			41
			Financing and Investment Income and Expenditure				
		38	Interest element of finance leases				22
		198	Loan Interest Payable	12			288
		1,209	Pensions net interest cost	24			1,102
		-147	Investment interest receivable	12			-187
		-185	(Gain) / loss on investment properties	10			-211
		-58	(Gain) / loss on trading operations	27			126
			Taxation and Non-Specific Grant Income and expenditure				
		-10,625	Council tax income				-11,161
		-7,935	Non-domestic rates income				-9,019
		6,988	Non-domestic rates expenditure -Tariff payment				7,197
		283	Non-domestic rates expenditure - Levy payment				296
		-100	Transition Grant				-
		-1,130	New Homes Bonus				-618
		-1,832	Non service related government grants				-316
		1,523	(Surplus) or Deficit on Provision of Services				11,514
		723	(Surplus) or deficit on revaluation of Property, Plant & Equipment assets	9			733
		-3,036	Remeasurements of the net defined liability	24			-3,404
		-2,313	Other Comprehensive Income & Expenditure				-2,671
		-790	Total Comprehensive Income & Expenditure				8,843

Movement in Reserves Statement

This statement shows the movement in the year of the different reserves held by the Authority, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The Statement shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Revaluation Reserve	Pensions Reserve	Capital Adjustments Account	Collection Fund Adjustment C Tax	Collection Fund Adjustment NDR	Accum Absences Account	Total Unusable Reserves	Total Reserves
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Movement in Reserves 2018/19

Balance as at 31 March 2018	6,647	12,532	1,080	365	20,624	21,050	-44,614	20,296	192	-1,392	-138	-4,606	16,018
Total Comprehensive Income & Expenditure	-11,514	-	-	-	-11,514	-733	3,404	-	-	-	-	2,671	-8,843
Adjustments between accounting basis & funding basis under regulations (Note 6)	10,292	-	-1,080	244	9,456	-2,049	-1,915	-6,215	-34	757	-	-9,456	0
Net Increase / Decrease before Transfers to Earmarked Reserves	-1,222	-	-1,080	244	-2,058	-2,782	1,488	-6,215	-34	757	-	-6,785	-8,843
Transfers to / from Earmarked Reserves (Note 8)	1,006	-1,006	-	-	-	-	-	-	-	-	-	-	-
Increase / Decrease (movement) in Year	-215	-1,006	-1,080	120	-2,058	-2,782	1,488	-6,215	-34	757	-	-6,785	-8,843
Balance as at 31 March 2019	6,432	11,525	-	609	18,566	18,268	-43,126	14,081	158	-635	-138	-11,391	7,175

Movement in Reserves 2017/18

Balance as at 31 March 2017	3,594	10,729	689	149	15,160	23,849	-46,449	22,379	207	82	107	175	15,335
Total Comprehensive Income & Expenditure	-1,523	-	-	-	-1,523	-723	3,036	-	-	-	-	2,313	790
Adjustments between accounting basis & funding basis under regulations (Note 6)	6,380	-	390	216	6,986	-2,076	-1,201	-2,083	-15	-1,474	-245	-7,094	-107
Net Increase / Decrease before Transfers to Earmarked Reserves	4,857	-	390	216	5,463	-2,799	1,835	-2,083	-15	-1,474	-245	-4,781	683
Transfers to / from Earmarked Reserves (Note 8)	-1,803	1,803	-	-	-	-	-	-	-	-	-	-	-
Increase / Decrease (movement) in Year	3,054	1,803	390	216	5,463	-2,799	1,835	-2,083	-15	-1,474	-245	-4,781	683
Balance as at 31 March 2018	6,647	12,532	1,080	365	20,624	21,050	-44,614	20,296	192	-1,392	-138	-4,606	16,018

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held.

31 March 2018 £'000		Notes	31 March 2019 £'000
43,413	Property, Plant & Equipment	9	39,735
2,713	Investment Property	10	2,789
105	Intangible Assets	11	268
40	Long Term Investments	12	40
19	Long Term Debtors	-	14
46,290	Long Term Assets		42,847
13,035	Short Term Investments	12	10,054
9	Inventories		2
12,955	Short Term Debtors	13	9,736
9,693	Cash and Cash Equivalents		9,101
35,692	Current Assets		28,893
-7,304	Short Term Creditors	9, 14	-7,526
-1,052	Short Term Provisions	15	-903
-351	Short Term Finance Lease Liabilities	23	-352
-206	Short Term Borrowing	12	-209
-910	Receipts In Advance	13	-1,547
-9,823	Current Liabilities		-10,537
-10,570	Long Term Borrowing	12	-10,411
-352	Long Term Finance lease Liabilities	23	-
-565	Long Term Creditors		-450
-40	S106 Liabilities		-40
-44,614	Pensions Liabilities	24	-43,127
-56,141	Long Term Liabilities		-54,027
16,018	Net Assets		7,175
-20,624	Usable reserves *		-18,566
4,606	Unusable Reserves*	16	11,391
-16,018	Total Reserves		-7,175

* See Movement in Reserves Statement for further details.

The unaudited accounts were issued on 31 May 2019.

Director of Resources

Date: 31 May 2019

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

2017/18 £'000		2018/19 £'000
-1,523	Net surplus or (deficit) on the provision of services	-11,514
-2,433	Adjustments to net surplus or deficit on the provision of services for non-cash movements	15,133
-187	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	-123
-173	Interest received	-187
235	Interest paid	310
-4,081	Net cash flows from Operating Activities	3,619
	Investing Activities	
-3,967	Purchase of property, plant & equipment, investment property & intangible assets	-8,173
-20,000	Purchase of short-term investments	-20,000
841	Capital grants	775
18,000	Proceeds from short-term investments	23,000
-253	Other (receipts) / payments for investing activities	4
	Financing Activities	
10,800	Cash receipts of PWLB borrowing	-
-76	Repayments of PWLB borrowing	-155
-450	Change in the outstanding liabilities relating to finance leases	-415
-3,300	Other (receipts) / payments for financing activities Change in NNDR	1,192
-642	Other (receipts) / payments for financing activities Change in Council Tax	-440
-3,128	Net increase or (decrease) in cash and cash equivalents	-592
12,821	Cash and cash equivalents at the beginning of the reporting period	9,693
9,693	Cash and cash equivalents at the end of the reporting period	9,101
1	Cash held	1
-320	Bank current accounts	1,086
10,012	Short-term deposits / Money Market Funds	8,014
9,693		9,101

1. Accounting Policies

General Principles

The Statement of Accounts summarises the Authority's transactions for the 2018/19 financial year and its position at the year-end of 31 March 2019. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively ie in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Charges to Revenue for Non-Current Assets

Services are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Council Tax and Non-Domestic Rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including Government for NDR) and, as principals, collecting council tax and NDR for themselves.

Billing authorities are required by statute to maintain a separate fund (ie the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central Government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The council tax and NDR included in the Comprehensive Income and Expenditure Statement (CIES) is the Authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Authority's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Financing and Investment Income line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Authority.

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Authority are members of the Local Government Pensions Scheme administered by Buckinghamshire County Council. This scheme provides defined benefits to members (retirement lump sums and pensions), earned by employees as they worked for the Authority.

The Local Government Pension Scheme is accounted for as a defined benefit scheme:

- The liabilities of the pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method - ie an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on a high quality corporate bond.
- The assets of the pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value.

The change in the net pensions liabilities is analysed into the following components:

- Service cost comprising:
 - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement.
 - Net interest on the net defined benefit liability (asset), ie net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
 - The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
 - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the pension fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits - The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of event can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

This usually means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics.

There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

The Authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost.

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Authority recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution has been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants or contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ringfenced grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grant Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grant Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Intangible Assets

Expenditure on non-monetary assets that do not have a physical substance but are controlled by the Authority as a result of past events (e.g. software licenses) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Intangible Assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no Intangible Asset held by the Authority meets this criterion, and they are therefore carried at amortised cost.

The depreciable amount of any Intangible Asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on Intangible Assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposals gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

Interests in Companies and Other Entities

The Authority has no material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures that would require it to prepare group accounts.

Inventories

Inventories are included in the balance sheet at the lower of cost and net realisable value.

Investment Property

Investment properties are those that are held solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, Investment Properties are measured at highest and best use.

Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to Investment Properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance.

Revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the Property, Plant or Equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as lessee

Finance Leases

Property, Plant and Equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the Property, Plant or Equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies generally applied to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the lease period).

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, Property, Plant and Equipment held under finance leases are funded in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore removed by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from the use of the leased Property, Plant or Equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

The Authority as Lessor

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the Property, Plant or Equipment – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating leases

Where the Authority grants an operating lease over property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a premium paid or discount offered at the commencement of the lease). If material initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the Authority's arrangements for accountability and financial performance.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (ie repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have any commercial substance (ie it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income and Expenditure line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Community Assets and Assets Under Construction - depreciated historic cost
- Council offices - current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- All other assets - current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuation are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Material assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable useful life (ie freehold land and certain Community Assets) and assets that are not yet available for use (ie Assets Under Construction).

Depreciation is calculated on a straight-line basis over the useful life of the asset. Assets are not depreciated in the year of acquisition and are subject to a full year's depreciation in the year of disposal.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Held for Sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and are required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Provisions, Contingent Liabilities and Contingent Assets**Provisions**

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Authority has an obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the Accounts

Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the Accounts where it is probable that there will be an inflow or economic benefit or service potential.

Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the level of council tax.

VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenues and Customs. VAT receivable is excluded from Income.

Fair Value Measurement

The Authority measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that the market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

2. Accounting Standards that have been Issued but Not Yet Adopted

The Authority is required to disclose information relating to the impact of any accounting change on the financial statements, as a result of the adoption by the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the Code) of a new standard that has been issued, but is not yet required to be adopted by the Authority.

Full adoption will be required for the 2018/19 financial statements. However the Authority is required to make disclosure of the estimated effect of the new standards in these (2017/18) financial statements.

The 2018/19 Code has adopted:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15 and Clarifications to IFRS 15 Revenue from Contracts with Customers
- Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative.

