



**Castle House
Great North Road
Newark
NG24 1BY**

Tel: 01636 650000

www.newark-sherwooddc.gov.uk

Tuesday, 3 December 2024

**Chair: Councillor P Harris
Vice-Chair: Councillor S Forde**

Members of the Committee:

**Councillor R Cozens
Councillor P Farmer
Councillor A Freeman
Councillor J Hall
Councillor S Haynes**

**Councillor J Kellas
Councillor S Michael
Councillor C Penny
Councillor M Shakeshaft
Councillor T Thompson**

MEETING:	Audit and Governance Committee
DATE:	Wednesday, 11 December 2024 at 6.00 pm
VENUE:	Civic Suite, Castle House, Great North Road, Newark, NG24 1BY

**You are hereby requested to attend the above Meeting to be held at the time/place
and on the date mentioned above for the purpose of transacting the
business on the Agenda as overleaf.**

If you have any queries please contact Karen Langford on Karen.Langford@newark-sherwooddc.gov.uk.

AGENDA

	<u>Page Nos.</u>
1. Notification to those present that the meeting will be recorded and streamed online	
2. Apologies for Absence	
3. Declarations of Interest from Members and Officers	
4. Minutes of the Meeting held on 25 September 2024	4 - 7
Audit	
5. Internal Audit Progress Report 2024/25	8 - 44
6. External Auditors Audit Progress Report	45 - 56
7. Audit and Governance Committee Annual Report	57 - 61
8. Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2025 as at 30 September 2024	62 - 67
9. Treasury Management Mid-Year Report 2024/25	68 - 78
Governance	
10. Outcome of Local Government and Social Care Ombudsman Investigation	79 - 85
11. Outcome of Housing Ombudsman Investigation	86 - 109
12. Housing Ombudsman Annual Review Update	110 - 112
13. Strategic Risk Management	113 - 142
14. Update on the LGA Newark and Sherwood District Council Cyber 360 Report	143 - 144
15. Government Consultation - Enabling Remote Attendance and Proxy Voting at Local Authority Meetings	145 - 152
16. Review of the Council's Constitution	153 - 158
17. Review of Policies - Anti-Fraud and Corruption Strategy, Guidance for Dealing with Irregularities and Anti-Money Laundering Policy	159 - 192
Standards	
18. Conduct and Public Service	193 - 201
19. Annual Report detailing Exempt reports considered by the Audit &	202 - 204

Governance Committee

20. Audit and Governance Committee Work Plan 205 - 208
21. Exclusion of the Press and Public
- To consider resolving that, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.
22. Update on the LGA Newark and Sherwood District Council Cyber 360 Action Plan 209 - 212
23. Date of Next Meeting - 19 February 2025
24. Request meeting date change from 23 April 2025 to previous week on 16 April 2025 due to room usage for Elections

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Audit and Governance Committee** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Wednesday, 25 September 2024 at 6.00 pm.

PRESENT: Councillor S Forde (Vice-Chair)

Councillor P Farmer, Councillor J Hall, Councillor S Haynes, Councillor J Kellas, Councillor M Shakeshaft and Councillor T Thompson

APOLOGIES FOR ABSENCE: Councillor P Harris (Chair), Councillor R Cozens, Councillor A Freeman, Councillor S Michael and Councillor C Penny and Mr C Richardson (Non-Voting Co-Optee)

102 NOTIFICATION TO THOSE PRESENT THAT THE MEETING WILL BE RECORDED AND STREAMED ONLINE

Other than the Council recording in accordance with usual practice, there were no declarations of intention to record the meeting.

103 DECLARATIONS OF INTEREST FROM MEMBERS AND OFFICERS

Councillor Forde declared an interest as a Director on the Board of Active4Today.

104 MINUTES OF THE MEETING HELD ON 31 JULY 2024

AGREED that the minutes of the meeting held on 31 July 2024 to have an additional sentence to minute 97 after the second paragraph to read 'Members expressed their concern at the rise in numbers of complaints.' The minutes be approved as a correct record with the inclusion of the additional sentence to minute 97 and signed by the Vice-Chair.

105 PROJECTED GENERAL FUND AND HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL OUTTURN REPORT TO 31 MARCH 2025 AS AT 30 JUNE 2024

The Committee considered the report from the Business Manager for Financial Services to update Members with the forecast outturn position for the 2024/25 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets and to show performance against the approved estimates of revenue expenditure and income.

The report ensures that the Council has overall financial sustainability for the current financial year compared to the budgeted position.

AGREED (unanimously) that:

- a) the General fund projected favourable outturn variance of £0.145m be noted;
- b) the Housing Revenue Account projected unfavourable outturn variance of £0.048m to the Major Repairs Reserve be noted;

- c) the Capital Programme revised budget and financing of £63.232 be noted; and
- d) the Prudential indicators at Appendix A be noted.

106 INTERNAL AUDIT PROGRESS REPORT 2024/25

The Committee considered the report from Philip Lazenby, Director of Audit (TIAA) providing a summary of Internal Audit work undertaken during 2024/25 against the agreed audit plan.

The report provided details of all reports issued within the first part of the financial year 2024/25.

Based on the findings of the Internal Audit report, the committee asked for a further report to be tabled at a future meeting which outlines the Council's action plan to resolve the issues identified.

AGREED (unanimously) that the Members considered and commented upon the latest internal audit progress report and noted its content, and that a report setting out the Council's arrangements for project management be brought to a future meeting.

107 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN

The Committee considered the report from the Director of Customer Services and Organisational Development to inform Members of the Local Government and Social Care Ombudsman annual review updates.

The report highlighted it was an Ombudsman requirement that Annual Review Letters are shared with Members. The Committee were informed that the Housing Ombudsman had not advised when it will be publishing its next set of annual figures.

AGREED (unanimously) that Members noted the report.

108 GAS SAFETY COMPLIANCE - OVERVIEW AND LESSONS LEARNT

The Committee considered the report from the Director for Housing, Health and Wellbeing which provided an overview of the circumstances of making a self-referral to the Regulator of Social Housing (RSH) for a breach of the Home Standard for failures in the Council's HRA Gas Servicing Programme.

It also set out the actions taken to bring the Council out of regulation, confirmed performance has returned to its previous levels, and actions taken to prevent a further occurrence.

As at 6 September 2024, the current performance of the gas servicing programme was 34 properties without a valid gas certificate. The Committee noted that many of these cases are new and not those outstanding from the last report.

The Committee noted an amendment to Recommendation c) 'Appendix 3' to read as

'Section 3'.

The Committee also recommended an amendment to Recommendation a) deleting the original recommendation and replacing it to propose that a report be prepared for the next meeting that documents the progress being made on gas safety compliance. This was proposed by Councillor Shakeshaft and seconded by Councillor Haynes.

AGREED that:

- a) a report be prepared for the next meeting that documents the progress being made on gas safety compliance;
- b) the actions completed as a result of the service failure be noted; and
- c) the remaining recommendations in the Action Plan in Section 3 to be actioned and noted.

109 REVIEW OF ARRANGEMENTS FOR DEALING WITH CODE OF CONDUCT COMPLAINTS REGARDING COUNCILLORS

The Committee considered the report from the Assistant Director Legal & Democratic Services, Monitoring Officer to approve updates and revisions to the Council's Arrangements for dealing with Code of Conduct Complaints regarding Councillors.

The report reminded Members that in April 2024 they had agreed a review of the process for dealing with complaints be undertaken, an informal workshop took place in July 2024 with four Members attending.

The current arrangements for dealing with standards complaints were included in Appendix A for reference, and Appendix B provided the updated Code of Conduct Complaints Process for approval.

The Assistant Director proposed some minor amendments to Appendix B: amending the use of 'may' on pages 96 and 97 of the agenda papers to 'will' and 'will normally', for the avoidance of doubt to add reference to the Deputy Monitoring Officer and delete a superfluous cross-reference at paragraph 8(l).

AGREED (unanimously) that:

- a) the Council's arrangements for dealing with Code of Conduct Complaints as updated and attached at Appendix B of the report are approved subject to the minor amendments detailed by the Monitoring Officer verbally at the meeting; and
- b) to recommend to Cabinet that the Council's Independent Persons are awarded an inflationary pay increase in line with the Chief Officer pay award rate in 2025-26 and each year until the end of the 4-year term in 2027 at which time a further review should be undertaken.

110 AUDIT AND GOVERNANCE COMMITTEE WORK PLAN

The Committee considered the joint report of the Assistant Director Legal & Democratic Services, Monitoring Officer and the Business Manager for Financial Services which attached the Committee's Work Plan for consideration.

AGREED (unanimously) that the Work Plan be noted.

111 CHANGE OF MEETING DAY OF THE AUDIT AND GOVERNANCE COMMITTEE

The Committee considered the report from the Assistant Director Legal & Democratic Services, Monitoring Officer to consider moving the day for the Committee from a Wednesday to a Monday going forward, to support Committee Members who find it difficult to attend meetings on Wednesday evenings.

The Members did not feel that they had had enough time to consider whether to move the day of the Committee, and that Members should be consulted outside the meeting.

AGREED that the Audit & Governance Committee to leave the scheduled meeting dates as they are for this municipal year and for members to provide their preferences with which days of the week they are able to attend for the next municipal year.

Meeting closed at 7.59 pm.

Chair



Report to: Audit & Governance Committee Meeting
11 December 2024

Director or Business Manager Lead: Nick Wilson, Business Manager – Financial Services

Lead Officer: Philip Lazenby, Director of Audit (TIAA) 0845 3003333

Report Summary	
Report Title	Internal Audit Progress Report 2024/25
Purpose of Report	To provide a summary of Internal Audit work undertaken during 2024/25 against the agreed audit plan
Recommendations	That the Audit & Governance Committee consider and comment upon the latest internal audit progress report and note its content.
Reason for Recommendation	In order to understand the internal audit work undertaken throughout the 2024/25 financial year and how this impacts on the Council's overall Governance framework.

1.0 Background

1.1 The Audit Plan for 2024/25 was tabled at the Audit and Governance Committee in February 2024. A separate session, including members of the A&G Committee, Cabinet members and members of the Senior Leadership Team, met in March 2024 to holistically review and approve the Audit Plan. Throughout the year reports on the progress made and changes to the plan are then brought to this committee.

1.2 The report contains details of all reports issued within the first part of the financial year 2024/25.

2.0 Proposals

2.1 To receive and comment upon the Internal Audit Progress Report 2024/25 and note its content.

Background Papers and Published Documents

NIL



Newark and Sherwood District Council

Summary Internal Controls Assurance (SICA) Report

November 2024

Draft



Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Newark and Sherwood District council between 10th September 2024 and 21st November 2024.

B Corp

2. The new Internal Audit Code of Practice, which sets out fundamental principles for running a strong and effective internal audit function. For the first time, it presents a unified Code that encompasses the financial services, private, and third sectors.

The Code reflects the final recommendations of the Independent Internal Audit Code of Practice Review Committee and has received full endorsement by the Chartered IIA's Council. The Global Standards urge boards and Audit Committees across the financial, private and third sectors to adopt and implement the Code's principles, embarking on their path to full compliance. Embracing these principles will maximise the value of internal audit and unlock the full potential of the profession.

The purpose of the Code

The principles which follow are aimed at enhancing the overall impact and effectiveness of internal audit within organisations operating in the UK and Ireland. They are regarded as a benchmark of good practice against which organisations should assess their internal audit function.

Who is it for?

The intended audience for the Code of Practice (the 'Code') includes members of board audit and risk committees, chief audit executives, non-executive directors, senior management, and, where appropriate, regulatory bodies. The Code is intended to be applied by all organisations in the financial services, private and third sectors with an internal audit function and a board audit committee of independent non-executive directors or their equivalent. This Code may prove useful for internal audit in the public sector, but it is not drafted with the public sector specifically in mind. Public sector internal audit functions should continue to follow the Public Sector Internal Audit Standards.

How should it be applied?

The Code should be applied in conjunction with the International Professional Practices Framework and the Global Internal Audit Standards. The Code builds on these Standards and seeks to increase the impact and effectiveness of internal audit. The Code is principles-based. It is expected that the principles are applied proportionately, in line with the nature, scope and complexity of the organisation. Internal audit functions should apply the Code in the context of internal audit regulatory standards applicable to the organisation.

See Appendix D for further information and available resources

Audits completed since the last SICA report to the Audit Committee

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Housing Voids (2023/24)	Reasonable	8 th August 2024	29 th October 2024	29 th October 2024	0	3	3	-
Assurance Review of Budgetary Control (Key Control Audit)	Substantial	26 th September 2024	9 th October 2024	22 nd October 2024	-	-	-	1
Assurance Review of Corporate and Commercial Property Health and Safety Compliance (2023/24)	Reasonable	17 th July 2024	18 th September 2024	25 th September 2024	-	1	3	-
Assurance Review of Business Continuity – Appendix E Refers.	Limited Assurance Report provided in full at Appendix E	6 th November 2024	20 th November 2024	21 st November 2024	1	3	2	-

4. The Executive Summaries for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2024/2025 Annual Plan

5. Our progress against the Annual Plan for 2023/24 is set out in Appendix B.

Changes to the Annual Plan 2024/25

There have been no changes to the approved plan.

Progress in actioning priority 1 & 2 recommendations

We have made one Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA.

The recommendation trackers are provided for the Committee.

Frauds/Irregularities

8. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

9. We have issued a number of briefing notes and fraud digests, shown in Appendix C, since the previous SICA 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.

Appendix A: Executive Summaries

The following Executive Summaries are included in this Appendix. Full copies of the reports are provided to the Audit Committee.

Review	Key Findings
<p>1. Assurance Review of Housing Voids (2023/24)</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • Testing demonstrated gaps in void property tracker control data and a lack of management oversight. • The “VIP004” Void Management Procedure is dated August 2022 and is overdue for review. • No Tenant Representative Void property audit reports could be provided during audit. • The Void Lettable Standard document was last approved by the Homes and Communities Committee in June 2021 and is overdue for review. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • The risk of an increase in void properties is recognised in the strategic risk register. • Tenant outreach is completed and reported monthly.
<p>2. Assurance Review of Budgetary Control (Key Control Audit)</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • There is a robust system of internal controls operating effectively relating to Budgetary Control to ensure that risks are managed, and process objectives achieved. • It was noted that in two out of ten cases, the date the Virement was actioned could not be verified at the time of testing. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • The budget is continuously challenged and reported to the various Directorates and the Senior Leadership Team.
<p>3. Corporate and Commercial Property Health and Safety Compliance (2023/24)</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • Sample testing of five commercial properties identified risks around fire damper testing, access to ducting, and replacement of the security system at the Newark Beacon Innovation Centre (NBIC), which were not formally considered for inclusion in a local or operational risk register. • Quarterly reporting by exception on compliance with the H&S requirements in five key areas (legionella, asbestos fire, gas, electrical) is reported to the Senior Leadership Team and the Risk Management Group. • Sample testing confirmed that Health and Safety compliance testing and servicing is undertaken and supporting evidence is retained. Results are followed up, and action taken or planned is identified. <p>GOOD PRACTICE IDENTIFIED:</p>

Review	Key Findings
	<ul style="list-style-type: none"> There is a 2024/25 Building Compliance Delivery Programme mapping servicing and inspection requirements for the corporate properties.
<p>4. Business Continuity - Limited Assurance – Appendix E Refers.</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> The Corporate Business Continuity Plan did not consider the revised Business Unit Business Impact Assessments. Business Units Business Continuity Plans are not regularly tested based on risk and critical functions. The Council has not implemented a formal process for regularly reporting updates on business continuity reviews, testing and lessons learned to the Senior Leadership Team. The Corporate Business Continuity Plan (CBCP) and requires that it is tested on a regular basis, however, this had not been undertaken. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> Electronic copies of Business Continuity Plans are accessible by the Senior Leadership Team (SLT), Business Managers (BMs) and staff contacts. A copy is also held by Newark & Sherwood District Council’s Public Protection Business Unit (CSBU). All fifteen Business Units had updated their Business Continuity plans and Business Impact Plans for 24/25.

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

By the inclusion of void properties in the strategic risk register, regular reporting on tenant outreach and through the development of a void tracker, the council is mitigating the risk of unsuitable properties being let and suitable properties being left vacant for long periods of time.

KEY STRATEGIC FINDINGS

- Testing demonstrated gaps in void property tracker control data and a lack of management oversight.
- The "VIP004" Void Management Procedure is dated August 2022 and is overdue for review.
- No Tenant Representative Void property audit reports could be provided during audit.
- The Void Lettable Standard document was last approved by the Homes and Communities Committee in June 2021 and is overdue for review.

GOOD PRACTICE IDENTIFIED

- The risk of an increase in void properties is recognised in the strategic risk register.
- Tenant outreach is completed and reported monthly.

SCOPE

provided assurance that the Council effectively manages its void housing. Delivering a clean, safe and secure property to incoming tenants, within agreed targets for turnaround times, quality standards and cost.

ACTION POINTS

Urgent	Important	Routine	Operational
0	3	3	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Directed	The Void property Tracker had insufficient granularity to enable tracking of void properties. For example, there was no indication of when properties had been let from, nor was it completed fully. There were many cells where information was not provided and no indication of why it had not been completed. This spreadsheet represents an important control for the management of void properties and is a requisite for both proactive management of properties and completions of key metrics.	Management should complete the Void Tracker on a regular basis. Ideally the completion of the tracker would be supplemented by a procedure/guidance and be periodically subject to management review.	2	<i>Improved, more detailed spreadsheet is now in use and is viewed during the weekly operational voids meetings.</i> <i>Management attends the weekly void meetings.</i>	-November 2024	ABM – Housing Services and Responsive Repairs Manager
1	Directed	The Void Lettable Standard document was approved by the Homes and Communities Committee in June 2021 with a review date of June 2024. This review is now overdue.	Review of The Void Lettable Standard document to be undertaken in line with the agreed review date.	2	<i>A review of the standard will be commenced, progressing through internal governance and include tenant and officer consultation.</i>	<i>Review to commence 1 November with an implementation date of 1st April 2025</i>	<i>Responsive Repairs Manager</i>
	Directed	Governance arrangements, together with performance targets are not set out in writing.	To ensure that void reporting requirements and responsibilities, together with key performance indicators (KPIs) or targets are included in the Void Management Procedure.	2	<i>A review of the procedure will be commenced, progressing through internal governance.</i>	<i>Review to commence 1 November with an implementation date of 1st April 2025</i>	<i>Responsive Repairs Manager</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	The VIP004 Void Management Procedure is dated August 2022 and is overdue for review. It is noted that the new Housing Maintenance Manager is currently working on the document.	Review of the Void Management Procedure to be undertaken to ensure processes are up to date and ratified by the appropriate committee.	3	<i>A review of the procedure will be commenced, progressing through internal governance.</i>	<i>Review to commence 1 November with an implementation date of 1st April 2025</i>	<i>Responsive Repairs Manager</i>
4	Directed	Of 10 void properties tested, taken from the current Void Tracker, 8 were listed as Repair Status: Complete, though no date of new tenancy was included in the data provided. As no date of new tenancy has been recorded, it cannot be readily determined whether the property is still vacant/void and how long it may have been vacant for, nor when the repairs were completed. Two properties tested did not include a key received date. It was advised during a meeting with the housing maintenance manager that this may be due to property inspectors or contractors failing to complete the form, however no narrative supported this. One property tested shows a termination date of 14/08/2023 and is still listed as void. Notes do not indicate the reason for this. One property works took 31 days, listing minor repairs needed, however, this property required a full redecoration, including wallpaper, carpets and other maintenance works. One property, with termination date of 04/03/2024 and keys received 29/02/2024 has no advertised or	The Void Tracker to be fully completed with sufficient detail to support the reason for outliers.	3	<i>Improved, more detailed spreadsheet is now in use and is viewed during the weekly operational voids meetings.</i>	<i>-November 2024</i>	<i>ABM – Housing Services and Responsive Repairs Manager</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		estimated fit to let date. Notes indicate that a new fire door is required, though no other explanation is given as to why the property is still listed as void.					
5	Delivery	The council does not offer training to staff to ensure management of void properties and subsequent maintenance matters are completed in an appropriate manner. During interview with the Housing Maintenance Manager and Void property manager, it was explained that void properties are managed by one staff member. Due to this single person dependency, assurance of organisational resilience cannot be provided should this staff member be absent.	Training to be provided to additional staff, to reduce the risk of single point of failure regarding void property management.	3	<i>Training has already commenced with additional staff within the Housing Maintenance and Asset Management Business Unit. This change in approach will be included in the revised Void Management Procedure.</i>	<i>Review to commence 1 November with an implementation date of 1st April 2025</i>	<i>Responsive Repairs Manager</i>

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Ensuring Financial Sustainability.

KEY STRATEGIC FINDINGS

- There is a robust system of internal controls operating effectively relating to Budgetary Control to ensure that risks are managed, and process objectives achieved.
- It was noted that in two out of ten cases, the date the Virement was actioned could not be verified at the time of testing.

GOOD PRACTICE IDENTIFIED

- The budget is continuously challenged and reported to the various Directorates and the Senior Leadership Team.

SCOPE

Key control objectives that were considered included:

- Approved budgets are set each year, considering all relevant income and expenditure.
- The financial management system accurately reflects the agreed budgets.
- Budgets are allocated to individuals at an appropriate level, with monitoring responsibilities clearly outlined.

All budget adjustments (including virements) are authorised.
 Budgets are adequately monitored and regularly reported.
 Appropriate financial reserves are maintained in line with assessed risks.


ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	1

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No Recommendations were made.							

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

SR309 Implementation and maintenance of suitable statutory safety compliance management systems.

KEY STRATEGIC FINDINGS

- Sample testing of five commercial properties identified risks around fire damper testing, access to ducting, and replacement of the security system at the Newark Beacon Innovation Centre (NBIC), which were not formally considered for inclusion in a local or operational risk register.
- Quarterly reporting by exception on compliance with the H&S requirements in five key areas (legionella, asbestos fire, gas, electrical) is reported to the Senior Leadership Team and the Risk Management Group.
- Sample testing confirmed that Health and Safety compliance testing and servicing is undertaken and supporting evidence is retained. Results are followed up, and action taken or planned is identified.

GOOD PRACTICE IDENTIFIED

- There is a 2024/25 Building Compliance Delivery Programme mapping servicing and inspection requirements for the corporate properties.

SCOPE

The review considered compliance with the main Health and Safety requirements for Corporate and Commercial property including: Water Hygiene and Legionella; Gas Safety (heating and ventilation); Electrical Safety; Fall Arrest Systems; Asbestos; Lifts and Lifting Equipment; Fire Safety; Moveable Walls; and Security Systems.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	3	0

Agenda Page 21

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Sample testing identified that there were issues requiring longer-term solutions or a decision to accept a certain level of risk, but associated risks and mitigating actions were not formally considered for inclusion in a local or operational risk register. The issues related to fire safety and security at the NBIC (fire damper testing, accessing ducting, replacement of the security system). The quarterly compliance report did not specifically highlight risks for consideration at the Risk Management Group (RMG).	To ensure risks relating to facilities compliance are considered for inclusion on a local risk register and escalated in accordance with the Council's risk management process.	2	<i>Going forward the new process will be that the Risk Management Group will be updated of risks which cannot be resolved within a short timeframe. With agreement at the group that this is acceptable this will then form part of the Operational Risks on the Operational Risk Register for Corporate Property.</i>	31/12/2024	Asset Surveyor/Busin ness Manager Corporate Property/Rep airs and Maintenance Manager
1	Directed	A Corporate Property - Building Compliance Delivery Program is ready for implementation in 2024/25 and includes the responsibilities of the compliance team, the servicing requirements and frequencies, and a list of the corporate and commercial properties the programme covers. There is limited detail on the processes operating within the compliance team, including monitoring and reporting arrangements and the governance framework for decision-making such as SLT and Risk Management Group (RMG).	To address a lack of guidance on the governance framework and reporting arrangements by developing a policy and procedures document or by including information in the annual Corporate Property - Building Compliance Delivery Program.	3	<i>Corporate Property have a process map to identify procedures and roles within the team and the relevant escalation processes to resolve issues. See attached.</i>	31/09/2024	Asset Surveyor/Busin ness Manager Corporate Property/Rep airs and Maintenance Manager

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	Whilst it was noted that some dates are stated in the narrative of the action, the quarterly compliance report to SLT and RMG does not include a timescale for completion against all actions. Without an indication of timescales, delays may not be monitored and addressed promptly.	To include clear timescale for each identified action.	3	<i>Timescales will be a mandatory part of the reporting format to SLT.</i>	31/12/2024	Asset Surveyor/Business Manager Corporate Property
4	Delivery	There is no coordinated or consolidated approach to Council-wide reporting of the operational compliance tests managed by individual site managers such as maintaining on-site fire logs, emergency lighting tests. It is understood that discussions are underway to consider the process to manage these tests.	A standard, consistent recording and reporting mechanism to be agreed and implemented to cover local, operational compliance tests.	3	<i>A consolidated report which encapsulates all operational compliance tests managed by site managers will be reported on a frequent basis to the Risk Management Group.</i>	31/03/2025	Deputy Chief Executive/Director of Resources

Appendix B - Progress against 2024/25 Annual Plan

System	Planned Quarter 2024/2025	Current Status	Comments
Business Continuity	1	Final report issued	
Procurement	1	Fieldwork Almost Completed	
Budgetary Control	1	Final report issued	
Financial Resilience	2	Fieldwork Completed	
Apprenticeship and Talent Spotting	2	Fieldwork Almost Completed	
Agile Working	3	Fieldwork Almost Completed	
Housing Regulatory Compliance and Building Safety	3	Halfway Through Fieldwork	
Performance Management	3	At early stages	Preliminary Meeting occurred 15/11/24
Risk Management Framework	3	To Be Commenced	Preliminary Meeting set up for the 8/1/25
Mansfield Crematorium	4	To Be Commenced	
Gilstrap Financial	4	To Be Commenced	Waiting for evidence to be provided
Grounds Maintenance and Cleansing Service	4	To Be Commenced	
Equality Diversity and Inclusivity	4	At early stages	
24/25 ICT-Cyber Security Maturity Assessment	4	To Be Commenced	

To be commenced

Site work commenced

Draft report issued

Final report issued

Priority 1 and 2 Recommendations

Job	Year	Risk Area	Recommendation	Priority	Management Comments	Due Date	Revised Due Date	Status	Last Update	Latest Response
23/24 Housing Voids	2023	Directed Risk	Management should complete the Void Tracker on a regular basis. Ideally the completion of the tracker would be supplemented by a procedure/guidance and be periodically subject to management review.	2	Improved, more detailed spreadsheet is now in use and is viewed during the weekly operational voids meetings. Management attends the weekly void meetings.	29/10/2024		Complete	28/11/2024	Complete. Director of HWB observed voids meeting where spreadsheet used to drive workstreams
23/24 Contractual relationship with Active4Today	2023	Directed Risk	It is recommended that all relevant documents be sufficiently signed and approved including the contract and SLAs.	2	The contract between Active4Today and NSDC has been agreed but it is recognised that this does not have a formal signature. It is proposed that a review of the contract is undertaken to ensure there have been no changes and once complete the contract should be signed and sealed. A significant amount of work has gone in to delivering consistency across SLA's. All SLA's are to be signed by 1st April 2024 with an agreement and schedule of works in place. Responsibility will sit with the MD of Active for today with oversight by the BM Regeneration and Housing Strategy at quarterly compliance meeting.	01/04/2024	30/12/2024	Outstanding	November 2024	No signature as at October 2024

KEY:

Priority Gradings (1 & 2)

1	URGENT	Fundamental control issue on which action should be taken immediately.
----------	---------------	--

2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
----------	------------------	--

Risk Mitigation

CLEARED	Internal audit work confirms action taken addresses the risk exposure.
----------------	--

ON TARGET	Control issue on which action should be taken at the earliest opportunity.
------------------	--

EXPOSED	Target date not met & risk exposure still extant
----------------	--

Appendix C: Briefings on Developments in Governance, Risk and Control

TIAA produce regular briefing notes to summarise new developments in Governance, Risk, Control, Counter Fraud and Security Management which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those briefings issued in the last three months which may be of relevance to Newark and Sherwood district council is given below:

Summary of recent Client Briefings and Alerts

Briefing Type	Subject	Web Link	TIAA Comments
TIAA News	Give a Helping Hand Charity Team Building	Give a Helping Hand Charity Team Building - TIAA	Our Head Office staff recently took part in a team building event, organised by team tactics , which saw them building a number of prosthetic hands destined for individuals in developing countries.
Newsletter	Security Focus Newsletter Edition 8	Security Focus Newsletter Edition 8 - TIAA	Security and risk management is a key challenge for any organisation, this newsletter contains lots of useful advice and tips to help ensure a safe and secure environment for your staff and visitors. No organisation wants the disruption or bad publicity that incidents of violence and aggression against your staff or crimes against your property create.
Industry News	Protect Duty Update – (The Terrorism (Protection of Premises Bill)	Protect Duty Update - (The Terrorism (Protection of Premises Bill) - TIAA	An update and key points on the Terrorism (Protection of Premises) Bill.
TIAA Article	Celebrating Cyber Security Month: Protecting Our Digital World	Celebrating Cyber Security Month: Protecting Our Digital World - TIAA	As we step into Cyber Security Month, it's a perfect time to reflect on the importance of safeguarding our digital lives. In an era where technology is deeply intertwined with our daily activities, understanding and implementing robust cyber security measures is crucial. Find out about the importance of cyber security, getting the basics right and emerging trends.

Briefing Type	Subject	Web Link	TIAA Comments
Anti-Crime Alert	Mandate Fraud Alert	Mandate Fraud Alert - TIAA	A TIAA client has been targeted by fraudsters in an attempted mandate fraud. Read the full details in our alert.
Briefing Note	Authorised Push Payment Scams	Authorised Push Payment Scams - TIAA	An implementation date of 7 October 2024 for Authorised Push Payment scam protection, is confirmed by the Payment Systems Regulator. Authorised Push Payment (APP) fraud is a significant issue and can have a devastating impact on victims. The PSR is taking a leading role in improving outcomes for consumers by introducing new protections for victims of APP scams, while incentivising industry to implement enhanced fraud prevention tools.
Video	TIAA's B Corp Story	TIAA's B Corp Story - TIAA	TIAA is proud to be a certified B Corporation (or B Corp), joining a growing movement of companies that are reinventing business for the benefit of all people and our shared planet. Watch our B Corp Story.
Security Alert	Social media trolling of NHS staff	Social media trolling of NHS staff - TIAA	In an era where online interactions can significantly impact mental health and workplace morale, it's essential to stand up against harassment targeting our dedicated NHS workforce. Our alert details a recent incident and what you can do to protect your organisation.
Security Alert	Nitrous Oxide thefts	Nitrous Oxide thefts - TIAA	Our Security Management team have issued a new security alert regarding a rise in nitrous oxide thefts. Stay informed and take necessary precautions to protect your assets.
Anti-Crime Alert	Fake QR Codes in Parking Scam	Fake QR Codes in Parking Scam - TIAA	There have been reports of scammers placing fake QR codes on parking ticket machines. These deceptive codes lead unsuspecting victims to malicious websites that mimic sites such as RingGo or PayByPhone. Our alert details how to stay safe from these scams.

Briefing Type	Subject	Web Link	TIAA Comments
Security Alert	National Protests	National Protests - TIAA	National protests took place across the country, and it's crucial to stay informed and stay safe. Our alert shares important information and tips on how to protect your organisation and staff during these uncertain times.
Client Briefing Note	Global IT Outage highlights need for robust IT Disaster Recovery and Business Continuity	Global IT Outage highlights need for robust IT Disaster Recovery and Business Continuity - TIAA	In light of the recent global IT outage, it has become even more evident how crucial it is for businesses to have robust IT disaster recovery and business continuity plans in place. Our briefing details the importance of being prepared for unexpected IT disruptions.

Appendix D: Updates to Global Internal Audit Standards

In January 2024, the Institute of Internal Auditors released the long-awaited changes to the industry's Standards that will have far-reaching impact on the year(s) ahead.

The standards will be adopted by 9th January 2025.

There are some significant changes that will provide internal audit functions with a refreshed framework and clearer requirements.

Key Innovations and Enhancements

Among the significant new requirements include:

- Establishment of an internal audit strategy.
- Heightened governance and oversight by the board and senior management.
- Enhanced reporting including ratings/rankings considerations.
- External quality assessments to be conducted by a team that includes at least one CIA.
- Technology considerations for the internal audit function's evolving needs.

Elevating the mandate and stature of Internal Audit

- Defining IA's purpose – business stakeholders should understand and be able to articulate the value of internal auditing and the mandate must be included in the internal audit charter.
- Separating independence and objectivity – Clear definitions
- Enhancing stakeholder coordination
- Building trust – Developing an approach to building relationships with key stakeholders and promote effective communication across all stakeholder groups

Maximising use of Technology

- Enabling technology as a key resource
- Using technology in audit operations – including audit planning, human and technology resource allocation
- Technology use in audit delivery – using technology to test more effectively and efficiently, for example using applications to test full populations instead of a sample (Increased costs)

Delivering more valuable results

- Promoting continuous improvement – responsible for measuring the performance of the IA function and ensuring it continuously improves
- Enhancing and elevating engagement level – A formal requirement of engagement reporting, including rating or ranking of audit findings, formulating recommendations, obtaining management's action plans and developing an engagement conclusion
- Performing external quality assessments (EQAs) – The board of directors must review EQA results, and the assessment team must include at least one individual with an active certified internal auditor (CIA) designation

Structure of standards into 5 domains containing principles and standards. The key domain for Audit Committee members is Domain 3.

Domain 1 – Purposes of internal auditing and adding value

Domain 2 - Ethics and professionalism -behavioural expectations.

Domain 3 – Governing the IA Function (Relationship between IA and Board (Committee) and responsibilities)

Domain 4 – Managing the IA function

Domain 5 – Performing IA services – expectation on engagement



Newark and Sherwood District Council

Assurance Review of Business Continuity

November 2024

Agenda Page 33
Final



Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk in respect of Continuity in respect of Workforce Availability, IT Systems and Cybersecurity, Physical Infrastructure and Facility Risks, Supply Chain and Vendor Dependencies, Financial Risks and Resource Constraints, Emergency and Crisis Response Preparedness and Reputational and Public Relations Risks.

SCOPE

The audit assessed whether an effective continuous service process is in place to minimise the likelihood of service interruptions impacting upon key business functions and processes. Emergency Planning was not included as it was not seen to be part of Business Continuity.

KEY STRATEGIC FINDINGS

- The Corporate Business Continuity Plan did not consider the revised Business Unit Business Impact Assessments.
- Business Units Business Continuity Plans are not regularly tested based on risk and critical functions.
- The Council has not implemented a formal process for regularly reporting updates on business continuity reviews, testing and lessons learned to the Senior Leadership Team.
- The Corporate Business Continuity Plan (CBCP) and requires that it is tested on a regular basis, however, this had not been undertaken.

GOOD PRACTICE IDENTIFIED

- Electronic copies of Business Continuity Plans are accessible by the Senior Leadership Team (SLT), Business Managers (BMs) and staff contacts. A copy is also held by Newark & Sherwood District Council's Public Protection Business Unit (CSBU).
- All fifteen Business Units had updated their Business Continuity plans and Business Impact Plans for 24/25.