The specific changes made to the standards listed above are not applicable to Chiltern District Council therefore no further disclosures are required in these Statement of Accounts

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1 the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts are:

- The Authority has determined that its joint refuse, recycling and street cleaning contract contains an embedded finance lease for the refuse, recycling and street cleaning vehicles.

The following issues also affect the understanding of the Statement of Accounts:

- Housing Transfer – In December 1988 the Authority sold its housing stock to the Chiltern Hundreds Housing Association (Paradigm). The Authority retains responsibility for homelessness.
- Leisure Services – In October 2000 the Authority transferred responsibility for the operational management of its leisure facilities to an external provider. A contract was awarded to Greenwich Leisure Limited to manage the leisure facilities for a period of ten years from April 2010. The Authority retains a strategic and policy making role in the provision of leisure services.

4. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However because balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2019 that have a significant risk of causing material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £12k for every year that useful lives had to be reduced. This figure excludes the Chiltern Pools as the useful life of this asset was significantly reduced to three years in 2017/18 due to a potential new development. However, were this asset to be included the increase in the depreciation charge would be £2.6m.
Creditor Accruals	Accruals are estimated based on goods or services which have been received but not yet invoiced. The value of estimated creditors is £3,065k.	If there is a difference of 1% on the value of the actual invoice received, this would equate to £31k.
Debtors	At 31 March 2019, the Council had a balance of invoiced sundry debts of £2,273k. Review suggested that an impairment of doubtful debts of 5% (£114k) was appropriate Estimated debtors are based on invoices which were not raised prior to 31 March 2019. The value of estimated debtors is £1,183k.	If collection rates were to deteriorate, increasing the impairment of doubtful debts by 10% would require an additional £273k to be set aside A difference of 1% on the value of the actual debtors invoice raised would equate to £12k.
Non-Domestic Rates Appeals Provision	Business Ratepayers have the right to appeal against their business rate property valuations. If successful they will be entitled to a refund of overpaid Non-Domestic Rates. The Authority has therefore made a provision of £903k for the settlement of successful appeals.	An increase of 10% in either the total number of successful claims or the estimated average settlement would each have the effect of adding £90k to the provision.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. The value of the pensions liability in the balance sheet is £43,127k.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £1,676k.

5. Events after the Reporting Period

The unaudited Statement of Accounts were issued by the Director of Resources on 31 May 2019.

Where events taking place before this date provided information about the conditions existing at 31 March 2019, the figures in the financial statements and notes would be adjusted in all material respects to reflect the impact of this information.

The financial statement and notes would not be adjusted for events which took place after 31 March 2019 if they provide information that is relevant to an understanding of the Authority's financial position but do not relate to conditions at that date.

There have been no events occurring after the reporting date that would have a material impact on these financial statements.

6. Expenditure & Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (Government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.

It also shows how this expenditure is allocated for decision making purposes between the Council's portfolios. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

Notes to the Accounts

2018/19	Services within the General Fund								Total General Fund	Other Usable Reserves	Unusable Reserves
	Leader	Healthy Communities	Customer Services	Environment	Support Services	Planning & Economic Development	Repairs & Renewals	Other Income & Expenditure			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net Expenditure Chargeable to the General Fund (Per Internal Monitoring)	637	1,533	897	1,300	3,397	1,311	-	-8,860	215		
Adjustment for Earmarked Reserves	-	586	-	254	-	-	273	-996	117		
Net Expenditure Chargeable to the General Fund	637	2,119	897	1,554	3,397	1,311	273	-9,856	332		
Adjustments to the Revenue Resources											
<i>Amount by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</i>											
- Pensions costs (transferred to (or from) the Pensions Reserve)	129	289	340	230	-561	348	-	1,143	1,916	-	-1,916
- Council Tax and NDR (transfers to or from Collection Fund Adjustment Account)	-	-	-	-	-	-	-	-723	-723	-	723
- Holiday Pay (transferred to the Accumulated Absences Reserve)	-	-	-	-	-	-	-	-	-	-	-
- Charges for depreciation and impairment of non-current assets (these items are charged to the Capital Adjustment Account)	-	2,923	-	533	8	-	-	-	3,464	-	-3,464
- Amortisation of Intangible Assets (these items are charged to the Capital Adjustment Account)	-	-	-	-	131	-	-	-	131	-	-131
- Revaluation losses on Property, Plant & Equipment (these items are charged to the Capital Adjustment Account)	-	-	-	6,504	-	-	-	-	6,504	-	-7,529
- Movement in the fair value of investment properties (these items are charged to the Capital Adjustment Account)	-	-	-	100	-	-	-	-	100	-	-100
Total Adjustments to Revenue Resources	129	3,212	340	7,367	-424	348	-	419	11,392	-	-12,416
Adjustments between Revenue and Capital Resources											
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	-	-210	-	-	-	-	-	-889	-1,099	-	1,099
Total Adjustments between Revenue and Capital Resources	-	-210	-	-	-	-	-	-889	-1,099	-	1,099
Adjustments to Capital Resources											
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	-	-	-	-	-1,080	1,080
Application of capital grants to finance capital expenditure	-	-	-	-	-	-	-	-	-	243	-243
Total Adjustments to Capital Resources	-	-	-	-	-	-	-	-	-	-	-
Total Adjustments between the Funding and Accounting Basis	129	3,002	340	7,368	-424	348	-	470	10,293	-837	-9,456
Net Expenditure in the Comprehensive Income and Expenditure Statement	766	5,121	1,237	8,922	2,974	1,659	273	-9,437	11,514		

Notes to the Accounts

2017/18 (Restated)	Services within the General Fund								Total General Fund	Other Usable Reserves	Unusable Reserves
	Leader	Healthy Communities	Customer Services	Environment	Support Services	Planning & Economic Development	Repairs & Renewals	Other Income & Expenditure			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net Expenditure Chargeable to the General Fund (Per Internal Monitoring)	525	1,667	1,005	1,438	4,050	1,068	-	-12,701	-2,948		
Adjustment for Earmarked Reserves	-28	-1,759	127	296	8	-4	68	-511	-1,803		
Net Expenditure Chargeable to the General Fund	496	-92	1,132	1,734	4,059	1,064	68	-13,212	-4,751		
Adjustments to the Revenue Resources											
<i>Amount by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</i>											
- Pensions costs (transferred to (or from) the Pensions Reserve)	154	334	360	259	-1,481	323	-	1,252	1,201	-	-1,201
- Council Tax and NDR (transfers to or from Collection Fund Adjustment Account)	-	-	-	-	-	-	-	1,489	1,489	-	-1,489
- Holiday Pay (transferred to the Accumulated Absences Reserve)	-	-	-	-	-	-	-	32	32	-	-32
- Charges for depreciation and impairment of non-current assets (these items are charged to the Capital Adjustment Account)	-	2,908	-	618	92	-	-	-	3,618	-	-3,618
- Amortisation of Intangible Assets (these items are charged to the Capital Adjustment Account)	-	-	-	-	131	-	-	-	131	-	-131
- Revaluation losses on Property, Plant & Equipment (these items are charged to the Capital Adjustment Account)	-	-	-	220	-	-	-	-	220	-	-220
- Movement in the fair value of investment properties (these items are charged to the Capital Adjustment Account)	-	-	-	-62	-	-	-	-	-62	-	62
Total Adjustments to Revenue Resources	154	3,242	360	1,035	-1,258	323	-	2,773	6,735	-	-6,735
Adjustments between Revenue and Capital Resources											
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-	-	-	-	-	-	-	-125	-125	125	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	-	604	-	8	-	-	-	-	612	-	-612
Total Adjustments between Revenue and Capital Resources	-	604	-	8	-	-	-	-125	487	125	-612
Adjustments to Capital Resources											
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	-	-	-	-	265	-265
Application of capital grants to finance capital expenditure	-	-753	-	-88	-	-	-	-	-841	215	626
Total Adjustments to Capital Resources	-	-753	-	-88	-	-	-	-	-841	480	361
Total Adjustments between the Funding and Accounting Basis	154	3,093	360	955	-1,258	322	-	2,648	6,381	605	-6,986
Net Expenditure in the Comprehensive Income and Expenditure Statement	650	3,001	1,492	2,689	2,801	1,387	68	-10,564	1,523		

7. Income and Expenditure Analysed by Nature

	2017/18 Restated £'000	2018/19 £'000
Income		
Fees, Charges and other service income	-12,191	-16,529
Interest and investment income	-147	-187
Council Tax income	-10,625	-11,161
Non-Domestic Rates income	-947	-1,821
Government grants and contributions (Note 20)	-22,811	-18,897
Funded from reserves	-2,243	177
(Gain) / loss on disposal of fixed assets	-125	-
	-49,089	-48,418
Expenditure		
Employee expenses (Note)	13,364	14,204
Housing Benefit payments	18,317	17,463
Capital financing costs	4,362	3,516
Other operating expenses (Note)	11,345	14,932
Support service recharges	17	-
Interest payments	236	310
Precepts	2,813	3,002
Revaluation of non-current assets	158	6,505
	50,612	59,932
(Surplus) or deficit (CI&E Account)	1,523	11,514

8. Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans, and the amounts posted back from earmarked reserves to meet General Fund expenditure in the year.