ACTION POINTS

Urgent	Important	Routine	Operational
1	3	2	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	<p>The Business Continuity Plan (BCP) requires testing on a regular basis.</p> <p>The Business Manager (Public Protection) and Community Protection Manager (Public Protection) confirmed that there have been two localised scenario test exercises that have been conducted on the BCP. In addition, they were aware that as an organisation no specific exercise had been done for four years outside of ICT. This requirement was recorded on the operational risk as an action.</p>	A full phased testing programme approach be conducted relating to the Corporate Business Continuity Plan.	1	<p><i>As an authority we have experienced a number of incidents in the last 4 years that have had impacts on our Business Continuity. Covid, low level power disruption, low level supplier issues, flooding etc. Whilst these have not been planned formalised testing, real world testing to some areas has taken place.</i></p> <p><i>A testing programme will be drafted to set out a clearer structure for testing and this will be based on risk and our critical functions.</i></p>	31/03/2025	Business Manager – Public Protection
1	Directed	<p>Discussion with the Business Manager (Public Protection) and Community Protection Manager (Public Protection) and a review of various documentation confirmed that:</p> <ul style="list-style-type: none"> There is a Business Continuity Plan – formulated/documented in 2023 which is due to be reviewed September 2026. At present, there is no clear link between the Business Impact Assessments and Departmental Business Continuity Plan with the Business Continuity Plan at a Corporate Level and critical functions are not clearly identified or articulated. 	A Corporate Business Continuity Plan be considered to be developed to support the existing Business Unit BCPs. Business Units should revise the Business Impact Assessments (BIAs), review the council’s critical functions and assess their interdependencies across business units. In addition, critical functions require further defining to take account of critical times (for example payroll during payment runs, elections etc).	2	<p><i>As part of the Cyber Security exercise consideration on interdependencies between business units business plans and support services was discussed and it is important that these are reviewed. This may result in changes to the critical functions or business unit action plans. This work is being looked at alongside the work from the cyber security exercise being led by CIGG.</i></p>	31/03/2025	Business Manager Public Protection

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Older Business Unit plans were submitted to Internal Audit in error rather than having been archived. Related Business Plans were not evidenced as having been regularly tested.	Business Unit Business Continuity Plans and Business Impact plans be maintained reviewed and archived appropriately. The Council ensure that the Business Units Business Continuity Plans are regularly tested based on risk and critical functions.	2	<i>We will review the current folder and ensure that it is up to date and any old versions are archived.</i>	31/12/24	Business Manager Public Protection
4	Directed	The Business Manager (Public Protection) and Community Protection Manager (Public Protection) confirmed that no monitoring reports are being documented/produced for the SLT with regards to Business Continuity.	A formal process be implemented for regularly reporting updates on business continuity reviews, testing and lessons learned to the Senior Leadership Team. In addition, there is a need to update on the various processes/assurance that make up the Business Continuity Plan such as the Business Impact Assessments and Business Unit Business Continuity Plan.	2	<i>This item will link together with item 1 related to a testing programme to ensure that feedback on testing and monitoring of progress is directly linked to ensure that SLT see a complete oversight and update.</i>	31/03/25	Business Manager Public Protection

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	<p>Business Unit Business Plans/Business Impact Assessments provided during the review did not clearly indicate when they were devised, when they were amended, summarise any amendments nor were they consistently presented.</p> <p>The ICT and Digital Services policy provided was created in 2019, and last updated 2022.</p> <p>The Finance Business Impact Analysis and Business Continuity Plan was unclear when it was created (the section was incomplete), the last version was saved in the current years' SharePoint folder, however, sections for version control were blank and there was a comment on the document from 2019.</p> <p>It was unclear when the Business Unit Service Specific BIA and BCP (Housing Strategy and Development Planning Policy, Tourism Town Centre) had been created but was stated as last revised in 2020.</p>	Dates for documentation such as Business Unit Business Plans be clearly displayed and the annex summarising when they were updated be completed filled, ensuring that outdated comments are removed. Any Business Unit BCPs that are no longer relevant as a result of internal restructuring for example, should be removed to prevent confusion.	3	<i>This action will be linked to item 2 to ensure that as part of the housekeeping review that each plan has the stated review dates included and any no longer required are removed.</i>	31/12/2024	Business Manager Public Protection
6	Directed	Training attendance was limited, and no effective training programme is in place.	A programme and schedule to support business continuity training be devised.	3	<i>Plans have already commenced as to the best way of providing training on Business Continuity to all staff at an appropriate level. Through the new Ambition Academy system, we will look to develop a suite of training that will enable basic training on for all new starters as part of the induction through to more detailed training for managers. These may be developed internally if a suitable existing package is not available on the new system.</i>	31/03/2025	Business Manager Public Protection

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	2,3,4,5 & 6	-

Other Findings



The Business Continuity Plan outlines the roles and responsibilities as follows:

Chief Executive - decide whether the Business Continuity Plan should be invoked and takes overall responsibility for ensuring that the aims of the plan are met.

Director Communities and Environment – is the Lead for Business Continuity Management.

Corporate Directors (SLT) - ensures that critical functions are identified and recorded through conducting a Business Impact Assessment and regularly reviews the Departmental Business Continuity Plans.

Emergency Management Team (EMT) - ensures that arrangements are put in place to enable the Council to continue delivering essential services and re-establish normal working in the shortest possible time.

The Business Manager (Corporate Property) - advise the Chief Executive of any incidents which will (or may) lead to Castle House or any other relevant building becoming wholly or partially unusable.



The IT system used to store information relating to Business Continuity is Resilience Direct. The Resilience Direct system is not linked to the Councils IT system and, therefore, accessible should the Councils IT system fail. Access to the Resilience Direct system is provided to the Senior Leadership Team, various Business Managers and some Admin where appropriate. Currently, the Emergency Planning Officer and Business Manager for Admin Services have administration rights to upload information. In addition, there is an offsite ICT recovery system in place with Rushcliffe.

Other Findings



There have been several Operational Risks identified in terms of Business Continuity, but no strategic risks have been identified. The Operational Risks were obtained, and it was noted that the following risk categories had been identified:

- Resourcing.
- Reputation.
- Expectations.
- Partners.
- Financial.
- Suitability of response.
- Service delivery.

The main controls identified to mitigate some of the risks were as follows:

- Availability of relevant Corporate Budget e.g. to support existing flood alleviation schemes.
- Scenario testing at least one exercise every two years.
- Attendance at the Local Resilience Forum.



The Business Continuity Plan states that 'The Emergency Management Team will assess what information may be released to the public. This information will be prepared and distributed via the Communications Team who will advise Customer Services and the media of the latest situation. The Communications Team will issue regular press releases and arrange media spokesperson as necessary'. The Business Manager (Public Protection) confirmed that this will form part of the Corporate Business Continuity Plan, and though not explicitly stated anywhere at present, during the recent Cybersecurity exercise, it was clear that those involved would only liaise via the Communications team.



Electronic copies of the Business Continuity Plan are accessible by the Senior Leadership Team (SLT), Business Managers (BMs) and other staff listed on the emergency planning contact sheet. A copy is also held by Newark & Sherwood District Council's Public Protection Business Unit (PPBU).



Limited attendance in the business continuity training sessions has been observed, which may result in reduced awareness in this area. The Manager (Public Protection) was aware that specific training had not been delivered for some time. Previous face to face training sessions had been cancelled due to insufficient numbers. The team are in the process of reviewing emergency planning with training linked to that which will also include business continuity. The aim is to have eLearning packages available and face to face for specific training. Discussion with the Business Manager (Public Protection) and Community Protection Officer Manager (Public Protection) confirmed that there was no specific training programme relating to Business Continuity but one was in the process of being formulated/developed.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings



The Business Manager (Public Protection) and Community Protection Manager (Public Protection) confirmed that the Business Continuity Plan will be reviewed annually going forwards. In addition, the Business Unit Business Continuity Plans should be updated every two years while the Business Impact Assessments should be updated/reviewed every five years or sooner if there have been major service changes.

As part of the sample testing, the Business Unit Business Impact Assessment and Business Continuity Plan for the Finance and Housing Strategy and Development Planning Policy, Tourism Town Centre Development were reviewed, from the total Business Unit Business Continuity Plans and Business Impact Plans available. The following was noted:

- The Finance Business Unit Business Impact Assessment and Business Continuity Plan did not have any review dates though it was due to be reviewed annually and the Housing Strategy and Development Planning Policy, Tourism Town Centre had been documented in 2020. Further discussions with the Business Manager (Public Protection) and Community Protection Manager (Public Protection) confirmed that the Finance Business Unit Business Impact Plan and Business Continuity Plan had been updated for 2024/25 and that the Housing Strategy and Development Town centre had changed departments. These Business Unit plans should have been archived and not maintained on the relevant folder.
- The Business Unit Business Impact Assessments and Business Continuity Plan for Housing Strategy and Development Planning Policy, Tourism Town Centre Development included the following main aspects:
 - Document Control and Distribution.
 - Activation of the plan.
 - Identification of Critical Services.
 - Roles and Responsibilities.
 - Action Cards.

This forms part of the Business Unit Standard Business Continuity Plan template.

- The Business Unit Business Impact Assessment and Business Continuity Plan of the Finance Business Unit included the following main aspects:
 - Document Control and Distribution.
 - Activation of the plan.
 - Identification of Critical Services.
 - Roles and Responsibilities.
 - Action Cards.

This forms part of the Business Unit Standard Business Continuity Plan template to ensure consistency.

Other Findings



The Business Manager (Public Protection) and Community Protection Manager Officer (Public Protection) confirmed that no KPIs relating to Business Continuity have been formulated/developed.



Cyber Reaction Exercise

On 26th June 2024, the Local Government Association (LGA) facilitated a Business Continuity (BC) Exercise for Newark & Sherwood Council relating to a Cyber incident. Overall, Newark & Sherwood demonstrated effectiveness in responding to a cyber incident at the strategic level. However, plans require refining and there are considerations to be analysed which could improve the overall response. The most important of these are:

- The organisation's ability to detect and respond to incidents in a timely manner requires improvement. The exercise revealed that there are potential delays in reporting and escalating incidents, which can allow threats to escalate and cause greater disruption. The organisation must establish clear reporting procedures and ensure staff are aware of the importance of timely reporting.
- Business continuity and incident response plans need to be updated and more widely understood. The exercise highlighted that existing plans may not be readily accessible or fully understood by staff, and that specific plans for cyber incidents are lacking. Further work is required within service areas to prepare contingencies for medium-term disruption. The organisation must review and update these plans, ensuring they are simultaneously deliverable, comprehensive, accessible, and regularly communicated to all staff.
- Communication and awareness are critical in managing incidents effectively. The exercise revealed challenges in communicating with staff and the public during a crisis. The organisation must develop a robust set of crisis communication principles, and these should be recorded and embedded in the corporate business continuity plan, including a checklist for stakeholder notifications.

The lessons learned from the recent Cyber Reaction exercise have been communicated to the Senior Leadership Team and progress relating to the recommendations arising are being reviewed at the Corporate Information Governance Group.



The Business Manager (Public Protection) and Community Protection Manager Officer (Public Protection) confirmed that the process relating to Business Continuity is paperless with information being stored on the Resilience Direct system.

EXPLANATORY INFORMATION

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. 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. 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.

Effectiveness of Arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.

Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report:

Stage	Issued	Response Received
Audit Planning Memorandum:	15 th August 2024	15 th August 2024
Draft Report:	6 th November 2024	20 th November 2024
Final Report:	21 st November 2024	



Report to: Audit & Governance Committee Meeting
11 December 2024

Director or Business Manager Lead: Sanjiv Kohli, Deputy Chief Executive, Director of Resources and S151 Officer

Lead Officer: Nick Wilson, Business Manager – Financial Services
01636 655317

Report Summary	
Report Title	External Auditors Audit Progress Report
Purpose of Report	To present the External Auditor’s Audit Progress Report for Newark and Sherwood District Council for 2023/24.
Recommendations	Members receive and note the External Auditors Audit Progress Report for 2023/24. Members note the adjustments to the draft audited financial statements set out in the report.
Reason for Recommendation	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

1.0 Background

1.1 The external auditor issues an Annual Audit Completion Report (ACR) in compliance with the International Standards on Auditing. The significant findings from the audit are reported in the Annual Audit Completion Report, together with the action taken in respect of these findings. The report also gives the auditor’s opinion on the Statement of Accounts. This report will be tabled at the Committee once the audit work has been completed.

2.0 Statement of Accounts

2.1 The Audit Progress Report updates Members as to the status of the audit for the 2023/24 financial year. Whilst the majority of the audit work has been completed, there are still areas yet to complete as at the point of writing the report.

- 2.2 The report also describes the misstatements that have been identified so far as part of the audit process. Management have made a judgement as to whether or not some of these items should be adjusted for within the statements and these are identified within the document.
- 2.3 There is a legislative requirement that the audit must be complete by 28th February 2025. The date of the next committee meeting is the 19th February 2025 which will allow sufficient time for the sign off process post that meeting. Hence the approval of the Statement of Accounts will be brought to the meeting on the 28th February 2025.

3.0 Implications

In writing this report and in putting forward recommendations officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None



Audit Progress Report
Newark & Sherwood District Council – Year end 31 March 2024

Agenda Page 47

November 2024

Contents

- 01 Overview of engagement
- 02 Newark & Sherwood District Council: Status of the audit
- 03 Newark & Sherwood: Summary of misstatements

Agenda Page 48

This document is to be regarded as confidential to Newark & Sherwood District Council. It has been prepared for the sole use of the Audit & Governance Committee as the appropriate committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.



01

Overview of engagement



Overview of engagement

We are appointed to perform the external audit of Newark & Sherwood District Council (the Council) for the year ending 31 March 2024. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>. Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), and we summarise the position to date as follows:

Area	Responsibilities	Status: Newark & Sherwood District Council
Audit opinion	We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting. Our audit does not relieve management or the Audit & Governance Committee, as Those Charged With Governance, of their responsibilities.	<p>Whilst we have performed the majority of our audit works, there are still areas yet to complete.</p> <p>On 30 July 2024, the Minister of State for Local Government and English Devolution made a statement to propose secondary legislation, with the proposed backstop date for financial years up-to-and-including 2022/23 as 13 December 2024 and the financial year 2023/24 being 28 February 2025. We are working to complete our audit before the 28 February 2025 deadline and expect to bring our opinion to February 2025 committee meeting.</p>
Value for money	We are responsible for forming a view on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources.	We have started our planning and risk assessment work, and we have received management's self-assessment. We will continue to update our risk assessment as the audit progresses. No significant weaknesses have been noted at this stage. We intend to present our findings in our Annual Audit Report, which we expect to bring to the February 2025 committee meeting.
Wider reporting and electors' rights	<p>We report to the National Audit Office (NAO) on the consistency of the Council's financial statements with its Whole of Government Accounts (WGA) submission.</p> <p>The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the Council and consider objections made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.</p>	<p>We are unable to report to the NAO until our work on the financial statements is complete.</p> <p>We have not received any matters of correspondence from electors.</p>

02

Newark & Sherwood District Council: Status of the audit



Status of the audit

Newark & Sherwood District Council

Our audit work is in progress currently and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the satisfactory resolution of the outstanding matters set out below.

Related parties.

We are awaiting signed declarations of interests from the members and officers for 2023/24 and other minor queries.



Payroll testing

We are currently awaiting existence confirmations for two employees.



Assets Held for Sale

For this are we are waiting for confirmation that the asset has satisfied the conditions in order to be classified as being 'held for sale'.



Valuation of Land & Buildings and Council Dwellings

The work on this area is complete, it is just awaiting final reviews from the audit manager and partner.



Investments, Cash & Cash Equivalents and Borrowings

We are currently waiting to receive confirmations from Lloyd bank call account, CCLA property Fund, Barclays Bank and Northern Trust



Unrecorded Liabilities

We are currently writing up the sample evidence the Council have provided.



Pensions

We are still awaiting IAS19 assurance responses from Nottinghamshire Pension fund.



Audit Quality Control and Completion procedures

Our audit work, including the specific procedures carried out in relation to the significant audit risks identified, is yet to undergo the stages of review including by the Manager and Key Audit Partner. In addition, there are residual procedures to complete, including completing our internal technical consultations on the proposed audit opinion and the updated financial statements, updating post balance sheet event considerations to the point of issuing the opinion and obtaining final management representations.



Status



Likely to result in a material adjustment or a significant change to disclosures in the financial statements.



Potential to result in a material adjustment or a significant change to disclosures in the financial statements.



Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.

03

Newark & Sherwood District Council: Summary of misstatements



Summary of misstatements

Newark & Sherwood District Council

We set out below and on the following pages a summary of the misstatements we identified during our audit, above the trivial threshold for adjustment of £87k. :

Description	Dr	Cr	Adjusted?
Income that should have been recognised in 2023/24 was not accrued for and recognised in 2024/25. Amount to be confirmed and reported in our Audit Completion Report.	Reserves £TBC	Income £TBC	No
Expenditure that should have been recognised in 2023/24 was not accrued for and recognised in 2024/25. Note amounts based on extrapolation of testing errors.	Reserves £1,045,000	Expenditure £1,045,000	No
Incorrect grossing up of interest paid and interest received in respect of HRA recharge	Financing Income £905,000 Interest receivable £905,000	Financing Expenditure £905,000 Interest payable £905,000	Yes
Incorrect classification of asset (32 Stodman Street) as Other Land & Buildings instead of Assets Under Construction.	Assets Under Construction £3,613,000	Other Land & Buildings £3,613,000	Yes
Identification of potential valuation movement on non-revalued assets	Property, Plant & Equipment £899,000	Surplus(-)/deficit on revaluation of non- current assets £899,000	Yes
Incorrect application of Beacon valuations	Surplus(-)/deficit on revaluation of non- current assets £112,000	Council Dwellings £112,000	Yes
Identification of errors in the Council's valuation of DRC and EUV assets. These adjustments have been affected to both current year and prior periods, necessitating the need for a prior period adjustment.	Usable Reserves £2,970,000 General Fund £1,220,000	Property, Plant & Equipment £2,970,000 Income & Expenditure £1,220,000	Yes

Summary of misstatements

Newark & Sherwood District Council

Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been agreed to adjust by management:

- Note 1 Accounting policies / Note 26 Heritage assets - Incorrectly refers to heritage asset valuations being increased annually for inflation
- Note 21 Audit Fee - Audit fees didn't match the most recent ASM, we requested this to be changed, and the client agreed to amend the figures to match. Additional note for 'Subsequent events' added in the updated financial statements.
- Note 1 Accounting policies - A number of discrepancies have been noted with the Council's accounting policy disclosures e.g. the absence of a prior period adjustment policy and the inclusion of heritage assets being increased annually for inflation when this is not the case.
- 'Note 22 - Capital Commitments - The Council have failed to complete this note in accordance with the Code requirements with a single actual contractual commitment being noted in respect of Yorke Drive for £277k.
- Incorrect disclosure of the Travelodge leasing entries.
- Incorrect disclosure of future minimum lease payments due in respect of lessor operating leases.
- Incorrect disclosure of financial instrument entries
- Incorrect disclosure of lessee finance lease underlying asset movements

We are continuing to discuss some further queries with the Council.

Contact

Forvis Mazars

Mark Surridge
Key Audit Partner

Tel: +44 (0)7875 974 291
Mark.Surridge@mazars.co.uk

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73

© Forvis Mazars 2024. All rights reserved.



Report to: Audit & Governance Committee Meeting
11 December 2024

Director or Business Manager Lead: Sanjiv Kohli Deputy Chief Executive / Director –
Resources and Section 151 Officer

Lead Officer: Nick Wilson, Business Manager Financial Services on
ext 5317

Report Summary	
Report Title	Audit and Governance Committee Annual Report
Purpose of Report	To inform Members of the activity undertaken by the Audit and Governance Committee between 27 September 2023 and 31 July 2024.
Recommendations	That Members note the report.
Reason for Recommendation	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

1.0 Background Information

1.1 As part of the bi-annual review of the effectiveness of the Audit and Accounts Committee which was undertaken during July 2019, an action plan was presented to the Audit and Accounts Committee at the meeting in November 2019. One of the actions identified within that plan was to produce an annual report of the activity of the Audit and Accounts Committee.

1.2 Section 7.2 of Part C of the constitution sets out the terms of reference for the Committee. This report details how the Committee has discharged those responsibilities throughout the year.

2.0 Activity undertaken during the year

2.1 During the year, the Committee discharged its responsibilities as described within the Constitution by:

27 September 2023

- 2.2 Members were updated with an outcome of a recent Housing Ombudsman investigation.
- 2.3 A Local Government and Social Care Ombudsman Annual Review update was provided to Members as is a requirement that Annual Review letters are shared with Members.
- 2.4 Members reviewed the May/June induction training programme for Councillors and considered the ongoing training and development for Councillors.
- 2.5 Members considered the Independent Remuneration Panel regarding the Scheme of Members Allowances for 2023/24 in the context of value for money.
- 2.6 Members received an annual report informing them of the activity undertaken by the Audit & Governance Committee from 22 April 2022 until 14 June 2023.
- 2.7 The Committee received a report setting out the assessment of the Section 151 Officer of the Council's Going Concern status, this is required for the preparation and approval of the Statement of Accounts for the financial year ended 31 March 2023.
- 2.8 The Committee also received reports on:
 - Annual External Audit Strategy Memorandum 2022/23
 - Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2024 as at 30 June 2023
 - LGA Newark and Sherwood District Council Cyber 360 Report

22 November 2023

- 2.9 The Internal Audit Progress Report for 2023/24 provided a summary of Internal work undertaken during 2023/24 against the agreed audit plan and how this impacts on the Council's overall Governance framework.
- 2.10 The Members received an update on the Council's Treasury Activity and Prudential Indicators for the first half of 2023/24 which was noted and recommended to Full Council on 12 December 2023.
- 2.11 The Committee were informed of counter-fraud activity undertaken since the last update, the Members understood how important the Council's response is to fraud and also the results of any actions taken.
- 2.12 Members received an update on the status of the Council's 2023/24 Strategic Risk Register.
- 2.13 The Committee gave their endorsement to updates to the Council's Constitution to enable Planning Committee to revise the Council's Protocol for Dealing with Planning Matters to allow for public speaking at the Planning Committee.

It was recommended to Full Council that the Council's Constitution be amended as set out in paragraphs 2.2 to 2.4.

21 February 2024

- 2.14 Members were provided with the reports which had been approved at Cabinet on 20 February 2024 :

General Fund Revenue Budget 2024/25

General Fund Medium Term Financial Plan 2024/25 – 2027/28

Capital Programme 2024/25 – 2027/282

- 2.15 The Committee approved the Internal Audit Plan for the 2024/25 financial year.
- 2.16 Members received a summary of Internal Audit work undertaken during 2023/24 against the agreed audit plan.
- 2.17 Members received the External Auditor's Draft Annual Audit Completion Report for 2022/23.
- 2.18 The Committee approved the Council's Statutory Accounts for financial year ended 31 March 2023.
- 2.19 The Committee considered the forecast outturn position for the 2023/24 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets.

This also ensured that the Council has overall financial sustainability for the current financial year compared to the budgeted position.

- 2.20 Members approved the Treasury Management Strategy, incorporating the Borrowing Strategy, Investment Strategy and Treasury Prudential Indicators updated in accordance with the latest guidance, to be taken to Full Council on 8 March 2023.
- 2.21 The Committee also received reports on:
- Capital Strategy 2024/25
 - Investment Strategy 2024/25
 - Housing Ombudsman Annual Review Update
 - Gifts and Hospitality Annual Report
 - Regulation of Investigatory Powers Act 2000 (RIPA) Annual Report
 - Whistleblowing Policy Annual Report
 - Review of Significant Issues in the Annual Governance Statement
 - Update on the LGA Newark and Sherwood District Council Cyber 360 Report

24 April 2024

- 2.22 The Committee received a summary of Internal Audit work undertaken during 2023/24 against the agreed audit plan. The report contained details of reports issued in the last quarter together with a summary of all report considered during the financial year.

- 2.23 The External Auditor issued an Annual Audit Completion Report (ACR) in compliance with the International Standards on Auditing. The significant findings from the audit are reported in the Annual Audit Completion Report, together with the action taken in respect of these findings. The report also gave the auditor's opinion on the Statement of Accounts.
- 2.24 The Members were presented with the Ethical and Fossil Fuel Investment policies of the Investment Banks used by the Council, to ensure sustainable and ethical investments in line with the Council's policies.
- 2.25 Members received an update highlighting the Council's 2024/25 Strategic Risk Register and they were provided with the current status.
- 2.26 The Committee received the updates to the Council's accounting policies in relation to the close down of the 2023/2024 financial year.
- 2.27 The Committee also received reports on:
- Underlying Pension Assumptions for 2023/2024 Statement of Accounts
 - Underlying Valuation Assumptions for 2023/2024 Statement of Accounts
 - Annual Review of the Council's Constitution
 - Review Arrangements for dealing with Code of Conduct Complaints regarding Councillors
 - Update on the LGA Newark and Sherwood District Council Cyber 360 Report

31 July 2024

- 2.28 Members were updated on the changes required to the Customer Complaints and Feedback Policy which would ensure the Council meets the requirements of the Housing Ombudsman Complaint Handling Code.

The report also provided Members with the outcome of the completion of the Housing Ombudsman Complaint Handling Code Self-Assessment.

- 2.29 The Committee were presented with the Customer Feedback half year report.
- The Council acknowledged the significance of listening to residents' views regarding the services they receive. The customer feedback policy facilitates the capture, investigation, response, and learning from customer feedback, contributing to the improvement and development of Council services in the future.
- 2.30 The report outlined to the Committee the appended Productivity Plan with the aim of providing Elected Member oversight prior to being submitted to Central Government during July.
- 2.31 The Committee received the report that set out the assessment by the Section 151 Officer of the Council's Going Concern Status.

An assessment of the Council's Going Concern is required for the preparation and approval of the Statement of Accounts for the financial year ended 31 March 2024.

- 2.32 Members reviewed the Council's draft Statutory Accounts for the financial year ended 31 March 2024.

The Council's external auditors, Mazars, to commence the audit of the accounts in September 2024. On completion there is a requirement that the external auditor provides details of all the errors within the financial statement. This report is the Audit Completion report and is brought to the Audit & Governance Committee in December along with the final audited Statement of Accounts for approval.

- 2.33 Members had the opportunity to review the Annual Treasury Outturn report, to be presented to Council on 15 October 2024.

The Council delegates responsibility for the implementation and regular monitoring of treasury management policies and practices to the Audit & Governance Committee and for the execution and administration of treasury management decisions to the Section 151 Officer, who acts in accordance with the Council's policies and practices.

- 2.34 The Committee also received reports on:

- Assessment of the effectiveness of the Internal Audit Function and the Audit and Governance Committee
- Annual Internal Audit Report
- Internal Audit Progress Report 2024/25
- Provisional Financial Outturn Report to 31 March 2024
- Fraud Risk Assessment
- Counter-Fraud Activities from 1 October 2023 to 30 April 2024
- Code of Conduct Annual Report for the Period 1 April 2023 – 30 April 2024

3.0 Conclusion

- 3.1 As can be seen from the account of the year, the Committee has discharged its responsibilities as per the Constitution.

- 3.2 The Committee has added value to the organisation, by having appointed an Independent member to the Committee. Adding skills to the Committee which benefit the whole organisation as further scrutiny over the reports presented to the Committee is achieved.

Background Papers and Published Documents

Nil.



Report to: Audit & Governance Committee Meeting 11 December 2024

Director or Business Manager Lead: Sanjiv Kohli Deputy Chief Executive / Director –
Resources - Section 151 Officer

Lead Officer: Nick Wilson, Business Manager Financial Services on
ext 5317

Report Summary	
Report Title	Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2025 as at 30 September 2024
Purpose of Report	<p>To update Members with the forecast outturn position for the 2024/25 financial year for the Council’s General Fund and Housing Revenue Account revenue and capital budgets.</p> <p>To show performance against the approved estimates of revenue expenditure and income.</p>
Recommendations	<p>That Committee:</p> <ul style="list-style-type: none"> (a) note the General Fund projected favourable outturn variance of £0.719m; (b) note the Housing Revenue Account projected favourable outturn variance of £0.033m to the Major Repairs Reserve; (c) note the Capital Programme revised budget and financing of £49.467m; and (d) note the Prudential indicators at Appendix A.
Alternative Options Considered	Not applicable.
Reason for Recommendations	<p>To consider the forecast outturn position for the 2024/25 financial year for the Council’s General Fund and Housing Revenue Account revenue and capital budgets.</p> <p>Ensure the Council has overall financial sustainability for the current financial year compared to the budgeted position.</p>

1.0 Background

Overview of General Fund Revenue Projected Outturn for 2024/25

- 1.1 *Table 1* shows a projected favourable variance against the revised budget of £0.421m on Service budgets, with an overall favourable variance of £0.719m that would need to be transferred to the General Fund reserve. This is based on meetings which took place with Business Managers during October, whereby they have analysed actual income and expenditure to 30th September 2024 and forecasted forward to the end of March 2025 the additional income and expenditure currently expected to be incurred.

Table 1: General Fund revenue outturn for 2024/25 financial year as at 30 September 2024

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Net Cost of Services	19.787	21.367	20.946	(0.421)
Other Operating Expenditure	4.932	4.932	4.932	0
Finance & Investment Income/Expenditure	(1.736)	(1.736)	(1.849)	(0.113)
Taxation & Non-Specific Grant Income	(24.578)	(24.578)	(24.662)	(0.084)
Net Cost of Non-Service	(21.382)	(21.382)	(21.579)	(0.197)
Net Cost of Council Expenditure	(1.595)	(0.015)	(0.633)	(0.618)
Transfer to/(from) Usable Reserves	0.794	(0.786)	(0.786)	0
Transfer to/(from) Unusable Reserves	0.801	0.801	0.700	(0.101)
Transfer to/(from) General Reserves	0	0	0.719	0.719

- 1.2 While the current overall favourable variance of £0.719m is a positive impact for the Councils resources, it is only a forecast, therefore the Outturn Report in June 2025 will finalise the variance and the allocation of that variance into the Councils General Reserves.

Overview of Projected Housing Revenue Account (HRA) Outturn for 2024/25

- 1.3 With reference to the 'Variance' column in Table 2, the HRA accounts show a projected favourable variance on the Net Cost of HRA Services against the revised budget of £0.134m an increased transfer to the Major Repairs Reserve of £0.033m:

Table 2: HRA revenue outturn for 2024/25 financial year as at 30 September 2024

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Net Cost of HRA Services	(7.655)	(7.486)	(7.620)	(0.134)
Other Operating Expenditure	0.027	0.027	0.027	0.000
Finance & Investment Income/Expenditure	3.955	3.955	4.056	0.101
Taxation & Non-Specific Grant Income	0.000	0.000	0.000	0.000
(Surplus)/Deficit on HRA Services	(3.673)	(3.504)	(3.537)	(0.033)
Movements in Reserves				
Transfer to/(from) Usable Reserves	(0.027)	(0.196)	(0.196)	0.000
Transfer to/(from) Unusable Reserves	(6.269)	(6.269)	(6.269)	0.000
Transfer to/(from) Major Repairs Reserve	9.969	9.969	10.002	0.033
Total	0.000	0.000	0.000	0.000

- 1.4 While the current overall favourable variance of £0.033m is a positive impact for the Councils resources, it is only a forecast, therefore the Outturn Report in June 2025 will finalise the variance and therefore the transfer to or from the Major Repairs Reserve.

Overview of Projected Capital Outturn 2024/25

- 1.5 The table below summarises the position for the Capital Programme as at 30 June 2024 and is split between General Fund and Housing Revenue Account.

	Revised Approved Budget £'m	Current Approved Budget £'m	Revised Budget updated for Approval £'m	Actual Spend to 30 June 2024 £'m	Forecast Outturn £'m
General Fund	25.599	34.305	28.442	5.012	28.442
Housing Revenue Account	25.808	28.927	21.025	8.459	21.025
Total	51.407	63.232	49.467	13.471	49.467

- 1.6 As projects are developed and spending commitments are made, budget requirements can change. It is a requirement that Cabinet approve all variations to the Capital Programme. The below table details the changes that have been approved and are due to be approved on 10 September 2024 and account for the difference between the Revised budget updated for approval of £49.467m and the original budget of £51.407m above.

	General Fund £'m	HRA £'m
Original Budget approved on 7 March 2024	25.599	25.808
Slippage from 2023/24	10.297	3.291
Quarter 1 Movements reported at 25 September 2024 Audit & Governance	(1.591)	(0.172)
Current Approved budget	34.305	28.927
Reprofiles to future years	(6.351)	(7.910)

Additions/Reductions	0.488	0.009
Total Change	(5.862)	(7.902)
Revised budget to be approved	28.443	21.025

Capital Programme Resources

- 1.7 The revised budget of £49.467m will be financed as follows, with every attempt to minimise the impact on the Council's revenue budget:

	General Fund £'m	Housing Revenue Account £'m	Total £'m
Borrowing	9.836	10.627	20.463
External Grants & Contributions	9.900	1.182	11.082
Capital Receipts	2.219	0.360	2.579
Community Infrastructure Levy	0.076	0.000	0.076
Revenue Contributions	6.411	8.856	15.267
Total	28.442	21.025	49.467

Prudential Indicators

- 1.8 The Treasury Management Code of Practice 2021 stipulates that quarterly update reports on prudential indicators are now required from 2023/24 onwards.
- 1.9 The prudential indicators are set within the Treasury Management Strategy, Capital Strategy and the Investment Strategy and the three strategies were approved by Audit and Governance Committee on 21 February 2024 and Full Council on 7 March 2024. The summary of the prudential indicators can be found at **Appendix A**.
- 1.10 As can be seen from **Appendix A**, the Council was fully compliant with all of the indicators as set within the Treasury Management Strategy, Capital Strategy and Investment Strategy.