	Balance at 31 March 2018 £'000	Transfers Out £'000	Transfers In £'000	Balance at 31 March 2019 £'000
s106 Earmarked Reserve To hold unconditional s106 monies until spend on associated projects	2,140	-140	132	2,132
Repairs & Renewals Fund For the replacement of vehicles, plant, machinery and equipment as required and as a contingency for major repairs to buildings	509	-376	97	229
Local Development Framework Reserve To fund costs of the Local Plan development and review	928	-189	-	739
Planning Digitalisation Reserve A reserve established to support the digitalisation of planning information	85	-2	-	83
Neighbourhood Planning Reserve To hold Neighbourhood Planning Grant until expenditure incurred	17	-	-	17
Election Fund To meet the cost of local elections as and when required	80	-	20	100
Waste Initiatives Reserve A reserve established to support the delivery of waste and recycling services across the district	281	-66	-	215
Rent Deposit / Private Leasing and Homelessness Prevention Reserves To provide funding to assist households in accessing affordable housing and avoiding homelessness	80	-	17	97
Housing Benefits Reserve To meet fluctuations in respect of housing benefits subsidy and to support costs arising from implementation of welfare reform changes	354	-	-	354
Pension Fund To contribute to the shortfall in funding of the Pension scheme	300	-	-	300
Leisure Fund To contribute to the development of leisure provision	714	-583	-	131
Lottery Reserve A reserve established to earmark income received from the community lottery for local projects	-	-	3	3
Refuse Vehicles Reserve This reserve is held to provide resources for capital expenditure	1,560	-	394	1,954
Capital Projects Reserve This reserve is held to provide resources for capital expenditure	3,423	-350	631	3,704
HS2 Reserve To cover potential costs involved in the planned HS2 rail route	395	-	-	395
Community Support Reserve This reserve holds grant monies received until expenditure is incurred.	16	-16	-	-
Economic Development Reserve To fund economic development activities.	300	-39	-	261
Car Parking Reserve To fund car park provision studies	100	-	-	100
Affordable Housing Reserve To fund affordable housing projects	1,000	-539	-	461
Business Rates Retention Reserve To respond to changes in funding following the localisation of business rates	250	-	-	250
	12,532	-2,300	1,294	11,525

9. Property, Plant and Equipment

Movements in 2018/19	Land & Buildings	Vehicle, Plant & Equipment	Vehicles acquired under Finance Leases	Assets Under Construction	Community Assets	Surplus Assets Not Held For Sale	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
As at 1 April 2018	38,983	2,836	2,605	4,921	1,523	163	51,031
Additions	416	1	-	6,329	-1	539	7,284
Transfers	10,520	-20	-	-10,500	-	-	0
Disposals	-	-126	-	-	-	-	-126
Revaluation increases / (decreases) - recognised in the Revaluation Reserve	-851	-	-	-	-	-	-851
Revaluation increases / (decreases) - recognised in the Surplus / Deficit on the Provision of Services	-6,504	-	-	-	-	-176	-6,680
As at 31 March 2019	42,564	2,691	2,605	750	1,522	526	50,658
Depreciation & Impairments:							
As at 1 April 2018	-3,672	-2,033	-1,913	-	-	-	-7,618
Depreciation written out to the Revaluation Reserve	118	-	-	-	-	-	118
Transfer Depreciation	-20	20	-	-	-	-	-
Disposal Depreciation	-	126	-	-	-	-	126
Charge for year	-3,036	-167	-346	-	-	-	-3,549
As at 31 March 2019	-6,610	-2,054	-2,259	-	-	-	-10,923
Net book value at 31 March 2019	35,954	637	346	750	1,522	526	39,735

Comparative movements in 2017/18	Land & Buildings	Vehicle, Plant & Equipment	Vehicles acquired under Finance Leases	Assets Under Construction	Community Assets	Surplus Assets Not Held For Sale	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
As at 1 April 2017	39,695	2,815	2,605	605	1,500	163	47,383
Additions	330	21	-	4,316	23	-	4,690
Revaluation increases / (decreases) - recognised in the Revaluation Reserve	-723	-	-	-	-	-	-723
Revaluation increases / (decreases) - recognised in the Surplus / Deficit on the Provision of Services	-319	-	-	-	-	-	-319
As at 31 March 2018	38,983	2,836	2,605	4,921	1,523	163	51,031
Depreciation & Impairments							
As at 1 April 2017	-700	-1,867	-1,531	-	-	-	-4,098
Depreciation written out to the Revaluation Reserve	99	-	-	-	-	-	99
Charge for year	-3,069	-167	-383	-	-	-	-3,619
As at 31 March 2018	-3,670	-2,034	-1,914	-	-	-	-7,618
Net book value at 31 March 2018	35,313	802	691	4,921	1,523	163	43,413

Major Assets Held

The main assets owned by the Authority are shown below.

- **Land and Buildings** - King George V House (Council offices), Chiltern Pools, Chesham Leisure Centre, Chalfont Leisure Centre, 8 Public Conveniences, 16 surface car parks, 1 multi-storey car park, Barn Hall & Drake Hall.
- **Vehicle, Plant & Equipment** - Recycling facilities and equipment, CCTV, IT equipment.
- **Assets Under Construction** – Chiltern Lifestyle Centre.
- **Community Assets** - Woodlands, Open Spaces, Quarrendon Estate, Commons and Manorial Waste.
- **Surplus Assets Not Held For Sale** – Surplus land to the east of London Road Depot, and St Johns Ambulance Site.

Impairment Losses

During 2018/19, the Authority has recognised an impairment loss of £nil (2017/18 £nil).

Depreciation

All Property, Plant and Equipment with a finite useful life is depreciated using the straight-line method after the year of expenditure over the following periods:

Land	- not depreciated
Buildings	- 20 – 60 years
Vehicles and equipment	- 3 – 10 years
Refuse & recycling receptacles (Bins)	- 10 – 14 years.

Contractual Commitments

Leisure Centres - Under the contract with Greenwich Leisure the Authority has responsibility for the structure and exterior of the Leisure Centres, including the repair and maintenance of visitor car parks with an agreed commitment, on average, of £100k p.a.

There are major capital projects ongoing within Chiltern District, the contractual commitment for the Chiltern Lifestyle Centre is £328k which encompasses the design phase of the project. The project to build a crematorium at Birtton is almost complete, and the remaining contractual commitment is £632k. The cost of the construction of the Birtton Crematorium will be fully recharged to the Chilterns Crematorium Joint Committee

Refuse & Recycling Receptacles (Bins) – Under the joint waste contract held with Serco the Refuse & Recycling Receptacles (bins) are being paid for over a 7 year period from March 2013 at a total cost to this Authority of £899,000.

The outstanding liability relating to refuse and recycling receptacles (bins) is as follows:

As at 31 March 2019	Future Liabilities £'000
Under one year	64
In the second to fifth years	450
Over five years	-
Total	514

Revaluations

The Authority carries out a programme of valuations that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every 5 years.

In 2016/17 a project was commenced to build an extension to the existing Amersham Multi-Storey Car Park at Station Road, Amersham. The project was budgeted to cost £10.8m, (which included £313k for the waterproofing the top deck of the original multi-storey) and was to take 18 months to complete. The main project was completed and the asset brought into use in November 2018.

The Net Book Value (NBV) of the original car park plus the adjacent land as at 1st April 2018, was £3,136,370, being made up of land £646,800 and building £2,489,570. In addition to this, expenditure on the new building at this time was £8,056,791.95.

During the course of the project which occurred between 2016/17 to 2018/19, £10,500,066 has been spent to bring the extension of this asset into use. A valuation was carried out by Wilks Head and Eve as at 31st March 2019 on the basis of Existing Use Value (EUV) which has led to a downwards valuation. The NBV now being £6,339,600, made up of land £1,279,920 and building £5,119,680.

The valuation was carried out in accordance with International Financial Reporting Standards and the RCIS 'Red book' and is based on average net receipts over the last 3 years, increased by the amount of new spaces. WHE used a Dual Capitalisation method which uses a landlord/tenant calculation of 0.5. Although CDC own and operate the car park, this may not be the case for a potential purchaser and under the valuation definition a valuer should provide a value which a willing buyer would pay in an arm's length transaction and it is therefore fair to assume that in the case of the car park the owner may require a third party operator to run the car park. A Years Purchase (YP) in perpetuity of 5.5% is also then taken into account which estimates the time taken for the investment to be paid off.

KGVH offices were revalued as at 31st March 18, all other operational land and buildings were independently revalued by an external valuer as at 1 April 2016 in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Certifications of all valuations were issued by Wilks Head & Eve, Chartered Surveyors and Town Planners, 3rd Floor, 55 New Oxford Street, London WC1A 1BS.

	Land & Buildings	Vehicle, Plant & Equipment	Vehicles acquired under Finance Leases	Assets Under Construction	Community Assets	Surplus Assets Not Held For Sale	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at Historical Cost	-	1	2,605	750	1,522	163	5,041
Valued at Fair Value as at							
1 April 2016	31,215	2,690				163	34,068
31 March 2018	4,949						4,949
31 March 2019	6,400					200	6,600
Total Cost or Valuation	42,564	2,691	2,605	750	1,522	526	50,658

10. Investment Property

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure Line in the Comprehensive Income and Expenditure Statement.

	2017/18 Restated £'000	2018/19 £'000
London Road Depot		
Income	-319	-311
Expenditure	196	176
Revaluation	-62	-76
(Surplus)/Deficit in year	-185	-211

The following table summarises the movement in the fair value of investment properties over the year.

	2017/18 £'000	2018/19 £'000
Balance at start of year	2,651	2,713
Net gains / (losses) from fair value adjustments	62	76
Balance at end of year	2,713	2,789

Fair Value Hierarchy**Valuation Techniques used to Determine Level 2 Fair Values for Investment Properties - Significant Observable Inputs**

The fair value for the office, commercial and retail units, the depot and some land has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

The value of the depot using the Level 2 valuation method is £2,789k on 31 March 2019 and £2,713k on 31 March 2018.

There were no transfers between Levels 1 and 2 during the year.

Highest and Best Use of Investment Properties

In estimating the fair value of the Authority's investment properties, the highest and best use of the properties is their current use.

Gains or losses arising from changes in the fair value of the investment property are recognised in the Surplus or Deficit on the Provision of Services – Financing and Investment Income and Expenditure line.

Valuation Process for Investment Properties

The fair value of the Authority's investment property is measured annually at each reporting date. All valuations are carried out by registered valuer, Wilks Head & Eve, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal.

The Authority has no contractual obligations to purchase, construct or develop investment property.

11. Intangible Assets

Expenditure on intangible assets, namely Purchased Computer software, is charged to service revenue accounts with amounts representing the benefit obtained in the year from expenditure on these items. The useful life assigned to all software is up to five years and is written off on a straight line basis.