2.0 Implications

- 2.1 In writing this report and in putting forward recommendation's officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Background Papers and Published Documents

General Fund, Housing Revenue Account Revenue and Capital Monitoring Outturn Report as at March 2024 to Cabinet on 23 July 2024

Treasury Strategy Indicators - Borrowing	Original Estimate / Limit £'000	Revised Estimate / Limit £'000	Q1 Actual £'000	Q2 Actual £'000	Compliance
Operational Boundary for External Debt	174,975	137,556	84,601	84,922	Yes
Authorised Limit for External Debt	181,975	144,756	84,601	84,922	Yes
HRA Debt Limit	129,731	129,731	83,935	83,917	Yes
Maturity Structure of Borrowing					
Under 12 months	15%	15%	8.71%	9.23%	Yes
12 months and within 24 months	15%	15%	3.56%	3.54%	Yes
24 months and within 5 years	30%	30%	17.82%	17.72%	Yes
5 years and within 10 years	100%	100%	9.48%	9.41%	Yes
10 years and above	100%	100%	60.43%	60.10%	Yes
Treasury Strategy Indicator - Investing					
Credit risk indicator (Minimum Average Portfolio Rating)	A	A	AA	AA	Yes
Liquidity risk indicator					
3 months	100%	100%	58%	52%	Yes
3 – 12 months	80%	80%	17%	19%	Yes
Over 12 months	60%	60%	26%	29%	Yes
Interest rate risk indicator					
Upper limit on one-year revenue impact of a 1% rise in interest rates	£400,000	£400,000	228,800	£170,200	Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	£400,000	£400,000	228,800	£170,200	Yes
Price risk indicator					
Limit on principal invested beyond year end	£15m	£15m	£12.5m	£12.5m	Yes

Capital Strategy Indicators	Original Estimate / Limit £'000	Revised Estimate / Limit £'000	Q1 Actual £'000	Q2 Actual £'000
Capital Expenditure & Financing				
General Fund services	21,599	20,442	3,014	5,012
Council housing (HRA)	25,808	21,025	3,063	8,459
Capital Loan (GF)	4,000	8,000	-	-
Total Capital Expenditure	51,406	49,467	6,077	13,471
Capital Grants	5,316	6,586	809	1,794
Other Contributions incl CIL	1,307	4,572	562	1,245
Capital Resources	1,667	2,579	317	702
Revenue / Major Repairs Reserve	14,475	15,267	1,876	4,158
Borrowing	28,641	20,463	2,514	5,573
Total Capital Financing	51,406	49,467	6,077	13,471

Capital Financing Requirement (CFR)	Original Estimate / Limit £'000	Revised Estimate / Limit £'000	Q1 Actual £'000	Q2 Actual £'000
General Fund services	35,403	43,412	30,822	31,649
Council housing (HRA)	103,571	109,095	101,334	103,548
Capital investments	11,408	-	-	-
Total CFR	150,382	152,507	132,156	135,197

Proportion of financing costs to net revenue stream

General Fund;	Original Estimate / Limit £'000	Revised Estimate / Limit £'000	Q1 Actual £'000	Q2 Actual £'000
MRP Charge	764	673	0	0
Interest Payable	340	340	48	74
Less: Investment Income	0	0	-124	-666
Total GF Financing costs	1,104	1,013	-76	-592
Proportion of net revenue stream	4.49%	4.12%	-1.24%	-4.81%

Housing Revenue Account;

	Original Estimate / Limit £'000	Revised Estimate / Limit £'000	Q1 Actual £'000	Q2 Actual £'000
Interest Payable	0	0	724	1,454
Depreciation	6,329	6,329	0	0
MRR Contributions incl debt repayments	3,581	3,581	1,000	1,018
Less: Investment Income	-5	-5	0	0
Total HRA Financing costs	9,905	9,905	1,724	2,472
Proportion of net revenue stream	36.21%	36.21%	25.53%	18.33%

<u>Investment Strategy Indicators</u>	2023/24 Original Estimate / Limit £'000	2023/24 Revised Estimate / Limit £'000	2023/24 Q1 Actual £'000	2023/24 Q2 Actual £'000
Loans for service purposes				
Subsidiaries	13,000	13,000	-	-
Local businesses	500	500	-	-
Local charities	500	500	-	-
Other Bodies	500	500	21	25
Total	14,500	14,500	21	25

Net income from service investments to net revenue stream

Total General Fund Service Investment Income	-	-	124	666
Proportion of net revenue stream	0.00%	0.00%	2.03%	5.42%
Total Housing Revenue Account Service Investment Income	5	5	0	0
Proportion of net revenue stream	0.02%	0.02%	0.00%	0.00%

Shares held for service purposes

Subsidiaries	5,000	5,000	4,001	4,001
Suppliers	-	-	-	-
Local businesses	-	-	-	-
Total	5,000	5,000	5,000	5,000



Report to: Audit & Governance Committee Meeting 11
December 2024

Director or Business Manager Lead: Nick Wilson, Business Manager Financial Services

Lead Officer: Andrew Snape, Assistant Business Manager Financial Services ext 5323

Report Summary	
Report Title	Treasury Management Mid-Year Report 2024/25
Purpose of Report	To provide an update on the Council’s Treasury Activity and Prudential Indicators for the first half of 2024/25
Recommendations	That the treasury management activity be noted and recommend to Full Council on 17 December; and The Prudential Indicators detailed in Section 6 & 7 of the report be noted.
Reason for Recommendation	To allow Committee to note Treasury Management Activity and recommend it to Full Council and To allow Committee to note the Prudential Indicators

1.0 Background Information

1.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised 2017). The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit and Governance Committee.

1.4 This mid-year report has been prepared in compliance with CIPFA’s Code of Practice on Treasury Management, and covers the following:

- An economic update for the first part of the 2024/25 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council’s capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council’s investment portfolio for 2024/25;
- A review of the Council’s borrowing strategy for 2024/25;
- A review of any debt rescheduling undertaken during 2024/25;
- A review of compliance with Treasury and Prudential Limits for 2024/25.

1.5 Treasury Management is defined as: “The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

1.6 The second main function of the treasury management service is the funding of the Council’s capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

2.0 Summary of Treasury Balances as at 30 September 2024

2.1 Below is a summary of the Councils borrowing position as at 30 September 2024, further information is available at section 4.

Balance on 01/04/2024 £m		Balance on 30/09/2024 £m
85.463	Total Borrowings	94.922
4.864	Total Other Long Term Liabilities	4.789
90.327	TOTAL EXTERNAL DEBT	99.711

2.2 Below is a summary of the Councils investment position as at 30 September 2024, further information is available at section 5.

Balance on 01/04/2024 £m		Balance on 30/09/2024 £m
21.910	Total Short Term Investments	30.020
12.500	Total Long Term Investments	12.500
34.410	TOTAL INVESTMENTS	42.520

2.3 Below is a summary of the Councils capital expenditure position as at 30 September 2024, further information is available at section 3.

Capital Expenditure	2024/25 Initial Capital Budget £m	2024/25 Revised Estimate £m	2024/25 Current Expenditure £m
General Fund Expenditure	25.599	28.442	5.012
HRA Expenditure	25.808	21.025	8.459
Total Capital Expenditure	51.407	49.467	13.471

2.4 **Prudential Indicators**, during the first half of the financial year there was no breach in the prudential indicators.

Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy update

2.5 The Treasury Management Strategy Statement (TMSS) for 2024/25 was approved by Full Council on 7 March 2024. There are no suggested policy changes to the TMSS within this report; the details in this report update the position in the light of the updated economic position and capital budget changes approved throughout the year.

3.0 The Council's Capital Position

3.1 This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

3.2 The table below shows the revised estimates for capital expenditure and the changes since the Capital Programme was agreed within the Capital budget on 7 March 2024.

Capital Expenditure	2024/25 Original Budget Approved 7 March 2024 £m	2024/25 Revised Budget as at 30 September 2024 £m	Actual Spend as at 30 September 2024 £m
General Fund Expenditure	25.599	28.442	5.012
HRA Expenditure	25.808	21.025	8.459
Total Capital Expenditure	51.407	49.467	13.471
Financed By:			
Capital Receipts	1.667	2.579	
Capital Grants & CIL	4.907	11.082	
Capital Reserves	0.756	0.076	
Revenue	13.719	15.267	
Total Financing	21.049	29.004	
Borrowing Requirement	30.358	20.463	

- 3.3 The financing of the Capital Programme will be determined by the S151 Officer at the year-end based on best use of resources.

The movement from the Budget approved 7 March 2024 relates to approved capital carry forward requests and approved variations to the capital programme as shown in the table below.

Original Capital Budget Approved 2024/25	£51.407m
Capital Slippages Carried Forward	£13.588m
Cabinet Approvals 10 September 24	(£1.763m)
Cabinet Variations requested 3 December 24	(£13.765m)
New Revised Budget	£49.467m

4.0 Borrowing Strategy

- 4.1 At 30 September 2024 the Council held £94.922m of loans, as part of its strategy for funding previous years' borrowing within those capital programmes.

4.2 Borrowing Activity in 2024/25

	General Fund		HRA	
	Balance on 01/04/2024 £m	Balance on 30/09/2024 £m	Balance on 01/04/2024 £m	Balance on 30/09/2024 £m
Short Term Borrowing	0.528	1.006	6.532	15.513
Long Term Borrowing	3.500	3.500	74.903	74.903
Total Borrowing	4.028	4.506	81.435	90.416
Other Long Term Liabilities	4.864	4.789	0.000	0.000
Total External Debt	8.892	9.295	81.435	90.416
CFR	34.591	45.216	101.067	113.030
Under / (over) borrowing	25.699	35.921	19.632	22.613

- 4.3 As the Council is in a significant under borrowed position, as per the table in 4.2, there may be a requirement during the remainder of the financial year where new borrowing is required. Any new borrowing will be within the approved Treasury Management Borrowing Strategy framework and will have been reviewed by the S151 Officer for cost effectiveness as whether to borrow shorter term or long term in relation to interest rate forecasts.
- 4.4 **LOBOs:** The Council holds £3.5m of LOBO (Lender’s Option Borrower’s Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of the £3.5m of LOBOS had options during the last 6 months, none of which were exercised by the lender. The Council acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.
- 4.5 **Internal borrowing:** For the Council, the use of internal resources in lieu of borrowing has continued to be the most cost effective means of funding of capital expenditure that has not been funded from grants and other resources. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium to longer term as the Council needs to use reserves for the purpose they were set aside for, and external borrowing may need to be undertaken.
- 4.6 **Debt rescheduling:** The premium charge for early repayment of PWLB debt remains relatively expensive for the loans in the Council’s portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken or is proposed during the rest of the financial year as a consequence.

5.0 Investment Activity

- 5.1 The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council’s aim is to achieve a return commensurate with these principles.

5.2 Investment Activity in 2024/25

Type of Investment	Balance on 01/04/2024 £m	Balance on 30/09/2024 £m	Average Interest Rate
Short term Investments			
<i>Fixed Term Deposits:</i>			
Santander	5.000	5.000	4.81%
Lloyds 95 Day Notice	5.000	5.000	4.99%
Close Brothers	2.000	0	0%
Standard Chartered Sustainable Deposit	0	3.000	5.10%
<i>Money Market Funds:</i>			
Goldman Sachs	0.310	0.310	4.92%
Deutsche Bank	0.050	1.905	4.94%
Invesco	4.710	6.870	5.02%

Northern Trust	2.600	5.695	5.00%
CCLA	2.240	2.240	4.92%
Total Short Term Investments	21.910	30.020	
Long term Investments			
CCLA Property Fund	7.000	7.000	4.83%
CCLA Diversified Income Fund	5.500	5.500	4.05%
Total Long Term Investments	12.500	12.500	
TOTAL INVESTMENTS	34.410	42.520	
Increase/ (Decrease) in Investments		8.110	

5.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

6.0 Non-Treasury Investments

6.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return or regeneration purposes. This is replicated in MLUHC's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return or regeneration purposes.

Breakdown below of current Non-Treasury Investments held;

Counterpart	Balance at 30/09/2024 £m
Loans to Housing Associations	0.011
Loans to Parish Councils	0.009

6.2 These investments are due to generate £0.001m of investment income for the Council after taking account of direct costs, representing a rate of return of 6.31%.

6.3 Maturity Structure of Fixed Rate Borrowing. This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

	Upper Limit %	Actual at 30/9/24 £m	Actual at 30/9/24 £m	Compliance
Under 12 Months	15%	12.987	13.68%	Yes
12-24 Months	15%	5.000	5.27%	Yes
2-5 Years	30%	18.031	19.00%	Yes
5-10 Years	100%	8.039	8.47%	Yes
Over 10 Years	100%	50.865	53.59%	Yes

Limits to Investing Activity

- 6.4 Security.** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target	Actual	Compliance
Portfolio average credit rating	A	AA	Yes

- 6.5 Liquidity Risk Indicator.** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a banding period, without additional borrowing.

Total Cash Available within;	Limit	Actual 30/09/24	Compliance
3 Months	100%	59%	Yes
3-12 Months	80%	12%	Yes
Over 12 Months	60%	29%	Yes

- 6.6 Principal Sums Invested for over 364 Days.** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments.

Price risk indicator	Limit	Actual 30/09/24	Compliance
Limit on principal invested beyond year end	£15m	£12.5m	Yes

7.0 Limits to Capital Activity

- 7.1 Capital Financing Requirement.** The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose.

	2024/25 Original Estimate £m	2024/25 Revised Estimate £m
CFR – non housing	45.216	43.412
CFR – housing	113.030	109.095
Total CFR	158.246	152.507
Estimated Net Movements in CFR		-5.739

7.2 Capital Financing Costs to Net Revenue Stream. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2024/25 Original Estimate £m	2024/25 Revised Estimate £m
<i>General Fund</i>		
Financing Costs	-1.379	-1.480
Proportion of net revenue stream	-5.61%	-6.02%
<i>Housing Revenue Account</i>		
Financing Costs	13.924	13.924
Proportion of net rental stream	47.09%	47.05%

8.0 Economic Background/Interest Rate Forecast

8.1 **Appendix A and Appendix B** gives a summarised outlook for the economic background and interest rate forecast from our Treasury Consultants, Link.

Background Papers and Published Documents

Nil.

Economics Update

- The third quarter of 2024 (July to September) saw:
 - GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
 - A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
 - CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
 - Core CPI inflation increasing from 3.3% in July to 3.6% in August;
 - The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
 - 10-year gilt yields falling to 4.0% in September.
- The economy's stagnation in June and July points more to a mild slowdown in GDP growth than a sudden drop back into a recession. Moreover, the drop in September's composite activity Purchasing Managers Index, from 53.8 in August to 52.9, was still consistent with GDP growth of 0.3%-0.4% for the summer months. This is in line with the Bank of England's view, and it was encouraging that an improvement in manufacturing output growth could be detected, whilst the services PMI balance suggests non-retail services output grew by 0.5% q/q in Q3. Additionally, the services PMI future activity balance showed an uptick in September, although readings after the Chancellor's announcements at the Budget on 30th October will be more meaningful.
- The 1.0% m/m jump in retail sales in August was stronger than the consensus forecast for a 0.4% m/m increase. The rise was reasonably broad based, with six of the seven main sub sectors recording monthly increases, though the biggest gains came from clothing stores and supermarkets, which the ONS reported was driven by the warmer-than-usual weather and end of season sales. As a result, some of that strength is probably temporary.
- The government's plans to raise public spending by around £16bn a year (0.6% GDP) have caused concerns that a big rise in taxes will be announced in the Budget, which could weaken GDP growth in the medium-term. However, if taxes are raised in line with spending (i.e., by £16bn) that would mean the overall stance of fiscal policy would be similar to the previous government's plan to reduce the budget deficit. Additionally, rises in public spending tend to boost GDP by more than increases in taxes reduce it. Our colleagues at Capital Economics suggest GDP growth will hit 1.2% in 2024 before reaching 1.5% for both 2025 and 2026.
- The further easing in wage growth will be welcomed by the Bank of England as a sign that labour market conditions are continuing to cool. The 3myy growth rate of average earnings fell from 4.6% in June to 4.0% in July. On a three-month annualised basis, average earnings growth eased from 3.0% to 1.8%, its lowest rate since December 2023. Excluding bonuses, the 3myy rate fell from 5.4% to 5.1%.
- Other labour market indicators also point to a further loosening in the labour market. The 59,000 fall in the alternative PAYE measure of the number of employees in August marked the fourth fall in the past five months. And the 77,000 decline in the three months to August was the biggest drop since November 2020. Moreover, the number of workforce jobs fell by 28,000 in Q2. The downward trend in job vacancies continued too. The number of job vacancies fell from 872,000 in the three months to July to 857,000 in the three months to August. That leaves it 34% below its peak in May 2022, and just 5% above its pre-pandemic level. Nonetheless, the Bank of England is still more concerned about the inflationary influence of the labour market rather than the risk of a major slowdown in labour market activity.

- CPI inflation stayed at 2.2% in August, but services inflation rose from a two-year low of 5.2% in July to 5.6%, significantly above its long-run average of 3.5%. Food and fuel price inflation exerted some downward pressure on CPI inflation, but these were offset by the upward effects from rising furniture/household equipment inflation, recreation/culture inflation and a surprisingly large rise in airfares inflation from -10.4% in July to +11.9% in August. As a result, core inflation crept back up from 3.3% to 3.6%. CPI inflation is also expected to rise in the coming months, potentially reaching 2.9% in November, before declining to around 2.0% by mid-2025.
- The Bank initiated its loosening cycle in August with a 25bps rate cut, lowering rates from 5.25% to 5.0%. In its September meeting, the Bank, resembling the ECB more than the Fed, opted to hold rates steady at 5.0%, signalling a preference for a more gradual approach to rate cuts. Notably, one Monetary Policy Committee (MPC) member (Swati Dhingra) voted for a consecutive 25bps cut, while four members swung back to voting to leave rates unchanged. That meant the slim 5-4 vote in favour of a cut in August shifted to a solid 8-1 vote in favour of no change.
- Looking ahead, CPI inflation will likely rise in the coming months before it falls back to its target of 2.0% in mid-2025. The increasing uncertainties of the Middle East may also exert an upward pressure on inflation, with oil prices rising in the aftermath of Iran's missile attack on Israel on 1 October. China's recent outpouring of new fiscal support measures in the latter stages of September has also added to the upshift in broader commodity prices, which, in turn, may impact on global inflation levels and thus monetary policy decisions. Despite these recent developments, our central forecast is still for rates to fall to 4.5% by the end of 2024 with further cuts likely throughout 2025. This is in line with market expectations, however, although a November rate cut still looks likely, December may be more problematic for the Bank if CPI inflation spikes towards 3%. In the second half of 2025, though, we think a more marked easing in inflation will prompt the Bank to speed up, resulting in rates eventually reaching 3.0%, rather than the 3.25-3.50% currently priced in by financial markets.
- Our forecast is next due to be updated around mid-November following the 30 October Budget, 5 November US presidential election and the 7 November MPC meeting and the release of the Bank of England Quarterly Monetary Policy Report.
- Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank's August rate cut signalled the start of its loosening cycle. Following the decision to hold the Bank Rate at 5.0% in September, the market response was muted, with the 10-year yield rising by only 5bps after the announcement. This likely reflected the fact that money markets had priced in a 25% chance of a rate cut prior to the meeting. The yield had already increased by about 10bps in the days leading up to the meeting, driven in part by the Fed's "hawkish cut" on 18 September. There is a possibility that gilt yields will rise near-term as UK policymakers remain cautious due to persistent inflation concerns, before declining in the longer term as rates fall to 3.0%.
- The FTSE 100 reached a peak of 8,380 in the third quarter of 2024, but its performance is firmly in the shade of the US S&P500, which has breached the 5,700 threshold on several occasions recently. Its progress, however, may pause for the time being whilst investors wait to see who is elected the next US President, and how events in the Middle East (and Ukraine) unfold. The catalyst for any further rally (or not) is likely to be the degree of investors' faith in AI.

Interest rate forecasts

Appendix B

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Our latest forecast on 28 May sets out a view that short, medium and long-dated interest rates will fall back over the next year or two, although there are upside risks in respect of the stickiness of inflation and a continuing tight labour market, as well as the size of gilt issuance.

Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View	28.05.24									
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	4.50	4.00	3.50	3.25	3.25	3.25	3.25	3.00	3.00	3.00
3 month ave earnings	4.50	4.00	3.50	3.30	3.30	3.30	3.30	3.00	3.00	3.00
6 month ave earnings	4.40	3.90	3.50	3.30	3.30	3.30	3.30	3.10	3.10	3.20
12 month ave earnings	4.30	3.80	3.50	3.40	3.40	3.40	3.40	3.20	3.30	3.40
5 yr PWLB	4.50	4.30	4.10	4.00	3.90	3.90	3.90	3.90	3.90	3.80
10 yr PWLB	4.60	4.40	4.30	4.10	4.10	4.10	4.00	4.00	4.00	3.90
25 yr PWLB	5.00	4.80	4.70	4.50	4.50	4.40	4.40	4.40	4.30	4.30
50 yr PWLB	4.80	4.60	4.50	4.30	4.30	4.20	4.20	4.20	4.10	4.10



Report to: Audit & Governance Committee Meeting
11 December 2024

Director or Business Manager Lead: Sue Bearman, Assistant Director, Legal and Democratic Service and Monitoring Officer

Lead Officer: Jill Baker, Business Manager Customer Services ext. 5810

Report Summary	
Report Title	Outcome of Local Government and Social Care Ombudsman Investigation
Purpose of Report	To inform Members of the outcome of an investigation where the Ombudsman found fault with the Council
Recommendations	That Members note the report and the lessons learnt.
Reason for Recommendation	Ombudsman investigations which result in the Council being found to be at fault are required to be reported to this committee.

1.0 Background Information

- 1.1 A resident complained to the Ombudsman that the Council was slow to act in respect of statutory noise nuisance. This was regarding noise levels at a licensed premises in Newark. The Ombudsman refer to the resident as Mr B.
- 1.2 Mr B first complained to the Council about a noise nuisance in July 2022. The actions taken in response to this nuisance are documented in the LGSCO final decision statement, Appendix 1

2.0 **Ombudsman Findings**

- 2.1 In August and September 2024, the Ombudsman issued draft decisions which Mr B and the Council had the opportunity to respond to. The Council made representations that it had a different interpretation to the Ombudsman regarding a conversation between Mr B and an officer which was central to the final decision findings.
- 2.2 The Ombudsman considered the responses to the second draft decision and advised that their decision remained unchanged. These are their final findings:

- Despite telling Mr B the initial noise recordings picked up noise which was intrusive to Mr B's property, the Council failed to record its decision making after listening to the July 2023 noise recordings. We expect the Council to follow the Ombudsman's Principles of Good Administrative Practice and to keep sufficient records, so this is fault which caused Mr B frustration, distress and uncertainty.
- The Council delayed in formalising the nuisance investigation following its acknowledgement in July 2023 that noise from the licensed premises was intrusive to Mr B's home. It is not clear why Mr B needed to submit a third noise complaint for the Council to formalise the statutory nuisance investigation. This is fault which caused Mr B frustration, distress and uncertainty.
- From August 2023 the Council took the correct steps to investigate the statutory nuisance and acted without fault once a statutory nuisance was confirmed.
- The Council has since implemented a revised process that will see all complaints starting as a statutory nuisance investigation with its Licensing Enforcement Officer assisting in any informal resolution running alongside the noise investigation.

3.0 Final Decision

3.1 In its final decision, Appendix 1, the Ombudsman found the Council at fault and made the following recommendations to remedy the injustice caused by the faults identified:

- Provide an apology to the complainant for the distress caused by the faults identified.
- Make a symbolic payment to recognise the loss of amenity and delay in formalising a statutory noise investigation between July and August 2023.
- Make a symbolic payment of £150 to recognise the distress and raised expectations caused by conflicting information from the phone call in July 2023.

3.2 The recommendations have been accepted and implemented.

3.3 This decision will be included in the Ombudsman's published figures the year ending 31 March 2025, recorded in the category Environmental Services & Public Protection.

4.0 Lessons learnt

4.1 When a complaint is upheld, it important the Council learns from it and considers changes to processes, policies etc.

4.2 In this case, a revised process has been implemented. The new process will now ensure that all noise complaints relating to licensed premises are investigated by the Community Protection Team as they would for any other noise complaint, rather than initial investigations being undertaken by the Licensing Enforcement Officers in the first instance. The Licensing Enforcement Officers will be advised that a noise

complaint has been received regarding a licensed premises and will be able to continue informal discussions and liaison with the licence holder to try to resolve the issue, running alongside the noise investigation. Where this fails, the noise investigation will continue without any delay.

Background Papers and Published Documents

Nil.

The Ombudsman's final decision

Summary: Mr B complained the Council was slow to act when it acknowledged a statutory nuisance in 2023. We have found the Council at fault for a delay in beginning a formal statutory nuisance investigation and providing Mr B with conflicting information. The Council has agreed to apologise and make a symbolic payment to remedy the injustice caused by the faults.

The complaint

1. Mr B complained the Council was slow to act when it acknowledged a statutory nuisance in 2023. Mr B says the ongoing noise caused him to flee his home and impacted his mental health and wellbeing. He would like the Council to apologise, improve its procedures and pay compensation for his pain and suffering.

The Ombudsman's role and powers

2. We investigate complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. If there has been fault which has caused significant injustice, or that could cause injustice to others in the future we may suggest a remedy. (Local Government Act 1974, sections 26(1) and 26A(1), as amended)
3. If we are satisfied with an organisation's actions or proposed actions, we can complete our investigation and issue a decision statement. (Local Government Act 1974, section 30(1B) and 34H(i), as amended)

How I considered this complaint

4. I discussed the complaint with Mr B and considered the evidence he provided.
5. I made enquiries of the Council and considered its response.
6. Mr B and the Council had an opportunity to comment on the draft decision. I considered any comments I received before making a final decision.

What I found

Relevant Law and Guidance

7. Under the Environmental Protection Act 1990 (EPA), councils have a duty to take reasonable steps to investigate potential 'statutory nuisances'.
8. For the issue to count as a statutory nuisance, it must:
 - unreasonably and substantially interfere with the use or enjoyment of a home or other property; and/or
 - injure health or be likely to injure health.
9. There is no fixed point at which something becomes a statutory nuisance. Councils rely on suitably qualified officers to gather evidence. Officers may, for example, ask the complainant to complete diary sheets, fit noise-monitoring equipment, or make site visits. Councils will sometimes offer an 'out-of-hours' service for people to contact, if a nuisance occurs outside normal working time.
10. Once evidence gathering is complete, a council will assess the evidence. It will consider matters such as the timing, duration, and intensity of the alleged nuisance. Officers will use their professional judgement to decide whether a statutory nuisance exists.
11. The law says that a potential nuisance must be judged on how it affects the average person. Councils cannot take action to stop something which is only a nuisance to the complainant because they have special circumstances, such as a medical condition which makes them unusually sensitive to noise or fumes.
12. Councils can also decide to take informal action if the issue complained about is causing a nuisance, but is not a statutory nuisance. They may write to the person causing the nuisance or suggest mediation.
13. If a council is satisfied a statutory nuisance is happening, has happened or will happen in the future, it must serve an abatement notice. If the nuisance is noise from premises, the council may delay issuing an abatement notice for a short period, to try to address the problem informally.
14. An abatement notice requires the person or people responsible to stop or limit the activity causing the nuisance. Failure to comply with an abatement notice is an offence, which can lead to prosecution and a fine.
15. A person who receives an abatement notice has a right to appeal it in the magistrates' court. If they can show the court they have done everything reasonable to prevent or minimise the nuisance, the court may decide the abatement notice is not appropriate.
16. The Ombudsman published the [Principles of Good Administrative Practice](#) in 2018. This guidance sets out the standards we expect from bodies in jurisdiction and stresses the importance of keeping proper and appropriate records.

What Happened

17. In July 2022 Mr B sent a complaint to the Council about the noise coming from an entertainment property close to his home. The Council closed this complaint in August 2022 as Mr B reported no further issues. Mr B sent a further complaint in March 2023.
18. In response to the March 2023 complaint the Council asked Mr B to complete a noise diary. Mr B completed the diary sheets and the Council received these in April 2023.

-
19. In May 2023 the Council wrote to the entertainment property advising it had received a noise complaint. The letter included various effective controls the property could take to minimise noise from live music. It also detailed the Council's enforcement powers.
 20. Due to Mr B being away in June, the Council installed noise recording equipment in Mr B's home in early July 2023. The Council collected the equipment two weeks later and listened to the audio files the day after collection.
 21. Mr B has provided evidence of a phone call and text message he had with the Council which show the Council explained there were 5 incidences of noise on the recording which were intrusive to Mr B's property. The Council described the noise as completely unacceptable, and it told Mr B it would visit the entertainment property and it may serve a noise abatement notice due to the noise intrusion.
 22. This information led Mr B to believe that the Council felt the noise he was experiencing was intrusive and unacceptable and he believed the Council was going to take action.
 23. However, despite what it told Mr B during the telephone call, the Council told us it was not satisfied at this stage there was a statutory nuisance caused by noise from the entertainment property. The Council states the function room at the entertainment property was not in use during the time the sound recording was in place (although it appears music was audible in the recording). The Council has not provided any records of its decision making at this stage.
 24. The Council arranged a meeting with the entertainment property at the end of July to discuss what steps could be taken to reduce the noise emitted from the property. The Council told Mr B this meeting was unsuccessful and asked him to submit a further noise complaint when the noise from the property continued.
 25. At the end of August 2023 the Council installed noise recording equipment in Mr B's home. In September 2023, following consideration of these audio recordings the Council completed a noise assessment and determined the threshold for statutory nuisance was met. The Council issued an abatement notice the following day which gave the entertainment property three months to comply.
 26. The Council remained in contact with Mr B and the entertainment property over the next three months. In early November 2023 Mr B advised the Council that noise from the property had remained excessive and offered to have noise recording equipment installed in his home again. The entertainment property confirmed it was making progress with noise prevention measures and work remained ongoing to comply with the abatement notice.
 27. In early December 2023, Mr B submitted a complaint to the Council regarding delays in dealing with the noise from the entertainment property. The Council issued a stage one complaint response 10 days later. The Council apologised for the initial delays in formalising the nuisance investigation and advised the delay was due to the Council's attempts to liaise with the entertainment property and encourage it to implement noise reducing measures. The Council state that after these initial delays, there was no further fault in the way it completed the nuisance investigation.
 28. The Council completed a site visit to the entertainment property in December 2023. This visit confirmed the entertainment property was taking noise prevention measures and completing extensive sound insulation work.
 29. At the end of January 2024, the Council visited Mr B's property to discuss installing the noise recording equipment at his home again. The Council could not

make contact Mr B at this point. In February 2024, Mr B told the Council he no longer lived at the home impacted by the noise. The Council closed Mr B's complaint.

30. Mr B told us he moved out of his home due to the ongoing noise intrusion from the entertainment property and the impact this was having on his physical and mental health.
31. In April 2024 the Council contacted the new residents who advised they did not have any issues regarding noise from the entertainment property.

My Findings

32. Despite telling Mr B the initial noise recordings picked up noise which was intrusive to Mr B's property, the Council failed to record its decision making after listening to the July 2023 noise recordings. We expect the Council to follow the Ombudsman's Principles of Good Administrative Practice and to keep sufficient records so this is fault which caused Mr B frustration, distress and uncertainty.
33. The Council delayed in formalising the nuisance investigation following its acknowledgement in July 2023 that noise from the entertainment property was intrusive to Mr B's home. It is not clear why Mr B needed to submit a third noise complaint in order for the Council to formalise the statutory nuisance investigation. This is fault which caused Mr B frustration, distress and uncertainty.
34. From August 2023 the Council took the correct steps to investigate the statutory nuisance and acted without fault once a statutory nuisance was confirmed.
35. The Council has since implemented a revised process that will see all complaints starting as a statutory nuisance investigation with its Licensing Enforcement Officer assisting in any informal resolution running alongside the noise investigation.

Agreed action

36. Within one month of the final decision the Council will:
 - Provide an apology to Mr B for the distress caused by the faults identified. We publish [guidance on remedies](#) which sets out our expectations for how organisations should apologise effectively to remedy injustice. The organisation should consider this guidance in making the apology I have recommended in my findings.
 - Make a symbolic payment of £200 to Mr B to recognise the loss of amenity and delay in formalising a statutory noise investigation between July and August 2023.
 - Make a symbolic payment of £150 to Mr B to recognise the distress and raised expectations caused by conflicting information from the phone call in July 2023.

Final decision

We find the Council at fault. We have made recommendations to remedy the injustice caused by the faults identified.

Investigator's final decision on behalf of the Ombudsman



Report to: Audit & Governance Committee Meeting
11 December 2024

Director or Business Manager Lead: Suzanne Shead, Director of Housing, Health and Wellbeing

Lead Officer: Jill Baker, Business Manager Customer Services ext. 5810

Report Summary	
Report Title	Outcome of Housing Ombudsman Investigation
Purpose of Report	To inform Members of the outcome of an investigation where the Ombudsman found fault with the Council
Recommendations	That Members note the report and the lessons learnt.
Reason for Recommendation	Ombudsman investigations which result in the Council being found to be at fault are required to be reported to this committee.

1.0 **Background Information**

- 1.1 A resident complained to the Housing Ombudsman regarding various issues relating to the Council's handling of repairs and requests for adaptations to their property.
- 1.2 When reviewing cases, where fault is found, the Housing Ombudsman has three levels of maladministration:
- Service Failure – this is the lowest level of maladministration and is reserved for minor failings where action is still needed to put things right.
 - Maladministration – where there is a failure which has adversely affected the resident.
 - Severe Maladministration – this is reserved for the most severe failings.
- 1.3 Findings of maladministration are published regularly on the Housing Ombudsman Service website along with spotlight reports which focus on specific issues or service areas to raise awareness and help landlords improve.

2.0 **Ombudsman Findings and Final Decision**

2.1 The Housing Ombudsman determined there to be maladministration in one area and service failure in three:

- Handling of septic tank repairs – maladministration
- Handling of repairs to the roof and guttering – service failure
- Handling of repairs to the stairlift – service failure
- Handling of repairs to the wet room – service failure.

3.0 Orders and Recommendations

3.1 In its final decision, Appendix 1, the Housing Ombudsman ordered the Council to carry out the following:

- Pay the resident £1,400.
- Provide a schedule of works and complete these works
- Review the handling of the septic tank repairs.

3.2 The Housing Ombudsman made several recommendations:

- That the Council remedies the damp and mould on the bedroom ceilings and undertakes any works required in the loft to prevent this from reoccurring.
- That the Council arranges an inspection of the stairlift to identify any faults, which should then be repaired within a reasonable timeframe.
- The Council contacts the resident to ask whether they wish to pursue the following issues as complaints:
 - The way the loft insulation was removed
 - The conduct of the operatives who had entered their garden to install scaffolding
 - Wires left exposed following the removal of the stairlift.

3.3 The orders and recommendations have been accepted and implemented.

4.0 Lessons learnt

4.1 When a complaint is upheld, it important the Council learns from it and considers changes to processes, policies etc.

4.2 In this case, a review of how the Council manages septic tank repairs has taken place, which has resulted in the following changes to the Council's processes:

- When a repair is reported, specialist contractors will be commissioned at the earliest opportunity to diagnose and resolve the issue as quickly as possible and in line with the Council's repairs policy.
- All complaint cases involving septic tank issues will be referred to the senior oversight group for monitoring. This group oversees complex cases and consists of senior managers across all housing management functions and is chaired by the Director for Housing Health and Wellbeing.

- All complex repair cases, including septic tank cases, will be managed by one member of staff to ensure effective project management to improve oversight and accountability and improve the customer experience.
- The process for managing septic tank cases now been amended to include consideration of the need to move tenants temporarily if the tank fails and the production of an action plan for dealing with out of hours incidents relating to septic tank faults.

4.3 New guidance, along with improved monitoring arrangements, have been issued to all housing teams around record keeping on the Council's Housing Management System. This has (and continues to be) an area of focus and is a key element of our project to implement a new housing management system which is due to complete in 2025

Background Papers and Published Documents

Nil.

Housing

Ombudsman Service

REPORT

COMPLAINT 202221884

Newark and Sherwood District Council

4 July 2024

Our approach

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

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

The complaint

1. The complaint is about the landlord's handling of:
 - a. The resident's request for adaptations in the property.
 - b. The resident's reports of asbestos being removed dangerously.
 - c. Repairs to the septic tank.
 - d. Repairs to the roof, which resulted in a leak, damp and mould and damaged personal items.
 - e. Repairs to the stairlift.
 - f. Damp in wet room.