The movement on intangible asset balances during the year is as follows:

	2017/18 £'000	2018/19 £'000
Balance at start of year:		
Gross carrying amounts	774	747
Accumulated amortisation	-557	-642
Net carrying amount at start of year	217	105
Additions	19	209
Disposals	-46	-253
Accumulated amortisation on disposal	46	253
Amortisation for the period	-131	-46
Net carrying amount at end of year		
Gross carrying amounts	747	703
Accumulated amortisation	-642	-435
Net carrying amount at end of year	105	268

12. Financial Instruments

A financial instrument is any contract which gives rise to a financial asset of one entity (such as cash, an equity instrument or a right to receive cash or an equity instrument) and a financial liability of another (such as an obligation to deliver cash or another financial asset).

Categories of Financial Instrument

The following categories of financial instrument are carried in the Balance Sheet.

Financial Assets

£'000	Non-Current				Current				Total
	Investments		Debtors		Investments		Debtors		
	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	
Fair value through profit and loss									-
Amortised Cost	40	40	19	14	-	-	4,110	2,691	2,745
Fair value through comprehensive income - other									-
Total financial assets	40	40	19	14	-	-	4,110	2,691	2,745
Non-financial assets									-
Total	40	40	19	14	-	-	4,110	2,691	2,745

Financial Liabilities

£'000	Non-Current				Current				Total
	Borrowings		Creditors		Borrowings		Creditors		
	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	
Fair value through profit and loss									-
Amortised Cost	10,570	10,411	51	-	206	209	2,646	3,213	13,833
Total financial liabilities	10,570	10,411	51	-	206	209	2,646	3,213	13,833
Non-financial liabilities									-
Total	10,570	10,411	51	-	206	209	2,646	3,213	13,833

Note: Some balance sheet categories, for example current debtors, include both items which are financial instruments and items which are not financial instruments

Reclassification and remeasurement of financial assets at 1 April 2018

This note shows the effect of reclassification of financial assets following the adoption of IFRS 9 Financial Instruments and the remeasurements of carrying amounts then required.

	Carrying amount brought forward at 1 April £'000	New Classifications at 1 April 2018		
		Amortised cost £'000	Fair value through other comprehensive income £'000	Fair value through profit and loss £'000
Previous classifications				
Loans and receivables	13,035	13,035		
Available for Sale	40	40		
Fair value through profit and loss				
Reclassified amounts at 1 April 2018		13,075	-	-
Remeasurements at 1 April 2018				
Remeasured carrying amounts at 1 April 2018		13,075		
		-		
Impact on Financial Instruments Revaluation Reserve		-		

Effect of Asset Reclassification and Remeasurement on the Balance Sheet

This note shows how the new balances at 1 April 2018 for financial assets are incorporated into the Balance Sheet.

	Amortised Cost £'000	Fair Value through Other Comprehensive Income £'000	Fair value through profit and loss £'000	Non-financial instrument balances £'000	Total Balance Sheet carrying amount £'000
Remeasured carrying amounts at 1 April 2018	13,075				13,075
Non-current investments	40				40
Long-term debtors	19				19
Current investments	13,035				13,035
Current debtors	4,110				4,110

Income, Expense, Gains and Losses

The gains and losses recognised in the Income and Expenditure in relation to financial instruments are made up as follows:

	2017/18		2018/19	
	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000
Net (gains)/losses on financial assets measured at amortised cost				
Interest Revenue on financial assets measured at amortised cost	-147		-187	
Interest Expense	198		288	

Fair Values of Assets and Liabilities

Financial liabilities, assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- No early repayment or impairment is recognised.
- Where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.
- The fair value of Public Works Loan Board (PWLB) loans of £11,198,151 measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the reduced interest that the authority will pay over the remaining terms of the loan under the agreement with the PWLB, against what would be paid if the loans were at prevailing market rates.

However, the authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the reduced interest that the authority will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £10,569,516 would be valued at £11,198,151. But, if the authority were to seek to realise the projected gain by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to giving a discount for the reduced interest income that will be avoided. The exit price for the PWLB loan including the penalty charge would be £13,074,055.

The fair values of Financial Assets and Financial Liabilities are calculated as follows.

Financial Assets	31 March 2019		31 March 2018	
	Carrying amount £'000	Fair Value £'000	Carrying amount £'000	Fair Value £'000
Money market loans < 1 year	8,006	8,006	10,004	10,004
Short term investments	10,054	10,054	13,035	13,035
Long term investments	40	40	40	40
Short term debtors	2,691	2,691	4,110	4,110
Long term debtors	14	14	19	19
Total	20,805	20,805	27,208	27,208

Financial Liabilities	31 March 2019		31 March 2018	
	Fair Value £'000	Carrying amount £'000	Fair Value £'000	Carrying amount £'000
PWLB Debt	10,620	11,198	10,776	11,006
Short term creditors	3,213	3,213	2,646	2,646
Short term finance lease liability	352	352	350	350
Long term creditors	-	-	51	51
Long term finance lease liability	-	-	352	352
Total	14,185	14,763	14,175	14,405

The fair value hierarchy of financial assets which are not measured at fair value is as follows.

Recurring fair value measurements using	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31 March £000
31 March 2019				
Loans and receivables	-	10,094	-	10,094
PWLB Debt	-	-11,198	-	-11,198
Total	-	-1,104	-	-1,104
31 March 2018				
Loans and receivables	-	13,075	-	13,075
PWLB Debt	-	-11,006	-	-11,006
Total	-	2,069	-	2,069

13. Debtors

The amounts owed to the Authority, net of impairment, are summarised as follows:

	2017/18	2018/19
	£'000	£'000
General Debtors (net of impairments)	1,610	1,536
Central Government	3,640	2,803
Other Local Authorities	3,496	2,825
Council Tax (net of impairments)	87	136
Business Rates (net of impairments)	184	254
Payments in Advance (Note 1)	3,938	2,182
Total	12,955	9,736

Note 1: Payments in Advance include advance contribution made to the Pension Fund.

14. Short Term Creditors

	2017/18	2018/19
	£'000	£'000
Central Government	-1,895	-985
Other Local Authorities	-2,509	-3,785
Council Tax	-322	-219
Business Rates	-457	-238
General Creditors	-2,121	-2,299
Receipts in Advance	-910	-1,547
Total	-8,214	-9,073

15. Provisions

	NDR Appeals £'000	Total £'000
Balance as at 31 March 2018	-1,052	-1,052
(Increase to)/release of existing provision	149	149
Balance as at 31 March 2019	-903	-903

A provision has been established in respect of Non-Domestic Rates appeals. Settlement is dependent on when the Valuation Office resolve the appeals.

16. Unusable Reserves**Revaluation Reserve**

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2017/18 £'000	2018/19 £'000
Balance at 1 April	23,849	21,050
Upward revaluation of assets	-	633
Downward revaluation of assets	-723	-1,366
Difference between fair value depreciation and historical cost depreciation	-2,076	-2,049
Balance at 31 March	21,050	18,268

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of services, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements requires benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2017/18 £'000	2018/19 £'000
Balance at 1 April	-46,449	-46,614
Remeasurement of pension assets and liabilities	3,036	3,404
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	-3,767	-3,798
Employer's pensions contributions and direct payments to pensioners payable in the year	2,566	1,882
Balance at 31 March	-44,614	-43,126

Further information relating to the Pension fund can be found in note 24.

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 6 (Expenditure & Funding Analysis) provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2017/18 £'000	2018/19 £'000
Balance at 1 April	22,379	20,296
<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expenditure Statement:</i>		
• Charges for depreciation and impairment	-3,838	-10,299
• Amortisation of intangible assets	-131	-46
• Revenue expenditure funded from capital under statute	-612	-565
• Disposals	-	-
Adjusting amounts written out of the Revaluation Reserve	2,076	2,049
<i>Insertion of items not debited or credited to the comprehensive income & expenditure statement:</i>		
Borrowing and adjustments	-4,884	-5,559
<i>Financing of Capital Expenditure:</i>		
• Use of internal capital reserves to finance new capital expenditure	400	1,969
• Use of external borrowing to finance new capital expenditure	4,307	5,559
• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	537	531
Movement in the market value of Investment Properties	62	76
Balance at 31 March	20,296	14,081

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rate income in the Comprehensive Income and Expenditure Statement as it falls due from council tax and business rate payers compared with the statutory arrangements for paying across to the General Fund from the Collection Fund.

	2017/18 £'000	2018/19 £'000
Balance at 1 April	289	-1,200
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	-15	-34
Amount by which business rate income credited to the Comprehensive Income and Expenditure Statement is different from business rate income calculated for the year in accordance with statutory requirements	-1,474	757
Balance at 31 March	-1,200	-477

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, eg annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account.

	2017/18 £'000	2018/19 £'000
Balance at 1 April	-107	138
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	245	-
Balance at 31 March	138	138

17. Members' Allowances

The Authority paid the following amounts to Members during the year.

	2017/18 £'000	2018/19 £'000
Basic Allowance	183	192
Special Responsibility Allowance	75	81
Independent Persons	1	1
Expenses	6	5
Total	265	279

18. Officers' Remuneration

The remuneration paid to the Authority's senior employees is shown in the table below.

Chiltern District Council and South Bucks District Council now share a joint Senior Management Team.

The employees detailed below therefore work across the two authorities and the costs are shared with Chiltern DC contributing 54.9% and South Bucks DC contributing 45.1% towards the costs.