Background

2. The resident is a secure tenant of the landlord. The resident occupies the property, which is a house, with his wife and 3 children.
3. The resident raised a complaint on 17 August 2022 about the landlord's handling of repairs to the drainage in his property. The resident stated that over the previous 3 years, the drain had blocked multiple times which had resulted in his house being flooded with sewage and had left him and his family without showering or toilet facilities. The resident said that work had been done to the septic tank located in the garden in 2019, but that this had not resolved the issue. The resident also raised other repairs issues including holes in the brickwork which had resulted in a wasp nest, holes in the drains at the front of the property, damaged skirting boards following a new kitchen installation and cracking in the ceiling and floors.

4. The landlord issued its stage 1 complaint response on 31 August 2022 and apologised for the time taken to resolve the drainage and repairs issues. It stated that a contractor was due to attend on the same date to repair the septic tank surrounds and that a drain scan had been requested. The landlord stated that an inspection of the kitchen and external repairs had been planned that day. It said that issues with the stairlift had already been attended to. The landlord partially upheld the complaint and offered the resident £50 compensation.
5. The resident escalated his complaint on 29 September 2022 and the landlord issued its stage 2 complaint response on 14 October 2022. The landlord stated that, following a visit to the resident's property on 7 October 2022, a list of repairs and associated actions had been drafted. The landlord attached a separate document with an action plan setting out the agreed work. It stated that while several repairs were already underway, some of these had taken longer than usual. It offered to pay the resident £55 for a pest control bill and concluded that it should have filled gaps in the roof eaves to prevent wasps. It also offered an additional £50 compensation for the inconvenience caused.
6. The landlord carried out a further review of the outstanding repairs issues and wrote to the resident again on 28 October 2022. It listed additional remedial works that it had agreed to carry out, which included renewing carpet on the stairs and landing, professionally cleaning the living room carpet and removing a wasp nest from the loft. The landlord attached an updated action plan for the agreed works. It stated that it would monitor the repairs and contact the resident every 3 weeks to discuss progress.
7. On 4 November 2022 the resident reported that there was water dripping through the ceiling, and that there was evidence of water ingress in the loft. Repairs were carried out to the roof on 20 November 2022. The landlord visited the resident on 24 November 2022 to inspect the outstanding repairs issues. It documented that there was black mould in the bedrooms, and that the resident's daughter suffered from respiratory issues and was sleeping downstairs.
8. On 17 May 2023 the resident informed the landlord that a settlement had been agreed by his contents insurance for damages caused as a result of the leak. However, he stated that this would not cover issues caused by lengthy delays to effect repairs or damages caused by operatives while carrying out the repairs. The resident calculated that the damages amounted to £1,014.99. The resident later stated that additional damage had been caused to 2 items which amounted to £331.50, plus damage to a newly replaced carpet. The evidence indicates that the landlord paid the resident £1,300 to settle these damages in June 2023.

9. The landlord conducted another review of the resident's stage 2 complaint and issued a further outcome on 6 June 2023. It stated that it had undertaken a further review of the complaint and that the repairs listed in the stage 2 response had now been completed. The landlord concluded that it had failed to resolve the matter of damp penetration in the bedrooms, specifically the leaking guttering which took 11 months to resolve. The landlord found that, after the resident reported issues with the roof, it should have taken remedial action to prevent water penetration within 1 week, but this was carried out 4 weeks after the roof repairs were completed. The landlord outlined the work that it had carried out to remedy the flooding in the septic tank, and acknowledged that it had taken some time to find a final resolution to this matter and that it should have arranged for an inspection by a septic tank specialist. The landlord stated that it had replaced carpet and paid £155 compensation to cover the costs of pest control removing a wasp nest. The landlord offered the resident an additional £1,680 compensation. The landlord informed the Ombudsman that the resident has been paid this amount.

10. The resident referred his complaint to the Ombudsman on 29 September 2023. On 10 November 2023 he informed the Ombudsman that the following issues remained outstanding:
 - a. Repairs to the septic tank. The resident stated that this had most recently filled up 3 weeks previously and that there have been more than 30 instances of this happening over the previous 6 years.
 - b. Repairs associated with the solar panel installation including unsafe scaffolding and damage to the roof which caused a leak. The resident said that he has still not been fully compensated for damages.
 - c. Adaptations to the property which the resident stated he had been waiting for for over 18 months.
 - d. Works concerning asbestos were not carried out safely, and the landlord had done nothing to rectify this.
 - e. The resident also raised issues about the landlord's complaint handling, and that no compensation had been paid in recognition of the septic tank issues.

11. In May 2024 the resident also raised the following issues:
 - a. The stairlift had been replaced but it continued to operate on its own. Wires were left exposed which the resident's young child took hold of.
 - b. The wall in the wet room was not properly repaired following a leak that caused damp and mould.

- c. Contractors attended without notice to put scaffolding up, broke into the garden and caused damage to personal items. The landlord apologised; however, no compensation was provided for damages.
 - d. He has been required to redecorate his home numerous times due to the various repairs issues in the property. The resident said that he had mostly been required to cover the costs of this, which has amounted to thousands of pounds.
 - e. The landlord sent his complaint response to another resident, which was a data breach.
12. As a resolution to the complaint, the resident stated that the landlord should apologise and compensate him for the distress and inconvenience caused and for financial losses incurred. The resident also stated that all of the outstanding issues in the property should be rectified.

Assessment and findings

Jurisdiction

13. What we can and cannot consider is called the Ombudsman's jurisdiction. This is governed by the Housing Ombudsman Scheme. When a complaint is brought to the Ombudsman, we must consider all the circumstances of the case as there are sometimes reasons why a complaint, or part of a complaint, will not be investigated.
14. In accordance with paragraph 42(a) of the Housing Ombudsman Scheme, the Ombudsman may not consider complaints that are made prior to having exhausted a member's complaints procedure.
15. The resident complained to the Ombudsman about delays in progressing an application for adaptations to his property. This included an extension to the rear of the property and adaptations to the front access step. While the Ombudsman acknowledges the issues raised by the resident have been ongoing, the handling of the adaptations was not considered by the landlord within the complaint responses and the complaint has therefore not exhausted the landlord's complaint procedure.
16. Therefore, this complaint is outside of the Ombudsman's jurisdiction and will not be considered as part of this investigation. If the resident remains dissatisfied, he can raise this matter as a new complaint with the landlord.
17. The resident also raised that he had complained about how asbestos was handled in his property during works to the kitchen in 2019. The resident provided email evidence to the Ombudsman which reflects that he raised an expression of dissatisfaction in relation to this matter in December 2019. The

resident reported that despite chasing the landlord, it failed to log a complaint, and eventually told the resident that it would not investigate the issue because more than 6 months had passed.

18. In accordance with paragraph 42(a), the Ombudsman may not consider complaints which, in the Ombudsman's opinion are made prior to having exhausted a member's complaints procedure unless there is evidence of a complaint handling failure and the Ombudsman is satisfied that the member has not taken action within a reasonable timescale.
19. The complaint has not gone through the landlord's complaint process and the resident did not refer this complaint to the Ombudsman at the time. Given the length of time that has elapsed since this incident, the complaint falls outside of the Ombudsman's jurisdiction.

Scope of investigation

20. There have been extensive repairs issues that have been ongoing since the resident moved into the property in 2019. The resident has complained to the Ombudsman about the landlord's response to various repairs, as well as issues relating to the conduct of contractors and poor workmanship. The Housing Ombudsman Scheme sets out that the Ombudsman may not consider matters that were not brought to the attention of the landlord within a reasonable timescale, usually within 12 months of the issues arising. The resident made a formal complaint in August 2022. Taking all of the circumstances into account, this investigation focuses on events from August 2021 onwards.
21. The Ombudsman is only able to consider issues that were responded to through the landlord's complaints process and that were included in the associated action plans. Any other issues, including those that have arisen since the end of the complaints process, are outside of the scope of this investigation.
22. The resident reported that damages were caused due to a leak in the loft, and that he had not been properly compensated for this. He also reported damages to items in the garden caused by contractors, as well as financial losses for redecoration costs due to repairs issues and poor workmanship. The resident stated that the landlord advised him not to claim on his own contents insurance and that it would cover the cost of the damage caused. The resident therefore pursued a claim through the landlord's liability insurance. However, the resident stated this was loss-adjusted and that he was not compensated sufficiently to replace items like-for-like.
23. Paragraph 42(f) of the Housing Ombudsman Scheme states that the Ombudsman may not consider complaints which, in the Ombudsman's opinion

concern matters where the Ombudsman considers it quicker, fairer, or more effective to seek a remedy through the courts, other tribunal or procedure. It is not the role of the Ombudsman to determine legal liability for damages, and such remedies should be sought through the courts or via an insurance claim. Further, it is outside of the Ombudsman's remit to comment on the outcome or handling of insurance claims as this is outside of the landlord's complaints process. The Ombudsman acknowledges concerns raised by the resident that the cost of damages has not been sufficiently settled, however the resident should seek legal advice if he has concerns about the outcome of the claim. Landlords are entitled to use liability insurance as a means of managing the cost of negligence claims. The resident can make a liability claim for any further damages or financial losses incurred that have not already been raised as part of his previous claim.

24. The resident also raised several expressions of dissatisfaction about repairs and poor workmanship, in particular regarding the manner in which operatives removed loft insulation, the conduct of contractors who entered his garden to install scaffolding and that a contractor left wires exposed following the removal of the stairlift. While these matters relate to the substantive repairs issues, the landlord did not deal with these specific events through its complaints process and, in accordance with paragraph 42(a) of the Scheme (set out above), the Ombudsman is therefore unable to consider them. A recommendation has been made below for the landlord to contact the resident to establish whether he wishes to pursue complaints about these issues.
25. The resident informed the Ombudsman that the landlord had breached his personal data by sending its response to his complaint to another resident of the landlord. Complaints relating to the landlord's handling of a data breach is outside the Ombudsman's jurisdiction as, in accordance with paragraph 42(f) (as set out above), such complaints fall within the jurisdiction of the Information Commissioner's Office (ICO). Therefore, while the Ombudsman can consider the landlord's complaint handling, this investigation will not consider the complaint relating to the landlord's handling of a data breach. The resident should contact the ICO if he wishes to pursue this matter.
26. The resident reported to the landlord that one of his children had a respiratory condition and was required to sleep downstairs due to mould being present in the bedroom. He also raised to the Ombudsman that an operative used bleach to clean mould off the walls, which had resulted in his child developing a rash. While the Ombudsman acknowledges the reports by the resident, it is beyond the expertise of this Service to make a determination on whether there was a direct link between the landlord's handling of the leaks, damp and mould and the health of the resident's children. It is however the role of this Service to assess how the landlord responded to the reports made by the resident, and

whether its response was reasonable and proportionate in all the circumstances of the case. The resident may wish to seek independent advice on making a personal injury claim if he considers that his children's health has been affected by any action or lack thereof by the landlord.

The landlord's handling of repairs to the septic tank.

27. The landlord's responsive repairs policy states it will aim to deliver repairs which are 'right first time' where possible, meaning that no further visits or recalls are necessary, and that the same repair is not reported in the following 6 months. The policy states that there are two main types of repairs: emergency repairs and normal priority repairs. Emergency repairs will be dealt with in 24 hours and include issues such as serious blockages to main drains. The policy states that normal priority repairs are those which may cause inconvenience but are not of an urgent nature and will be completed within 6 weeks. However, it states that in most cases, repairs will be carried out well in advance of the 6-week timeframe.
28. This investigation will consider the resident's reports about issues with the septic tank from August 2021 onwards. However, it is acknowledged that the resident initially reported issues with the septic tank in 2019, and the landlord replaced the tank in June 2020. The landlord also installed an alarm system which was designed to alert the resident when the tank was almost full. However, the resident continued to complain that the septic tank often overflowed, particularly when there was heavy rainfall. He also reported issues with the alarm, particularly in relation to this sounding when the resident was away from the property which caused a disturbance to neighbours.
29. The evidence reflects that the resident reported that the septic tank was full on 2 December 2021, 7 March 2022 and 17 August 2022. On 2 of these occasions, the resident said that he and his family had been unable to use the shower or toilet. While the evidence suggests that arrangements were made for the tank to be emptied following the December and March reports, there is no indication that the landlord considered undertaking further investigations to try to resolve the issue, which would have been appropriate.
30. It is noted that the landlord arranged for an inspection of the drainage after the 17 August 2022 report and complaint from the resident on the same date. While this was an appropriate action, landlords should not wait for complaints to be made before investigating ongoing repairs issues, and should take a proactive approach when potential repairs issues are raised.
31. When the resident raised his complaint, he stated that there had been over 35 instances in the last 3 years of sewage flooding the property due to the septic

tank filling up. He said that his family could be without showering or toilet facilities for 3 days when this happened at the weekend.

32. At stage 1, the landlord stated that its contractor would be attending on 31 August 2022 to advise what works were required to make good the septic tank surround. The evidence suggests that following this inspection, a works order was raised on 8 September 2022 for the tank to be surrounded with concrete and made watertight. It was appropriate for the landlord to arrange for its contractor to inspect and recommend repairs to resolve the issue. However, given that the resident had reported ongoing issues with the septic tank several months prior, this action ought to have been taken sooner.
33. In the stage 2 response dated 14 October 2022, the landlord stated it would complete remedial works to the septic tank and remove old lining that was coming through the earth and level off the garden. In the further stage 2 response dated 28 October 2022, the landlord said it would renew the stairs and landing carpet, which was previously damaged due to sewage entering the property. The landlord did not provide dates for when these remedial works would be carried out. While landlords may not always be able to provide exact dates for repairs, it should endeavour to provide a realistic timeframe to residents for when works will be undertaken.
34. The resident reported that the sewage system had backed up again on 29 October 2022. The resident raised his concerns that as it was Saturday and heavy rain was forecast, his family were going to experience another weekend of smelling sewage in the property and being unable to wash or use the toilet. The landlord responded on 31 October 2022 and said that a request had been made for the tank to be emptied and that it would respond to him further about the repairs.
35. It is evident that the landlord did not deal with the report immediately due to the issue occurring at the weekend. It is noted that the resident's correspondence indicates that the tank had previously filled over the weekend leaving the family without bathroom facilities. The landlord's repairs policy states that out of hours emergency repairs can be reported using its contact centre telephone number. The lack of access to bathroom facilities and the possibility of sewage entering the property would be considered an emergency repair. As such, the landlord ought to have provided advice to the resident about how to report this matter outside of office hours, as well as putting a plan in place for what remedial repairs would be done if the issue occurred over the weekend.
36. The evidence indicates that the septic tank repairs were scheduled for 2 November 2022. This indicates an unreasonable delay between the resident's 17 August 2022 report and the repairs being completed, which was outside of the 6-week timeframe for routine repairs. While it is noted that there were some

delays due to waiting for a quote from the contractor and due to sickness, the landlord should endeavour to ensure such repairs are completed in line with the timeframes stipulated in its repairs policy. This represents a failing by the landlord.

37. On 17 November 2022 the resident reported that repairs to the septic tank that had taken place that day had not resolved the issue, and that rain was entering the inspection hatch and going into the tank. The resident also questioned how access would be gained to empty the tank given that the area was now muddy and flooded. The landlord's emails dated 24 November 2022 indicate that it had requested its contractor to inspect the tank. While a further inspection was appropriate, it is unclear when this took place or what the outcome was. The landlord should ensure it maintains a clear audit trail of repairs appointments. However, no contemporaneous notes of this visit have been provided and it is unclear whether further remedial works took place. This indicates a record keeping failure by the landlord.
38. Within the further stage 2 response dated 6 June 2023, the landlord stated that it had replaced the old septic tank, increased the frequency that the tank was emptied, installed a warning alarm and carried out a CCTV survey and repaired the external pipework leading to the tank. The landlord apologised for the delay in finding a lasting solution and stated that it had acted in good faith to resolve the problem. The landlord offered the resident £100 compensation in recognition of the occasions when there was an internal back up from the septic tank.
39. While the landlord did carry out actions to repair the septic tank, it is clear that the issue has not yet been resolved. The evidence indicates that since the further stage 2 complaint response, the resident has reported more instances of the septic tank filling up. The resident made reports on 24 November 2023, 15 December 2023 and 2 January 2024. The resident informed the Ombudsman that he was without bathroom facilities for 6 days in December 2023, and the landlord advised him to raise a new complaint.
40. The evidence indicates that further CCTV surveys took place in January and March 2024. The March 2024 survey report identified that the tank was in good condition but that there were areas of possible water ingress. The contractor recommended works to resolve the issue. The landlord informed the Ombudsman in April 2024 that it was awaiting a quote for the recommended works.
41. Overall, there were delays in the landlord investigating and conducting repairs of the septic tank. While the recent steps taken by the landlord to investigate the matter were appropriate, it is unreasonable that the issue that was initially reported in 2019 remains ongoing and that a permanent resolution has not yet

been reached. Further, there is no evidence to indicate that the landlord offered to decant the resident when the issue occurred, or that it gave advice about reporting the matter over the weekend. The failings identified amount to maladministration by the landlord.

42. Where there are failings by a landlord, the Ombudsman's role is to consider whether the remedies offered were in line with the Ombudsman's Dispute Resolution Principles: be fair, put things right, and learn from outcomes.
43. The landlord did acknowledge the delays in finding a solution and made some effort to put things right by offering £100 compensation and replacing the resident's carpet. However, the amount offered was insufficient to remedy the impact of the failings.
44. It is evident that the resident and his family have experienced significant distress and inconvenience due to being without toilet and shower facilities, and experiencing sewage entering the property. During the period of time that was considered as part of this investigation, the evidence reflects that the resident made at least 3 reports that he had been left without bathroom facilities. The compensation amount ought to take into account the distress and inconvenience caused due to the loss of the bathroom.
45. Although the landlord had installed an alarm system and arranged more regular appointments for the tank to be emptied, this did not identify the cause of the defect and left the resident vulnerable to the issue reoccurring which is likely to have caused distress and anxiety to the resident and his family. It is clear that the resident has incurred a substantial amount of time and trouble pursuing this matter with the landlord. The resident also described to the Ombudsman the adverse effect that this issue had had on his children's mental health.
46. In order to remedy the impact of the failings identified, the landlord should offer the resident an additional £900 compensation in recognition of the distress and inconvenience caused. The total amount of £1,000 is in line with the Ombudsman remedies guidance for when there was a failure which had a significant impact on the resident.
47. The landlord should take action to complete the outstanding repairs identified as part of the most recent survey. A further order has been made for the landlord to provide a schedule of works to both the resident and the Ombudsman, and to conduct the repairs within a reasonable timeframe. The landlord should arrange for a follow-up inspection to be conducted to ensure the repairs were effective in resolving the issue.
48. The landlord should also learn from the complaint outcome. The landlord identified that it should have employed a septic tank specialist and that it had

changed its procedures to reflect this learning. The landlord has therefore demonstrated that it has made efforts to learn from the complaint outcome, and this should help to resolve such issues at an early opportunity. However, given that the issue remains ongoing for the resident, the learning identified does not appear to have improved the landlord's handling of septic tank repairs. The landlord should therefore undertake a further review of its handling of the repairs and identify whether a procedure should be put in place for how it will respond to, and repair, such issues.

The landlord's handling of roof and guttering repairs.

49. The landlord's responsive repairs policy states that a water leak that cannot be contained will be treated as an emergency repair and that leaking roofs or minor roof repairs will be dealt with as a normal routine repair, which have a response time of 6 weeks. The policy states that it will closely monitor the effectiveness of contractor's operatives and any sub-contractors working in its properties and provide a quality assurance scheme to monitor and report on the quality of workmanship, materials, fixtures and fittings in accordance with the agreed specification.
50. The evidence reflects that the resident experienced several issues with the roof and guttering. The landlord's action plan detailed 3 main issues:
 - a. Gaps in the eaves and concrete crumbling at the roof edge,
 - b. Leaking guttering at the front of the property following a previous repair,
 - c. Damage to the chimney due to unsecure scaffolding and damage to roof tiles following solar panel installation.
51. The evidence reflects that the issues caused damp and mould on the bedroom ceilings and a leak into the loft which damaged personal items. It is noted that the resident made reports of damp and mould prior to the leak.
52. The evidence reflects that in July 2021, the resident reported that large lumps or mortar had fallen from the roof of his property leaving a gap. While the scope of this investigation does not reach back to July 2021, it is relevant to note that this report was made and that the repairs records state that the roof was made safe. It is unclear whether follow-up work was required to fully repair this issue. In the resident's August 2022 complaint, he said that there were holes in the brickwork and drains of his property, which had resulted in wasp nests in his property and flooding to neighbours' gardens.
53. In its stage 1 complaint response, dated 31 August 2022, the landlord stated that an inspection of the external repairs was planned for that day, which was an appropriate action. Following a visit to the resident's property on 7 September 2022, the landlord raised works orders on 12 September 2022 for

repairs to the roof tiles and holes in the brickwork. The landlord documented that these repairs were carried out on 20 November 2022.

54. As part of its final complaint response, the landlord identified that there was a delay in completing the repairs to the gaps between the eaves and the crumbling concrete at the roof edge. Within the action plan, the landlord noted that pest control had to visit 3 times because the landlord did not fill the holes. The landlord stated that the repair was first reported at the end of October and that it should have carried out temporary repairs at this stage. The landlord offered the resident a 50% rent refund in recognition of the 3 weeks during which these repairs were delayed, which amounted to £155.93. The landlord also acknowledged that the delay in filling the holes in the walls and eaves had led to wasp nests in the loft. It acted reasonably by reimbursing the resident for pest control costs.
55. While it is appropriate that the landlord acknowledged this failing and made efforts to put things right, it is evident that the resident reported this repair issue in his August 2022 complaint. This indicates that the issue was not repaired for at least 13 weeks, which is significantly longer than the timeframe identified by the landlord. Consideration has been given to the overall impact on the resident of this delay and it is noted that, on 27 September 2022, the resident reported that there were wasps in his daughters' bedrooms. The landlord identified that pest control attended on 3 occasions due to wasps entering the loft however, it is unclear what dates these visits occurred.
56. Given the distress and inconvenience that this is likely to have caused, the compensation offered was insufficient and there was therefore a failure to properly remedy this complaint. The evidence does not show that the rooms were uninhabitable as a result of this issue and a further rent rebate would not be appropriate. We have therefore applied our remedies guidance for financial redress and an order has been made below for an additional £200 compensation to be paid in recognition of the delay in repairing this issue. Taking into account the overall level of impact on the resident, the total compensation of £355.93 is appropriate to remedy the adverse effect of the failing identified, and is in line with our remedies guidance for when there have been failings that adversely affected the resident.
57. The landlord also identified a failing regarding its response to the resident's reports of leaking guttering. It stated that it had taken 11 months for it to repair this problem and that all 3 bedrooms had been affected by damp and mould. The landlord informed the Ombudsman that a repairs appointment took place which identified that repairs to the guttering were required, and the operative completed a report in relation to the required repairs. However, this report was not passed to the landlord's works planners and the repair was therefore not followed up on. It is unclear on what date the appointment to inspect the

guttering took place. The landlord offered £1,221.41 compensation which was based on 25% of the resident's rent payments, as all 3 bedrooms were still useable.

58. The resident informed the Ombudsman that this issue was not properly repaired until 18 months after the initial report, and that the landlord's offer of compensation was therefore calculated incorrectly.
59. The landlord documented that repairs to the guttering took place during the 20 November 2022 appointment. The landlord's repairs log indicates that mould was cleared off the ceilings on 25 November 2022.
60. The resident reported further issues in February 2022 in relation to the verge end cap which was coming away from the roof. The landlord contacted its roofing contractor on 10 February 2023 and an inspection took place on 16 February 2023, which reflects that the landlord acted quickly when the issue was raised. The landlord's notes dated 29 March 2023 state that the repairs had been completed. There is no evidence to reflect that further repairs took place to the guttering.
61. It is unclear when the guttering issue was initially identified and it is therefore not possible for the Ombudsman to determine whether additional compensation should be awarded for a further 7-month delay in repairing this. It appears that the repairs identified in February 2023 were new issues that had arisen, and there is no indication of excessive delays in completing these repairs. However, the landlord appropriately identified that, prior to this, it did not act in accordance with the timeframes set out in its repairs policy with regard to repairs to the guttering.
62. The evidence suggests that the issue had led to damp and mould in the bedrooms, and it was therefore a serious failing that the landlord did not rectify the issue sooner. When there are failings by a landlord, the Ombudsman's role is to consider whether the remedies already offered are suitable. The compensation offered by the landlord was in line with the Ombudsman's remedies guidance which states amounts in excess of £1,000 should be awarded when there have been serious failings. The compensation offered was therefore reasonable to redress the failing identified.
63. Damage was caused to the roof of the resident's property during the installation of scaffolding and solar panels. The resident reported that the scaffolding had not been put up securely and that it was banging against the chimney breast, causing damage and keeping his children awake. The evidence indicates that roof tiles were also damaged when the solar panels were installed on 4 October 2022 by a third party.

64. The evidence indicates that the landlord contacted the scaffolding contractors who returned on 12 October 2022 to refix the scaffolding. Correspondence between the landlord and the contractor has not been provided, and it is unclear what efforts were made to get the issue resolved urgently. The Ombudsman acknowledges that distress and inconvenience was caused to the resident and his family during the period that the scaffolding was insecurely installed. However, the evidence indicates that the scaffolding was refixed within 2 weeks which does not indicate an excessive delay.
65. The evidence suggests that there was a delay in dealing with the repairs caused during the solar panel installation while it was established whether the third party would undertake the repairs. Correspondence between the landlord and the third party has not been provided and it is therefore unclear what communication took place surrounding the responsibility for repairs, or whether the landlord could have acted with more urgency. On 2 November 2022, the landlord confirmed that its contractor would be carrying out roofing repairs, including the making good of the chimney and tiles that were damaged during the solar panel installation.
66. On 4 November 2022 the resident reported that water was dripping from the ceiling, and that there were signs of water ingress on the joists within the loft. It is unclear whether this leak was caused by damage during the solar panel installation. The landlord stated that there was already an order for the roofing contractor to repair the whole roof, but that a temporary repair had been requested. The evidence indicates that an operative attended within 24 hours and noted that remedial works had been completed, but that the actual problem appeared to be around the guttering at the front of the property. The resident later reported that items stored in the loft were damaged and that the loft insulation was wet.
67. Within its final complaint response, the landlord concluded that it had repaired the roof on 20 November 2022. On 6 December 2022 the resident reported that the ceiling was still leaking in 1 of the bedrooms after rainfall the night before. The landlord acted appropriately by arranging for the contractors to attend and it was identified that there were no areas where water could penetrate. The landlord visited the resident on 7 December 2022 and noted that there were water marks on the ceilings which were likely to be caused by condensation in the loft due to the insulation being wet. The landlord noted that a works order for loft insulation replacement had already been raised, and a request was made for this to be completed as soon as possible given that the roof was confirmed to be watertight. The evidence indicates that this was carried out on 16 December 2022, which was reasonable.
68. While the Ombudsman acknowledges the significant distress and inconvenience caused to the resident due to the leak and the further water

penetration through the ceiling, the landlord acted in line with its repairs policy by arranging an emergency appointment and completing the repairs within 3 weeks. The landlord also acted reasonably by arranging further inspections of the water penetration and renewing the insulation once the loft was watertight.

69. The resident informed the Ombudsman that mould has recently returned to the ceilings. He said that the landlord had inspected and identified that the boards had not been allowed to dry prior to replacing the insulation which had led to further damp. The Ombudsman is unable to consider this issue within this investigation as it occurred following the final stage 2 response. However, a recommendation has been made for the landlord to identify and undertake any works required to resolve this issue.

The landlord's handling of stairlift repairs

70. The landlord's repairs policy states that it will, where possible, reduce the time taken for repairs for disabled customers particularly for faults where the resident's health may quickly be affected if the repairs is not carried out.
71. The evidence indicates that on 9 August 2022 the resident reported that the stairlift was moving up and down without anyone touching it. In an email to the landlord dated 6 September 2022, the resident said that he had first reported this issue over 6 months previously. In more recent correspondence with the Ombudsman, the resident advised that he had been reporting this issue for more than a year prior to September 2022. The landlord informed the Ombudsman that the resident had reported that this issue occurred intermittently which made it difficult to diagnose.
72. The repairs records provided reflect that the resident had reported an issue with the stairlift in March 2022, and that a new printed circuit board (PCB) was required. The notes of the March 2022 issue are limited and it is unclear when this repair was carried out. The landlord's emails dated 9 August 2022 reflect that the resident reported that an engineer had previously installed a new PCB, but that the stairlift had started to move up and down without being touched.
73. In its stage 1 response, the landlord stated that the stairlift repairs had been completed. However, the issue had not been repaired and this finding was therefore incorrect. The resident responded to the landlord and stated that several visits had taken place but the manufacturer did not know how to repair the stairlift. There are no records of reports from the resident or repairs appointments between March and August 2022. The evidence suggests that a repairs appointment took place on 15 August 2022, but no notes of this visit have been provided.

74. On 27 September 2022 the resident reported to the landlord that the stairlift operated at all times without anyone operating it. He stated that the issue had been ongoing for over a year and that contractors had visited multiple times and witnessed the issue but did not know why it was happening. The resident said that during the most recent appointment it was determined that the lift needed to be replaced. He reported that since that appointment, the stairlift had malfunctioned and he had been trapped at the top of the stairs, causing a cut and bruising to his leg. The resident stated that he felt unsafe and that he had been unable to leave his bedroom since this occurred. The evidence indicates that the landlord undertook a fire risk assessment on 30 September 2022, which was an appropriate action. The landlord's notes state that he was assessed as a 'moderate risk' and that an action plan would be completed. The action plan has not been provided to the Ombudsman and it is unclear what steps were put in place to mitigate risk to the resident. An internal email from the landlord dated 6 October 2022 stated that the resident was sleeping on the sofa due to having no stairlift.
75. The evidence indicates that an order for a replacement stairlift was made on 6 October 2022 following approval from an occupational therapist (OT) who confirmed that the stairlift met the resident's needs. The landlord's stage 2 responses dated 14 and 28 October 2022 did not refer directly to repairs to the stairlift. However, within the action plan dated 26 October 2022, the landlord stated that the current stairlift was faulty and a new stairlift should be installed based on the OT's recommendations.
76. In the further stage 2 response dated 6 June 2023, the landlord stated that all outstanding repairs had been completed but it did not comment specifically on the stairlift repairs. However, the updated action plan stated that the new stairlift had been ordered on 6 October 2022, and the target date for installing this was 18 November 2022. The new stairlift was fitted on 22 November 2022 indicating a slight delay. The landlord did not identify any failings regarding its handling of the stairlift repairs.
77. It was reasonable for the landlord to try to repair, rather than replace, the stairlift in the first instance. When it was identified that the stairlift needed to be replaced, the landlord acted appropriately by arranging this in line with an OT's recommendation, and it is acknowledged there would have been some delay that was outside of the landlord's control due to the need to order a new stairlift.
78. However, the landlord has not evidenced that it took action within a reasonable timeframe prior to the new stairlift being fitted. No records have been provided of any repairs appointments between March and August 2022, and the landlord has not evidenced that it took action in a reasonable timeframe following the 9 August 2022 report. While the resident said that inspections took place, no such records have been provided.

79. The landlord should ensure it maintains clear and accurate records of repairs being reported and repairs appointments so that audit trails can be provided. However, the repairs records that the landlord has sent to the Ombudsman in relation to the stairlift are not comprehensive. This amounts to a record keeping failure by the landlord. It is unclear whether records have been maintained and not provided, or whether the lack of evidence is indicative of a failure to keep clear records.
80. More than 3 months elapsed between the August 2022 report and the new stairlift being fitted. While it is accepted that some delay was caused due to waiting for the new stairlift to be ordered, the landlord has not evidenced that it acted swiftly to try to resolve the issue. The evidence provided does not demonstrate that the landlord took an urgent approach, which indicates a service failure.
81. The resident experienced distress and inconvenience due to the landlord's handling of the stairlift repairs. The resident required the use of a fully functioning stairlift, and the faulty stairlift restricted his mobility within the property. Further distress was caused due to the incident in which the stairlift malfunctioned
82. It is also noted that the stairlift was removed in April 2023 so that the carpet could be replaced, and a further fault was identified which meant that the stairlift required repairs. This will have caused additional disruption to the resident.
83. An order has been made below for the landlord to pay the resident £200 compensation which is in accordance with the Ombudsman's remedies guidance for failures which have adversely affected the resident. A further order has been made for the landlord to review its record keeping processes.
84. The resident informed the Ombudsman in May 2024 that the stairlift continues to move without being operated. No evidence has been provided to reflect that the resident continued to report this specific issue to the landlord following the replacement in November 2022. As such, it would not be reasonable for the Ombudsman to find a failure in respect of how the landlord handled the repairs following the replacement as the landlord can only respond to issues it has been made aware of. However, a recommendation has been made below for the landlord to arrange an inspection of the stairlift and complete any required repairs.

The landlord's handling of repairs to the wet room.

85. The resident informed the Ombudsman that he reported damp and mould in the wet room for over 2 years, the cause of which was identified as a leak from an

inlet pipe. The resident stated that the walls were not allowed to dry before repairs were carried out, and that issues with the walls are ongoing.

86. The landlord's action plan for agreed works dated 7 October 2022 stated that there was damp on the external wall of the wet room and that the paint was bubbling. The landlord documented that it would remedy the damp and re-paint the wall. It is unclear whether any action was taken following this. The landlord's notes dated 28 December 2022 state that the resident had reported that there was new mould in the wet room.
87. Within a later updated action plan, the landlord noted that the repair had been withdrawn with the agreement of the resident as the area was a "...very small patch and hasn't increased over time".
88. However, the evidence indicates that the wet room was re-plastered and mould was cleared off the walls on 13 April 2023. The landlord's notes state that damp checks were carried out which showed that there was no damp or condensation present on the walls.
89. It is unclear whether the landlord took action to remedy the damp in the weeks following the 7 October 2022 appointment. Further, the landlord has not provided evidence to reflect the resident's agreement that this repair was not required. The landlord should ensure it maintains clear records if a resident agrees to withdraw a repair. The landlord's records do not provide a clear audit trail of how it dealt with the reported repairs and it is difficult for the Ombudsman to reach a determination on its handling of this matter. However, while the evidence indicates that the landlord did take reasonable action to repair the damp and mould in April 2023, the delay in this action being taken indicates a service failure.
90. The evidence suggests that the area of damp was small which reduces the overall impact on the resident. However, it is noted that the resident incurred time and trouble in pursuing this issue and an order has been made for the landlord to pay £100 compensation in recognition of this.
91. The resident reported that the wall in the wet room had started "breaking up" as, during the previous repairs, the wall was not allowed to dry out. The resident is advised to raise this as a new repair to the landlord.

Determination

92. In accordance with paragraph 42(a) of the Housing Ombudsman Scheme, the resident's complaint about the landlord's handling of the resident's request for adaptations to his property is outside of the Ombudsman's jurisdiction.

93. In accordance with paragraph 42(b) of the Housing Ombudsman Scheme, the resident's complaint about the landlord's handling of the resident's reports of asbestos is outside of the Ombudsman's jurisdiction.
94. In accordance with paragraph 52 of the Housing Ombudsman Scheme, there was maladministration by the landlord in relation to its handling of the septic tank repairs.
95. In accordance with paragraph 52 of the Housing Ombudsman Scheme, there was service failure by the landlord regarding its handling of repairs to the roof and guttering.
96. In accordance with paragraph 52 of the Housing Ombudsman Scheme, there was service failure by the landlord in relation to its handling of stairlift repairs.
97. In accordance with paragraph 52 of the Housing Ombudsman Scheme, there was service failure by the landlord in relation to its handling of repairs to the wet room.