2018/19	Employing Authority	Salary incl fees, allowances & performance related pay £	Expense allowances (chargeable to UK tax) £	Compensation for loss of office £	Benefits in kind £	Total remuneration excluding pension contributions £	Employers pension contributions £	Total remuneration including employers pension contributions £
Chief Executive	CDC	133,965	-	-	-	133,965	20,764	154,729
Director of Services	SBDC	94,401	-	-	-	94,401	14,863	109,264
Director of Resources	SBDC	99,763	-	-	2,859	102,622	15,906	118,528
Head of Legal & Democratic Services	CDC	80,394	-	-	1,429	81,823	12,683	94,506
Head of Finance	SBDC	78,852	-	-	1,610	80,462	12,666	93,128
Head of Customer Services	CDC	80,394	-	-	855	81,249	12,594	93,842
Head of Business Support	CDC	80,394	-	-	1,523	81,917	12,697	94,615
Head of Health & Housing	CDC	80,394	-	-	1,197	81,591	12,647	94,238
Head of Planning and Economic Development (Note 1)	SBDC	54,665	-	-	-	54,665	8,473	63,138
Interim Head of Sustainable Development (Note 2)	Contractor	29,831	-	-	-	29,831	-	29,831
Head of Environment	SBDC	80,394	-	-	1,949	82,343	12,763	95,106

Note 1: Head of Planning & Economic Development (post previously Head of Sustainable Development) appointed July 2018.

Note 2: Interim Head of Sustainable Development post was covered by a Contractor until July 2018.

2017/18	Employing Authority	Salary incl fees, allowances & performance related pay £	Expense allowances (chargeable to UK tax) £	Compensation for loss of office £	Benefits in kind £	Total remuneration excluding pension contributions £	Employers pension contributions £	Total remuneration including employers pension contributions £
Chief Executive	CDC	128,278	-	-	-	128,278	19,883	148,161
Interim Director Of Services (Note 1)	SBDC	26,554	-	-	-	26,554	-	26,554
Director of Services (Note 2)	SBDC	61,615	-	-	-	61,615	9,685	71,300
Director of Resources	SBDC	98,129	-	-	2,245	100,374	15,529	115,903
Head of Legal & Democratic Services	CDC	78,818	-	-	1,179	79,997	12,415	92,412
Head of Finance	SBDC	77,306	-	-	1,331	78,637	10,436	89,073
Head of Customer Services	CDC	78,818	-	-	848	79,666	12,349	92,015
Head of Business Support	CDC	78,818	-	-	1,450	80,268	12,443	92,711
Head of Health & Housing	CDC	78,818	-	-	1,165	79,983	12,398	92,381
Head of Sustainable Development (Note 3)	SBDC	48,698	-	65,755	1,436	115,889	7,316	123,205
Interim Head of Sustainable Development (Note 3)	Contractor	53,613	-	-	-	53,613	-	53,613
Head of Environment	SBDC	78,818	-	-	1,564	80,382	12,439	92,821

Note 1: The Director of Services (Contractor) was appointed to Interim Director of Services 1st April 2017- 17th July 2017.

Note 2: The Director of Services was appointed 29th July 2017.

Note 3: The Head of Sustainable Development left 30th November 2017, the post is currently covered by a Contractor.

Remuneration Band	2017/18 Number of employees	2018/19 Number of employees
£50,000 to £54,999	12	9
£55,000 to £59,999	2	4
£60,000 to £64,999	1	3
£65,000 to £69,999	-	1
£70,000 to £74,999	-	-
£75,000 to £79,999	3	-
£80,000 to £84,999	1	4
£125,000 to £129,999	1	-
£130,000 to £134,999	-	1
Total	20	22

Exit Packages 2018/19

There were no exit packages payable to Chiltern District Council employees in 2018/19.

Exit Packages 2017/18

The number of exit packages with total cost per band, and the total cost of the compulsory and other redundancies are set out in the table below.

Exit Package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £'000
Under £50,000	-	1	1	12
Over £50,000	-	-	-	-
Total cost included in bandings				12
Amounts provided for in CIES not included in bandings				-
Total cost included in CIES				12

The total cost of £12,000 in the table above was charged to the Authority's Comprehensive Income and Expenditure Statement in 2017/18.

19. External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and non-audit services provided by the Authority's external auditors.

The note is prepared based on the fee payable for the audit work related to the financial year rather than amounts that have actually been paid in the year.

	2017/18 £'000	2018/19 £'000
Fees payable to Ernst & Young LLP with regard to external audit services	41	32
Fees payable to the Ernst & Young LLP for the certification of grant claims and returns	9	10
Fees payable in respect of other services provided by Ernst & Young LLP	-	-
Total	50	42

20. Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in the year.

Credited to Taxation and Non Specific Grant Income	2017/18 £'000	2018/19 £'000
New homes bonus grant	1,130	618
Transition Grant	100	-
Small Business Rate Relief	842	979
Business Rates Retail Relief	-1	-2
Business Rates 2% Cap Compensation Grant	22	196
Business Rates Reconciliation Grant	-	-165
Business Rates Transitional Grant	821	-821
Business Rates Discretionary Relief	98	38
Business Rates Rural Rates Relief Grant	1	0
Business Rates Public House	18	15
Business Rates Support Small Business	9	8
Business Rates Levy Grant	-	23
New Burdens Grants	15	4
EU Brexit Preparation	-	17
LA Parks Improvement	-	15
Net Other Grants	7	9
Total Non Service Related Government Grants	1,832	316
Total	3,062	933

Credited to Services	2017/18 £'000	2018/19 £'000
Council Tax/Housing Benefits Admin	250	237
Mandatory Rent Allowances	18,120	17,498
Discretionary Housing	110	112
Cost of Collection Allowance	112	110
LA Data sharing Programme	10	12
New Burdens	57	74
Individual Electoral Registration	-	16
Election Account	358	-
Disabled Facilities Grant	753	730
Local Land Charges Grant	20	-
Homelessness Grant	119	176
Flood Grant	75	-
Business Rates Revaluation	12	-
Custom Build Grant	30	30
National Clean Up Grant	-	17
Net Other Grants	6	5
Total	20,032	19,017

21. Related Parties

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority, or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government

Central Government has significant influence over the general operations of the Authority – it is responsible for providing the statutory framework, within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. council tax bills, housing benefits).

Grants received from Government departments are set out in Note 20 and amounts due to and from Government are shown in notes 13 and 14 respectively

Other Local Authorities

The Authority has in place joint working arrangements with South Bucks District Council and Wycombe District Council. Further details are given in the Narrative Report.

Members

Members have direct control over the Authority's financial and operational policies. However any contracts entered into are in full compliance with the Council's constitution. In addition a few minor grants were paid to voluntary bodies in which Members had a position of influence. In such cases grants were made with proper consideration of declarations of interest and the relevant members did not take part in any discussion or decision relating to the grant award. Details of personal interests are recorded in the Register of Members' disclosable pecuniary interests, which is open to public inspection.

Officers

Senior Officers have control over the day-to-day management of the Authority and all senior officers have been asked to declare any related party transactions. From the replies provided there are no such transactions to be declared.

Entities controlled or significantly influenced by the Authority

The Authority did not provide any material assistance to any organisations that comprised more than 50% of their funding, on terms that gave the Authority effective control over their operations.

Paradigm Housing Association

The Authority nominated one Councillor to sit on the Board of the Association in 2017/18. The Authority works closely with the Housing Association to meet social housing needs in the district. The housing waiting list and homelessness assessment and advice service are managed by the Authority.

Citizens Advice Bureau

The Council nominates one Councillor to sit on the Management Committee of the Chesham, Amersham and District Citizens Advice Bureau. In addition a number of Councillors sit on the Management Committee either in a personal capacity or as representatives of other organisations. The Council is the principal funder for the CAB and gave a grant of £125k during the year (2017/18 £125k). Additionally, CAB provides a specialist debt and money advice service which the Council provides funding £25k in 2018/19 (2017/18 £25k).

Greenwich Leisure Ltd

Greenwich Leisure Ltd, an Industrial and Provident Society which has exempt charity status and which operates on a "not for profit" basis, has responsibility for leisure management. This includes operational management of the Authority's leisure facilities, including Community Play and Sports Development. The Authority retains a strategic and policy making role in the provision of leisure services. The Society is governed by a Board of Directors. Two nominated members and a Director of the Authority are members of the Chiltern Leisure Advisory Board (CLAB) – a committee of the Society's Board. The CLAB has no legal liability and the decision making process principally remains with the Society's Board with the exception of delegated authority decisions as set out in the CLAB's terms of reference. The management fee paid to Greenwich Leisure Ltd in 2018/19 was £110k (2017/18 £107k).

Chilterns Crematorium Joint Committee

Chiltern District Council is one of three constituent members of the Chilterns Crematorium Joint Committee along with Aylesbury Vale and Wycombe District Councils. The Joint Committee manages the crematorium and associated facilities located in Amersham. In the event of the Joint Committee ceasing to exist, any assets held are vested in the Authority in which the assets are located. In this case, the assets would transfer to Chiltern District Council.

Under the terms of the Joint Committee, any deficit or surplus earned by the Joint Committee is shared between the constituent authorities on the basis of the number of cremations from the area of each authority in comparison to total cremations. However, it has been agreed by all constituent authorities that any surplus will not be distributed, but will be retained by the Joint Committee for use in funding replacement capital expenditure, construction of the Bierton Crematorium and to meet future deficits. Chiltern District Council's share of the accumulated reserves is £696,319 (2017/18 £1,678,173).

The assets and liabilities of the Joint Committee have not been consolidated into the Authority's accounts, reflecting the separate statutory nature of the service. Further details on the financial affairs and a full Statement of Accounts of the Joint Committee can be obtained from the Treasurer, Chilterns Crematorium Joint Committee, King George V House, King George V Road, Amersham, Bucks, HP6 5AW.

Interest in Companies

The Authority has an interest in three companies:

The Chiltern Woodlands Project

The aim of the Chiltern Woodlands Project is to promote and encourage the sensitive and sustainable management of Chiltern woods in order to protect the landscape of the Chilterns and maintain and enhance its biodiversity.

The company is limited by guarantee (of £1 per member) and supported by grant from 6 district councils and 2 county councils, each of whom are entitled to appoint a director. Chiltern District Council paid £3,750 in 2018/19 for the management of Angling Spring Wood (2017/18 £3,750).

Although the company is technically a controlled company by virtue of the Local Authorities (Companies) Order 1995, its accounts have not been consolidated into the accounts of the Authority on the grounds of materiality.