Orders and recommendations

Orders

98. If it has not already done so, the landlord should pay the resident £1,680 offered at stage 2. In addition, the landlord is ordered to pay the resident £1,400, which is made up as follows:
 - a. £900 for repairs to the septic tank.
 - b. £200 for roof repairs.
 - c. £200 for stairlift repairs.
 - d. £100 for wet room repairs.
99. Within 4 weeks, the landlord is ordered to provide a schedule of works to both the resident and the Ombudsman and complete the outstanding repairs to the septic tank that were identified as part of the most recent survey. The landlord should conduct a follow-up inspection to identify whether the repairs were successful in resolving the issue and undertake any further required repairs. This should take place within 4 weeks after the repairs have taken place.
100. Within 4 weeks, the landlord is ordered to conduct a review of its handling of the septic tank repairs and identify whether a process can be put in place to diagnose and fix such issues. The outcome of this review should be provided to the Ombudsman.

101. The landlord should provide evidence of compliance with these orders to the Ombudsman within the timeframes stipulated above.

Recommendations

102. It is recommended that the landlord remedies the damp and mould on the bedroom ceilings and undertakes any works required in the loft to prevent this from reoccurring.

103. It is recommended that the landlord arrange an inspection of the stairlift to identify any faults, which should then be repaired within a reasonable timeframe.

104. It is recommended that the landlord contacts the resident to ask whether he wishes to pursue the following issues as complaints:

- a. The way in which operatives removed loft insulation,
- b. The conduct of operatives who had entered his garden to install scaffolding,
- c. That wires were left exposed following the removal of the stairlift.



Report to: Audit & Governance Committee Meeting
11 December 2024

Director or Business Manager Lead: Suzanne Shead – Director Housing Health and Wellbeing

Lead Officer: Jill Baker, Business Manager Customer Services, ext. 5810

Report Summary	
Report Title	Housing Ombudsman Annual Review Report 2023-24
Purpose of Report	To inform Members of the publication of Housing Ombudsman Annual Review report 2023-24
Recommendations	That Members note the report and the role of the Housing Ombudsman Service in dispute resolution and effective complaint handling.
Reason for Recommendation	It is an Ombudsman requirement that Annual Review Letters are shared with Members

1.0 **Background Information**

- 1.1 As a landlord, the Council is required to sign up to the Housing Ombudsman Scheme. The purpose of the Housing Ombudsman Scheme is to enable tenants and other individuals to have complaints about members investigated by a Housing Ombudsman. The service can often act as an early warning system that a landlord has a larger issue as there is evidence that transactional issues correlate to strategic challenges for landlords.
- 1.2 The role of the Ombudsman is to resolve disputes involving members of the Scheme, including making awards of compensation or other remedies when appropriate, as well as to support effective landlord and tenant dispute resolution by others.
- 1.3 Complainants can contact the Housing Ombudsman at any time for advice, and usually consider complaints from tenants in instances where the complainant feels their complaint remains unresolved following the Council's complaints procedure being

exhausted or where the complainant feels the Council has not dealt with a complaint appropriately.

- 1.4 The Council is required to complete an annual self-assessment against the Complaint Handling Code which is published on the Councils website. The role of the Housing Ombudsman is also promoted in the complaints policy and in all complaint responses so that complainants have appropriate signposting to other sources of support.
- 1.5 The Housing Ombudsman Service and Regulator of Social Housing work together with social housing landlords to identify areas of systemic failure. Failure to comply with the Complaint Handling Code or the scale of maladministration findings by the Housing Ombudsman Service can influence the timing of regulatory inspection for landlords by the Regulator
- 1.6 Each year the Housing Ombudsman undertakes an annual review of complaints. The 2023/24 annual review was published on 5 November 2024 and can be found on the following link.

[Annual Complaints Review 2023 to 24 | Housing Ombudsman](#)

- 1.7 The Local Government and Social Care Ombudsman annual review was published earlier this year, and this was shared with Members at the September 2024 committee.

2.0 Housing Ombudsman Annual Review April 2023 – March 2024

- 2.1 The Housing Ombudsman generate reports for those landlords with five or more findings in the financial year to prevent misleading conclusions from small datasets.
- 2.2 As the Council hasn't had five or more cases determined by the Housing Ombudsman during this period, there isn't an individual report for us however, it is important that members are aware of the publication.
- 2.3 The Housing Ombudsman publishes anonymised decisions on its website, three months after the final decision date. [Decisions Archive - Housing Ombudsman \(housing-ombudsman.org.uk\)](#)

3.0 Implications

In writing this report and in putting forward recommendation's officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

3.1 Financial Implications

There are no financial implications arising from this report.

3.2 Equality and Diversity implications

Whilst there are no implications resulting from this report, the Councils is committed to ensuring it considers the individual needs of tenants when investigating complaints.

Background Papers and Published Documents

Nil.



Report to: Audit & Governance Committee Meeting 11 December 2024

Director or Business Manager Lead: Matthew Finch – Communities and Environment

Lead Officer: Richard Bates – Safety and Risk Manager.

Report Summary	
Report Title	Strategic Risk Management
Purpose of Report	To provide an overview of the councils current 2024/25 strategic risk register allowing members to review strategic risk management arrangements.
Recommendations	Members of the Committee are asked to note the report and to highlight any issues of concern relating to the Strategic Risk Register.
Reason for Recommendation	To ensure Committee members are aware of the status of the Council's strategic risks.

1.0 Background

1.1 Risk Management is the process of identification and management of risks faced by the Council, which have the potential to significantly prevent it from achieving its key/agreed objectives. Proactively identifying potentially significant risks and implementing suitable control strategies help prevent these risks from being realised, or if this is not possible, to mitigate the risk to a tolerable level.

1.2 Strategic risks are those risks that have the potential to halt or significantly interfere with the ability of the Council to achieve its core objectives, priorities and/or ambitions. Those risks that have the potential to halt or interfere with the ability of business units to achieve their specific operational service priorities are detailed with

the operational risk register.

1.3 The contents of the Strategic Risk Register were reported to Members in April 2024. The content of the current risk register has not changed since this last report and continues to have 9 strategic risks.

1.4 The table below identifies content of the 2024/25 risk register, as agreed by SLT.

2024/25 Strategic Register- Effective from 1st April 24		
Risk Code and Title		Risk Owner
SR401	Financial Sustainability- General Fund	Sanjiv Kohli
SR402	Financial Sustainability- HRA	Sanjiv Kohli & Suzanne Shead
SR403	Failure to deliver growth infrastructure	Matt Lamb
SR404	Contract/Supply Failure	Deborah Johnson & Suzanne Shead
SR405	Workforce	Deborah Johnson
SR406	Corporate Governance	Sue Bearman
SR407	Data Management Security	Sanjiv Kohli
SR408	Environment	Matthew Finch
SR409	Statutory Compliance Management	Sanjiv Kohli & Suzanne Shead

1.5 All 9 strategic risks identified within the 24/25 register are pre-existing and therefore are fully developed and have established action plans. The current risk register has been appended to this report in full.

1.6 All strategic risk identified above are owned by a member of SLT. Risk owners, with the assistance of lead officers and Safety and Risk Manager meet on a quarterly basis to review and develop the risk.

1.7 All strategic risks continue to be reported to SLT, via our agreed assurance process on a quarterly basis. The purpose of this process is for SLT to consider those risks identified as red, failing or not reviewed during the previous quarter.

2.0 **Strategic Risk Performance**

2.1 **Risk Score and Travel** - The following table illustrates the current individual risk scores for each of the strategic risks, within the agreed corporate risk matrix and their risk score travel, since reported to the Audit & Governance Committee in April 2024.

Likelihood	4 Certain				
	3 Very likely		SR404↓	SR403← SR405= SR407= SR409 =	
	2 Likely			SR401= SR402= SR406= SR408=	
	1 Remote				
		1 Minor/ trivial	2 Moderate	3 Severe	4 Critical
Impact					
Green Risks - Generally acceptable and require only monitoring with no further action.					
Yellow Risks - Present a higher level of risk /failure. They require an action plan that identifies how the risk is to be mitigated, managed or if possible, eliminated.					
Red Risks - These risks present the highest risk of failure/loss and therefore require the greatest level of management.					
Risk Travel (2024)					
=	Risk score has remained static				
↓	Risk score has decreased				
↑	Risk score has increased				
→	Risk change, however, score remains the same				

2.2 Strategic risks SR403, SR405, SR407 and SR409 are currently all identified as red risks. Whilst every reasonable effort will be made to reduce these risks to a level that ensures compliance with the corporate risk appetite, it should be noted that the very nature of strategic risks are complex and influenced by many outside factors/controls. Some actions can be very long term and in other cases the ability to reduce the risk further may not be within the control of the council.

2.3 During the previous period 2 strategic risks have experienced a change to their risk score. In both cases the risk score has been reduced. Details of these changes are listed below:

- a) **SR403 Failure to deliver growth infrastructure:** Impact decreased from 4 (critical) to 3 (severe) in July 2024. This decrease was due to the development of the Southern Link Road and A46.

b) SR404 Contract/Supply failure: Likelihood decreased from 4 (certain) to 3 (very likely to occur) in May 2024. This is due to changes within the current marketplace.

The table below compares the current risk score with the risk score reported to the previous Audit and Governance committee.

Risk Code and Title		Current Risk Score	Previous Risk Score
SR401	Financial Sustainability- General Fund	6	6
SR402	Financial Sustainability- HRA	6	6
SR403	Failure to Deliver Growth Infrastructure	9	12
SR404	Contract/Supply Failure	6	8
SR405	Workforce	9	9
SR406	Corporate Governance	6	6
SR407	Data Management Security	9	9
SR408	Environment	6	6
SR409	Statutory Compliance Management	9	9

2.4 **Actions and Mitigation** - All strategic risks have identified actions. The purpose of these actions is to mitigate the risk to a tolerable level. Actions and due dates are determined by the risk owner and their progress is monitored at quarterly reviews.

2.5 All 9 strategic risks identified within the 24/25 register have fully developed and established action plans.

2.6 The table below identifies the number of actions in progress, completed and outstanding for each strategic risk.

Risk	Actions		
	In Progress	Completed	Overdue
SR401- Financial Sustainability GF	5	3	-
SR402- Financial Sustainability HRA	8	2	-
SR403- Failure to Deliver Growth Infrastructure	10	3	-
SR404- Contract/Supply Failure	10	2	-
SR405- Workforce	6	5	-
SR406- Corporate Governance	12	5	-
SR407- Data Management Security	16	5	-
SR408- Environment	3	1	-
SR409- Statutory Compliance Management	15	11	-
Total	85	37	-

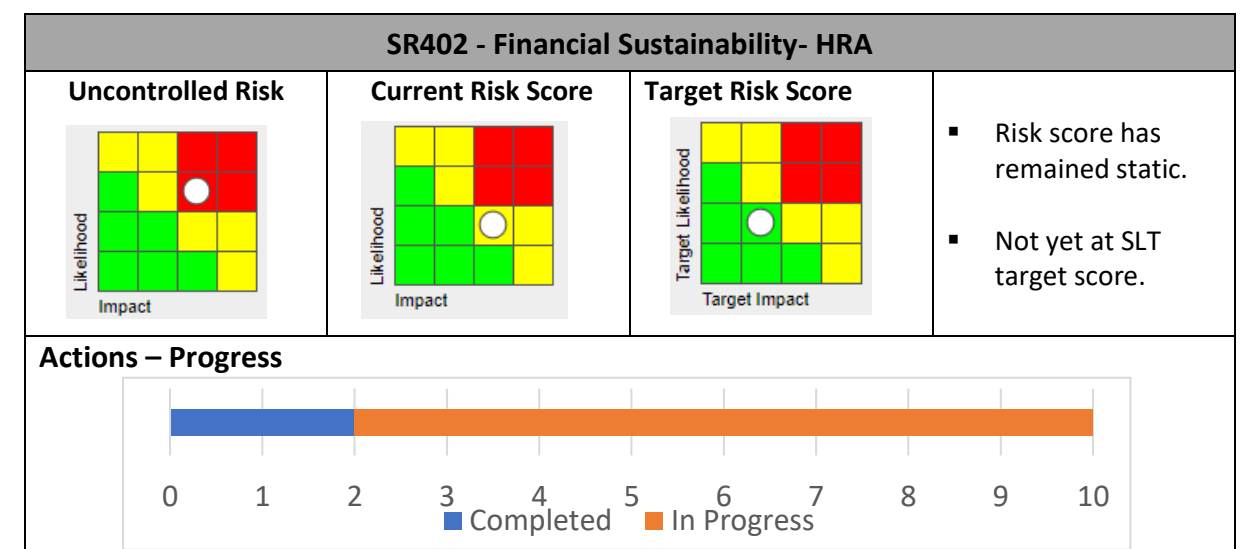
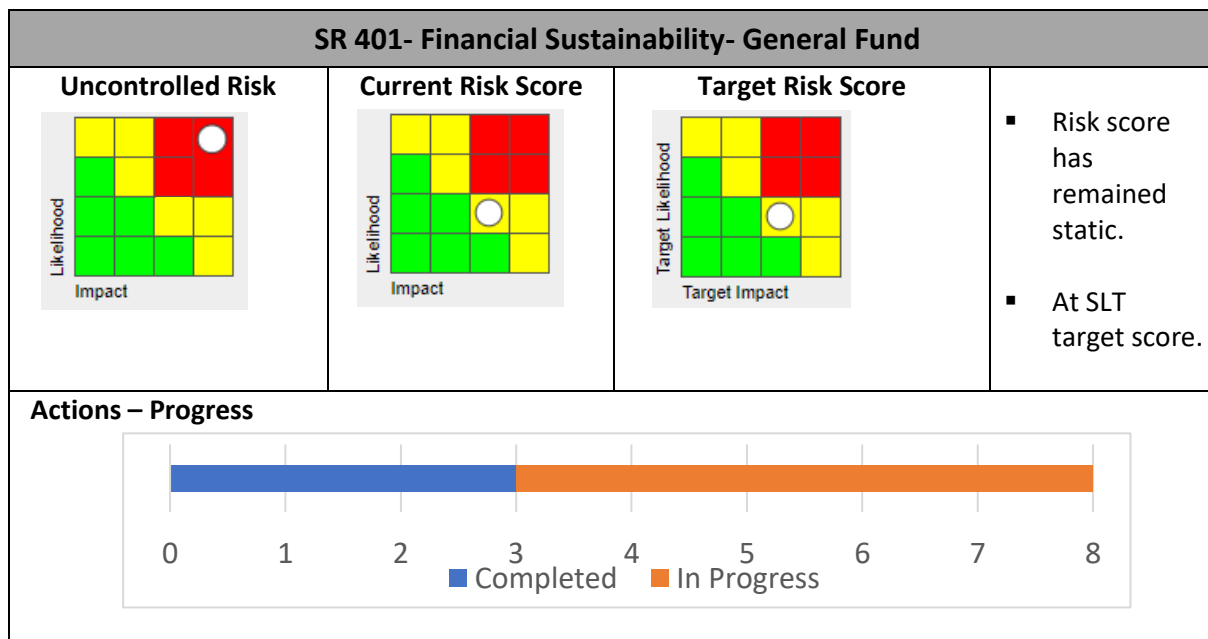
2.7 A total of 122 actions were identified for the 9 strategic risks for this period. 37 actions have been completed and a further 85 are in progress.

2.8 Due to the nature of strategic risks some actions are assigned long due dates, many of which may exceed a year before completion is required. Other actions may also be cyclical and appear a number of times within a year.

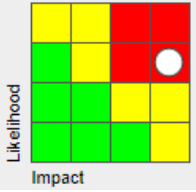
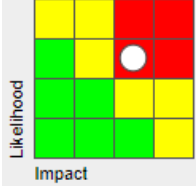
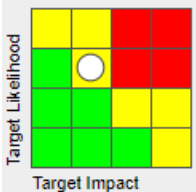
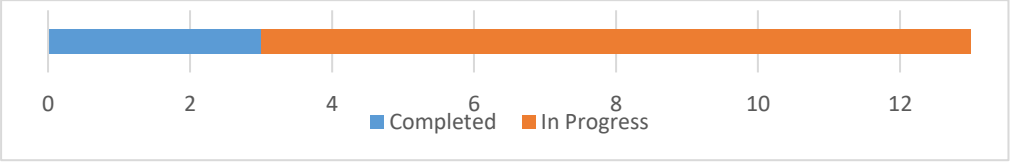
2.9 The risk status of each strategic risk and their associated action progress, since April 2024, are listed within the following tables.

The risk matrices within each table demonstrate the “current risk” (determined at the last review), the “target risk” (a score determined by SLT annually at the risk workshop) and the uncontrolled risk (the risk posed to the Council if no action was taken).

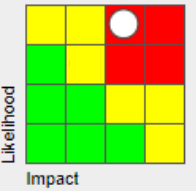
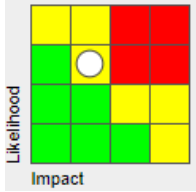
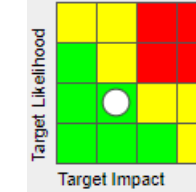
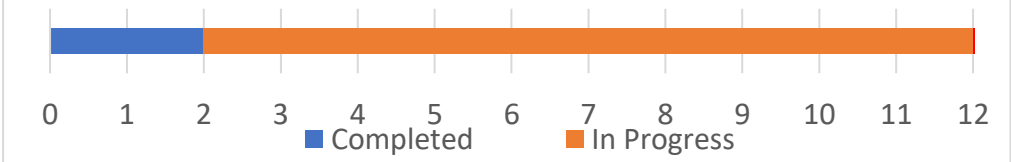
The actions progress bar provides information relating to the total number of actions assigned to each risk for the previous year and their current status i.e. completed, in progress or overdue.



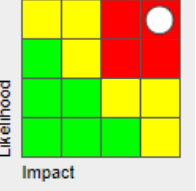
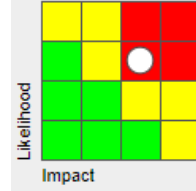
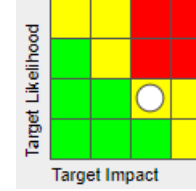
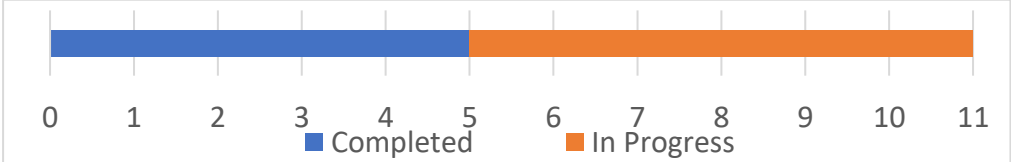
SR403- Failure to Deliver Growth Infrastructure

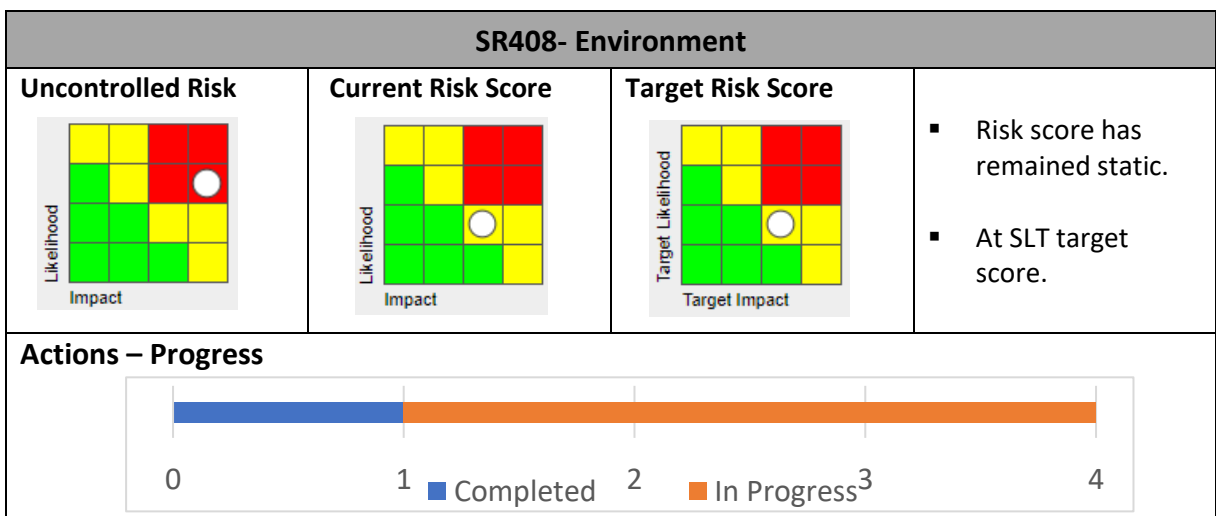
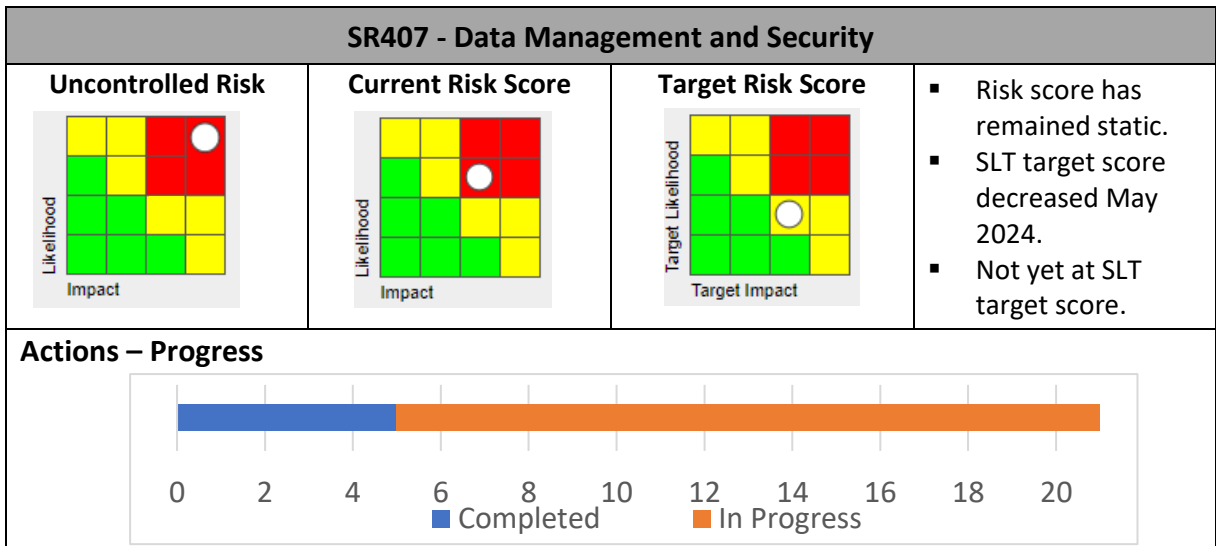
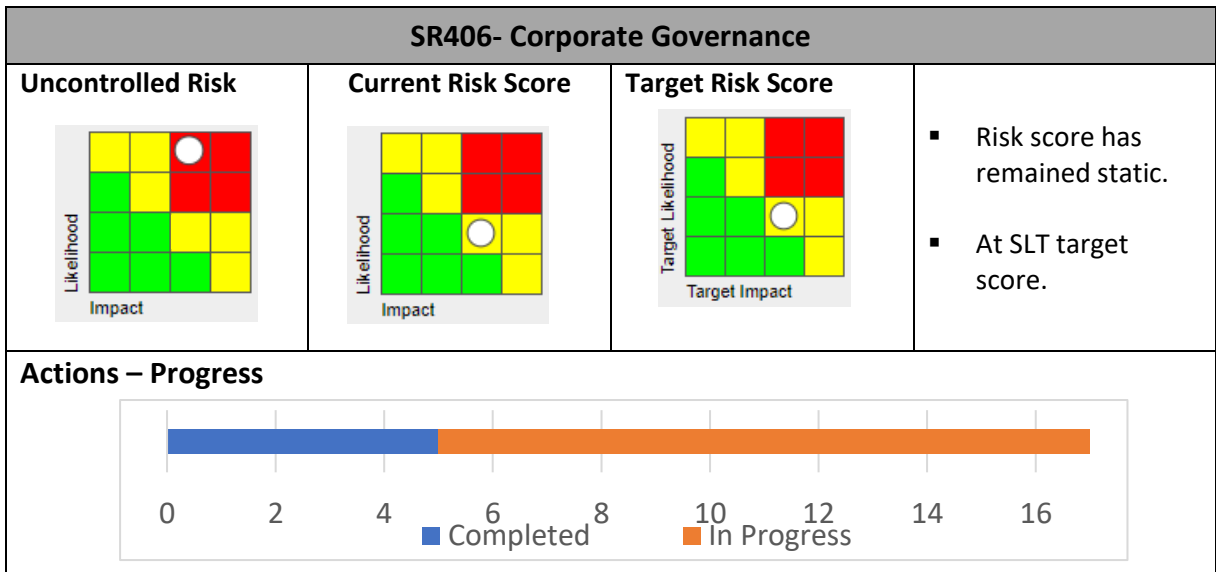
<p>Uncontrolled Risk</p> 	<p>Current Risk Score</p> 	<p>Target Risk Score</p> 	<ul style="list-style-type: none"> ▪ Risk impact score decreased July 2024. ▪ Not yet at SLT target score.
<p>Actions – Progress</p> 			

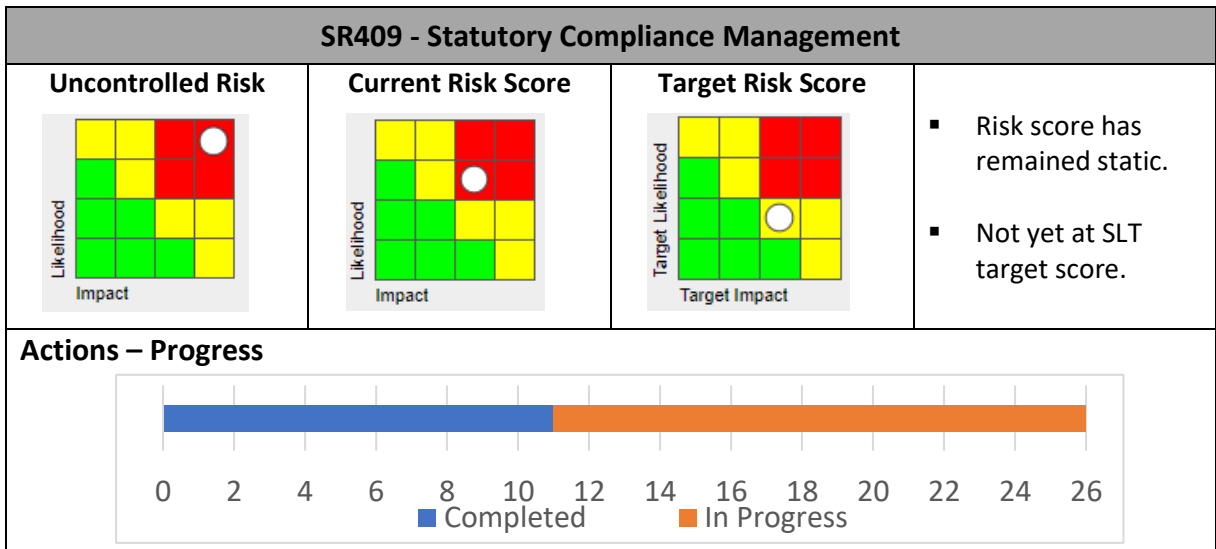
SR404 - Contract/Supply Failure

<p>Uncontrolled Risk</p> 	<p>Current Risk Score</p> 	<p>Target Risk Score</p> 	<ul style="list-style-type: none"> ▪ Risk likelihood score decreased May 2024. ▪ Not yet at SLT target score.
<p>Actions – Progress</p> 			

SR405 - Workforce

<p>Uncontrolled Risk</p> 	<p>Current Risk Score</p> 	<p>Target Risk Score</p> 	<ul style="list-style-type: none"> ▪ Risk score has remained static. ▪ Not yet at SLT target score.
<p>Actions – Progress</p> 			





3.0 Strategic Risk Register 2024/25- Development and Review

- 3.1 All strategic risks will continue to be reviewed by risk owners and reported to SLT on a quarterly basis. Significant changes, new risks, details of emerging risks/future issues are discussed during these meetings and either incorporated within existing risks or considered by SLT for separate inclusion within the existing register.
- 3.2 In accordance with the Risk Management Policy, it is proposed that a facilitated strategic risk workshop will be undertaken with the Senior Leadership Team (SLT) in Feb 2024. This workshop evaluates all existing strategic risks and identified emerging risks for the forth coming year.

4.0 Proposal/Options Considered

- 4.1 Members of the committee note the Strategic Risk Register report. An update report will be brought to the Audit and Governance Committee in 6 months.

5.0 Implications

In writing this report and in putting forward recommendation’s officers have considered the following a range of implications. This report in itself does not have any implications. During the risk reviewing process any controls that are identified are considered in terms of the implications they may have before they are agreed as an appropriate control.

Background Papers and Published Documents

None for this report

APPENDIX 1 – Strategic Risks

**SR401 Financial Sustainability-
General Fund**



SR401 Financial sustainability – General Fund	
Description	Ensuring financial sustainability of the general fund to allow the council to undertake its core functions, deliver services, meet its corporate priorities and objectives.
Lead Officer	Kohli, Sanjiv (SLT)
Support Officers	Nick Wilson

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix

Date Last Reviewed	Impact	Likelihood	Risk Management
11-Nov-2024	3- Severe	B- Likely	Controlled

Controls In Place	<p>Quarterly Capital monitoring meetings</p> <p>Investments approved in line with the annually agreed Treasury Management Strategy</p> <p>Annual refresh of Medium Term Financial Plan including management of reserves</p> <p>Council approved Capital programme</p> <p>Financial implications added to Committee reports by Financial Services and a unique reference given each time</p> <p>Financial strategies and budget reviewed through Cabinet annually</p> <p>Use of external Medium Term Financial Plan tool which assists with forecasting future Business Rates income for the following year budget</p> <p>Assigned project manager for each major project the Council is embarking on</p> <p>Commercial officer group established to identify business opportunities in service areas</p> <p>Director/Business Unit Manager quarterly meetings reviewing Directorate financial position</p> <p>Approved Commercial strategy to support objectives set out in the MTFP</p> <p>Approved Investment Plan to support the objectives set out in the Commercial Strategy</p> <p>Nottinghamshire Business Rates Pool mitigating large impacts of reductions in Business Rates. This is kept under review by Nottinghamshire S151 officers</p> <p>Quarterly budget monitoring report tabled at SLT, Cabinet and PPIC</p> <p>Annual Financial Regulations training in place</p> <p>Lead authority for administration around Notts Business rates pool</p> <p>Contract procedure rules in Constitution refreshed May 22</p> <p>Acquisition and disposal policy - Approved Nov 2021</p> <p>Internal Audit</p> <p>Corporate land and property group established and meet regularly</p> <p>Review of chancellor’s budget statements/fiscal events</p> <p>Commercial group established and projects identified by BM’s across the</p>
--------------------------	--

	<p>authority. Allocation of resources both staffing and financial to account the councils' major projects in the capital programme and in the pipeline. Initial allocation of resources carried out by SLT.</p>
Risk Categories	<p>Financial Meeting corporate objectives Service delivery Reputation Governance Compliance</p>
Trigger/Event	<p>Unforeseen rise in interest rates over forecasted levels Changes in national policy eg. fair funding review, change to government political parties Change in local political balance resulting in change in priorities Banking crisis Over reliance and poor decision making on investments Member priorities diverging from corporate priorities Increase CPI/RPI figures Failure of subsidiary companies Major contract failure Failure of HRA Reduction in Business Rates Poor decision making and business planning Budgeted income levels not meeting target Actual funding received not in line with expected funding (central Gov and Notts Pool) Change in government policy significantly reducing income/funding Changes in government policy/direction impacting resulting in additional costs Failure in compliance/ governance Fraud Global Pandemic Economic downturn Cyber-attack/fraud Utility price increase Supply chain – significant sudden increase in costs Levelling up Nottingham and Nottinghamshire project</p>
Impact	<p>Inability to fund services resulting in reduction in discretionary services and reduction in quality-of-service provision Inability to meet corporate priorities/community plan Inability to meet legislative requirements External auditors review Government taskforce Negative media/reputation Loss of ability to make local decisions Division between members and officers Greater division between political parties Staff morale, loss of key staff and reduction in workforce Staff morale and loss of key staff Fines/ enforcement S151 officer issues S114 notice Curtailment of activities of the subsidiaries/HRA/Major projects Impact on residents and communities Impact on income streams Reduction/disposal of assets Impact on the funding of the capital programme requiring reprioritisation of projects and a consequential impact on the GF due to additional interest cost/additional costs of borrowing</p>

SR402 Financial sustainability



SR402 Financial sustainability - HRA	
Description	Financial sustainability of the HRA to ensure the council is able to provide, maintain and develop its housing stock.
Lead Officer	Kohli, Sanjiv (SLT); Shead, Suzanne (SLT)
Support Officers	Nick Wilson, Caroline Wagstaff, Simon Ingram, Craig Tinsley, Andrew Snape, David Price

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix

Date Last Reviewed	Impact	Likelihood	Risk Management
23-Sept-2024	3- Severe	B- Likely	Control Pending

Controls In Place	<ul style="list-style-type: none"> • Quarterly Capital monitoring meetings • Investments approved in line with the annually agreed Treasury Management Strategy • Annual refresh of HRA financial business plan • Council approved Capital programme • Financial implications added to Committee reports by Financial Services • Financial strategies and budget reviewed through Policy and Finance Committee annually • Use of external HRABP tool allows scenario planning • Assigned project manager for each major project the Council is embarking on • Director/Business Unit Manager quarterly meetings reviewing Directorate financial position • Quarterly budget monitoring report tabled at SLT and Policy and Finance Committee • Annual Financial Regulations training in place • Current development programme ensuring growth in house numbers, over and above the offsetting disposals through Right to Buy • Attendance at Housing related horizon scanning events, in order to feed future impacts into HRABP • Review on housing management completed and housing service brought back in house. Efficiencies generated through budget review • Reserves in place
--------------------------	--

Risk Categories	Financial Meeting corporate objectives Service delivery Reputation
------------------------	---

	<p>Governance Regulation Compliance</p>
Trigger/Event	<p>Change in national policy & legislative requirements Increase in interest rates Increased rent arrears Suitability of stock meeting future standards Increase or change in standards required Current stock does not meeting housing needs Workforce issues Failing to ensure compliance with relevant legislation causing regulatory bodies to intervene Non-compliance with RSH regulatory standards Meeting tenant priorities Ineffective strategic decision making and business planning Key HRA major projects failure Ineffective management of housing maintenance function Loss of critical income streams Fraud Failure to manage critical income streams/ invest Global Pandemic Supplier/contractor cost increases due to demand/supply issues changes in the economy Inability to secure sufficient external funding to regenerate existing stock to meet enhanced standards Conflicting strategic direction and lack of regular review of 30 year business plan Zero carbon works identifies significant increase in costs Stock condition survey identifies significant increases in costs</p>
Impact	<p>Inability to maintain stock to acceptable level including development of future stock Changes in national policy requiring internal funding above levels sustainable within business plan. Increased requirement to use internal funding, Reprioritisation of service delivery Cash reserves used to right off rent arrears and voids Substandard housing stock Loss of morale and high staff turnover Fines, notices, court cases and legal fees Moratorium of services Stakeholder Dissatisfaction with service delivery Greater scrutiny on service slowing decision making Poor local housing policy Project failure Contract disputes S151 officer issues S114 notice Failure to service debt Legislative requirements not met Impact on residents and tenants Increase in void properties</p>

SR403 Failure to deliver growth infrastructure



SR403 Failure to deliver growth infrastructure	
Description	Facilitating the provision of key local infrastructure projects to ensure mitigation and delivery of identified growth areas within the district.
Lead Officer	Lamb, Matt (SLT)
Support Officers	Oliver Scott, Matthew Norton, Neil Cuttell

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix

Date Last Reviewed	Impact	Likelihood	Risk Management
12-Nov-2024	3- Severe	C- Very Likely	Control Pending

Controls In Place	<p>Community Plan Infrastructure delivery plan CIL charging schedule and infrastructure list Development plan (Amended Core Strategy and Allocations and Development Management DPD) Planning policy board Cabinet and Full Council Planning Committee High performing planning service Active Lobbying Engagement with Developers, Stakeholders, Partners, infrastructure providers, utility providers Economic Growth Strategy – Newark Town Investment plan & Visitor economy strategy Continued liaison with National Highways to monitor progression of SLR and A1 over bridge. Southern link road – Continued liaison with Homes England re funding package Newark “levelling up” fund governance</p>
--------------------------	--

Risk Categories	<p>Inability to deliver infrastructure projects to support growth. Specific projects include: Direct NSDC influence A1 Overbridge (and inter-relationship with A46 Newark northern bypass) Indirect influence Southern link road - completion (grant funding) (and inter relationship with A46 Newark northern bypass) Full Fibre broadband and/or 5(6)G provision Electricity grid capacity A614 roundabout (the Non-strategic Road Network Improvement Scheme NRNIS)– indirectly funding via section 106 A46 improvement works – Influencing role Political Reputation Financial</p>
------------------------	---

	Partners, stakeholders, policy makers and funders Economy, business and residents
Trigger/Event	<p>Government change in policy Partner funding withdrawn Funding reduced/costs increased Funding bid failure Withdrawal of Partners Change in partnership priorities Housing development stalls Change in leadership Poor strategic decision making Failure of other related major infrastructure projects A46 Newark northern bypass – Delivery and timing A1 Over bridge – Technical constraints and increasing costs Change in delivery method and/or partner Insufficient capacity planning from infrastructure/utility providers Inability to influence at national/regional level</p> <p>Non-strategic major road network fund priority junctions (A614/A617/A6097 corridor) Lack of coordination of delivery</p> <p>General Election- Change in decision</p>
Impact	<p>Infrastructure not delivered/ delivery delayed Inappropriate infrastructure delivered Growth within district affected Inadequate service provision Government sanctions for inability to deliver housing growth Housing development stalls Social Inequality Large Employer relocating outside district Inward investment stalls Financial impact of failure to meet growth aspiration in Newark devolution agreement Impact on council's MTFP MTFP assumptions not realised Slower/more expensive/less viable delivery Commercial development stalls Commercial attractiveness of district reduces</p>

SR404 Contract/Supply Failure



SR404 Contract/supply failure	
Description	Managing contracts with key suppliers, including NSDC wholly own companies, to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.
Lead Officer	Johnson, Deb (SLT); Shead, Suzanne (SLT)
Support Officers	Andrew Kirk, Nick Wilson, Caroline Wagstaff, Dave Richardson, Jenny Walker, Sue Bearman, Mark Fisher

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix

Date Last Reviewed	Impact	Likelihood	Risk Management
19-Aug-2024	2- Moderate	C- Very Likely	Control Pending

Controls In Place	<p>CONTRACT INCEPTION & MANAGEMENT Contract register developed using Pro-Contract and actively managed by legal and admin team (not fully populated or embedded yet see action) reviewed twice per year Contact renewal early warning provided by admin at quarterly meetings Procurement advice provided through Welland procurement Call off contract arrangements/template devised SLA template devised for consistency SLAs all reviewed SLA register devised and actively managed by service areas .Comprehensive audit undertaken of contracts</p> <p>PROCUREMENT RULES Use of joint procurement service –Welland procurement Focus on local providers for some services Use of contract exemption forms where necessary</p> <p>WHOLLY OWNED COMPANIES Management agreements regularly reviewed Contract managers named for each Regular contract management meetings in place Active partnership approach embedded</p> <p>TRAINING Session delivered to BMs on contract management Session delivered to members on contract management</p>
--------------------------	--

Risk Categories	Service delivery Financial Compliance (Regulatory, Health & Safety, Legislative) Governance Resources Reputational
------------------------	---

	Procurement/lack of competition Project delivery
Trigger/Event	<p>CONTRACT INCEPTION Lack of understanding of requirements and different provision mechanisms available Lack of commercial approach and knowledge Inadequate/ambiguous specification Inadequate/ambiguous control/performance measures Inadequate/ambiguous exit arrangements Failure to engage relevant specialists in contract design Contract is not signed and saved in corporate register Limited market supply Over reliance on single supplier(s) Lack of competence in procurement Lack of resource dedicated to procurement Lack of preplanning for contracts Lack of appropriate exit strategies Limited availability due to emerging industries/concepts/technology/demand</p> <p>CONTRACT MANAGEMENT No assigned contract manager Contract manager is not appropriately trained/skilled Contract manager resource is insufficient Ineffective performance monitoring and reviews Evergreen contracts in place Change control/variations are not appropriately managed Lack of ongoing challenge throughout the contract Loss of key personnel/ key resilience Relationship breakdown Contractor fails to deliver/ isn't able to deliver (bankruptcy)</p> <p>OTHER Financial management not embedded as part of contract management process Impact of Brexit Business continuity/Emergency incident Contracts not entered on contract register Provision commences before contract is in place Lack of appropriate overview of contract management Pandemic Impact of inflation Government policy shift</p>
Impact	<p>FINANCIAL IMPACT Additional costs to council (hidden costs, increased costs) Best value not achieved Fines Failure to utilise grant (repay grant because of failure to contract or contract failure)</p> <p>SERVICE DELIVERY IMPACT Provision is not timely/delayed Poor/declining quality of service/provision Increased unplanned demand Inability to scale up/scale down provision to meet demand Service failure Not aligned to corporate objectives Unable to procure Project delivery failure</p> <p>LEGISLATIVE IMPACT</p>

	<p>Data loss/GDPR compromised Council's legislative obligations not met Providers are not able to be challenged as contract not in place when service is commenced Ombudsman X2 Social housing regulator</p> <p>REPUTATIONAL IMPACT Customer/service user complaints increase Member complaints increase Negative media coverage</p> <p>RESOURCE Contract manager resource requirement is increased (leading to impact on other duties) Other officer resource required to manage impacts (leading to impact on other duties) Re-procurement additional resourcing Project delay</p>
--	--

SR405 Workforce



SR405 Workforce	
Description	Ensuring the council is able to recruit, maintain and retain appropriate staffing resource to ensure it is able to deliver its services and meet its corporate objectives.
Lead Officer	Johnson, Deb (SLT)
Support Officers	Sarah Lawrie

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix
<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>

Date Last Reviewed	Impact	Likelihood	Risk Management
19-Sept-2024	3- Severe	C- Very Likely	Controlled

Controls In Place	<p>Business Planning embedded throughout the Council with clear links to Community Planning and Performance framework Managing absence standards and guidance Senior HR Officers provide support to Business Managers to manage staffing issues, e.g. sickness absence, capability etc. Effective communication arrangements are in place. Rolling programme of review for HR policies to ensure they remain robust and fit for purpose. I-trent system provides Business Managers with ownership / control over staff sickness/Holiday approval etc. and provides corporate overview HR</p>
--------------------------	--

	<p>working closely with Business Managers to support organisational change. Partnership approach with recognised trade unions to support organisational change and current pandemic crisis (and any other similar extraordinary event).</p> <p>Counselling/therapy and welfare support services in place for staff.</p> <p>Visible inclusive leadership.</p> <p>Annual employee establishment planning process.</p> <p>Training and development programme to support ongoing development of skills and competencies and BM and other staff (i.e. change management, sickness and performance management and recruitment and softer skills)</p> <p>Targeted training interventions to support individual employee development and the facilitation of succession management.</p> <p>Family friendly policies added benefits such as reduced gym membership staff loans, temporary free parking to support during the cost of living enhanced workplace entitlements to attract and retain quality candidates including hybrid working, flexible working, employee counselling and therapy services, health and wellbeing initiatives).</p> <p>Approved corporate priorities within the Community Plan 2019-23</p> <p>Comprehensive programme of activities to embed our culture and improve our sense of wellbeing and belonging</p> <p>Annual staff reward and recognition awards and a basket of seasonal activities</p> <p>Apprenticeships and graduate placements to support service succession management.</p>
--	--

Risk Categories	<p>Service delivery and resources</p> <p>Financial</p> <p>Compliance</p> <p>Governance</p> <p>Reputational</p> <p>Competence and Capability</p> <p>Leadership</p> <p>Recruitment and retention</p> <p>Mobility and agility of workforce</p> <p>Safety of workforce</p> <p>Increased instances of mental health problems in workforce</p> <p>Culture – One council</p>
------------------------	---

Trigger/Event	<p>Key staff leaving e.g. with specific qualifications and/or experience and membership of professional body</p> <p>Number of staff leaving from one area/high turnover</p> <p>Inability to recruit to key posts or within a specific service area</p> <p>Lack of development opportunity</p> <p>Lack of team cohesion</p> <p>Lack of organisational culture/collaboration</p> <p>Lack of alignment with corporate values/behaviours/culture</p> <p>Pressure of work</p> <p>External Demand in a specific skill set</p> <p>Uncompetitive in the job market place</p> <p>Poor industrial relations and ineffective people management processes</p> <p>Working environment</p> <p>Key member of staff goes on long term sick, high level of sickness in one service area</p> <p>Uncertainty and/or significant change</p> <p>Aging workforce/retirement planning/succession planning</p> <p>Pandemic or other significant emergency</p> <p>Poor management/leadership</p> <p>Inability to provide equipment/tools to allow staff to effectively perform their duties (e.g. shortage of laptops due to global microchip shortages)</p> <p>Other external factors – cost of living, national shortages.</p> <p>Projected national living wage increase leads to inability on pay structure to accommodate</p>
----------------------	---

	National bargaining is protracted and leads to staff being disadvantaged Current JE process is not fit for purpose – outdated. Prolonged industrial action Equal pay claim
Impact	Service delivery impact –inability to deliver services or delivering reduced services Reputational impact through poor service delivery Reputation as an employer resulting in inability to recruit staff Loss of capacity/under resourced Loss of expertise and corporate memory High recruitment costs Additional time required to support recruitment activity and the induction of new staff and their development Additional training costs Impact on morale, culture and team performance Increased levels of staff absence (ill health) Increased levels of non-attendance in nominated workplace (lack of cohesion/culture) Loss of opportunity through loss of networks Increase in accidents Impact of potential civil claim (e.g. employment tribunal. insurance) or criminal actions Financial penalties/ombudsman decisions/other regulatory bodies Increased demand on corporate services (e.g. HR,ICT)

SR406 Corporate Governance



SR406 Corporate Governance	
Description	Risk of failure in systems of governance within the council, council owned/influenced organisations and partnerships or other collaborative arrangements.
Lead Officer	Bearman, Sue (SLT)
Support Officers	Nigel Hill, Nick Wilson, Carl Burns, Deb Johnson

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix

Date Last Reviewed	Impact	Likelihood	Risk Management
18-Sept-2024	3- Severe	A- Likely	Controlled

Controls In Place	<p>S Bearman to review controls and update accordingly</p> <ul style="list-style-type: none"> Code of corporate governance created, maintained and monitored in accordance with CIPFA guidance. Corporate Governance self-assessment against the code of Corporate Governance undertaken periodically.
--------------------------	---

	<ul style="list-style-type: none"> • Periodic review of governance by 3 statutory officers. • Annual review of Constitution which includes fit for purpose and up to date <p>-Officer code of conduct -Officer registers of interests - Related third party transactions. -Section 151 officer/Monitoring officer/Head of Paid Service. -Gifts and hospitality - policy and register place. -Council Financial regulations and procedures, -Contract procedure rules -Whistle blowing policy -Anti-fraud and corruptions strategy</p> <ul style="list-style-type: none"> • Annual governance statement reviewed annually and reported to Audit and Governance Committee. Annual Governance Statement goes to November meeting of Committee • Creation of annual combined assurance report in conjunction with SLT and BMs. • Internal Audit work including risk-based Audit Plan. • Effective use of External Auditor. • Under executive arrangements with Cabinet structure and portfolio holders: <p>-Publishing of forward plan and all delegated decisions -Mechanism for call in of all executive decisions -Overview by Audit and Governance Committee -Dedicated scrutiny committee under executive arrangements – Policy and performance improvement committee -Tenant engagement board which ensures appropriate tenant involvement</p> <ul style="list-style-type: none"> • Staff and member training in place <p>-Training on governance issues including anti-fraud and financial regulations. -Counter fraud training delivered -Member induction at the start of each new Council cycle.</p> <ul style="list-style-type: none"> • Complaints: <p>-Localised standards framework and effective arrangements for dealing with complaints overseen by Audit and Governance Committee. -Internal complaints procedure.</p> <ul style="list-style-type: none"> • Fraud <p>-Annual internal review of the Fraud Risk register to carry out proactive work, check on internal controls and is reported to members -Participation with National Fraud Initiative process -Options appraisal for counter fraud and implementation of preferred option. -Appropriate insurance cover including Fidelity Guarantee. -Oversight of Active4Today, Arkwood and East Midlands Building Control. -Appropriate monitoring of performance of the third party or alternative service delivery methods.</p> <ul style="list-style-type: none"> • HR policies in place <p>-Recruitment process controls, e.g. References, Immigration, DBS.</p> <ul style="list-style-type: none"> • Horizon scanning at Business Manager briefings and effective communication between SLT and business managers. • Measures in place to ensure IR35 compliance • Schedules review of Corporate Governance (Q4 19/20)
--	--

	<ul style="list-style-type: none"> • Governance review ongoing with support from change to Executive Arrangements completed in May 2022 – 6-month review of effectiveness of arrangements to be considered by Audit and Governance Committee in November 2022 • Internal Audit of governance arrangements for Council-owned companies in 2022-3 audit programme • Productivity Plans
Risk Categories	<ul style="list-style-type: none"> • Service delivery • Governance • Fraud • Poor decision making/leadership • Reputation • Financial • Legal compliance • Partners/stakeholders
Trigger/Event	<ul style="list-style-type: none"> • Failure to communicate, define, review and uphold governance standards policies to ensure fitness for purpose. • Failure of staff and councillors to understand their governance roles and responsibilities. • Failure to observe good governance. • Failure to adequately manage risk or monitor performance. • Failure in Policy adherence (All policies). • Malicious event e.g., Fraud, money laundering, etc. • Reduction in capacity and loss of key personnel and resources • Failure to adequately oversee governance standards of partnerships and other entities that the Council is involved in. • Failure of governance in wholly council owned companies • Failure of governance in partnership organisations • Negative findings identified by other organisations/bodies – Ombudsman and External Audit • Overuse of “Call-in”, “Call for action” or “Urgency provision” • Inexperience with new system – procedures set out in constitution not followed • Influx of new elected members • No overall control achieved
Impact	<ul style="list-style-type: none"> • Loss of opportunity and ability to meet corporate priorities • Financial resource loss. • Poor or inadequate decision making. • Service delivery issues. • Criminal or civil liability. • Risk of successful judicial review • Regulator finding fault e.g. Internal Audit, External Audit, Ombudsman. • Government or peer intervention. • Failure of Council owned companies • Failure of partnerships • Ombudsman findings – Maladministration • Significant Audit findings – e.g. Public interest report • Reputational risk to the Council. • Negative media coverage. • Policies could be open to challenge.

	<ul style="list-style-type: none"> • Excessive legal costs incurred. • Poor staff morale. • High staff turnover. • Community disengagement. • Capacity redirected to address failures. • Inappropriate use of public office • Fraud and corrupt practice identified. • Fraud and corruption practices not identified or dealt with leading to an incident of fraud and corruption. • Slowing down of decision making
--	---

SR407 Data Management Security



SR407 Data management and security	
Description	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential, business critical information or breach of information governance legislation
Lead Officer	Kohli, Sanjiv (SLT)
Support Officers	Dave Richardson, Sue Bearman, Stacy Carter

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix

Date Last Reviewed	Impact	Likelihood	Risk Management
13-Aug-2024	3- Severe	B- Very Likely	Control Pending

Controls In Place	<p><u>Policy and Guidance</u> Policy suite and supporting guidance including: ISMS Cyber security strategy IG strategy</p> <p><u>Training/ Guidance</u></p> <ul style="list-style-type: none"> • Training for all staff taking payments in line with PCI-DSS requirements. • Training for ICT staff. • Data protection training including a section on information security and targeted training ongoing for staff located elsewhere and forms part of the induction process. • Information governance check on furniture that is being disposed of. • Information E Training completed by all staff. • Annual review of Information Asset Register. • Annual mandatory GDPR, cyber and spear phishing online training for all staff and councillors. • Guidance and training available for elected members. 3 GDPR sessions provided for newly elected members.
--------------------------	---

- Guidance on security breach procedures for Business Managers as Information Asset Owners
- Data security communications to all staff following identification of risk

Governance and Compliance

- CIO/SIRO/DPO appointed
- Compliance with the government's security arrangements.
- PSN compliant data & internet connections implemented
- Compliance with new Cabinet Office email standards achieved.
- Weekly review of ICO guidance.
- Periodic PCI/DSS compliance checks
- Data Privacy Impact Assessment.
- Annual SIRO audit.
- Review of policies and procedures to ensure compliance with latest Payment Card Industry- Data Security Standard (PCI-DSS)
- Cyber Security now standing agenda item on monthly business unit management meetings.
- Governance arrangements established through CIGG with monthly review.
- CIGG meeting every quarter to review risks.
- External Audit on ICT security annually.
- Implementation of an ISMS project team
- Amalgamation of digital transformation board with CIGG

ICT/Equipment specific controls

Encryption for mobile devices.

- VASCO tokens and Google Authenticator.
- Quarterly ICT security checks internally.
- Penetration test annually by external company - monthly scans of servers for weaknesses, monthly server updates and monthly scans of Microsoft Office and Windows.
- Perimeter software - eg. mailmarshall & webmarshall.
- Hardening test on new virtual servers.
- Documents scanned reducing the need for paper.
- Secure server room.
- East Midlands WARP membership - alerting networking facility regarding any breaches.
- Monthly updates of Adobe products.
- Program in place to ensure the continual maintenance & upgrade of the ICT environment.
- Secure portal for Members to access the Extranet.
- Airwatch MDM (Mobile Device Management) implementation for mobile devices.
- DMark, DKim SPF and TLS secure email authentication software.
- Cryptshare for encrypting secure emails and large files for email.
- Report & record all cyber-attacks/attempts and escalate to CMT where appropriate Users own devices cannot connect to network
- 'Consent' tick box on appropriate forms.

Partners and Stakeholder specific controls

- Non-disclosure agreements in place for third party access.
- Use of data processing and agreements with partners.
- Use of licensed confidential waste handler.

	<ul style="list-style-type: none"> • Letters sent to all third parties who process personal data on behalf of NSDC advising of additional responsibilities under GDPR and data processing agreements in place. • Actions arising from report to SLT on third party users implemented.
--	---

Risk Categories	<p>Loss of vulnerable, personal, sensitive valuable data Legal compliance Reputation Financial Partners/stakeholders Disruption of service- including from a cyber attack Supply chain</p>
Trigger/Event	<p>(Organisational)</p> <ul style="list-style-type: none"> • Personal, confidential or corporately sensitive/business critical information disclosed unintentionally or through error of judgement, data breach - intentional (malicious). • Theft or loss of equipment/papers/data belonging to the council, partners or third party companies. • Failure to respond to subject access requests/information requests accurately and within statutory timeframes • Failure to identify and respond to a data breach promptly and effectively • Failure to protect information from accidental loss, corruption or disclosure or other non compliance with Data Protection Principles, by NSDC or a third party, involving large volumes of personal data or smaller volumes of sensitive personal data • Repetition of reportable data security breach • Insufficient due diligence during procurement and termination of cloud base systems supported by third parties. • Accelerated delivery of digital agenda • Agile Working i.e. mobile/remote/home working/home printing/disposal of printed data/Outreach posts. • Loss of key resources/staff. • Reducing resources with less capacity for processing data. • New and inexperienced staff/elected members with access to data. • Lack of suitable training/competency/communications • Re-alignment and integration of new services <p>(Systems/assets)</p> <ul style="list-style-type: none"> • Cyber attack: (either targeted such as denial of service or unintentional human error e.g. - access to link on another website). • Failure to protect information assets from an internal malicious attack leading to a data breach, corruption of data assets, loss of asset or service. • Failure to adopt appropriate technical security measures for keeping data secure within our systems and platforms which results in a significant data breach • Accidental data breach through any electronic source • Use of BYOD (Bring your own device). • Unsupported software/unforeseen loss of support. • Decommissioning of property/asset <p>(Partners and stakeholders)</p> <ul style="list-style-type: none"> • Collaborative working, sharing, outsourcing and partnership working (including external printing and hybrid mail)/involvement in other peoples' data • Partnership working and sharing new service locations/data sharing issues.

	<ul style="list-style-type: none"> • Partner's/contractor's/host's poor data management and information security leading to data breach/loss. • Use of suppliers/third parties, etc. • Government integration agenda e.g. Increased working between public bodies • Local government reorganisation/Combined authority/change in service delivery model. • Third party access to IT systems. • Adoption of unsupported/dated systems from third parties <p>(Accreditations)</p> <ul style="list-style-type: none"> • Termination of PSN/GCSX standards by the Cabinet Office limiting options for securely sharing with some Public Sector organisations • Failure to comply with relevant standards and legislation including PCI-DSS/Cyber Essentials/NCSC best practice/PSN. <p>(External Factors)</p> <ul style="list-style-type: none"> • Emergency event-eg power loss – leading to increased reliance upon ICT systems and potential loss of data/corruption of data
<p>Impact</p>	<p>(Finance/legal)</p> <ul style="list-style-type: none"> • Loss/damage to an individual where the Council inappropriately released their personal data • ICO fine/Civil claims. • Resource impact of Information Commissioner investigation.eg ICO actions • Breach of Access to Information legislation bringing about financial/legal damage - imposed on the Council by the Information Commissioner and other Statutory Bodies. • Disciplinary action taken against a member of staff and elected members if a breach is found to be deliberate/malicious. <p>(Resource)</p> <ul style="list-style-type: none"> • Drain on resources to process and enable conformity in legislation. • Greater demand on existing resource • Operational and resource issues eg. Service interruption - where focus has to be taken away from service delivery to dealing with the breach. • Reduced service provision resulting from lack of ability to work remotely and available physical resource • Increased demand on existing services • Inability to deliver critical/key services • Capability of infrastructure/system to deliver services – i.e. increased demand during emergencies <p>(Reputation)</p> <ul style="list-style-type: none"> • Damage to reputation of the Council/trust by the public. • Loss of confidence within the Council • Loss of confidence with partners and stakeholders • Negative media coverage <p>(Partners)</p> <ul style="list-style-type: none"> • Loss of provision to customers and partners e.g. Active4Today, DWP, • CCTV (under current arrangements) leading to disputes over SLAs and contracts and potential loss of income, e.g. partner rent for Castle House.

	<ul style="list-style-type: none"> Loss of partner data where the council is the data processor - subsequent impact on partner's reputation. Withdrawal of service from partners and stakeholder Cyber-attack leading to system downtime/damage/loss of data (Ransom Ware) and financial loss/ resource drain <p>(Contractors/supply chain)</p> <ul style="list-style-type: none"> Less direct control over data as we procure, migrate to and terminate cloud base systems
--	--

SR408 Environment



SR408 Environment	
Description	Ability to meet requirements of the government's green agenda and aspirations/expectations of the NSDC community in delivering a greener/carbon neutral service.
Lead Officer	Finch, Matthew (SLT)
Support Officers	Gregory Dowson, Stephen Young, Caroline Wagstaff

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix

Date Last Reviewed	Impact	Likelihood	Risk Management
22-Aug-2024	3- Severe	C- Likely	Control Pending

Controls In Place	<ol style="list-style-type: none"> 1) Climate emergency declared 2) Approved date for net neutral – 2035 3) Costed action plan to support net neutral date 4) Appointed Environmental Policy and Projects Officer 5) Climate emergency project working group – meets quarterly 6) Project working group for depot development 7) Annual report to PPIC – Activities undertaken and carbon footprint 8) Internal Audit 9) Urban tree challenge grant – 4000 trees planted 10) Developed business cases for kerb side food Roll out of KGC 11) Financial planning – MTFP 12) Elected member working party utilised to develop climate emergency strategy plan 13) Community plan 14) Successful bidding - LAD2 funding allocation (£750k) 15) 2 x posts agreed for decarbonisation– 1 appointed
--------------------------	--

Risk Categories	Financial Reputation Statutory compliance
------------------------	---

	<p>Disruption of service-Pressure groups /community action Negative media/comms Capacity to deliver on successful funding</p>
Trigger/Event	<p>Climate change conference Government policies and legislation- i.e. national waste and resources strategy, environment bill, 2030 internal combustion engine phase out, national tree strategy. Budget pressure/planning/demand - MTFP Lack of financial support from government to implement Availability/cost/maturity of technology Incentivising of tariffs – cost v return Legacy issues -housing/fuels/infrastructure Resident/User engagement/participation - Behaviour change Active pressure groups Political influence Declaration of climate emergency Impact of media/social media events/influential individuals Poor communications Partnership failure Bidding arrangements/competition – restrictive nature of government funding to date Future resourcing to deliver Knowledge/skills gap within workforce</p>
Impact	<p>Not meeting governmental targets/internal targets Penalties -TBC Reputation Negative media Political/public pressure for improvement/campaigns against Increased scrutiny and workload Budget gaps Impact on other service provision Lack of infrastructure to improve Lack/loss of control in light of government mandated service provision Increased costs arising from emerging technology, reduced tariffs and government policy Unable to deliver due to access/obtain government funding/ technology Unable to deliver on climate strategy Customer disengagement Greater demand on external expertise leading to greater costs lower internal expertise</p>

SR409 Statutory compliance management



SR409 Statutory compliance management	
Description	Implementation and maintenance of suitable statutory safety compliance management systems.
Lead Officer	Kohli, Sanjiv (SLT); Shead, Suzanne (SLT)
Support Officers	Mark Eyre, Caroline Wagstaff, Gareth Goddard

Uncontrolled Risk Matrix	Current Risk Matrix	Target Risk Matrix

Date Last Reviewed	Impact	Likelihood	Risk Management
12-Aug-2024	3- Severe	D- Very Likely	Control Pending

Controls In Place	
	<ul style="list-style-type: none"> • Policies and procedures – (Need for policy review) • Dedicated Compliance teams and compliance reporting • Dedicated software –asset compliance/management software ICT systems • Contract management systems • Performance management systems • Training and competence Staff/tenants/contractor • Information/education to tenants • Enforcement of tenancy agreements • Assurance and scrutiny process – operational and committee levels • Use of specialist contractors/advisors • Competent/licenced/registered engineers/inspectors • Auditing and inspection processes • Reconciliation processes • Complaints processes • Tenant engagement • Maintenance/inspection programmes • Pre let inspections • Business planning • Compliance with regulatory standards • Legal/enforcement action/Fines/Regulatory judgement • H&S • Civil claims • Service delivery - Loss of essential service & System/equipment failure/out of use • Negative media coverage • Reputation • Customer satisfaction/impact • Financial impact (rectification) • Increased resource demand • Housing Assurance Board

Risk Categories	
	<ul style="list-style-type: none"> • Legal/enforcement action/Fines/Regulatory judgement • H&S • Civil claims • Service delivery - Loss of essential service & System/equipment failure/out of use • Negative media coverage • Reputation • Customer satisfaction/impact • Financial impact (rectification) • Increased resource demand

Trigger/Event	
	<ul style="list-style-type: none"> • Poor management systems • Failure to undertake statutory examinations • Poor record keeping /management • Remedial works not undertaken in a timely manner

	<ul style="list-style-type: none"> • Contract management – controls to manage/address poor performance/contract exit arrangements, use of evergreen contracts (non-ending), poor procurement • Poor contractor engagement • Cyber-attack/Ransom ware –denied/denying access to records • Data protection loss/GDPR • Routine inspection/audit identifies failure • Incorrect response to an accusation, complaint or request for service • Unauthorised repairs, Sabotage, maintenance, alterations and installations • Pandemic • Emergency incident – fire, gas, flood, etc. • Hospitalisation/fatality - Investigations to establish cause/identify reports • Essential supplier chain failure/goes into administration. • Incorrect sub-contracting procedures • Change in legal/regulatory requirements • Failure of ICT and associated support systems • Recruitment – inability due to market demands • Loss of key personnel • Insufficient finance • Insufficient Resourcing • Changes in legislative/guidance requirements • Damp/mould – introduction of Social Housing Bill 2023
Impact	<ul style="list-style-type: none"> • Fines/enforcement action • Regulatory notice issued • Unable to deliver a suitable service/essential service • Resource demand/conflict • Financial – budget overspend, income generation/protection, rent loss, MTFP, viability of HRA business plan. Effect on GF income • Loss/reduction of service to Council, partners and tenants(commercial and domestic) • Reputation • Need to re home tenants • Leaseholders litigate • Negative local or national press coverage • Increased scrutiny/monitoring – customer, committees, Regulator etc. • Regulatory body short notice inspection • Self-referral to regulatory (co-regulation) • Commercial viability of building/site • Tenancy enforcement • Contract failure/suspension • Contract dispute • Increase turnover of staff • Inability to recruit the right staff • Poor morale/stress of workforce • Political engagement • Enforcement agency engagement • Accident/incident/poisoning • Civil claim due to failure • Criminal proceedings • Investigations to establish cause/identify reports for hospitalisation/fatality



Report to: Audit & Governance Committee Meeting 11 December 2024

Director Lead: Sanjiv Kohli, Deputy Chief Executive/Director of Resources (S151 Officer)

Lead Officer: Dave Richardson, Business Manager – ICT & Digital Services Ext 5405

Report Summary	
Report Title	Update on the LGA Newark and Sherwood District Council Cyber 360 Report
Purpose of Report	To present the updated results of LGA Newark and Sherwood District Council Cyber 360 Report
Recommendations	Members review, comment upon and note the update on the LGA Newark and Sherwood District Council Cyber 360 Report
Reasons for Recommendation	To provide Members with details and assurance from the LGA Newark and Sherwood District Council Cyber 360 Report

1.0 Background

- 1.1 The Local Government Association piloted Cyber 360 (C360s) peer reviews with several Local Authorities to ensure Cyber and information Security governance and culture is being understood and adequately resourced. The Cyber 360 Action Plan is not in the public area of the open report for security reasons and the detail will be tabled and held in the exempt version.
- 1.2 At the September 2023 Audit & Governance Committee the ICT & Digital Services Business Manager provided an update on the Cyber360 action plan and assurance that we are addressing any areas of cyber risk.
- 1.3 A Cyber360 action plan has been commissioned off the back of the report and regularly updated by the Corporate Information Governance Group (CIGG). Therefore, the updates to this committee will be provided by exception, on request or at least on an annual basis.

2.0 Proposal/Options Considered

- 2.1 That the CIGG continue to progress the review of the Cyber360 action plan and update elected Members, which is 75% complete.

3.0 Implications

None.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972. Any documents that contain confidential information or personal information about individuals should not be included in this list.



Report to: Audit & Governance Committee Meeting -
11 December 2024

Director or Business Manager Lead: Sue Bearman, Assistant Director - Legal and Democratic Service and Monitoring Officer

Lead Officer: Nigel Hill, Business Manager - Elections and Democratic Services, Ext. 5243

Report Summary	
Report Title	Government Consultation - Enabling Remote Attendance and Proxy Voting at Local Authority Meetings
Purpose of Report	To consider a formal Council response to the government consultation on remote attendance at meetings and proxy voting
Recommendations	That the Audit & Governance Committee considers the draft response to the Government consultation, as set out in the Appendix A to the report
Reason for Recommendation	To submit a formal Council response to the Government consultation given its potential impact on governance arrangements

1.0 Background Information

- 1.1 The Government is consulting on introducing powers for local authority members to apply to the relevant authority for a dispensation to attend formal council meetings remotely and vote by proxy in certain circumstances.
- 1.2 The consultation stems from a recognition that there are circumstances in which it may not always be possible for members to attend council meetings in person. It is with this in mind that the government intends to amend the law to introduce provisions for remote attendance at local authority meetings.
- 1.3 The government hopes that such flexibility will strike the right balance between in-person and remote attendance. It is also hoped that such provisions would encourage a wider diversity of people willing and able to stand and actively participate in local democracy by creating improved conditions where meetings are accessible and inclusive.

2.0 Proposal/Details of Options Considered

- 2.1 The online consultation [Enabling remote attendance and proxy voting at local authority meetings - GOV.UK](#) was sent to all Members inviting them to respond individually, but it is considered that the Council should also submit a formal response.
- 2.2 A draft proposed response to the consultation is attached as Appendix A to the report. Audit & Governance Committee are invited to consider this draft proposed response, with the agreed response being submitted prior to the consultation deadline of 19 December 2024.

3.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

3.1 ICT & Digital Services

If legislation enabled Members to join meetings in a remote manner this would need to be facilitated through Teams which will introduce a further possible point of failure when blending with the live stream of meetings. This may also bring about further resource implications going forward. Given security protocols Members would not be able to join any meeting remotely from outside the UK.

3.2 Legal Services / Equalities Issues

If the law is changed and the Council decides to adopt revised arrangements, the Council's meeting procedure rules will need to be updated, and a remote meeting protocol may need to be adopted. While remote meetings may have advantages from an equalities perspective in enabling remote access, consideration would need to be given to those who do not use ICT, for example alternative remote access such as dial-in.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Background Papers and Published Documents

None.

The proposal for remote attendance

The government intends to legislate to give local authorities the flexibility to allow elected members to attend formal council meetings remotely. We believe that this modernising measure of providing broad flexibility to enable remote attendance will have the dual positive impacts of diversifying the representation of those willing and able to stand for elected office and enhance the resilience of local authorities in the face of local or national emergencies.

The intent is that this legislative change would give local authorities the flexibility to allow members to attend remotely.

Question

Do you agree with the broad principle of granting local authorities powers to allow remote attendance at formal meetings?

Suggested response:

Yes

Question

If you answered Yes to the above question, do you think that there should be specific limitations on remote attendance?

Please tick all the options below that correspond with your view and use the free text box for any other comments.