Further details on the activities and finances of the company can be obtained from:

John Morris, Director,
Chiltern Woodlands Project,
The Lodge
90 Station Road,
Chinnor,
Oxon OX39 4HA,
Tel: 01844 355503, Fax: 01844 355503,
Email: woodlands@chilternsaonb.org

Chiltern Open Solutions Ltd

During 2011/12 this company was established with the aim of maximising the potential income from the Chiltern and Dacorum Training Partnership. It was proposed to recruit a jointly funded full time professional training officer to work for the partnership for an initial period of 2 years. All requirements for Revenues and Benefits training would be met through this initiative with the aim to develop over time a sustainable generic service extended to other areas needing training updates.

To date the company remains dormant.

22. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase to the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed.

	2017/18 £'000	2018/19 £'000
Opening Capital Financing Requirement	-75	4,884
<i>Capital Expenditure</i>		
Amersham Multi-Storey Car Park	4,316	5,559
Car Park Enhancements	68	23
Leisure Centres	243	890
King George V House	15	274
IT Equipment & Systems	34	210
Public Conveniences	11	-
St Johns Ambulance Site	-	539
Mill Meadow Bridge	17	-1
Shared Parking Service	5	-
	4,709	7,494
<i>Revenue Expenditure Funded from Capital Under Statute</i>		
Improvement Grants	538	531
Other Schemes	74	34
	612	565
Total Capital Expenditure	5,321	8,059
<i>Sources of finance</i>		
Adj capital receipts for opening CFR	-75	-
Adj capital receipts for borrowing for 2016/17	-578	-
Capital receipts	390	1,969
Government grants and other contributions	625	531
	362	2,500
Closing Capital Financing Requirement	4,884	10,443

<i>Explanation of movements in year</i>		
Increase in underlying need to borrow (unsupported by government financial assistance)	4,959	5,559
Increase in Capital Financing Requirement	4,959	5,559

23. Leases - Authority as Lesseea. Authority as Lessee**Authority as Lessee - Finance Leases**

The Authority acquired the Refuse & Street Cleaning Vehicles, for the joint waste contract with Wycombe District Council, by entering into a finance lease.

The Authority is committed to making minimum payments under this lease comprising settlement of the long-term liability for the interest in the asset acquired by the Authority, and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts.

As at 31 March 2019	Finance Lease Liabilities £'000	Future Finance Costs £'000	Minimum Lease Payment £'000
Under one year	352	7	359
In the second to fifth years	-	-	-
Over five years	-	-	-
	352	7	359

The expenditure during the year in relation to these leases was as follows:

	2017/18 £'000	2018/19 £'000
Finance lease payments	423	372

Authority as Lessee - Operating Leases

The Authority acquired the land for Chesham Leisure Centre and Chalfont Leisure Centre by entering into operating leases, with respective lives of 125 and 99 years. The obligations outstanding at the year-end are as follows:

	2017/18 £'000	2018/19 £'000
Under one year	1	1
In the second to fifth years	4	4
Over five years	73	72
	78	77

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was as follows.

	2017/18 £'000	2018/19 £'000
Operating lease payments	1	1

b. Authority as Lessor**Authority as Lessor - Operating Leases**

The Authority leases out a number of its properties under operating leases.

It has also granted numerous easements for rights of way over its land in perpetuity (implied as 80 years).

The future minimum lease payments receivable under non-cancellable lease in future years are:

	2017/18 £'000	2018/19 £'000
Not later than one year	382	422
Later than one year and no later than five years	1,152	1,088
Later than five years	2,155	2,101
	3,689	3,611

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

24. Defined Benefit Pension Schemes**Participation in pension scheme**

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Authority participates in two pension schemes:

- The Local Government Pension Scheme (LGPS) administered by Buckinghamshire County Council. This is a funded defined benefit scheme based on career average revalued salary and length of service on retirement, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

Transactions relating to Post-Employment benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are actually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Account and the General Fund Balance via the Movement in the Reserves Statement during the year.

	Local Government Pension Scheme	
	2017/18 £'000	2018/19 £'000
Comprehensive Income and Expenditure Statement:		
Cost of Services		
Service cost	2,533	2,656
Curtailments and Settlements	-18	0
Administration expenses	43	41
Net Interest on the defined liability (asset)	1,209	1,102
Total post-employment benefits charged to the surplus or deficit on the provision of services	3,767	3,799
Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement:		
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets	1,366	1,275
Actuarial gains and losses arising on changes in demographic assumptions	-	5,388
Actuarial gains and losses arising on changes in financial assumptions	1,670	-3,259
Experience (loss)/gain on defined benefit obligation	-	-
Total post-employment benefits charged to the Comprehensive Income and Expenditure Statement	3,036	3,404
Movement in Reserves Statement:		
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	1,201	1,916
Actual amount charged against General Fund Balance for pensions in the year		
Employer's contributions payable to the scheme	2,524	1,841
Retirement benefits payable to pensioners	42	41

It should be noted that the Authority's accounts do not include IAS19 pension accounting entries in respect of Chilterns Crematorium staff although they are treated as employees of the Authority for Pension Scheme purposes.

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined plans is as follows.

	Local Government Pension Scheme	
	2017/18 £'000	2018/19 £'000
Present Value of Liabilities in LGPS	-92,405	-93,127
Fair Value of Assets in LGPS	47,791	50,000
Surplus/(Deficit) in LGPS	-44,614	-43,127

A notional split has been applied to the figures to reflect the fact that both Chiltern District Council and Chilterns Crematorium employees participate in the scheme but as a single authority.

Movements in the Fair Value of Scheme Assets

	Local Government Pension Scheme	
	2017/18 £'000	2018/19 £'000
Opening fair value of Fund assets 1 April 2018	44,598	47,791
Interest on Assets	1,209	1,209
Return on Assets less Interest	1,366	1,275
Administration expenses	-43	-41
Employer Contributions including unfunded	2,566	1,882
Contributions by Scheme Participants	431	456
Benefits Paid	-2,311	-2,572
Settlement prices received/(paid)	-25	-
Closing fair value of Fund assets 31 March	47,791	50,000

Present Value of the Scheme Liabilities

	Local Government Pension Scheme	
	2017/18 £'000	2018/19 £'000
Opening Liability 1 April 2018	91,046	92,405
Service Cost	2,533	2,656
Interest Cost	2,419	2,311
Contributions by Scheme Participants	431	456
Change in financial assumptions	-1,670	3,259
Change in demographic assumptions	-	-5,388
Curtailments	-43	-
Benefits Paid	-2,269	-2,532
Unfunded Pension Payments	-42	-41
Closing Liability 31 March	92,405	93,127

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long term real rates of return experienced in the respective markets.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The Buckinghamshire County Council scheme has been assessed by Barnett Waddingham, an independent firm of actuaries, and are based on the latest full actuarial valuation of the scheme as at 31 March 2016.

The main actuarial assumptions used in their calculations were as follows.

	2017/18	2018/19
Mortality Assumptions		
Longevity at 65 for current pensioners:		
Men	24.0 years	22.9 years
Women	26.1 years	24.8 years
Longevity at 65 for future pensioners:		
Men	26.2 years	24.6 years
Women	28.4 years	26.6 years
Rate of increase in pensions	2.35%	2.40%
Rate of inflation (RPI)	3.35%	3.40%
Rate of inflation (CPI)	2.35%	2.40%
Rate of increase in salaries	3.85%	3.90%
Rate for discounting scheme liabilities	2.55%	2.40%
Take up of option to convert annual pension into retirement lump sum	50%	50%

Note: These are long term actuarial assumptions and do not necessarily reflect current circumstances.

The pension scheme assets consist of the following:

	31 March 2018 Total £'000	31 March 2019		
		Quoted £'000	Unquoted £'000	Total £'000
Gilts	4,357	6,170	-	6,170
UK Equities	4,696	6,086	-	6,086
Overseas Equities	19,400	17,414	-	17,414
Private Equity	2,846	-	1,944	1,944
UK Other Bonds	6,223	7,453	-	7,453
Property	3,442	3,807	100	3,907
Cash	1,825	1,598	-	1,598
Alternative Assets	509	-	383	383
Hedge Funds	2,264	-	2,695	2,695
Absolute Return Portfolio	2,229	-	2,349	2,349
Value of Fund Assets	47,791	42,530	7,472	50,000

The Discretionary Benefits arrangements have no assets to cover its liabilities.

Contributions to the Fund are set every three years as a result of the actuarial valuation of the Fund. The next actuarial valuation will be carried out as at 31 March 2019 to set contributions for the period from 1 April 20 to 31 March 2023. Contributions are generally set to target a funding level of 100%.

The total contributions expected to be made to the Local Government Pension Scheme and the Discretionary Benefits scheme by the Authority in the year to 31 March 2020 is £2,057,000.

The weighted average duration of the defined benefit obligation for scheme members is 18.0 years.

Sensitivity Analysis

The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.00%	-0.1%
Present value of total obligation	95,705	97,381	99,088
Projected service cost	2,816	2,883	2,952
Adjustment to long term salary increase	+0.1%	0.00%	-0.1%
Present value of total obligation	97,522	97,381	97,241
Projected service cost	2,883	2,883	2,883
Adjustment to pension increases and deferred revaluation	+0.1%	0.00%	-0.1%
Present value of total obligation	98,945	97,381	95,843
Projected service cost	2,952	2,883	2,816
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	100,901	97,381	93,983
Projected service cost	2,982	2,883	2,787

25. Contingent Assets and Liabilities

Contingent Assets

The Authority has no material contingent assets.

Contingent Liabilities

The Authority has no material contingent liabilities.

However there are a few outstanding insurance claims that, if settled, will be covered by insurance, subject to the insurance excess.

26. Nature and Extent of Risks arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority
- Liquidity risk - the possibility that the Authority might not have funds available to meet its commitments to make payments
- Market risk - the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by experienced finance officers, under policies approved by the Council in the annual treasury management strategy.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers.

The risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by the credit rating agencies. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category. No investment limits were exceeded during the reporting period and the Authority does not expect any losses from non-performance by any of its counterparties in relations to deposits.

Investments are managed in house by Finance officers placing money in callable or fixed deposits with approved counterparties. The credit criteria in respect of financial assets held by the Authority is approved by Members as part of the Treasury Management Strategy each year.

Before the Authority enters into arrangements, which could result in large amounts being due to the Authority, Finance officers assess potential customers taking into account security, liquidity and yield which are inter-related and the balance of the three is determined by the Authority's needs and risk appetite.

The Authority's maximum exposure to credit risk in relation to investments in banks and building societies cannot be assessed generally, as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for entities that meet the minimum CDC credit ratings, to be unable to meet their commitments. A risk of irrecoverability applies to all of the Authority's deposits but there was no evidence at the 31 March 2018 that this was likely to crystallise.

The following analysis summarises the Authority's potential maximum exposure to credit risk, based on experience of default and uncollectability over the last 3 financial years, adjusted to reflect current market conditions.

	Amount at 31 March 2019	Historical Experience of default	Experience adjusted for market conditions at 31 March 2019	Estimated maximum exposure to default and uncollectability at 31 March 2019	Estimated maximum exposure at 31 March 2018
	£'000	%	%	£'000	£'000
Deposits with banks and other financial institutions					
- Short Term investments	10,054	-	0.30%	30	39
- Cash & Cash Equivalents	9,101	-	-	-	-
Customers	1,497	0.46%	0.50%	7	9

No credit limits were exceeded during the reporting period and the Authority does not expect any losses from non-performance by any of its counterparties in relation to deposits.

The Authority does not generally allow credit for customers such that £661k of the total sundry debtor balance of £1,748k is past its due date for payment. The past due amount can be analysed by age as follows:

	2017/18 £'000	2018/19 £'000
Less than three months	644	1,469
More than three months	17	35
	661	1,504

Liquidity Risk

As the Authority has significant investment holdings there is no significant risk that the Authority will be unable to meet its commitments. Instead, the risk is that the Authority will have to seek early repayment of investments at unfavourable rates in order to finance its short term cash requirements. To prevent this occurring, the strategy is to ensure that a significant proportion of investments are held on demand and / or mature within 1 year. Furthermore if unexpected movements happen, the Authority has ready access to borrowings from the money markets and the Public Works Loan Board. The maturity analysis of financial assets is as follows:

	Cash And Bank £'000	Loans and Receivables – Money Market Loans £'000
As at 31 March 2019		
On demand	9,101	-
Less than three months	-	1,008
Between three months and one year	-	9,046
More than one year	-	-
Total	9,101	10,054
As at 31 March 2018		
On demand	9,693	-
Less than three months	-	1,008
Between three months and one year	-	12,027
More than one year	-	-
Total	9,693	13,035

Market Risk: Interest rate risk

The Authority is exposed to risk in terms of its exposure to interest rate movements on its investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- Investments at variable rates – the interest income credited to the Income and Expenditure Account will rise
- Investments at fixed rates – the fair value of the asset will fall

Changes in interest receivable on variable rate investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Authority has a number of strategies for managing interest rate risk. In particular the Authority holds a mix of long and short term investments and a mix of fixed and variable rate investments. The upper limit for variable rate investments in 2018/19 was 80% of the portfolio.

Finance officers assess interest rate exposure during the annual budget setting process and review the interest budget forecasts regularly during the year. This allows any adverse changes to be accommodated.

As at end March 2019, if interest rates had been 1% higher with all other variables held constant, the estimated financial effect would be:

	£'000
Increase in interest receivable on Cash & Bank holdings	-112

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

This information helps to show the size of potential impact on the Authority's finances if interest rates change.

Market Risk: Price Risk

The Authority does not invest in equity shares and thus is not exposed to losses arising from movements in the price of shares.

Market Risk: Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and therefore no exposure to loss arising from movements in exchange rates.

27. Trading Operations

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure Line in the Comprehensive Income and Expenditure Statement.

Service Area	2017/18 (Restated) £'000	2018/19 £'000
Markets		
Income	-20	-20
Expenditure	16	16
(Surplus)/Deficit in year	-4	-4
Property Management		
Income	-71	-68
Expenditure	17	22
Revaluation Gain/(Loss)	-	176
(Surplus)/Deficit in year	-54	130
Total Trading Services (Surplus)/Deficit	-58	126

28. Building Regulations Chargeable and Non Chargeable Account

The Building (Local Authority Charges) Regulations 2010 require the disclosure of information regarding the setting of charges for the administration of the building control function. However, certain activities performed by the Building Control Section cannot be charged for, such as providing general advice and liaising with other statutory authorities.

Since 1 April 2014, Chiltern District Council and South Bucks District Council have run a joint Building Control service, and costs and income are split between the two authorities.

The statement below shows the total cost of operating the joint Building Control Section divided between the chargeable and non-chargeable activities.

	Chargeable £'000	Non Chargeable £'000	Total £'000
Expenditure			
Employee Expenses	637	34	671
Central Support Services	237	12	249
Other Costs	94	5	99
	968	51	1,019
Income			
Building Regulation Charges	-850	-	-850
Miscellaneous Income	-5	-	-5
	-855	-	-855
(Surplus) / Deficit for Year	113	51	164

This statement reflects a statutory requirement to maintain a separate Collection Fund, which shows the transactions of the Authority as a billing authority in relation to council tax and non-domestic rates, and the way in which the total amount collected has been distributed to the precepting authorities and the Government.

	Note	2017/18 Total £'000	2018/19 Council Tax £'000	2018/19 NDR £'000	2018/19 Total £'000
Income					
Income from Council Tax	1	-75,013	-79,942	-	-79,942
Transfer from General Fund		-4	-10	-1,460	-1,470
Income Collectable from Business Ratepayers	2	-20,286	-	-20,607	-20,607
Contribution to Previous Year's Estimated Deficit			-	-738	-738
			-79,952	-22,806	-102,758
Expenditure					
Precepts and Demands / Shares of Business Rates					
Central Government			-	10,695	10,695
Buckinghamshire County Council			57,282	1,925	59,207
Thames Valley Police & Crime Commissioner			8,088	-	8,088
Bucks and MK Fire Authority			2,782	214	2,996
Chiltern District Council *			11,028	8,556	19,584
			79,179	21,390	100,569
Business Rates Cost of Collection			-	110	110
Business Rates Provision for Appeals			-	-505	-505
Write offs of uncollectable amounts			39	61	100
Increase / (reduction) in allowance for impairment			-209	-145	-354
Payment of Previous Year's Estimated surplus			1,184	-	1,184
			1,014	-479	535
(Surplus) / Deficit for the Year			241	-1,895	-1,654
Balance brought forward 1 April			-1,379	3,481	2,102
Balance carried forward 31 March			-1,138	1,586	448
Analysis of Share of (Surplus)/Deficit					
Central Government			-	793	793
Buckinghamshire County Council			-814	143	-671
Thames Valley Police & Crime Commissioner			-126	-	-126
Bucks and MK Fire Authority			-40	16	-24
Chiltern District Council			-158	634	476
Totals			-1,138	1,586	448

* Includes Council Tax amounts collected on behalf of parish councils.

1. Council Tax

Chiltern District Council's requirement from the Council Tax was £180.88 (2017/18 £175.62).

The average Council Tax at band D including all precepts on the Collection Fund was £1,784.57 (2017/18 £1,688.92).

The Council Tax base (adjusted for dwellings where discounts apply) was made up of the following number of equivalent Band D dwellings.

Band	Net Dwellings	Band D Ratio	Band D Dwellings Equivalent
A	543	6/9	362
B	1,320	7/9	1,027
C	4,282	8/9	3,806
D	5,674	9/9	5,674
E	6,082	11/9	7,433
F	6,146	13/9	8,878
G	8,645	15/9	14,408
H	194	18/9	389
Adjust for estimated collection rate of 98.5% - Council Tax Base			44,716

2. Income from Business Ratepayers

Chiltern District Council collects Business Rates for the area, which is based on rateable values multiplied by the rate poundage set by Central Government.

	2017/18	2018/19
Non-domestic rateable value (at end of year)	£58.754m	£58.972m
Rate poundage – Standard Multiplier	47.9p	49.3p
– Small Business Multiplier	46.6p	48.0p

1) Scope of Responsibility

Chiltern District Council (CDC) is responsible for ensuring that:

- public money is used economically, efficiently and effectively;
- its business is conducted in accordance with the law and proper standards; and
- public money is safeguarded and properly accounted for.

Chiltern District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

Chiltern District Council has approved and adopted a code of Corporate Governance, which is consistent with the CIPFA / SOLACE *Delivering Good Governance in Local Government Framework 2016*. A copy of the code can be obtained from the Director of Resources. This statement explains how Chiltern District Council has complied with the code and also meets the requirements of the Accounts and Audit Regulations in relation to the publication of an Annual Governance statement.

2) The Purpose of the Governance Framework

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Chiltern District Council for the year ended 31 March 2019 and up to the date of approval of the statement of accounts.

3) The Governance Framework

Chiltern has put in place appropriate management and reporting arrangements to enable it to satisfy itself that its approach to corporate governance is both adequate and effective in practice. Specifically it has developed and adopted a Code of Corporate Governance and a Risk Management Strategy and the Director of Resources has been given responsibility for:

- overseeing the implementation and monitoring of the operation of the Code and Risk Management Strategy;
- reviewing the operation of the Code and Risk Management Strategy in practice; and
- ensuring that there is an effective internal audit function.

Our internal auditors, have been given the responsibility to review independently the status of the Authority's internal control arrangements and report to the Audit & Standards Committee, to provide assurance on the adequacy and effectiveness of internal control.

The system of internal control is based on a framework of regular management information, financial and contract procedure rules, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council and is reviewed by internal and external audit. In particular the system includes:

- an overall Business Plan and individual Service plans;
- the appointment of a legal Monitoring Officer;
- codes of conduct and staff performance appraisals;
- information asset and data quality policies and procedures;
- setting targets to measure financial and other performance;
- a performance management framework with regular performance monitoring;
- comprehensive budgeting systems; and
- regular reviews of financial reports which indicate financial performance against the forecasts.

4) Role of the Chief Finance Officer

The Authority fully complies with the CIPFA statement on the Role of the Chief Financial Officer in Local Government, the key principles and requirements of which are summarised below.

The Chief Financial Officer:

- Is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Authority's strategic objectives sustainably and in the public interest;

- Must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the Authority's financial strategy; and
- Must lead the promotion and delivery by the whole Authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the Chief Financial Officer:

- Must lead and direct a finance function that is resourced to be fit for purpose; and
- Must be professionally qualified and suitably experienced.

5) Review of Effectiveness

Chiltern District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates. As part of the process of compiling the Annual Governance Statement, statements of assurance on the effectiveness of internal control are obtained from Heads of Service.

For 2018/19 this review has been undertaken by the Audit & Standards Committee and included carrying out an assessment of the CDC internal control framework.

We have been advised of the results of the review of the effectiveness of the governance framework by the Audit & Standards Committee, and plans are in place to address weaknesses and ensure continuous improvement of the system.

6) Main Governance Issues

The following is the main governance issue.

ISSUE	ACTION
The main governance issue facing the authority is that, in its last year of existence, key controls and governance processes fail to an extent that creates material risks for CDC and the new Council.	The resourcing of key roles in financial and constitutional control will be kept under review to identify any issues that could lead to significant control risks. Clear plans for the transition to the new Council need to be established to minimise risk and disruption.

In addition, as shown in the Council's Statement of Accounts, the Council has estimated its long term pension fund liability in accordance with International Accounting Standard 19 (Employee benefits). The IAS19 requirements do not impact on the Council's financial performance but do ensure that the Council's net Pension Fund liability is recognised in the balance sheet. The net liability as at 31 March 2019 is £43.1m but the financial position of the Council remains healthy because the liabilities actually arise over a long period and the deficit on the pension fund will be made good through increased contributions into the fund over the remaining working life of employees. The level of contributions required is assessed by the scheme actuary.

Bob Smith
Chief Executive

Date

Councillor Isobel Darby
Leader of the Council

Date

Accounting Period

This is the length of time covered by the accounts. It is normally a period of twelve months commencing on 1 April. The end of the accounting period is the balance sheet date.

Accrual

Accrual accounting is one of the main accounting concepts. It ensures that income / expenditure is shown in the accounting period that it is earned / incurred, and not as money is received or paid.

Actuary

A suitably qualified independent person who advises on the financial position of the Pension Fund.

Actuarial Gains and Losses

Actuarial gains and losses represent changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions.

Amortisation

A measure of the cost or amount of benefit of an intangible asset that has been consumed during the period.

Appropriation

The transfer of resources between reserves.

Asset

An asset is something that the Authority owns that has a monetary value.

- A current asset is one that will be used or cease to have material value by the end of the next financial year e.g. stock or debtors
- A non-current asset provides benefits for a period of more than one year e.g. Council Offices

Balance Sheet

A financial statement summarising the financial position of the Authority, in particular its assets, liabilities and other balances at the end of each accounting period.

Billing Authority

A local authority charged by statute with responsibility for the collection of, and accounting for, Council Tax and Non-Domestic Rates.

Budget

A budget is a financial statement that expresses the Authority's service delivery plans and capital programme in monetary terms.

Capital Adjustment Account

This account represents amounts set aside from revenue resources or capital receipts to finance expenditure on non-current assets.

Capital Expenditure

Expenditure on the acquisition or refurbishment of a non-current asset and other eligible items that will be of benefit to the Authority in providing its services for more than one year.

Capital Financing

This term describes the various sources of money used to pay for capital expenditure.

Capital Programme

This is a plan for capital spending in future years. It shows the capital schemes that the Authority intends to carry out.

Capital Receipt

The proceeds from the disposal of land or other assets. Capital receipts can be used to finance new capital expenditure, but they cannot be used to finance revenue expenditure.

Collection Fund

A statutory fund maintained by the Authority, which is used to record council tax and non-domestic rates collected by the Authority, along with payments to central Government, precepting authorities and its own general fund.

Community Assets

This is the land and property that the Authority intends to hold forever. They generally have no determinable useful life and there are often restrictions regarding their sale. Examples include open spaces.

Council Tax

Council tax is levied on households and the proceeds are paid into its Collection Fund for distribution to precepting authorities and for use by its own General Fund.

Creditor

This term applies to money the Authority owes to others for work done or goods and services it has received during the financial year but not paid for at the end of the accounting period.

Current Asset

An asset which is easily convertible to cash or expected to become cash within the next year.

Current Liability

An amount which will become payable within the next financial year.

Debtor

This term applies to money that others owe to the Authority for work done or goods and services that have been provided to them by the Authority during the financial year but have not been paid for by the end of the accounting period.

Depreciation

A measure of the cost or amount of benefit of a non-current asset that has been consumed during the period.

Events after the Reporting Period

These are events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is signed.

External Audit

The independent examination of the activities and accounts of the Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Fair Value

The amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

Fees and Charges

Income raised by charging users of services for the facilities. For example planning applications fees, charges for the use of leisure facilities etc.

Finance Lease

A lease that transfers all the risks and rewards of ownership of an asset to the lessee. Such assets are included within the lessee's balance sheet.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

General Fund

The main fund of the Authority from which payments are made to meet the costs of providing services.

Government Grants

Grants made by Central Government towards either revenue or capital expenditure to help with the cost of providing services and capital projects. Some government grants have restrictions on how they may be used whilst others are general purpose.

Gross Expenditure

The total cost of providing the Authority's services before taking into account income from fees and charges for services, and grants.

Heritage Assets

Assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture (e.g. antique furniture, paintings, books and manuscripts).

Housing benefit

An allowance provided by the Authority to persons on low income to meet, in whole or part, their rent. The cost of housing benefit is largely met by a central Government grant.

Impairment

This is a reduction in the value of a non-current asset as shown in the balance sheet to reflect its current value.

Intangible Assets

Assets that do not have physical substance but are identifiable and are controlled by the Authority and bring benefits to the Authority for more than one financial year e.g. software licences.

International Financial Reporting Standards (IFRS)

IFRSs are set by the International Accounting Standards Board, the independent standard setting body of the International Accounting Standards Committee Foundation.

Inventories

These are items of stores that the Authority has bought to use on a continuing basis but has not yet used.

Liability

A liability arises when the Authority owes money or other assets to others.

Materiality

This is one of the main accounting concepts. It ensures that the statement of accounts includes all the transactions that, if omitted, would lead to a significant distortion of the financial position at the end of the accounting period.

Non-Current Asset

An asset which is not easily convertible to cash or not expected to become cash within the next year.

Non-Domestic Rates (NDR)

A levy on businesses, based on a national rate in the pound set by the Government multiplied by the 'rateable value' of the premises they occupy.

NDR Levy

A levy is payable to DCLG for any growth on NDR income above the amount deemed to be able to collectable. Ordinarily the levy rate is 50% however this has been reduced in 16/17 as the Authority has entered into a pool with South Bucks District Council, Aylesbury Vale District Council, Bucks & Milton Keynes Fire Authority and Bucks County Council.

Operating Lease

This is an agreement for rental of assets where the risks and rewards of ownership of the asset remain with the lessor. Annual rentals are charged to revenue.

Outturn

The actual results for the financial year

Precept

The levy made by precepting authorities on billing authorities, requiring the latter to collect income from council taxpayers on their behalf. Precepts are paid from the Collection Fund.

Precepting Authorities

Those authorities which are not billing authorities ie do not collect the council tax and non-domestic rate. Buckinghamshire County Council, Thames Valley Police and Crime Commissioner and Buckinghamshire & Milton Keynes Fire Authority are 'major precepting authorities' and parish councils are 'local precepting authorities'.

Provisions

Amounts set aside in one year to cover expenditure in the future. Provisions are for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain.

Rateable Value

The annual assumed rental value of a property that is used for business purposes.

Related Parties

Bodies or individuals that have the potential to control or influence the Authority, or to be controlled or influenced by the Authority.

Remuneration

All amounts paid to or receivable by an employee including sums due by way of expenses, allowances and the estimated money value of any other benefits received by an employee otherwise than in cash.

Reserves

Reserves are amounts set aside which do not fall within the definition of provisions and include general reserves (or 'balances'), which every authority must maintain as a matter of prudence. A reserve results from an accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the Authority's discretion.

Residual Value

This is the net realisable value of an asset at the end of its useful life.

Retirement Benefits

Retirement benefits comprise all forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. They do not include termination benefits payable as a result of either an employer's decision to terminate an employee's employment before normal retirement age or an employee's decision to accept voluntary redundancy.

Revaluation Reserve

An account containing any unrealised surpluses arising from the revaluation of non-current assets.

Revenue Expenditure

The day to day expenses associated with the provision of services.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

An example of this type of expenditure is where a capital grant is made by the Authority to another organisation. This counts as capital expenditure but does not create an asset that belongs to the Authority.

Revenue Support Grant (RSG)

A general grant paid by Central Government to local authorities as a contribution towards the cost of their services.

Section 106 Agreements

Section 106 receipts are monies paid to the Authority by developers as a result of the grant of planning permission where works are required to be carried out or new facilities provided as a result of that permission. The sums are restricted to being spent only in accordance with the agreement concluded with the developer.

Useful Life

This is the period over which the Authority will derive benefits from the use of a non-current asset.

CDC AUDIT COMMITTEE WORK PROGRAMME

Classification: OFFICIAL

Members are asked to consider whether there are any items they wish to add to, remove from, or move within, the proposed work programme.

Topic	Frequency	26 Sep 19	23 Jan 20	13 Mar 20
Assurance Statements				
Annual Governance Report	Annual			
Internal Audit				
Interim Progress Reports	Each meeting			
Follow up of Internal Audit Recommendations Report	Annual			
Comparision of Assurance Levels	Annual			
Annual Internal Audit Report	Annual			
Fraud & Corruption				
Fraud & Corruption Update (maybe verbal report)	Annual			
External Audit				
Certification of Claims & Returns Annual Report	Annual			
Annual Audit Letter (Sent out by email to all Members)	-			
Other				
Work Programme	Each meeting			

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