- a) Any formal meeting allowing remote attendance should have at least two thirds of members in physical attendance.
- b) Members should only be able to attend council meetings remotely in exceptional circumstances, such as those who are medically or physically unable to attend, or for reasons of local or national emergencies.
- c) There should be no limitations placed upon councils with regard to setting arrangements for remote attendance of council meetings, up to and including full remote attendance.

Suggested response:

Indicate (a) only.

Further comments:

A limit on those joining remotely should be in place with the presumption that all Members will attend in person. Reasons for remote attendance should be given. For example, such as being unwell with a cough or cold; in the event of poor weather conditions if travelling from the other side of the District; and if away on holiday in the UK.

Question

If you are responding to this consultation on behalf of a council as a whole, what proportion of the council's current elected members are likely to seek to attend council meetings remotely over the course of a year?

- less than 10%
- more than 10% but less than 50%
- more than 50% but less than 90%
- most of them 90% to 100%

Suggested response:

Indicate more than 50% but less than 90%.

Question

The government recognises that there may be cases in which it is necessary for councils to hold meetings fully remotely. Do you think there should be limitations placed on the number of fully remote meetings councils should be able to hold?

- a) Councils should be able to allow full remote attendance at up to half of council meetings within a twelve-month calendar period.
- b) Councils should only have the flexibility to change a meeting from in-person to online, or vice versa, due to unforeseen and exceptional circumstances.
- c) Councils should not have the flexibility to conduct fully remote meetings to ensure there is always an in-person presence.
- d) [Free text box]

Suggested response:

Indicate b) only but populate d) stating that Councils should be given flexibility to hold meetings in a fully remote manner only in exceptional circumstances where it wasn't possible to reconvene for a later date.

Question

Do you think there are there any necessary procedural measures that would help to ensure a remote or hybrid attendance policy is workable and efficient?

Please tick all the options that correspond with your view and use the free text box for any other comments.

a) Councils should be required to publish a list of attendees joining the meeting remotely and give notice if a meeting is being held with full remote attendance.

b) Councils should be required to ensure that standard constitutional arrangements are followed for hybrid and fully remote meetings.

c) Councils should be required to make arrangements to ensure restricted items (where a council decision is taken in private to protect confidentiality) are managed appropriately and to require remotely attending members to join from a private location.

d) Other [Free text box]

Suggested response:

Indicate b) and c) and populate d) stating that Councils should build in remote attendance provisions within their Constitution to ensure that this is managed effectively with the minutes, recording who joined the meeting in a remote manner.

Question

Do you think legislative change to allow councillors to attend local authority meetings remotely should or should not be considered for the following reasons?

Tick all the statements below that apply to your point of view.

Suggested response:

Tick all the statements on the left as below, should be considered because...

In addition, add free text stating that the legislative change should be considered to give elected Members flexibility in terms of attendance.

Should be considered because

Should not be considered because

It is a positive modernising measure.

Councillors should be physically present at all formal meetings.

It would likely increase the diversity of people willing and able to stand for election in their local area, making councils more representative of the communities they serve.

It could lead to a significant number of councillors habitually attending remotely and ultimately reduce the effectiveness of councils.

Councils would be more resilient in the event of local or national emergencies which prevent in-person attendance.

It would be more difficult for councillors to build personal working relationships with colleagues, and engage with members of the public in attendance at meetings.

Free text box – please state any other reasons

Free text box – please state any other reasons

Question

In your view, would allowing councillors to attend formal local authority meetings remotely according to their needs particularly benefit or disadvantage individuals with protected characteristics, for example those with disabilities or caring responsibilities?

Please tick an option below:

- it would benefit members
- it would disadvantage members
- neither

Please use the text box below to make any further comment on this question.

[Free text box]

Suggested response:

Indicate that it would benefit Members.

Proxy voting

Proxy voting is a form of voting whereby a member of a decision-making body may delegate their voting power to another representative to enable a vote in their absence.

It is possible some members may find that, due to their personal circumstances, they are temporarily unable to participate in meetings even if remote attendance provisions are in place. Provisions for proxy voting could provide additional flexibility to those who really need it on a time-limited basis, allowing affected members to indirectly exercise their democratic duty, participate in their local authority's governance, and ensure that their views are taken into consideration. In the context of local authorities, the representative would have to be another elected member of the local authority.

Question 10

In addition to provisions allowing for remote attendance, do you consider that it would be helpful to introduce proxy voting?

- yes
- no
- unsure

Suggested response:

Indicate no.

Question

If yes, for which of the following reasons which may prohibit a member's participation in council meetings do you consider it would be appropriate?

Please select all that apply:

- *physical or medical conditions*
- *caring responsibilities*
- *parental leave or other responsibilities*
- *other [Free text box]*

Question

Are there circumstances in which you feel proxy voting would not be appropriate?

Suggested response:

Appointing proxies isn't considered appropriate as there is a presumption that an elected Member will vote on an item once it has been debated. The alternative to proxy arrangements is the provision of substitutes where a Member can advise of non-attendance and a substitute from the relevant political group can attend in their absence with full voting powers and having advance notice will have had access to relevant agendas and reports.

Question

If you think proxy voting is appropriate, are there any limitations you think should be placed upon it?



Report to: Audit & Governance Committee Meeting – 11
December 2024

Director or Business Manager Lead: Sue Bearman – Assistant Director Legal & Democratic Services and Monitoring Officer

Lead Officer: Sue.Bearman@nsdc.info
01636 655935

Report Summary	
Report Title	Review of the Council’s Constitution
Purpose of Report	An update on progress with review of the Constitution following the Committee’s first informal workshop
Recommendations	<ol style="list-style-type: none"> 1. That progress be noted 2. That revisions to the arrangements for the Annual Budget meeting are presented to Full Council for adoption
Reason for Recommendation	To ensure the Constitution is up to date and fit for purpose

1.0 Background

- 1.1 The Full Council adopted a revised version of the Constitution in May 2022 when the Council moved to Executive Arrangements (the Cabinet System). Since that date, some minor amendments and updates have been made. Audit & Governance Committee most recently considered the Constitution in November 2023 when it recommended to Full Council that amendments be made to allow for public speaking at Planning Committee. That amendment has since been approved by Full Council.
- 1.2 Audit & Governance Committee is responsible for overview of the Constitution, and the Work Programme includes an annual review.
- 1.3 On 24 April 2024 all Members of Committee agreed for an informal workshop to be arranged to consider updates and amendments to the Constitution before proposals are presented formally to Committee.

2.0 Proposal/Options Considered

- 2.1 An informal workshop was held on 17 October 2024, with 7 Committee Members in attendance. Officers from Legal & Democratic Services presented issues and updates for Members to consider in relation to the following: -
- Petitions Scheme
 - Motions
 - Annual Budget Meeting arrangements
 - Licensing and General Purposes Committee
 - Contract Procedure Rules
 - Acquisitions and Disposals Policy
 - Local Code on Corporate Governance
 - Some miscellaneous amendments
- 2.2 It was agreed that an additional meeting was needed as it was not possible to complete the discussion in the time allotted. This will now be arranged for the New Year. It is proposed however for the Committee to consider one matter at this meeting, to enable amendments to be recommended to Full Council in February. Details are set out below.
- 2.3 In April it was reported to Committee that the Full Council procedure rules for the Council's General Fund Budget and Precept or Housing Revenue Account Budget and Rent Setting would benefit from greater clarity, in relation to motions for amendment. Currently, the procedure rules state that the motions for amendment must be delivered to Democratic Services 3 working days before the Annual Budget meeting. Members may wish to consider an earlier deadline to give Officers sufficient time to consider Financial Implications. The rules are silent on whether motions for amendment are to be circulated for all Members of Full Council prior to the meeting, other than to say that the Chair has discretion on how to deal with such motions. Members are referred to some minor proposed amendments which are shown as tracked changes in **Appendix 1** to this report.
- 2.4 One option presented at the workshop was to amend Full Council procedure rules at Budget Meetings to allow for all budget proposals and amendments to be moved and seconded in the order they were received and for there to be a single debate on the substantive motion and any amendments. At the end of the debate amendments would then be voted on in the order they were received. Members at the workshop were not persuaded to recommend this approach, but it is included in this report for completeness.
- 2.6 The Monitoring Officer advised the workshop that the Budget and Policy Framework Procedure Rules would also benefit from clarification, primarily because it is not explained that the procedure set out in paragraphs 12 to 16 is a statutory provision that is only applicable if the Annual Budget meeting is held before 8 February in any year. Members are referred to some minor proposed amendments which are shown as tracked changes in **Appendix 2** to this report.

3.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

The Council's Constitution is published on its website - <https://www.newark-sherwooddc.gov.uk/constitution/>

Full Council report May 2022 – Item 8 - <https://democracy.newark-sherwooddc.gov.uk/ieListDocuments.aspx?CId=139&MId=569>

Audit & Governance report November 2023 – Item 10 - <https://democracy.newark-sherwooddc.gov.uk/ieListDocuments.aspx?CId=298&MId=877>

Full Council report January 2024 – Item 11 - <https://democracy.newark-sherwooddc.gov.uk/ieListDocuments.aspx?CId=139&MId=894>

Audit & Governance Committee Report April 2024 – Item 12 - <https://democracy.newark-sherwooddc.gov.uk/ieListDocuments.aspx?CId=298&MId=879>

- (a) Written notice of a motion to move an amendment of the Cabinet’s proposals for the Council’s General Fund Budget and Precept or Housing Revenue Account Budget and Rent Setting, must be delivered to Democratic Services **not later than midday 3 working days before the Council meeting at which it is to be considered** for Financial Comments to be added. The Section 151 Officer will comment whether the alternative proposals are reasonably calculated and sufficiently deliverable as to be robust and sustainable in the medium term and continue to ensure that reserves are maintained at an adequate level which protects the Council’s financial standing. Once Financial Comments have been added, the amendment will be circulated at the earliest opportunity for all Members of Full Council and where possible published on the Council’s website. Motions received after ~~that the~~ deadline will only be considered in exceptional circumstances and with the approval of the Chair, Section 151 Officer and Monitoring Officer. ~~The Chair has discretion on how to deal with m~~Motions under this Rule will be dealt with in the order in which they were received unless this proves unworkable for any reason, in which case the Chair has discretion on how to deal with Motions.

10. Full Council will consider the final proposals of the Cabinet and may:-
 - a. adopt them without amendment;
 - b. amend them after a motion to amend, in relation to which the Section 151 Officer must have provided Financial Comments, is put by the Leader and seconded;
 - c. refer them back to the Cabinet for further consideration in accordance with paragraphs 12 to 16 below; or
 - d. substitute its own proposals in their place providing the procedure set out in Part D of the Constitution regarding Written notice of a motion to move an amendment of the Cabinet’s proposals for the Council’s General Fund Budget and Precept or Housing Revenue Account Budget and Rent Setting, has been complied with.
11. If the Council accepts the Cabinet proposals with or without amendment the decision shall be effective immediately.
12. Where the Budget Decision Meeting takes place before 8 February in any financial year the provisions in paragraphs 13 to 16 below are applicable (The Local Authorities (Standing Orders (England) Regulations 2001/3384 Schedule 2).
13. If the Cabinet proposals are not accepted, the Chief Executive will inform the Leader of the Council’s objections and require him/her to reconsider the Cabinet’s proposals. The Leader will have five clear working days from receipt of the notification to submit a revised proposal or inform the Council of the Cabinet’s disagreement with the objections.
13. The Council’s decision will become effective on the expiry of five clear working days after notification of the Council’s objections unless the Leader submits revised proposals and/or formally objects in that period.
14. If the Leader wishes to submit revised proposals and or disagree with the objections of the Council, written notice will be given to the Chief Executive to that effect prior to the date upon which the decision is to be effective. The written notice must state the reasons for the revised proposals and/or the disagreement. Where such notice is received the Chief Executive shall convene a further meeting of the Council to reconsider its decision and the decision shall be effective pending that meeting.
15. The Council meeting must take place within ten working days of the receipt of the Leader’s written notice unless the Chair of the Council and Leader agree that the matter can wait until the next programmed meeting of the Council. At that Council meeting the decision of the Council shall be reconsidered in the light of any revised proposals submitted and the reasons for those revisions and / or the Cabinet disagreement and reasons for that disagreement which shall be available in writing to the Council.

16. The Council shall at that meeting make its final decision on the matter on the basis of a simple majority.



Report to: Audit & Governance Committee Meeting
11 December 2024

Director or Business Manager Lead: Sanjiv Kohli – Director of Resources and Section 151 Officer

Lead Officer: Nick Wilson, Business Manager Financial Services

Report Summary	
Report Title	Review of Policies - Anti-Fraud and Corruption Strategy, Guidance for Dealing with Irregularities and Anti-Money Laundering Policy
Purpose of Report	To present to the Committee the following updated policies - Anti-Fraud and Corruption Strategy, Guidance for Dealing with Irregularities and Anti-Money Laundering Policy
Recommendation	That the Committee approve the revised policies attached at Appendices A, B and C to the report.
Reason for Recommendation	To ensure these policies are up to date and fit for purpose.

1.0 Background

1.1 The Anti-Fraud and Corruption Strategy, Guidance for Dealing with Irregularities and Anti-Money Laundering Policy are now due for review.

2.0 Proposal/Options Considered

2.1 The revised documents are attached as: Appendix A - Anti-Fraud and Corruption Strategy, Appendix B - Guidance for Dealing with Irregularities and Appendix C - Anti-Money Laundering Policy. No substantive changes are being proposed; updates are shown as tracked changes for ease of reference.

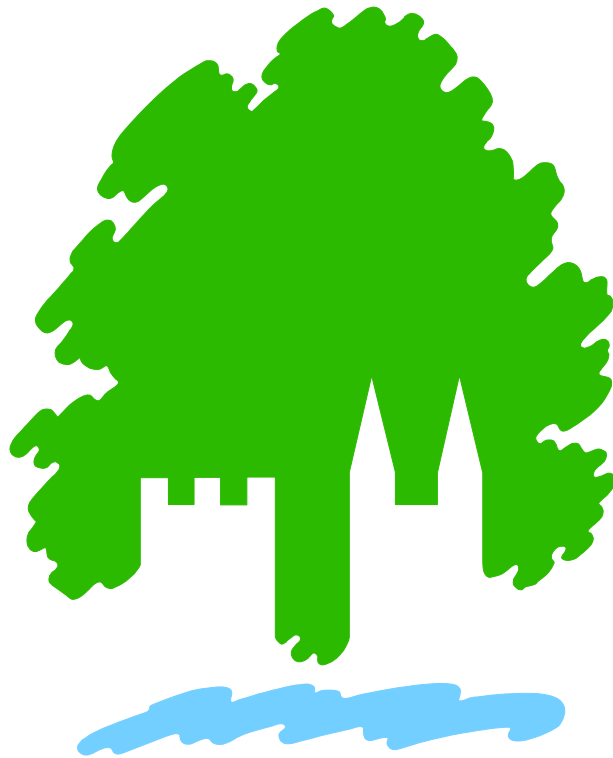
3.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None



**NEWARK &
SHERWOOD**
DISTRICT COUNCIL

ANTI-FRAUD & CORRUPTION STRATEGY

Revised: October 2024

Next revision due: October 2029

1. INTRODUCTION

- 1.1 The Council recognises that the extent and nature of its services and activities means there is a risk of loss due to fraud, corruption (including bribery), theft, and the falsification, unauthorised destruction or suppression of records.
- 1.2 This Strategy applies to Members, Officers and Employees, and all Associated Persons including but not limited to: temporary workers, consultants, contractors, suppliers, agents, advisers, subsidiaries, any person or body acting for or on behalf of the Council, and individuals or bodies seeking to gain influence with the Council.
- 1.3 Any proven breach of this strategy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual(s) or body implicated, and in addition to physical loss may cause serious damage to the reputation and standing of the Council.

2. POLICY STATEMENT

“Newark and Sherwood District Council is committed to the highest standards of public service, business conduct, openness, probity, accountability and honesty. As part of this commitment we will not tolerate fraud, corruption, theft, or the falsification, unauthorised destruction or suppression of records. We will vigorously and objectively investigate all allegations of such action, and pursue legal, financial, other appropriate redress, and prosecution, where merited.

A further part of this commitment will be to implement a proportionate, comprehensive, fair and balanced strategy in order to:

- develop and maintain a culture of openness, probity, accountability and honesty;
- acknowledge and understand fraud risks
- maintain appropriate levels of internal control;
- deter, prevent, detect and investigate fraud, corruption, theft and the falsification, unauthorised destruction or suppression of records ;
- seek appropriate sanctions, where justified, against individuals or bodies;
- take legal action and prosecute where considered appropriate;
- seek redress in respect of any resources involved;
- preserve assets and resources for use in the best interests of the community’.

3. AIMS AND SCOPE OF THE STRATEGY

- 3.1 The overall aim of this Strategy is to create and maintain an Anti-Fraud and Corruption culture within Newark and Sherwood District Council, and to ensure irregularities are detected,

reported and dealt with appropriately.

3.2 The specific objectives of the Anti-Fraud Strategy are to operate proportionate and appropriate measures aimed at:

- Acknowledging and understanding the areas at risk of fraud;
- Prevention;
- Detection and Cessation;
- Loss recovery;
- Admonishment and Disciplinary action;
- Prosecution and legal action.

3.3 The objectives will be achieved by:

- the Council's commitment to the creation of a workable partnership with its citizens whereby fraud, corruption (including bribery), theft and the falsification, destruction or suppression of records will not be tolerated;
- the introduction and regular review of appropriate practices within Council Policies and Codes of Practice which govern the actions of Employees, Members and "Associated persons"; and
- the Council's ongoing commitment for the provision of appropriate and adequate resources proportionate to the risk.

4. DEFINITIONS

4.1 The Fraud Act 2006 is legislation that has been introduced in order to provide for absolute clarity on the subject of fraud. It replaces certain parts of other legislation (e.g. parts of the Theft Act 1968 and 1978) which were generally untidy, had become difficult to operate and were open to arguments on technicalities.

4.2 Section 1 of the Fraud Act 2006 introduces a general offence of fraud and three ways of committing it:

- Fraud by false representation;
- Fraud by failing to disclose information; and
- Fraud by abuse of position.

4.3 Fraud by false representation requires:

- Dishonesty;
- An intent to make gain or cause loss; and
- The person makes the representation knowing that it is or might be false or misleading.

4.4 Fraud by failing to disclose information requires:

- Dishonesty;
- An intent to make gain or cause loss; and

- Failure to disclose information where there is a legal duty to disclose.

4.5 Fraud by abuse of position requires:

- Dishonesty;
- An intent to make gain or cause loss; and
- Abuse of position where one is expected to safeguard another person's financial interests.

4.6 Corruption is the 'offering, giving, soliciting, or acceptance of an inducement or reward, or showing any favour or disfavour which may influence any person to act improperly.' It is an offence under the Prevention of Corruption Acts 1889-1916 as amended and section 117(3) of the Local Government Act 1972.

4.7 Bribery can be described as giving someone a financial inducement or other form of advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so, in order to gain a personal, commercial, regulatory or contractual advantage.

5. POLICIES

5.1 There are a number of essential documents, policies, procedures, guidance notes and rules associated with the Anti-Fraud Strategy. It is therefore important that all Members, Employees, and where appropriate Associated Persons are made aware of them, their role in complying with them as well as the implications of non-compliance.

5.2 Core policies are incorporated into the Council's Constitution and include:

- Financial Regulations
- Council Procedure Rules
- Contract Procedure Rules
- Code of Conduct for Officers / Members
- The Anti-Money Laundering Policy
- The Whistleblowing Policy

5.3 Specific Policies, including Staff policies:

- Guidance notes for staff regarding Gifts and Hospitality
- Guidance for Dealing with Irregularities
- The Housing Benefit Anti-Fraud Strategy
- Prosecution Policy
- Data Matching Code of Practice
- Customer Care Policy
- Information, Communication and Technology:
 - IS01 Information Security Management Policy
 - DP01 Data protection policy
 - DP02 Data retention policy
 - DP03 Data breach and security incident management policy

- IS02 Access control policy
- IS03 Data and information asset management policy
- IS05 Information classification and handling policy
- IS07 Acceptable use policy
- IS08 Clear desk and clear screen policy
- IS23 Documents and records policy
- IS30 Data protection impact assessment policy
- IS06 Information security awareness and training policy
- IS27 Intellectual Property rights policy
- Recruitment, Training and Discipline:
 - ⊖ Recruitment and Selection Policy and Procedures
 - ⊖ ~~no~~
 - Code of Practice on the use of Disclosure and Barring Service – Information for Employees
 - Induction Checklist
 - Dismissal and Disciplinary Procedure.
 - Grievance Procedure.
 - Dignity at Work Policy
 - Equality and Diversity Strategy

6. RESPONSIBILITIES

- 6.1 The Council is resolute that the culture and tone of the Authority is one of honesty and opposition to fraud and corruption.
- 6.2 There is an expectation and requirement that all individuals, businesses and organisations dealing in any way with the Council will act with high standards of probity, openness and integrity and that Council employees or its agent(s) at all levels will lead by example in these matters.
- 6.3 Directors
- 6.3.1 Are responsible for ensuring that all Members, Employees and relevant Associated Persons are aware of the documents applicable to them, have access to them, and have knowledge of their contents and implications.
- 6.3.2 Must act promptly in respect of any alleged breach of this Strategy, and should act in accordance with all associated Council Policies, including the Guidance for Dealing with Irregularities.
- 6.4 Business Managers
- 6.4.1 Are responsible for ensuring that Staff and Associated Persons within their service areas have access to those documents which relate specifically to their service or role.
- 6.4.2 The Annual Governance Statement Checklist which is circulated to all Business Managers requires them to confirm annually that *'staff have access to, are familiar with, and work in accordance with the following documents and take action where non-compliance is identified and report thereon as required.'* The list of documents includes this Anti-Fraud and Corruption

Strategy and other related Policies.

6.4.3 Ensure that all internal control systems that they are responsible for are designed in a way to prevent and detect instances of fraud and ensure that they are working adequately.

6.5 Members

6.5.1 Are responsible for ensuring they read and understand the rules and regulations which apply to them and abide by them. Any queries in relation to the interpretation of the document should in the first place be raised with the relevant Director.

6.5.2 Are required to declare annually any "Related third party transactions" where they could be in a position to influence both sides of a transaction involving the Council.

6.5.3 Are required to ensure that they follow the Council's Code of Conduct which outlines members responsibilities in relation to the declaration of any interests and offers of gifts or hospitality.

6.6 Employees and Associated Persons

6.6.1 Are responsible for ensuring they read and understand the rules and regulations which apply to them and abide by them. Any queries in relation to the interpretation of the document should in the first place be raised with their Business Manager or the relevant Director.

6.6.2 Specific officers are required to declare annually any "Related third party transactions" where they could be in a position to influence both sides of a transaction involving the Council.

6.7 ALL Members, Employees and Associated Persons

6.7.1 Must provide all information relevant to an alleged breach of this strategy in full and without delay.

6.7.2 Full and timely assistance and information must be provided to any appropriate authority should prosecution result from an investigation.

6.8 Deputy Chief Executive/Director of Resources/S151 Officer

6.8.1 The Deputy Chief Executive/Director of Resources is the Responsible Officer for this strategy and associated policies and must be informed promptly of every alleged/suspected breach thereof.

6.8.2 They will ensure that all reports of alleged irregularity will be properly investigated relative to the scale and nature of the allegation, and in a timely manner.

6.8.3 They will maintain detailed records of all instances reported under this Strategy and under the Employee Guidance for Dealing with Irregularities.

6.8.4 They will ensure that an annual fraud risk assessment will be undertaken, identifying the level of risk, controls already in place and any further actions required to mitigate the risk. This will be reported to those charged with governance.

6.8.5 They will ensure that regular reports of counter-fraud activity are reported to those charged with governance.

7. ACTION

7.1 Formal action may be taken against anyone who fails to abide by the Strategy and related Policies, including Employees, Members, Associated Persons or any other party. This could ultimately include: the disciplining or dismissal of an Employee; sanctioning or referral to a Hearing Panel in respect of Members; Police involvement and prosecution; involvement of any Authorised Body or Agency; legal action to recover losses, seek redress or other reason. The Council may terminate the contracts of any Associated Persons who are found to have breached the relevant Policy.

7.2 Where action is taken, due regard will be taken of any relevant Policies of the Council.

7.3 Concerns raised by Employees:-

These will be handled in conjunction with the Guidance for Dealing with Irregularities.

7.4 Concerns raised by members of the Public or other third parties:-

- When the Council is informed of a concern, it will be referred to the Responsible Officer.
- It will be investigated to assess what action should be taken, which may be an internal enquiry or a more formal investigation.
- A formal written response will be issued summarising the concern and setting out how the Council proposes to handle the matter. The informant will be notified who is handling the matter, how to contact them, whether further assistance may be needed, and anticipated timescale. The Council will give as much feedback as possible, and will notify the informant if the concern more properly falls within another Council Policy (such as the Grievance Procedure or Harassment Policy).

7.5 Where concerns are raised in relation to potential fraud and abuse relating to Housing Benefits, the Council will make initial enquiries and where there is an indication of potential fraud these would be passed through to the DWP Fraud investigation team for investigation.

7.6 Where necessary, the Council will work in co-operation with other authorities and organisations (such as the Police, the Department for Work and Pensions, the Council's Internal/External Auditors, Her Majesty's Revenue, Customs and Excise etc.) in order to combat fraud, corruption (including bribery) and theft.

7.7 The Council will participate in data matching exercises from time to time, in accordance with the Data Matching Code of Practice developed by the Cabinet Office. There are a number of datasets that are mandated for data matching each year. These are:

- Single Person Discount
- Council Tax Support
- Housing Benefit
- Trade Creditors

- Payroll
- Housing Waiting List
- Right to Buy
- Housing Rent tenancies

7.8 The Council operates a Customer Comments procedure to enable residents of the District to raise any concerns relating to Council services.

7.9 Disclosures concerning unlawful conduct, financial malpractice or dangers to the public or environment may be made under the Council's Whistleblowing Policy. This is primarily for major concerns where the interests of others or of the organisation itself are at risk, and which fall outside the scope of other Council procedures, such as:-

- The unauthorised use of public funds
- Possible fraud or corruption (including bribery)
- Sexual or physical abuse of both employees and clients
- Health and Safety risks
- Conduct which is a breach of the law
- Disclosures related to miscarriages of justice
- Damage to the Environment
- Other unethical conduct.

8. THE COUNCIL'S ASSURANCES

- The Council is committed to this Strategy as indicated in the above Policy Statement.
- All abuse and especially persistent or planned abuse will result in consideration of legal action being taken against the individual(s) concerned.
- The Council will pursue the repayment of any financial gain from any person or body found defrauding it.
- Due importance will be given to investigating all concerns raised under this Strategy.
- Each case will be examined on its own merits, and any action taken will only occur after it has been fully and properly considered.
- Investigation and action will be timely.
- The Council and its Officers will treat everyone with fairness.
- Formal action may be taken against anyone who fails to abide by the Strategy and related Policies, including Employees, Members, Associated Persons or any other Party. This could ultimately include: the disciplining or dismissal of an Employee; sanctioning or referral to the Standards Committee in respect of Members; Police involvement and prosecution; involvement of any Authorised Body or Agency; legal action to recover losses, seek redress or other reason.
- The Council may terminate the contracts of any "Associated Persons" who are found to have breached the relevant Policy.

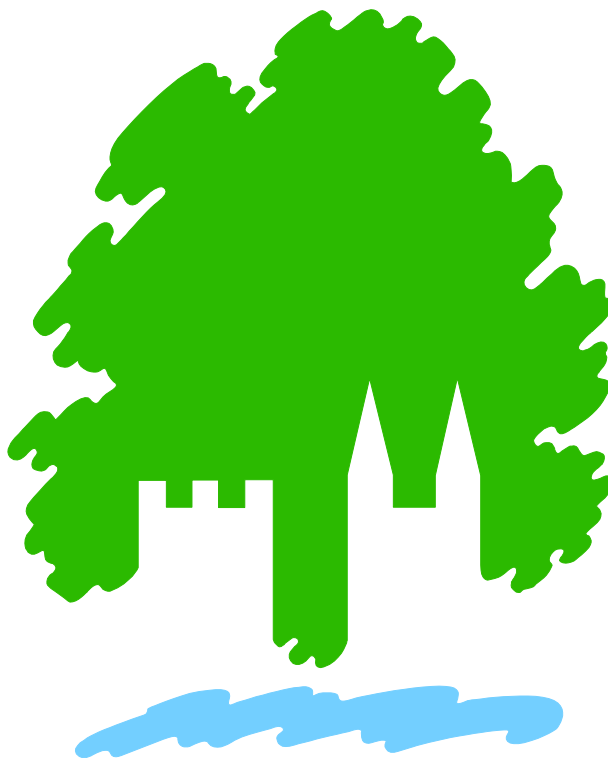
9. AFFIRMATION

9.1 The Council Members positively support the introduction of this Anti-Fraud and Corruption Strategy, and it has been re-affirmed by:-

- XXXXX

- 9.2 The Strategy is an evolving document which will be formally reviewed every two years, or as appropriate per 9.3 below. Such review to be initiated by the Director of Resources.
- 9.3 The Director of Resources will draw ongoing anomalies to the attention of the Senior Leadership Team, for onward information to the Audit and Governance Committee and Cabinet.
- 9.4 For any queries concerning any aspect of this strategy, please contact the Responsible Officer.

Sanjiv Kohli
Deputy Chief Executive/Director of Resources and Responsible Officer



**NEWARK &
SHERWOOD**
DISTRICT COUNCIL

**GUIDANCE FOR DEALING WITH
IRREGULARITIES**

Revised: October 2024

Next revision due: October 2029

1. PURPOSE AND INTRODUCTION

- 1.1 These procedures have been set up to provide administrative guidance for employees in the event of a suspected irregularity being identified. The Council has produced an Anti-Fraud and Corruption Strategy which sets out the stance which the Council takes and the various documents produced in relation to irregularities. The Strategy applies to all Members, Officers and Employees, and all Associated Persons including but not limited to: temporary workers, consultants, contractors, suppliers, agents, advisers, subsidiaries and any person or body acting for or on behalf of the Council. The overall policy in relation to fraud and corruption is:

Newark and Sherwood District Council is committed to the highest standards of public service, business conduct, openness, probity, accountability and honesty. As part of this commitment we will not tolerate fraud, corruption, theft, or the falsification, unauthorised destruction or suppression of records. We will vigorously and objectively investigate all allegations of such action, and pursue legal, financial, other appropriate redress, and prosecution, where merited.

A further part of this commitment will be to implement a proportionate, comprehensive, fair and balanced strategy in order to:

- develop and maintain a culture of openness, probity, accountability and honesty;
- maintain appropriate levels of internal control;
- deter, prevent, detect and investigate fraud, corruption, theft and the falsification, unauthorised destruction or suppression of records ;
- seek appropriate sanctions, where justified, against individuals or bodies;
- take legal action and prosecute where considered appropriate;
- seek redress in respect of any resources involved;
- preserve assets and resources for use in the best interests of the community.

- 1.2 The Council has a number of Policies, Codes of Practice and Guidelines that apply to Members, Employees and Associated Persons to ensure good practice and supplement procedures. These are outlined within Section 5 of the Anti-Fraud and Corruption Strategy.

2. IRREGULARITIES

- 2.1 **Corruption**, or **bribery** as it is commonly referred to, relates to financial or other types of

advantage that is offered or requested with the:

- i) intention of inducing or rewarding improper performance of a function or activity; or
- ii) knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.

2.2 **Fraud:** the intentional distortion of financial or other statements for personal gain (e.g. overstatement of expenses claims).

Fraudulent or corrupt acts may include:-

- Where a process or system is likely to be abused by either employees or public, e.g. allocation of housing
- Where individuals or companies have fraudulently obtained money from the Council, e.g. by submitting invalid invoices, or Housing Benefit fraud
- Where Council equipment is used for personal use, e.g. personal use of Council vehicles
- Where there is a misuse of resources, e.g. theft of building materials
- Activities undertaken by officers of the Council which may be illegal, or against the Council's Constitution or policies, e.g. awarding a contract in return for an inducement

This list is not exhaustive, it is intended for illustration purposes only.

2.3 **Theft:** the physical misappropriation of cash or other tangible assets (e.g. taking cash or equipment).

2.4 **Falsification, unauthorised destruction or suppression of records:** includes financial records, budgets and budgetary reports and all documentation of the Council, for any financial or other type of advantage. It includes deliberate omission or mis-recording of entries to relevant financial, reporting, and other records.

2.5 It is also an Irregularity to seek to influence or induce any other person to commit an irregular act.

2.6 An Irregularity may be made by any person, both within the Council and by third parties or other people seeking improperly to influence matters in the Council.

3. RESPONSIBILITIES

3.1 It is the responsibility of all staff to prevent and detect irregularities. The initial discovery of an Irregularity is often down to the alertness of either employees, third parties dealing with the Council, Members or the general public, and it is in everyone's interests to remain vigilant and alert to the possibility of irregularity.

3.2 It is everyone's responsibility to report suspected irregularities.

3.3 The Deputy Chief Executive/Director of Resources is designated as the Responsible Officer

for the maintenance and operation of the Anti-Fraud and Corruption Strategy and the Guidance for Dealing with Irregularities.

- 3.4 These Guidance procedures are linked and complimentary to the Council's Anti-Fraud and Corruption Strategy, which should also be referred to in the event of alleged or suspected irregularity.

4. DETECTION AND INVESTIGATION OF AN IRREGULARITY

- 4.1 An irregularity, or inducement to commit an irregularity, may be made both from within the Council, or by an outside party.

- 4.2 **Raise your concerns:** It does not matter if you are mistaken in raising your concerns; the Council maintains policies to prevent unfair treatment of employees who raise a genuine concern in good faith. However the Council will obviously not extend this assurance to an employee who maliciously raises a matter that they know is untrue or makes an allegation for personal gain. Such an action could be construed as gross misconduct and be dealt with in accordance with the Council's Disciplinary and Dismissal Procedure.

If you do have concerns relating to the disclosure of the irregularity, because of factors such as the potential for harassment or because you feel the matter may not be dealt with properly, use of the Council's Whistleblowing Policy should be considered.

- 4.3 It is recognised that you may want to raise a concern in confidence. If you ask that your identity is protected, it will not be disclosed without your consent. If the situation arises where the Council is not able to resolve your concern without revealing your identity (for instance because your evidence is needed in court) it will be discussed with you, as to whether and how the matter can be progressed.

- 4.4 If you do not tell the Council who you are, it will be much more difficult to investigate the matter and to give you feedback. Concerns raised anonymously are much less powerful, and it is possible that they could not be considered by the Council.

5 DETAILED GUIDANCE

5.1 Initial Identification and Disclosure:

- i) Make an immediate note of your concerns, with appropriate relevant details such as names, dates, times (in general, the type of information that may be required if the matter is pursued further).
- ii) Convey your concerns to your immediate Line Manager where possible.
- iii) You may, if you feel it more appropriate, convey your concerns to the Responsible Officer (currently Deputy Chief Executive/Director of Resources/S151 Officer), or if you feel that this is not appropriate to the Business Manager HR & Training, the Assistant Director Legal and Democratic Services/Monitoring Officer or the Chief Executive.
- iv) Where the irregularity relates to a suspected or known theft, also inform the –Safety and Risk Manager at the earliest opportunity e.g. via telephone or e-mail. This is

because speed is vital to prevent further loss and re-occurrence, and to aid investigation. This officer will ensure that all relevant areas are addressed such as building security.

A Theft Report must be completed (this is a formal document available on the Intranet and from the –Safety and Risk Manager). You must forward completed copies as soon as possible to all Officers listed on the form even if you have previously notified them by phone or e-mail. If you need advice on how to complete the form, please ask your Line Manager.

- v) On initial contact you will be informed if your concern falls within an existing Council procedure for disclosing concerns (such as the Grievance Procedure, the Dignity at Work Policy, or the Whistleblowing Policy), and you will be advised as to what you need to do next.

5.2 Evaluation and Investigation:

- i) The person to whom you make the disclosure should inform the Responsible Officer and relevant Director (unless this is deemed to be inappropriate) at the earliest opportunity.
- ii) They will also undertake an initial evaluation of the details you have provided and may require further details from you.
- iii) On the basis of the initial evaluation further enquiries may be made by the person receiving the report, in conjunction with the Responsible Officer, to identify whether an investigation is appropriate and what form it should take, or they may pass the matter onto another Officer or Director for such an investigation to be undertaken.
- iv) A formal written response will be issued to you summarising your concern and setting out how it is proposed to handle the matter. You will also be notified of the officer who is handling the matter and how to contact them if they are different to whom you made the disclosure. You will be provided with as much feedback as possible throughout the process.
- v) Appropriate supporting documentation, including decisions made, must be maintained throughout by all involved.
- vi) The Responsible Officer will decide and recommend what further action, if any, is required. Such decision may be made in conjunction with other members of the Senior Leadership Team, as appropriate.
- vii) It is the responsibility of the person receiving the report and the Responsible Officer to act with due speed appropriate to the nature and seriousness of the suspected irregularity, and to keep you reasonably informed of progress.
- viii) Any further detailed investigation must be undertaken with due thoroughness.
- ix) You should keep notes of all subsequent communication, discussion, etc., relating to the incident.
- x) Each case will be examined on its own merits, and any action taken will only occur after it has been properly considered.
- xi) Officers of the Council will treat everyone with fairness.
- xii) Appropriate action may be considered in relation to employees. Any disciplinary or dismissal would be considered in accordance with the Council's Disciplinary and Dismissal Procedures, and any suspected criminal events would be reported to the appropriate authorities .

- xiii) Similarly, appropriate action may be considered in relation to Members and Associated Persons.

5.3 **Police Involvement, Legal Proceedings, and Involvement of other Authorised Bodies:**

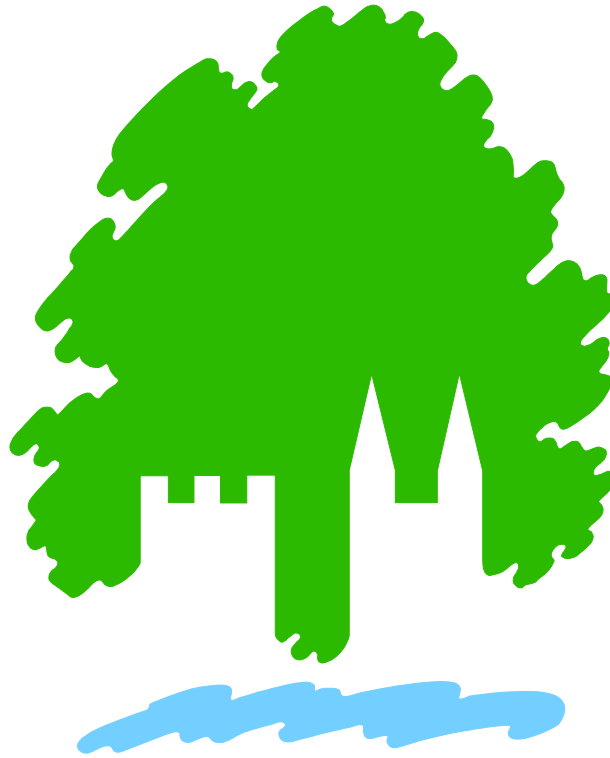
- i) If it is decided at any stage that the matter should be referred to the Police, any other authorised body (for example but not limited to: Director of Public Prosecutions, Serious Fraud Office, Her Majesty's Revenue and Customs, UK Financial Intelligence Unit) or that legal proceedings of any nature should be taken, such a course of action will be made only by the Chief Executive, Monitoring Officer or S151 Officer in conjunction with the Senior Leadership Team. The Leader of the Council will be informed.
- ii) If your personal property is involved, you obviously have the right to report such a matter to the police at any time.
- iii) Should you be required to give evidence in criminal, legal, or disciplinary proceedings, arrangements will be made for you to receive advice about the procedure.

6. **CONCLUSION**

- 6.1 This Guidance is an evolving document which will be formally reviewed every two years, or as appropriate per 6.2 below. Such review to be initiated by the Deputy Chief Executive/Director of Resources.
- 6.2 The Deputy Chief Executive/Director of Resources will draw ongoing anomalies to the attention of the Senior Leadership Team, for onward information to the Audit and Accounts Committee.
- 6.3 For any queries concerning any aspect of this Guidance, in the first instance please contact the Business Manager - Financial Services or the Responsible Officer.

Sanjiv Kohli
Deputy Chief Executive/Director of Resources/S151 Officer

and Responsible Officer
January 2021



**NEWARK &
SHERWOOD**
DISTRICT COUNCIL

ANTI-MONEY LAUNDERING POLICY

Revised: October 2024

Next revision due: October 2029

INTRODUCTION

Newark and Sherwood District Council is committed to preventing the Council and its employees being exposed to money laundering, to identify the risks where it may occur and to comply with legal and regulatory requirements.

The development of legislation (The Proceeds of Crime Act 2002 and the Terrorism Act 2000) and regulations (Terrorist Financing and Transfer of Funds Regulations 2017) places obligations on the Council and its employees to ensure procedures are in place to prevent services being used for money laundering or terrorist financing.

Money laundering is linked to Terrorist Financing – this is the process by which terrorists fund operations in order to perform terrorist acts. Terrorists need financial support to carry out their activities and achieve their goals.

Any business in any sector can be subject to money laundering risks – local government is no exception.

DEFINITION

Money laundering is the process by which the proceeds of crime are converted into assets which appear to have a legitimate origin in order that they can be retained permanently or recycled into further criminal enterprises.

Money laundering often involves 3 steps:

- Placement – 'dirty' cash is introduced into the financial system
- Layering – the proceeds are moved through a series of transactions. The purpose of this is to conceal the illegal source
- Integration – a legitimate explanation for the source of funds is created and financial wealth can be retained and potentially invested or assets acquired

Money laundering may range from a single act to complex and sophisticated schemes involving multiple parties.

SCOPE

All employees should be vigilant for signs of money laundering.

This policy applies to all employees and Members of Newark and Sherwood District Council and sets out procedures to be followed when there are suspicions of money laundering activity. Not all staff will need a detailed knowledge of the criminal

offences covered by the legislation although some employees will require additional guidance to ensure awareness of money laundering.

The Policy is consistent with other Council policies including the Anti-Fraud and Corruption Policy and the Whistleblowing Policy.

Failure by a Council employee to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them.

OBJECTIVES

The policy outlines the Council's arrangements around:

- The Money Laundering Reporting Officer (MLRO) role
- The arrangements to receive and manage concerns of staff about money laundering and to make reports to the National Crime Agency (NCA) where required
- Ensuring those staff most likely to be exposed to money laundering situations are aware of the requirements placed on the organisation and them as individuals by the relevant legislation
- Procedures designed to prevent money laundering
- Provision of training to those most likely to encounter money laundering

Money Laundering Reporting Officer (MLRO)

The Council is also required to ensure a Money Laundering Reporting Officer (MLRO) is appointed to receive disclosures from employees of money laundering activity.

The nominated officer at Newark and Sherwood District Council to receive disclosures about money laundering activity is Sanjiv Kohli. They can be contacted as follows:

- Sanjiv Kohli
Deputy Chief Executive, Director of Resources & S151 Officer
01636 655303
Sanjiv.kohli@newark-sherwooddc.gov.uk

The Deputy Money Laundering Reporting Officer is:

- Nick Wilson
Business Manager – Financial Services
01636 655317

nick.wilson@newark-sherwooddc.gov.uk

The main functions of the MLRO are:

- Produce written risk assessment for the business
- Point of contact between the business and NCA
- Receive notifications of potential terrorist money laundering or terrorist financing
- Analyse notifications - to reach decision on whether to file a SAR
- Consider staff training needs
- Responsibility for policies and controls
- Guardian of records relating to SARs

Reporting concerns to the Money Laundering Reporting Officer (MLRO)

Staff that know or suspect they may have encountered criminal activity and that they may be at risk of contravening the legislation in place, should contact the MLRO to notify their concerns – the disclosure should be made at the earliest opportunity. Under Schedule 2(1)(2) of the Data Protection Act 2018, confidentiality does not apply where money laundering is suspected.

The employee must follow any subsequent instructions made by the Council's MLRO – no further enquiries into the matter may be taken without authorisation from the MLRO. Where a report has been made, at no time should you voice any suspicions to the person suspected of money laundering. You may commit an offence of “tipping off”, which could be prosecuted under the Act.

All disclosure reports made to the MLRO (and the reports submitted to the NCA) must be retained by the MLRO for a minimum of 5 years – the MLRO will keep a record of all referrals received and any action taken to ensure an audit trail is maintained. The Money Laundering Disclosure Form should be used to record any action taken. This is appended at Appendix B.

Reporting to the National Crime Agency

The disclosure will be noted by the MLRO and they will evaluate the information provided to identify if there are reasonable grounds for suspicion of money laundering. The MLRO may commence an investigation to enable a decision on whether to report the matter to the NCA.

If a decision is made to submit a report, the NCA provide forms for completion to enable a Suspicious Activity Report to be submitted – The MLRO must promptly make a Suspicious Activity Report (SAR) to the National Crime Agency (NCA) on line at www.nationalcrimeagency.gov.uk

If the MLRO or Deputy MLRO know or suspect that a person is engaged in money laundering and they do not disclose this to the NCA, they are committing a criminal offence. Care should be taken that the client suspected of money laundering is not alerted that a report has been made to the NCA – tipping off is a specific offence under the Proceeds of Crime Act 2002.

If no report is made, the reasons for this must be recorded by the MLRO.

Money Laundering Offences

There are 3 principal money laundering offences under Proceeds of Crime Act 2002. An offence is committed if a person knows or suspect property has been purchased with the proceeds from a criminal act and:

- conceals, disguises, converts or transfers or removes the property from the UK - Section 327
- enters into arrangement which he/she knows or suspects will facilitate another person to acquire, retain, use or control that property – Section 328
- acquires, uses or possesses the property – Section 329

Property can include money, real or moveable property including inherited assets and also intangible property (e.g. mortgages, leases, rights etc).

The money laundering offences are aimed at criminals and their associates but any person can be caught by the offences if they suspect money laundering and either become involved or do nothing about it. It is not necessary to have benefitted in any way to be guilty of the offences.

The key requirement for Council employees and partners is to promptly report (Section 337 disclosure) any suspected money laundering activity to the Council's MLRO – while the risk to the Council of contravening the legislation is low, it is important that all employees are familiar with their responsibilities as serious criminal sanctions can be imposed for breaches of legislation.

Section 337 of the Proceeds of Crime Act 2002 provides protection to employees when they report suspected money laundering. There are conditions to this:

- the information must come to the employee's notice in the course of their trade, profession, business or employment and
- causes the employee to know or suspect (or give reasonable ground to know or suspect) that another person is engaged in money laundering and
- the disclosure is made to a constable, customs officer or the nominated MLRO

It is also important to note that when a proposed act or transaction is a suspected money laundering offence anyone knowing or suspecting money laundering who is

then involved in the act or transaction is guilty of the same offence unless they have made a Section 337 Disclosure and appropriate consent has been given.

A Section 337 money laundering disclosure is strictly confidential. There must be no disclosure or other indication to the person suspected of money laundering. Section 342 of the Proceeds of Crime Act states that a person may be guilty of this offence if they:

- make a disclosure likely to prejudice the investigation
- falsify, conceal, destroy or dispose of documents relevant to the investigation

Failure to comply with these requirements could amount to the criminal offence of Prejudicing an Investigation.

GENERAL PROCEDURES

Cash Payments

Cash receipts over a value of £1,500 shall be reported to the Council's Money Laundering Reporting Officer, who shall be responsible for taking the appropriate action as per the above. Cash is defined as notes, coins or any currency.

Identification of new clients

It is important to 'know your customer' - employees should be wary of situations where funds flow through the Council from sources with which it is not familiar. Where the Council is forming a new business relationship and/or is considering a significant one off transaction with a new client, evidence of identity of the prospective client should be obtained before proceeding

It is good practice to have either:

- One government document that verifies the name, address and date of birth
or
- A government document that verifies their full name and another supporting document which verifies name and either their date of birth or address

Where it is not possible to obtain such documents, it is necessary to consider the risks associated with the client and seek advice from the MLRO or Deputy MLRO.

Possible signs of Money Laundering

The following signs may be possible indicators of money laundering taking place and employees should be vigilant about:

- Concerns about honesty, integrity or location of the client
- Secretive behaviour e.g. refusal to provide information
- Attempted payment of a substantial sum of cash
- Transactions which appear uneconomic, inefficient or irrational
- Illogical third party transactions – unnecessary routing of funds from third parties
- Illogical involvement of an unconnected third party
- Funds received from an unexpected source
- Instructions for payment to an unexpected source
- Significant overpayments (and subsequent request for refund)
- Refunds following reversal or cancellation of an earlier transaction
- No obvious legitimate source of funds
- Unusual request for client account details
- Poor business records or internal controls

Staff training and awareness

Staff can undertake a general Fraud Awareness e-learning course and this includes Money Laundering. There are some areas of the Council's activities that may be more vulnerable to attempts to launder money. The risks will be assessed by the Counter Fraud Team and enhanced awareness training provided where applicable.

FURTHER INFORMATION

Further information can be obtained from the MLRO and the following sources:

- National Crime Agency - <https://www.nationalcrimeagency.gov.uk/>
- www.legislation.gov.uk
 - Terrorism Act - <https://www.legislation.gov.uk/ukpga/2000/11/contents>
 - Proceeds of Crime Act 2002 - <https://www.legislation.gov.uk/ukpga/2002/29/contents>
 - Terrorist Financing and Transfer of Funds Regulations 2017 - http://www.legislation.gov.uk/uksi/2017/692/pdfs/uksi_20170692_en.pdf

GUIDANCE NOTE - DISCLOSURE PROCEDURE

Reporting to the Money Laundering Reporting Officer (MLRO)

- a) Where you know or suspect that money laundering activity is taking/has taken place, or become concerned that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as practicable to the MLRO. The disclosure should be within “hours” of the information coming to your attention, not weeks or months later. **SHOULD YOU NOT DO SO, THEN YOU MAY BE LIABLE TO PROSECUTION.**
- b) Your disclosure should be made to the MLRO using the form attached at Appendix B. The report must include as much detail as possible, for example:
- Full details of the people involved (including yourself, if relevant), e.g. name, date of birth, address, company names, directorships, phone numbers, etc;
 - Full details of the property involved and its whereabouts (if known);
 - Full details of the nature of their/your involvement;
 - If you are concerned that your involvement in the transaction would amount to a prohibited act (under sections 327 – 329 of the 2002 Act), then your report must include all relevant details, as the MLRO will need to obtain consent from the National Crime Agency (NCA), for the Council to take any further part in the transaction - this is the case even if the client gives instructions for the matter to proceed before such consent is given.
 - You should therefore make it clear in the report whether there are any deadlines for receiving such consent e.g. a completion date or court deadline;
 - The types of money laundering activity involved:
 - If possible, cite the section number(s) under which the report is being made e.g. a principal money laundering offence under the 2002 Act (these are detailed above) (or 2000 Act), or general reporting requirement under section 330 of the 2002 Act (or section 21A of the 2000 Act), or both; Advice should be sought from the Legal section
 - The dates of such activities, including:
 - whether the transactions have happened, are ongoing or are imminent;
 - Where they took place;
 - How they were undertaken;
 - The (likely) amount of money/assets involved;
 - Why, exactly, you are suspicious –along with any other available information to enable the MLRO to assess whether there are reasonable grounds for knowledge or suspicion of

money laundering, and to enable them to prepare their report to the NCA, where appropriate. You should also enclose copies of any relevant supporting documentation.

- c) Once you have reported the matter to the MLRO you must follow any directions they may give you. **You must NOT make any further enquiries into the matter yourself:** any necessary investigation will be undertaken by the NCA. Simply report your suspicions to the MLRO who will refer the matter on to the NCA if appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.
- d) Similarly, **at no time and under no circumstances should you voice any suspicions** to the person(s) whom you suspect of money laundering without the specific consent of the MLO, even if the NCA has given consent to a particular transaction proceeding; otherwise you may commit a criminal offence of “tipping off” (see the Anti-Money Laundering Policy for further details).
- e) Do not, make any reference on a client file to a report having been made to the MLRO. Under the Data Protection Act 2018 a client has the right to see their file and the mentioning of a report in the file could be construed as “tipping off” and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

Consideration of the disclosure by the Money Laundering Reporting Officer

- f) Upon receipt of a disclosure report, the MLRO must note the date of receipt on his section of the report and acknowledge receipt of it. He should also advise you of the timescale within which he expects to respond to you.
- g) The MLRO will consider the report and any other available internal information he thinks relevant through e.g.:
 - reviewing other transaction patterns and volumes;
 - considering the length of any business relationship involved;
 - evaluating the number of any one-off transactions and linked one-off transactions;
 - reviewing any identification evidence held;

They will undertake such other reasonable enquiries they think are appropriate in order to ensure that all available information is taken into account in deciding whether a report to the NCA is required. Enquiries will be made in such a way as to avoid any appearance of tipping off those involved. The MLRO may also need to discuss the report with you.

- h) Once the MLRO has evaluated the disclosure report and any other relevant information, they must make a timely determination as to whether:
 - there is actual or suspected money laundering taking place; or
 - there are reasonable grounds to know or suspect that is the case; and
 - whether they need to seek consent from the NCA for a particular transaction to proceed.

- i) Where the MLRO does so conclude, then they must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless they have a reasonable excuse for non-disclosure to the NCA (for example, if you are a lawyer and you wish to claim legal professional privilege for not disclosing the information).
- In cases where legal professional privilege may apply, the MLRO must liaise with the legal adviser to decide whether there is a reasonable excuse for not reporting the matter to the NCA.
 - Where the MLRO has a reasonable excuse for nondisclosure, then they must note the report accordingly; they can then immediately give their consent for any ongoing or imminent transactions to proceed.
 - Where consent is required from the NCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until the NCA has specifically given consent, or there is deemed consent through the expiration of the relevant time limits without objection from the NCA.
- j) Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then they shall mark the report accordingly and give their consent for any ongoing or imminent transaction(s) to proceed.
- k) All disclosure reports referred to the MLRO and reports made by them to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.
- l) **The MLRO commits a criminal offence if they know or suspects, or has reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and he does not disclose this as soon as practicable to the NCA.**

CONFIDENTIAL

Report of Money Laundering Activity

From: _____

Service Area: _____

Ext/Tel No: _____

URGENT: YES/NO

Date by which response needed: _____

Details of suspected offence:

Name(s) and address(es) of person(s) involved:

[if a company/public body please include details of nature of business]

Nature, value and timing of activity involved:

[Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary]

--

Nature of suspicions regarding such activity:

[Please continue on a separate sheet if necessary]

--

Has any investigation been undertaken (as far as you are aware)? <i>[Delete as appropriate]</i>	Yes / No
---	----------

If yes, please include details below:

Have you discussed your suspicions with anyone else? <i>[Delete as appropriate]</i>	Yes / No
---	----------

If yes, please specify below, explaining why such discussion was necessary:

--

Please set out below any other information you feel is relevant:

--

Signed: _____ **Dated:** _____

Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence, which carries a maximum penalty of 5 years' imprisonment.

THE FOLLOWING PART OF THIS FORM TO BE COMPLETED BY THE MLRO

Date report received: _____

Date receipt of form acknowledged: _____

CONSIDERATION OF DISCLOSURE:

Action plan:

--

--

OUTCOME OF CONSIDERATION OF DISCLOSURE:

Are there reasonable grounds for suspecting money laundering activity?

If there are reasonable grounds for suspicion, will a report be made to the NCA? [Delete as appropriate]	Yes / No
---	----------

If yes, please confirm date of report to NCA: and complete the box below:

Details of liaison with the NCA regarding the report:		
Notice Period:	from:	to:
Moratorium Period:	from:	to:

Is consent required from the NCA to any ongoing or imminent transactions which would otherwise be prohibited acts? [Delete as appropriate]	Yes / No

If yes, please confirm full details in the box below:

Date consent received from NCA:

Date consent given by you to employee:

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the NCA, please set out below the reason(s) for non-disclosure:

[Please set out any reasonable excuse for non-disclosure]

Date consent given by you to employee for any prohibited act transactions to proceed:

Other relevant information:

--

Signed: _____ Dated: _____

THIS REPORT TO BE RETAINED



Report to: Audit & Governance Committee Meeting – 11 December 2024

Director or Business Manager Lead: Sue Bearman – Assistant Director Legal & Democratic Services and Monitoring Officer

Lead Officer: Sue.Bearman@nsdc.info
01636 655935

Report Summary	
Report Title	Conduct and Public Service
Purpose of Report	To consider implementation of the Full Council resolution 'Conduct and Public Service' made on 15 October 2024
Recommendations	<p>That the following are considered by Members of Audit & Governance Committee at an informal workshop, and that proposals are presented at the earliest opportunity to Committee for formal consideration: -</p> <ol style="list-style-type: none"> 1. Whether to align the Council's Code of Conduct exactly with the Local Government Association Model Code 2. Whether the Council can adopt any recommendations or good practice from the Local Government Association's Civility in Public Life report and Debate not Hate Campaign 3. Review and Update the Council's Social Media Protocol for Members, taking into account Local Government Association guidance
Reason for Recommendation	To identify practical measures the Council could adopt to address poor conduct my Members where it arises.

1.0 Background

- 1.1 On 15 October 2024 the Full Council passed a resolution requesting that the Audit & Governance Committee review the Code of Conduct and the LGA's Civility in Public Life programme, with a view to identifying practical measures the Council could adopt to address poor conduct by members where it arises. This included a request for clear and robust guidance around member behaviour on social media, and to consider if necessary, the Council making representations to Government and the Local

Government Association for proposed changes and stiffer sanctions. The complete motion is included at **Appendix 1** of this report.

- 1.2 Since this resolution was passed, Government has announced (24 October 2024) that it will consult on the local government standards regime so that councils have the powers they need to suspend councillors who break their codes of conduct. The Council's Monitoring Officer has already attended a Local Government Association focus group to consider how changes to the regime might work in practice. Further updates will be brought to Committee when available; timescales are not yet known.

2.0 Proposal/Options Considered

- 2.1 The Council adopted the Local Government Association's Model Code of Conduct in July 2021, subject to minor local variation. It is proposed to undertake a review, and consider whether it is now appropriate to align the Council's Code of Conduct exactly with the Model Code. The additions and/or deletions that would be required are set out in **Appendix 2** to this report.
- 2.2 The Local Government Association has published extensive resources in relation to its Civility in Public Life report and Debate not Hate Campaign. It is proposed to undertake a review of these materials and consider whether the Council can adopt any recommendations or good practice.
- 2.3 The Council's Constitution includes a Social Media Protocol for Members. This has not been reviewed and updated for some time. It is proposed to do this, taking into account the latest Local Government Association guidance.
- 2.4 The proposal is for all Members of Committee to be invited to an informal workshop to consider the Conduct and Public Service resolution, before proposals are presented formally to Committee. The workshop could also consider if any further amendments or additions can be made to the Arrangements for dealing with Code of Conduct Complaints regarding Councillors, which were updated and approved by this Committee on 25 September 2024.

3.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Local Government Association Civility in Public Life - <https://www.local.gov.uk/our-support/guidance-and-resources/civility-public-life-resources-councillors>

Local Government Association Debate not Hate Campaign -
<https://www.local.gov.uk/about/campaigns/debate-not-hate>

Local Government Association Social media guidance for Councillors -
<https://www.local.gov.uk/our-support/communications-and-community-engagement/social-media-guidance-councillors>

The Council's Constitution is published on its website - <https://www.newark-sherwooddc.gov.uk/constitution/> (Code of Conduct for Members page F1, Social Media Protocol for Members page F23)

Full Council motion 15 October 2024 – item 11 - <https://democracy.newark-sherwooddc.gov.uk/ieListDocuments.aspx?CId=139&MId=1026>

Audit and Governance Committee report 25 September 2024 – item 9 -
<https://democracy.newark-sherwooddc.gov.uk/ieListDocuments.aspx?CId=298&MId=986>

Full Council report 13 July 2021 – item 24 - <https://democracy.newark-sherwooddc.gov.uk/ieListDocuments.aspx?CId=139&MId=564>

Appendix 1

Conduct and Public Service Motion

In accordance with the Rule No. 3.4.3, Councillor R Cozens will move and Councillor P Peacock, will second a motion to the following effect:

“Earlier this year the Local Government Information Unit published findings showing that less than half of people in England trusted their local councillors to act in their best interests. Trust in national Government is even lower. Only 25% of people reported that they trusted national Government to act in their interests.

The purpose of this motion is to encourage us to take a good hard look at ourselves and how we are perceived by others.

This matters for all sorts of reasons. We are collectively the employer to over 700 people, the vast majority live and vote in our District. There is a requirement to promote and maintain high standards of behaviour and conduct throughout the entire Council. This is as well as upholding the Members’ Code of Conduct.

In our roles as Councillors we are closely observed, here and online. People expect us to set a good example and be role models for the Council’s values. The public also observe us, perhaps only a small selection here, but plenty online and in the newspaper. When they observe poor behaviour, it reflects badly on us and on public service more generally. It can also have a detrimental effect on the mental health and wellbeing of members, employees and relatives.

There is no place for the increasing toxicity and intimidation that prevails in public debate, particularly online and in social media. It is a real deterrent for the next generation of councillors and creates a risk for the future of representative democracy.

It is the case that the vast majority of councillors work very hard, for little reward and recognition, with the utmost dignity, integrity and compassion.

My proposal therefore is:

That Full Council requests the Audit & Governance Committee to review the Code of Conduct and the LGA’s Civility in Public Life programme, with a view to identifying practical measures the Council could adopt to address poor conduct by members where it arises. This includes a request for clear and robust guidance around member behaviour on social media. If necessary, the Council shall make representations to Government and the Local Government Association for proposed changes and stiffer sanctions.”

Appendix 2

Below is a comparison of the main differences between the Council's adopted Code of Conduct and the LGA's Model Code of Conduct. Additional wording found in the Model Code can be found in red and there is the strikethrough of the additional wording in the Council's Code

Application of the Code of Conduct

5.1 This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of councillor or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a councillor.

5.2 This Code of Conduct applies to you when you are acting in your capacity as a councillor which may include when:

- ✓ you misuse your position as a councillor
- ✓ Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a councillor.

The Code applies to all forms of communication and interaction, including:

- ✓ at face-to-face meetings
- ✓ at online or telephone meetings
- ✓ in written communication
- ✓ in verbal communication
- ✓ in non-verbal communication
- ✓ in electronic and social media communication, posts, statements and comments.

You are also expected to uphold high standards of conduct and show leadership at all times when acting as a councillor.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct. Town and parish councillors are encouraged to seek advice from their Clerk, who may refer matters to the Monitoring Officer.

7. General Conduct

[...]

2. Bullying, Harassment and Discrimination

As a councillor you should:

- 2.1 not bully any person.
- 2.2 not harass any person.
- 2.3 promote equalities and do not discriminate unlawfully against any person.

Non participation in case of disclosable pecuniary interest

[...]

- [5.] Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Disclosure of Other Registerable Interests (*Personal Interests*)

5. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in Table 2), you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

6. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business as soon as the interest becomes apparent. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.
7. Where a matter arises at a meeting which **affects** :
- a. your own financial interest or well-being;
 - b. a financial interest or well-being of a friend, relative, close associate; or
 - c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in Table 2 in those you need to disclose under Disclosable Pecuniary Interests as set out in Table 1
- you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied.
8. Where a matter (referred to in paragraph [7] above) **affects you** the financial interest or well-being:
- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;

- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

[9.] Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. {Any unpaid directorship.}
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. 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 made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council (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 and Property	<p>Any beneficial interest in land which is within the area of the council.</p> <p>'Land' excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.</p>
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.
Corporate Tenancies	<p>Any tenancy where (to the councillor's knowledge):</p> <p>(a) the landlord is the council; and</p> <p>(b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.</p>
Securities	<p>Any beneficial interest in securities* of a body where:</p> <p>(a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; 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> <p>(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 councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>

* 'director' includes a member of the committee of management of an industrial and provident society.

* '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.

Table 2: Other Registerable Interest

You must register as an Other Registrable Interest:

- a) any unpaid directorships;
- b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority
- c) any body
 - (i) exercising functions of a public nature
 - (ii) any body directed to charitable purposes or
 - (iii) 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.



Report to: Audit & Governance Committee 11 December 2024
 Chief Executive: John Robinson
 Lead Officer: Nigel Hill – Business Manager Democratic Services on Ext: 5243

Report Summary	
Report Title	Annual Review of Exempt Items
Purpose of Report	To consider the list of exempt business considered by Audit & Governance Committee for the period 27 September 2023 to date, and which if any, reports can be released into the public domain.
Recommendations	That the report be noted, with any items being released into the public domain if considered no longer exempt by report authors.
Alternative Options Considered	This report reviews previous exempt items of business considered by the Cabinet over the previous 12 months, in order to release any information into the public domain if appropriate.

1.0 Background

- 1.1 The Councillors’ Commission at its meeting held on 25 September 2014 proposed a number of changes to the Constitution, one of which being that ‘the Committees undertake an annual review of their exempt items at their last meeting prior to the Annual Meeting in May’, this was ratified by the Council on 14 October 2014.
- 1.2 Members will be aware that, they have the opportunity to request under the Access to Information Procedure Rules, that exempt information should be released into the public domain if there are substantive reasons to do so.

2.0 Proposal/Options Considered and Reasons for Recommendation

- 2.1 Officers have been requested to consider if any reports could now be released into the public domain or if the information contained in these reports remains confidential.

2.2 The following table provides the exempt business considered by the Audit & Governance Committee for the period 27 September 2023 to date with Officers' opinion:

Date of Meeting	Agenda Item	Exempt Paragraph	Opinion of Report Author as to current status of the report
27 September 2023	Update on the LGA Newark and Sherwood District Council Cyber 360 Action Plan Exempt	3	Business Manager ICT & Digital Services, advice to remain exempt
21 February 2024	Update on the LGA Newark and Sherwood District Council Cyber 360 Action Plan Exempt	3	Business Manager ICT & Digital Services, advice to remain exempt
24 April 2024	Update on the LGA Newark and Sherwood District Council Cyber 360 Action Plan Exempt	3	Business Manager ICT & Digital Services, advice to remain exempt
31 July 2024	Fraud Risk Assessment – Appendix A Exempt	3	Business Manager Financial Services, advice to remain exempt
11 December 2024	Update on the LGA Newark and Sherwood District Council Cyber 360 Action Plan Exempt	3	Business Manager ICT & Digital Services, advice to remain exempt

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Nil.



Report to: Audit & Governance Committee Meeting
11 December 2024

Director or Business Manager Lead: Nick Wilson, Business Manager – Financial Services
Sue Bearman, Assistant Director - Legal & Democratic Services, Monitoring Officer

Report Summary	
Report Title	Audit & Governance Committee Work Plan
Purpose of Report	Work Plan attached for consideration and approval
Recommendations	That the Audit & Governance Committee consider the Work Plan for approval.

AUDIT & GOVERNANCE COMMITTEE
MEETING DATE 11TH DECEMBER 2024

WORK PLAN

Meeting date at which action to be undertaken	Subject and Brief Description	Who will present the report	Intended Outcome
19 February 2025	Internal Audit Progress Report 2024/25	Phil Lazenby (TIAA Ltd)	Understand the level of assurance for audited activities and ensure management progress recommended actions to mitigate identified risks
	Q2 Budget Performance Report 2024/25	Nick Wilson	To ensure the sustainability of the Council's General Fund, HRA and Capital Programme through the in-year monitoring of the budgets.
	Budget Reports 2025/26	Nick Wilson	To review the Councils General Fund revenue budget, Capital Programme and Medium Term Financial Plan.
	Assessment of the effectiveness of the Internal Audit Function and the Audit and Governance Committee	Nick Wilson	Three Members to report back on their findings (Cllrs Penny, Cozens & Farmer)
	Draft Treasury Strategy 2025/26	Andrew Snape	Gain assurance that risks in relation to the Council's treasury management activities are to be managed in accordance with need and the Council's risk appetite
	Draft Capital Strategy 2025/26	Andrew Snape	Outlines the principles and framework that shape the Council's capital proposals
	Draft Investment Strategy 2025/26	Andrew Snape	The investment strategy meets the requirements of statutory guidance issued by the government relating to the Councils Treasury and Non-Treasury investments.
	Progress of Gas Safety Compliance	Caroline Wagstaff	A report to follow meeting on 25 September 2024
	Local Government Association Peer Review including any governance arrangements implications	Sue Bearman	

	Annual Review of the Gifts and Hospitality Protocol and Policy	Sue Bearman	An annual review of the operation of the Council's Gifts and Hospitality arrangements
	Regulation of Investigatory Powers Act 2000 (RIPA) Annual Report	Sue Bearman	For the Committee to be aware of the use of RIPA activities as the RIPA policy requires annual reporting to this Committee.
	Annual Review of the Council's Whistleblowing Policy	Sue Bearman	A summary of actions taken will be reported back to Committee as an annual report
	Review of Significant Issues in the Annual Governance Statement	Sue Bearman	To update members of the Audit & Governance Committee on the significant governance issues identified in the Annual Governance Statement.
	Code of Conduct Update	Sue Bearman	Following the annual report taken to Audit & Governance on 31 July 2024, it was agreed for a 6 month update to be provided. The report should include investigation outcomes in anonymised form.
'Standards'	Full Council Motion – Conduct and Public Service	Sue Bearman	
	Results of Members Survey	Deborah Johnson	Suggested Actions
	Customer Feedback (Complaints, Suggestion & Praise for the period April 2024 – September 2024 (Half 1 - 2024/25))	Carl Burns/Deborah Johnson	Half Yearly Report – July/February
	LGA Newark and Sherwood District Council Cyber 360 Progress Report	Dave Richardson	To provide the RAG rating together with a progress report of the review of the Cyber 360 Action Plan to be presented to each meeting of the Audit & Governance Committee.
19 March 2025	LGA Newark and Sherwood District Council Cyber 360 Progress Report	Dave Richardson	To provide the RAG rating together with a progress report of the review of the Cyber 360 Action Plan to be presented to

			the Audit & Governance Committee if an update is available.
23 April 2025	Annual Review of the Council's Constitution	Sue Bearman	Review the Council's Constitution
	LGA Newark and Sherwood District Council Cyber 360 Progress Report	Dave Richardson	To provide the RAG rating together with a progress report of the review of the Cyber 360 Action Plan to be presented to the Audit & Governance Committee if an update is available.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted