

NON-CONFIDENTIAL



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AUDIT AND GOVERNANCE COMMITTEE

17 September 2024

Dear Councillor

A meeting of the Audit and Governance Committee will be held in **Town Hall, Market Street, Tamworth on Wednesday, 25th September, 2024 at 6.00 pm**. Members of the Committee are requested to attend.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S. C. V.'.

CHIEF EXECUTIVE

A G E N D A

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- 1 Apologies for Absence**
- 2 Minutes of the Previous Meeting (Pages 5 - 8)**
- 3 Declarations of Interest**

To receive any declarations of Members' interests (pecuniary and non-pecuniary) in any matters which are to be considered at this meeting.

When Members are declaring a pecuniary or non-pecuniary interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a pecuniary or non-pecuniary interest in respect of which they do not have a dispensation.

- 4 Update from External Auditors**
(Verbal Update from the External Auditors, Azets)
- 5 Internal Audit Quarterly Progress Report - Quarter 1 2024/25** (Pages 9 - 30)
(Report of the Audit Manager)
- 6 Annual Report on the Treasury Management Service and Actual Prudential Indicators 2023/24** (Pages 31 - 52)
(Report of the Executive Director, Finance)
- 7 Financial Waivers to 30th June 2024** (Pages 53 - 56)
(Report of the Executive Director, Finance)
- 8 Risk Management Quarterly Update 2024/25** (Pages 57 - 126)
(Report of the Assistant Director, Finance)
- 9 Local Government and Social Care Ombudsman Annual Review 2023/24**
(Pages 127 - 142)
(Report of the Assistant Director, People)
- 10 Regulatory Investigatory Powers Act 2000 Annual Update** (Pages 143 - 194)
(Report of the Assistant Director, Partnerships)
- 11 Modern Slavery and Trafficking Statement 2023/24** (Pages 195 - 202)
(Report of the Assistant Director, Partnerships)
- 12 Audit and Governance Committee Timetable** (Pages 203 - 208)

(Discussion Item)

A Private Meeting of the Internal and External Auditors and Committee Members will Follow this Meeting

Access arrangements

If you have any particular access requirements when attending the meeting, please contact Democratic Services on 01827 709267 or e-mail democratic-services@tamworth.gov.uk. We can then endeavour to ensure that any particular requirements you may have are catered for.

Filming of Meetings

The public part of this meeting may be filmed and broadcast. Please refer to the Council's Protocol on Filming, Videoing, Photography and Audio Recording at Council meetings which can be found [here](#) for further information.

If a member of the public is particularly concerned about being filmed, please contact a member of Democratic Services before selecting a seat

FAQs

For further information about the Council's Committee arrangements please see the FAQ page [here](#)

To Councillors: C Adams, S Doyle, C Bain, M Couchman, P Turner, J Wadrup and
A Wells

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**MINUTES OF A MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
HELD ON 26th JUNE 2024**

PRESENT: Councillor C Adams (Chair), Councillors S Doyle, C Bain,
P Turner and A Wells

Officers Rebecca Smeathers (Executive Director Finance (S151)), Tracey Pointon (Legal Admin & Democratic Services Manager), Anna Miller (Assistant Director – Growth & Regeneration), Alice Poulton (Future High Streets Fund Project Officer) and Laura Sandland (Democratic and Executive Support Officer)

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor J Wadrup & M Couchman

2 APPOINTMENT OF THE VICE-CHAIR

RESOLVED that Councillor A Wells was elected as Vice-Chair of the Committee.

(Moved by Councillor C Bain and seconded by Councillor S Doyle)

3 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 24th April 2024 were approved and signed as a correct record.

(As the only member of the committee 2023/24 Councillor S Doyle moved the minutes as a correct record)

4 DECLARATIONS OF INTEREST

There were no declarations of Interest.

5 ANNUAL GOVERNANCE STATEMENT AND CODE OF CORPORATE GOVERNANCE

Report of the Chief Executive submitted the refreshed Annual Governance Statement and Code of Corporate Governance for Audit & Governance Committee's approval.

Resolved that the Committee

1. The Annual Governance Statement (for inclusion in the annual statement of accounts) at Appendix 1; and
2. Code of Corporate Governance at Appendix 2

(Moved by Councillor P Turner and seconded by Councillor S Doyle)

6 INTERNAL AUDIT ANNUAL REPORT AND QUARTERLY UPDATE FOR 2023/24

Report of the Audit Manager this report comprises Internal Audit's Annual Report (Appendix 1), which includes results for Quarter 4 to 31st March 2024.

Resolved that the committee:

1. Endorsed the Internal Audit's Annual Report (Appendix 1), which includes the results for the Quarter 4 to 31st March 2024.

(Moved by Councillor A Wells and seconded by Councillor P Turner)

7 AUDIT COMMITTEE EFFECTIVENESS - SKILLS AUDIT AND INDEPENDENT MEMBER UPDATE

Report of the Audit Manager provided an update to Committee in relation to the Skills Audit and potential proposed training plan for the committee and an update regarding the appointment of an Independent Member to the Committee.

Resolved that the committee:

1. Considered the proposed training plan following the Skills Audit and provide input into any further areas that they would deem necessary for inclusion in the plan.
2. Considered and ratified the approach to be taken in respect of appointing an Independent Member(s) to the Committee.

(Moved by Councillor C Bain and seconded by Councillor A Wells)

8 RISK MANAGEMENT QUARTERLY UPDATE QT4 2023/24

Report of the Assistant Director Finance report on the Risk Management process and progress for Quarter 4 of the 2023/24 financial year.

Resolved that the committee:

1. Endorsed the Corporate Risk Register.
2. Reviewed and reports any training requirements.

(Moved by Councillor C Bain and seconded by Councillor P Turner)

9 AUDIT AND GOVERNANCE COMMITTEE TIMETABLE

The Committee reviewed the timetable. There were no changes to the timetable

10 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That members of the press and public be now excluded from the meeting during consideration of the following item on the grounds that the business involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

(Moved by Councillor C Bain and seconded by Councillor S Doyle)

11 FHSF RISK

Report of the Assistant Director - Growth & Regeneration updated the committee on FHSF Risks.

Resolved that the committee:

1. Endorsed the report
2. Endorsed the risk register

(Moved by Councillor S Doyle and seconded by Councillor A Wells)

Chair

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Wednesday, 25 September 2024

Report of the Audit Manager

Internal Audit Quarterly Progress Report - Quarter 1 2024/25

Exempt Information

None.

Purpose

To provide Audit & Governance Committee with internal audit's progress report for period to 30th June 2024.

Recommendations

That the Committee notes Internal Audit's Quarterly Progress Report (**Appendix 1**), which includes results up to 30th June 2024.

Executive Summary

The Accounts and Audit Regulations 2015 require councils to undertake an effective internal audit to evaluate effectiveness of their risk management, control and governance processes, taking into account the Public Sector Internal Audit Standards and guidance.

Progress during Quarter 1 of 2024/25 is contained and detailed in **Appendix 1** to this report. The profiled performance for the year indicates that the service should have completed 25% of the Audit Plan by the end of the quarter. Whilst we have not met this target all audit work scheduled for the quarter was initiated and we completed 2 audits 12% of the plan during the period. During quarter 1 we also completed 3 out of the 4 audits rolled forward from 2023/24. During Quarter 1 our planned work was affected by additional work requested by management in respect of a review of the cash income and collection processes at the Assembly Rooms.

We continue to use BDO as a general auditor provider and these arrangements were extended into 2024/25. BDO have now completed all their outstanding work from 2023/24 and are currently scoping and briefing their allocated audits for 2024/25.

We continue to follow up and report to committee the outstanding audit recommendations raised from previous audits. These are shown in the quarterly progress report and include a graphical representation of the total number of recommendations and their priority level. Previous reports included both recommendations from 2019/20 and 2020/21, however the current reported levels show figures for 2021/22 onwards. The number of outstanding recommendations peaked at 130 at the end of Quarter 1 2021/22 and has reduced over time to currently 57 as at 30th June 2024. Committee should note that the number of outstanding audit recommendations fluctuates over time and over the last year remained fairly static. This takes into account the number of audit recommendations 'closed' and newly 'opened' at the conclusion of our audit work.

Options Considered

Not Applicable.

Resource Implications

Not Applicable.

Legal/Risk Implications Background

Failure to report would lead to non-compliance with the requirements of the Annual Governance Statement and the Public Sector Internal Audit Standards.

Equalities Implications

Community Impact Assessment completed, no implications identified. See attached **Appendix 2**.

Environment and Sustainability Implications (including climate change)

None.

Background Information

None.

Report Author

Andrew Wood – Audit Manager
Andrew-wood@tamworth.gov.uk

List of Background Papers

Appendices

Appendix 1 – Quarterly Internal Audit Progress Report to 30th June 2024.
Appendix 2 - Community Impact Assessment

Community Impact Assessment

Part 1 – Details		
What Policy/ Procedure/ Strategy/Project/Service is being assessed?	Delivery of Internal Audit Service	
Date Conducted	19 th August 2024	
Name of Lead Officer and Service Area	Andrew Wood, Audit Manager, Shared Service	
Commissioning Team (if applicable)		
Director Responsible for project/service area	Becky Smeathers, Executive Director Finance	
Who are the main stakeholders	Corporate Management Team (CMT) and Elected Members	
Describe what consultation has been undertaken. Who was involved and what was the outcome	Corporate Management and Audit & Governance Committee approved annual audit plan for 2024/25.	
Outline the wider research that has taken place (E.G. commissioners, partners, other providers etc)	N/A	
What are you assessing? Indicate with an 'x' which applies	A decision to review or change a service	<input type="checkbox"/>
	A Strategy/Policy/Procedure	<input type="checkbox"/>
	A function, service or project	X
What kind of assessment is it? Indicate with an 'x' which applies	New	X
	Existing	<input type="checkbox"/>
	Being reviewed	<input type="checkbox"/>
	Being reviewed as a result of budget constraints / End of Contract	<input type="checkbox"/>

Part 2 – Summary of Assessment

Give a summary of your proposal and set out the aims/ objectives/ purposes/ and outcomes of the area you are impact assessing.

To provide an update to Audit & Governance Committee on the completion of the audit plan for 2024/25 as agreed by that committee in March 2024.

Who will be affected and how?

The whole organisation is impacted by the report and its findings; residents, businesses, visitors, voluntary sector and partner organisations.

Are there any other functions, policies or services linked to this impact assessment?

Yes No

If you answered 'Yes', please indicate what they are?

All services /functions are covered by this report.

Part 3 – Impact on the Community

Thinking about each of the Areas below, does or could the Policy function, or service have a direct impact on them?

Impact Area	Yes	No	Reason (provide brief explanation)
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Gender Reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Marriage and Civil Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Pregnancy & Maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Sexual orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Sex	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Gypsy/Travelling Community	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Those with caring/dependent	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report

responsibilities			
Those having an offending past	<input type="checkbox"/>	X	No impact as a direct result of this report
Children	<input type="checkbox"/>	X	No impact as a direct result of this report
Vulnerable Adults	<input type="checkbox"/>	X	No impact as a direct result of this report
Families	<input type="checkbox"/>	X	No impact as a direct result of this report
Those who are homeless	<input type="checkbox"/>	X	No impact as a direct result of this report
Those on low income	<input type="checkbox"/>	X	No impact as a direct result of this report
Those with drug or alcohol problems	<input type="checkbox"/>	X	No impact as a direct result of this report
Those with mental health issues	<input type="checkbox"/>	X	No impact as a direct result of this report
Those with physical health issues	<input type="checkbox"/>	X	No impact as a direct result of this report
Social inclusion Please include refugees and asylum seekers,	<input type="checkbox"/>	X	No impact as a direct result of this report
Social inclusion: Armed Forces The Armed Forces Covenant is a pledge that together we acknowledge and understand that those who have served in the armed forces, and their families, should be treated with fairness and respect and any impact should be considered	<input type="checkbox"/>	X	No impact as a direct result of this report
Health and Wellbeing	<input type="checkbox"/>	X	No impact as a direct result of this report
Climate Change	<input type="checkbox"/>	X	No impact as a direct result of this report

Part 4 – Risk Assessment

From evidence given from previous question, please detail what measures or changes will be put in place to mitigate adverse implications. this includes climate change considerations

This is the section in which to please outline any actions to mitigate negative or enhance positive impacts in terms of economic, environmental or wider societal considerations, and actions to review and monitor the overall impact of the change accordingly.

Impact Area	Details of the Impact	Action to reduce risk
N/A		

Part 5 - Action Plan and Review

Detail in the plan below, actions that you have identified in your Community Impact Assessment, which will eliminate discrimination, advance equality of opportunity and/or foster good relations.

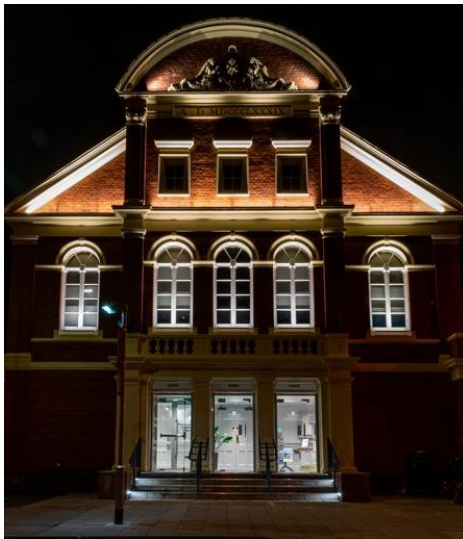
If you are unable to eliminate or reduce negative impact on any of the impact areas, you should explain why

Impact (positive or negative) identified	Action	Person(s) responsible	Target date	Required outcome
N/A	Outcomes and Actions entered onto Pentana			

Date of Review (If applicable)

Guidance and form updated July 2023 following CMT approval.

Internal Audit Progress Report (Quarter 1)
September 2024



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- 02 Internal Audit Work Undertaken
- 03 Opinion
- 04 Follow Up
- 05 Performance of Internal Audit

Appendices

- 01 Summary of Internal Audit Work Undertaken
- 02 Assurance and Recommendation Classifications

In the event of any questions arising from this report please contact Andrew Wood, Audit Manager andrew-wood@tamworth.gov.uk

The matters raised in this report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. This report was produced solely for the use and benefit of Tamworth Borough Council. The Council accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification.

01 INTRODUCTION

BACKGROUND

This report summarises internal audit activity and performance for the period to 30 June 2024.

SCOPE AND PURPOSE OF INTERNAL AUDIT

The Accounts and Audit Regulations require councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

This progress report and opinion forms part of the framework of assurances that is received by the Council and is used to help inform the annual governance statement. Internal audit also has an independent and objective consultancy role to help managers improve risk management, governance and control.

Internal Audit's professional responsibilities as auditors are set out within Public Sector Internal Audit Standards (PSIAS) produced by the Internal Audit Standards Advisory Board produced by the Internal Audit Standards Advisory Board.

ACKNOWLEDGEMENTS

Internal audit is grateful to the directors, heads of service, service managers and other staff throughout the council for their help during the period.

02 INTERNAL AUDIT WORK UNDERTAKEN

The internal audit plan for 2024/25 was approved by the Audit & Governance Committee at its meeting in March 2024. The plan was for a total of 16 audits. To the end of quarter 1 2024/2025 we have completed 12% of the audit plan. We have fully completed 2 out of the 3 audits rolled forward from 2023/24 and the remaining audit is awaiting management agreement. Work has been ongoing on 4 audits during Q1 of 2023/24 as outlined in the attached **Appendix 1** and of which 2 were completed by 30 June 2023 to at least draft report stage. An analysis of audit plan completion and indicatively planned audits is shown in the table below;

	Q1	Q2	Q3	Q4
Number of audits allocated per quarter	4	4	5	3
% of plan	25	25	31	19
Cumulative 2024/25 audit plan % completed	12			
Completed and finalised 2023/24 audits	3			
Audits drafted and awaiting management agreement 2023/24	1			

Planned work initially envisaged that by 30 June 2023 we would have completed 25% of the Audit Plan, actual out turn figures show that we have completed 12% of the expected plan. The work undertaken and the progress on each audit is shown in summary and progress made this year is included at **Appendix 01**.

03 OPINION

SCOPE OF THE OPINION

In giving an opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. In arriving at an opinion, the following matters have been taken into account:

- The outcomes of all audit activity undertaken during the period.
- The effects of any material changes in the organisation's objectives or activities.
- Whether or not any limitations have been placed on the scope of internal audit.
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of the organisation.
- What proportion of the organisation's internal audit needs have been covered to date.

INTERNAL AUDIT OPINION

On the basis of audit work completed, the Audit Manager’s opinion on the council’s framework of governance, risk management and internal control is reasonable in its overall design and effectiveness. Certain weaknesses and exceptions were highlighted by audit work. These matters have been discussed with management, to whom recommendations have been made. All of these have been, or are in the process of being addressed.

Specific Issues

No specific issues have been highlighted through the work undertaken by internal audit during the period.

Fraud & Irregularity

No matters of fraud or irregularity have been reported during the period. Also see the fraud update on this Committee’s agenda.

Consultancy & Advice

The audit team may be requested by managers to undertake consultancy and advice on governance, risk management and internal control matters from time to time. During the period to 30 June 2024

the following work was undertaken:

- Cash collection at the Assembly Rooms

As previously agreed by the Committee, all high priority actions and those arising from no and limited overall assurance reports are followed up by audit, managers confirmation applies to the rest.

The total outstanding actions at the end of Quarter 1 are 57 (8 high, 33 medium, 16 low). During 2024/25 the Audit Manager will continue to hold quarterly meetings with all Assistant Directors to review all outstanding recommendations. This has shown a specific improvement in the implementation and the number of recommendations, over time, has been shown within **Appendix 03**. This shows in tabular graph form the progress regarding the number of outstanding audit recommendations over time.

Priority of Recs	Number of O/S recs – 1 April 2024	Number of recs closed during the period Mar 23 – June 23	Number of additional recs made during Q1	Number of current O/S recs as at 30 June 2024	Overall movement of rec numbers during the quarter 1
High	9	2	1	8	- 1
Medium	26	3	10	33	+7
Low	12	0	4	16	+4

As at 30 June 2024 there were 8 high priority recommendations outstanding however of these 1 is overdue and these are being followed up during July/August 2023 as part of the Quarter 1 review with Assistant Directors.

Compliance with professional standards

We employ a risk-based approach in planning and conducting our audit assignments. Internal audit work has been performed in accordance with PSIAS.

Conflicts of interest

There have been no instances during the year which have impacted on internal audit's independence that have led to any declarations of interest.

Performance of Internal Audit

Internal audit quality assurance

To ensure the quality of the work internal audit performs, there is a programme of quality measures which includes:


- Supervision of staff conducting audit work.
- Review of files of working papers and reports by managers.
- Regular meetings of our networking groups, which issue technical and sector updates.

Performance Measures

- Complete 90% of the audit plan - 12% relates to assurance work completed.
- 100% Draft reports issued within 6 weeks of start date – 40%
- 100% Closure meetings conducted within 5 days of completion of audit work – 33%
- 100% draft reports to be issued within 10 working days of closure meeting – 80%
- 100% of all high priority actions are implemented at follow up – N/A
- All no and limited assurance reports have arevised assurance rating of substantial or reasonable on follow up – Not applicable
- Achieve an average customer satisfaction score of 4 or more – not applicable


Appendix 01: Summary of Internal Audit Work Undertaken

Assurance	Audit/Corporate Risk	Scope	Indicative Planned Quarter	Assurance Summary	Assurance Opinion
Core Financial Systems	Main Accounting & Budgetary Control CR1, CR6	Risk based review covering the adequacy and effectiveness of controls around the maintenance of main accounting and budgetary control systems.	Q3		
	Debtors CR1, CR6	Risk based review of Debtors systems to ensure controls in place for the adherence to procurement legislative requirements.	Q2	Draft Report stage	
	Bank Reconciliation and Cash Collection CR1, CR6	Risk based review across the authority for all cash collection areas to ensure that robust arrangements are in place for the collection and reconciliation of cash.	Q3		
	Reactive Repairs CR1, CR4	Risk based review of the Reactive Repairs systems to ensure robust arrangement in place for the allocation and management repairs.	Q4		
Strategic & Operational Risks	Customer Services CR6	Risk based review of the council's arrangements for interactions with members of the public.	Q1		
	CCTV CR3, CR4, CR6	Risk based review of the council's arrangements for CCTV and shared service and controls around ASB and commissioner standards in conjunction with WMCA.	Q1		



Food Safety CR3, CR4, CR5	Risk based review of the council's management arrangements for food safety across the Borough.	Q2	<p>The system has some good controls in place to mitigate against key risks. Inspections were completed and an inspection sheet was seen for all. A report was provided to the premise, which included the FHR and actions to address any weaknesses.</p> <p>During Covid, inspections were put on hold and the Council has been addressing the backlog through a recovery plan. Currently there are 137 inspections outstanding of which 128 are risk rated E. These are subject to an alternative enforcement strategy and questionnaires are being issued for the premise to self assess. There are no A or B risk rated premise inspections overdue.</p> <p>A sample of 3 complaints were reviewed and these had all been investigated and liaison with external parties was evident.</p> <p>There is a food service plan 2024/25 in place that provides inspection targets and looks at the previous year's performance. Two performance indicators for 2023/24 are held on Pentana, the performance management system performance. These are current and upto date for quarter 4. A further 3 have been added for 2024/25. The Council reports performance to the FSA every six months. Reports were seen for October 2023 and April 2024.</p> <p>Areas for improvement include for new businesses ensuring a promptness for registering and inspecting. A delay was also noted for some inspections that were overdue. Procedure notes/ policies also need updating.</p>	 <p>Reasonable Assurance H-0 M-2 L-2</p>
Tourism, Town Centre and Shared Prosperity Fund CR3, CR5	Risk based review of Tourism and Town Centre promotion. Additionally review the arrangements for the Shared Prosperity Fund and confirm outputs and deliverables are being achieved.	Q3		
PR & Comms CR3, CR4, CR5	Risk based review looking at the Council's arrangements for PR and Communications.	Q2		


Scheme of Delegation CR1, CR2, CR3, CR4, CR5, CR6	Risk based review of the Council's controls around the operation of the scheme of delegations to ensure all legislative requirements are met and being consistently applied.	Q4		
VAT CR1, CR3	Risk based review to ensure that all VAT is correctly recorded and reported.	Q4		
Performance Management CR1, CR2	Risk based review to ensure that performance management system is providing a consistent approach is maintained.	Q1		
Social Housing Regulatory Programme CR3, CR4,CR5	Risk based review looking at key aspects of the council's Social Housing Regulatory Programme to ensure delivery.	Q2		
Events Management CR1, CR4,CR5	Risk based review looking at Events Management across the Borough	Q3	Audit work commenced	

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
ICT	Network & Infrastructure Management and Monitoring	Risk based audit of Network & Infrastructure Management and Monitoring	TBA		
	Cyber Security	Risk based audit of Cyber Security	TBA		
Governance Fraud & Other Assurance	Disabled Facilities Grant	Assurance Statement	Q3		
	Municipal Charities	Preparation of municipal charities accounts	Q3		
	Counter Fraud	Work to support the mitigation of fraud risk, the provision of fraud awareness training, pro-active fraud exercises and reactive investigations.	Q1-Q4		
	Annual Governance Statement	Production of the AGS	Q1-Q2		

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Annual Audit Opinion	Production of the Annual Audit Opinion	Q1-Q2		
	Management and Planning	Management, planning and assurance reporting to CMT and Audit & Governance Committee	Q1-Q4	On-going	
	Ad-hoc / Consultancy / Contingency	Contingency allocation to be utilised upon agreement of the Chief Finance Officer	Q1-Q4	On-going	
	Follow Up of Recommendations				
	IA QAIP and PSIAS	Review of PSIAS standards and review	Q3	Ongoing	
23/24 Finalised Audits	Community Safety	Risk based audit of Community Safety	Q3	<p>Overall, the council has reasonable controls in place for the community safety processes, including the arrangements for the Tamworth Vulnerability Partnership, three-year rolling Community Safety Partnership Plan and the supporting Partnership Workplan.</p> <p>However, we have raised findings relating to:</p> <ol style="list-style-type: none"> 1. The workplan does not have a timeframe for each key project and it is updated internally without a tracker to indicate the date of when the specific action was completed. Our testing of a sample of actions showed the progress report of the workplan is not always accurate based on the RAG ratings assigned. (Medium, Finding 1). 2. The Antisocial behaviour terms of reference is a draft version and has not been updated to reflect structure changes within the Council. (Medium, Finding 2). 	 <p>Reasonable Assurance H-0 M-2 L-1</p>

				<p>3. There are no aims and objectives outlined in the 2023-2026 Community Safety Partnership Plan. (Low, Finding 3).</p>	
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Assurance	Audit	Scope	Planned Quarter	Assurance Summary	AssuranceOpinion
	Taxi Licensing	Risk based audit of the Taxi Licensing system	Q3	<p>Overall, the Council has reasonable processes in place to ensure taxi licences are processed in accordance with statutory legislation, including conducting background checks for new applications. Enforcement actions such as a penalty point system are also in place.</p> <p>However, we have raised findings relating to:</p> <ol style="list-style-type: none"> 1. Application evidence – we identified exceptions in the documentation records for driver and vehicle license applications, including not submitting all forms, not obtaining full logbooks and insurance and DBS checks not being updated. (Medium, Finding 1). <p>Enforcement and escalation – the Council does not schedule spot checks to ensure it is able to identify breaches and out of date information in a timely manner and results of checks are not recorded centrally. (Medium, Finding 2).</p>	 <p>Reasonable Assurance H-0 M-2 L-0</p>
	Risk Management	Risk based audit of risk management	Q4	<p>We have reached the overall opinion that the Council have reasonable controls to support risk management. This is because there was generally a sound system of internal control, with some weaknesses which may put the organisation's objectives in this area at risk. There were appropriate reporting structures in place to ensure that the Senior Management Team and the Audit and Governance Committee have oversight of corporate risks however, some control measures were inadequate and not challenged.</p> <p>The Council have acted over the past year to improve risk management, from the review of its Risk Management Policy and Risk Management Strategy, to external training for the Operational Risk Champions Group by Zurich. However, some staff remained unclear on how local risk registers interacted with corporate risks. There were gaps identified in the quality and completion of service area risk registers.</p>	 <p>Reasonable Assurance H-0 M-2 L-1</p>

	<p>Business Continuity</p>	<p>Risk based audit of Business Continuity</p>	<p>Q2</p>	<p>We have reached the overall opinion that the Council have inadequate controls to support business continuity and therefore we have provided a Limited Assurance opinion.</p> <p>Business Continuity Plans (BCPs) were not regularly reviewed and updated, demonstrated by the fact that 21 of the 22 were still using the previous templates with the Corporate Finance BCP review ongoing at the time of our review. As a result, the BCPs either did not reflect the Council's actual processes or service areas were unaware of their BCPs, which could cause a significant risk to the adequacy of the response to an incident. This was further impacted by the lack of a consistent and thorough training programme for service leads. The Council are currently in the process of refreshing its service area BCPs which could improve the controls.</p> <p>There was a lack of governance structures in place to oversee the implementation of the Council's business continuity arrangements. There was support provided by the Civil Contingencies Unit (CCU) but we would expect the Council to have robust internal governance to ensure there is sufficient ownership and monitoring of the BCP arrangements.</p> <p>The risk of 'Inability to deliver economic growth, sustainability and prosperity in the Borough', which 'inadequate business continuity planning' is identified as a causing factor, has a current risk score of 9 on the Council's Corporate Risk Register (with a target risk score of 4). Therefore, if appropriate controls are not implemented to support adequate BCPs and staff training, this could impact the achievement of the Council's objectives.</p>	 <p>Limited Assurance H-1 M-2 L-0</p>
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Appendix 02: Assurance and Recommendation Classifications

Overall Assurance Opinion	Definition
Substantial	There is a sound system of internal control designed to achieve the organisation's objectives. The control processes tested are being consistently applied.
Reasonable	While there is a basically sound system of internal control, there are some weaknesses which may put the organisation's objectives in this area at risk. There is a low level of non-compliance with some of the control processes applied.
Limited	Weaknesses in the system of internal controls are such as to put the organisation's objectives in this area at risk. There is a moderate level of non-compliance with some of the control processes applied.
No	Significant weakness in the design and application of controls mean that no assurance can be given that the organisation will meet its objectives in this area.

Recommendation Priority	Definition
High	High priority recommendation representing a fundamental control weakness which exposes the organisation to a high degree of unnecessary risk.
Medium	Medium priority recommendation representing a significant control weakness which exposes the organisation to a moderate degree of unnecessary risk.
Low (Housekeeping)	Low priority (housekeeping) recommendation highlighted opportunities to implement a good or better practice, to add value, improve efficiency of further reduce the organisation's exposure to risk.

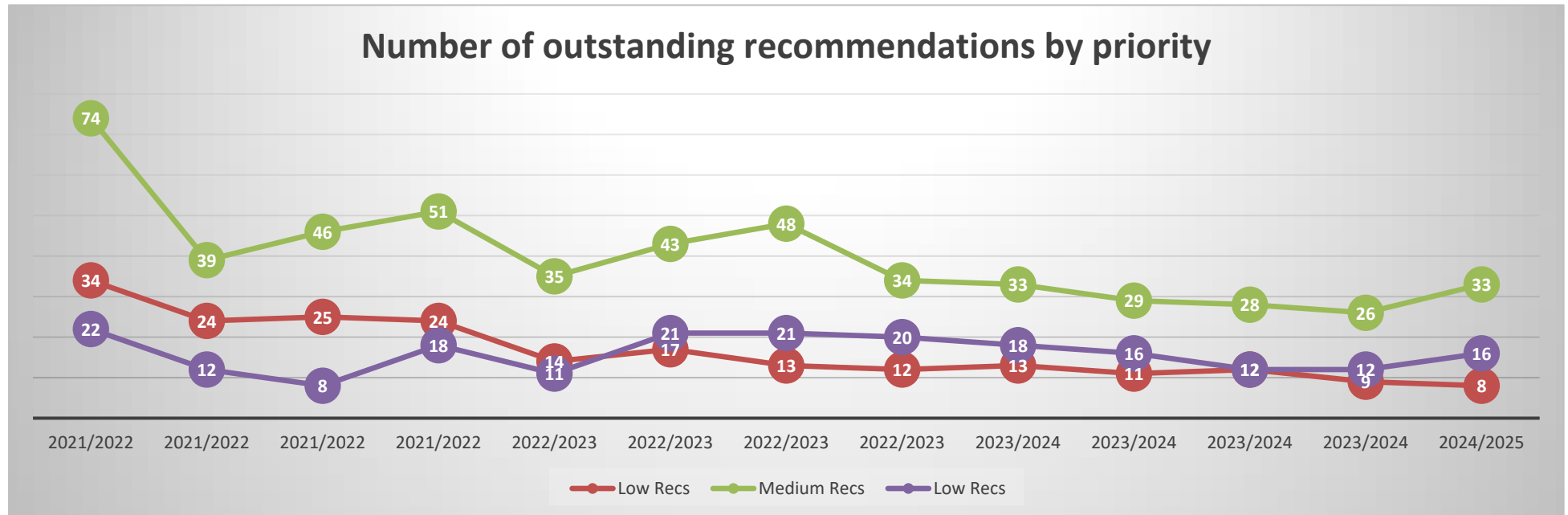
Appendix 03: Outstanding Audit Recommendations

The graph below shows the number of outstanding audit recommendations over time.



To inform the process I have included a table below outlining the number of outstanding actions whether High, Medium or Low Priority.

Below is a table showing the number of 2024/25 recommendations in each assurance level.



Financial Year	Quarter	No of Outstanding Recommendations	No of High Recs	No of Medium Recs	No of Low recs
2021/2022	Q1	130	34	74	22
	Q2	75	24	39	12
	Q3	79	25	46	8
	Q4	93	24	51	18
2022/2023	Q1	60	14	35	11
	Q2	81	17	43	21
	Q3	82	13	48	21
	Q4	66	12	34	20
2023/2024	Q1	64	13	33	18
	Q2	56	11	29	16
	Q3	52	12	28	12
	Q4	47	9	26	12
2024/2025	Q1	57	8	33	16

AUDIT & GOVERNANCE COMMITTEE

25th September 2024

Report of the Executive Director Finance

REVIEW OF THE ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2023/24

Purpose

To review the Annual Report on the Treasury Management Service and Actual Prudential Indicators 2023/24 following Council on 10th September 2024.

Recommendation

That Members consider the Annual Report on the Treasury Management Service and Actual Prudential Indicators 2023/24, as detailed at Annex 1, and highlight any proposed changes for recommendation to Cabinet.

Executive Summary

At its meeting on 23rd February 2010, the Council approved the Treasury Management Strategy and Prudential Indicators including, as required by the Code, that the Audit & Governance Committee be given the opportunity to scrutinise the strategy and policies, as well as receiving regular monitoring reports.

With regard to the appointment of a Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies, the code suggests:

- This involves reviewing the Treasury Management policy and procedures and making recommendations to the responsible body;
- Public Service Organisations have a responsibility to ensure that those charged with governance have access to the skills and knowledge they require to carry out this role effectively;
- Those charged with Governance also have a personal responsibility to ensure they have the appropriate skills and training in their role;
- The procedures for monitoring Treasury Management activities through audit, scrutiny and inspection should be sound and rigorously applied, with an openness of access to information and well-defined arrangements for the review and implementation of recommendations for change; and
- This includes the provision of monitoring information and regular review by Councillors in both executive and Scrutiny functions.

In compliance with the above, a copy of the Annual Report on the Treasury Management Service and Actual Prudential Indicators for 2023/24 is attached at Annex 1.

Resource Implications

All financial resource implications are detailed in the body of this report which links to the Council's Medium Term Financial Strategy.

Legal/Risk Implications

Approval of Prudential Indicators and an Annual Investment Strategy is a legal requirement of the Local Government Act 2003. Members are required under the CIPFA Code of Practice to have ownership and understanding when making decisions on Treasury Management matters.

Risk is inherent in Treasury Management and as such a risk based approach has been adopted throughout the report with regard to Treasury Management processes.

Equalities Implications

There are no equalities implications arising from the report.

Environment and Sustainability Implications (including Climate Change)

None

Report Author

Please contact Omotayo Lawal, Head of Finance on ext 246 or Jo Goodfellow, Assistant Director Finance on ext 241.

Background Papers

Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2023/24 including Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2023/24, Council 28th February 2023.

Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2023/24 Council 12th December 2023.

COUNCIL

TUESDAY 10th SEPTEMBER 2024

**REPORT OF THE PORTFOLIO HOLDER FOR OPERATIONS AND FINANCE
ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL
PRUDENTIAL INDICATORS 2023/24**

EXEMPT INFORMATION

None

PURPOSE

The Annual Treasury report is a requirement of the Council's reporting procedures. It covers the Treasury activity for 2023/24, and the actual Prudential Indicators for 2023/24.

The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes in accordance with Regulations issued under the Local Government Act 2003. It also provides an opportunity to review the approved Treasury Management Strategy for the current year and enables Members to consider and approve any issues identified that require amendment.

RECOMMENDATIONS

That Council ;

- 1. Approve the actual 2023/24 Prudential and Treasury Indicators within the report and shown at Appendix 1; and**
- 2. Note the Annual Treasury Management Report for 2023/24**

EXECUTIVE SUMMARY

This report covers Treasury operations for the year ended 31st March 2024 and summarises:

- the Council's Treasury position as at 31st March 2024; and
- Performance Measurement

The key points raised for 2023/24 are:

1. The Council's Capital Expenditure and Financing 2023/24
2. The Council's Overall Borrowing Need
3. Treasury Position as at 31st March 2024
4. The Strategy for 2023/24
5. Borrowing Outturn for 2023/24

6. Investment Outturn for 2023/24
7. Performance Measurement
8. The Economy and Interest Rates
9. Property Funds
10. Other Issues

The Treasury Function has achieved the following favourable results:

- The Council has complied with the professional codes, statutes and guidance;
- There are no issues to report regarding non-compliance with the approved prudential indicators;
- The Council maintained an average investment balance externally invested of £67.4m and achieved an average return of 4.92% (budgeted at £38.2m and an average return of 3.4%).
- The closing weighted average internal rate on borrowing is 4.05% (4.05% for 2023/24);
- The Treasury Management Function has achieved an outturn investment income of £3.4m compared to an original budget of £1.3m Investment balances were higher than budgeted throughout the year, and the average interest rates rose significantly.
- We also received £487k in dividends from our property fund investments (£458k in 2022/23), compared to a budget of £420k. However, the net value of the investments has fallen by £1.82m as at 31st March 2024.

During 2023/24 the Council complied with its legislative and regulatory requirements.

The Executive Director Finance confirms that there was no overall increase in borrowing within the year and the Authorised Limit was not breached.

At 31st March 2024, the Council's external debt was £63.060m (£63.060m at 31st March 2023) and its external investments, excluding property funds and bank account, totalled £59.108m (£60.610m at 31st March 2023).

RESOURCE IMPLICATIONS

There are no financial implications or staffing implications arising directly from the report.

LEGAL/RISK IMPLICATIONS BACKGROUND

The Council is aware of the risks of passive management of the Treasury Portfolio and with the support of Link Asset Services, the Council's current Treasury advisers, has proactively managed its debt and investments during the year.

EQUALITIES IMPLICATIONS

None

ENVIRONMENT AND SUSTAINABILITY IMPLICATIONS (INCLUDING CLIMATE CHANGE)

None

REPORT AUTHOR

If Members would like further information or clarification prior to the meeting please contact Joanne Goodfellow, telephone 01827 709241 or email joanne-goodfellow@tamworth.gov.uk

LIST OF BACKGROUND PAPERS

- Local Government Act 2003;
- Statutory Instruments: 2003 No 3146 & 2007 No 573;
- CIPFA Code of Practice on Treasury Management in Public Services;
- Treasury Management Strategy 2023/24 (Council 28th February 2023);
- Treasury Management Mid-Year Review 2023/24 (Council 12th December 2023);
- Treasury Outturn Report 2022/23 (Council 19th September 2023).

APPENDICES

Appendix 1 – Prudential and Treasury Indicators

Appendix 2 – Borrowing and Investment Rates

Annual Treasury Management Review 2023/24

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2023/24. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2023/24 the minimum reporting requirements were complied with:

- an annual treasury strategy in advance of the year (Council 28th February 2023)
- a mid-year (minimum) treasury update report (Council 12th December 2023)
- an annual review following the end of the year describing the activity compared to the strategy (this report).

In addition, Cabinet has received quarterly Treasury Management updates as part of the quarterly performance reports.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members. This Council confirms that it has complied with the requirement under the Code to provide scrutiny of all of the above Treasury Management Reports to the Audit and Governance Committee. Member training on Treasury Management issues was provided in February 2024 and further training is planned during 2024/25.

During 2023/24, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows.

Prudential & Treasury Indicators	2022/23	2023/24	2023/24
	Actual £m	Estimate £m	Actual £m
Capital Expenditure			
Non HRA	4.889	30.988	12.416
HRA	13.876	14.613	11.320
Total	18.765	45.601	23.737
Capital Financing Requirement			
Non HRA	3.785	6.608	4.092
HRA	69.982	71.582	70.507
Total	73.767	78.190	74.600
Gross Borrowing			
External Debt	63.060	63.060	63.060
Investments			
Longer than 1 year	10.842	-	10.143
Less than 1 year	60.49	15.194	56.670
Total	71.332	15.194	66.813
Net Borrowing	-8.272	47.866	-3.753

It should be noted that **£30m** of Capital scheme spend has been re-profiled into 2024/25 (also including re-profiling from previous years) which has increased investment balances.

Other prudential and treasury indicators are to be found further in this report. The Executive Director Finance confirms that there was no overall increase in borrowing in year and the statutory borrowing limit (the authorised limit) was not breached.

1. The Council’s Capital Expenditure and Financing 2023/24

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council’s borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply internal funds, the capital expenditure would give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
Capital Expenditure	4.889	30.988	12.416
Financed in year	4.837	27.331	11.902
Unfinanced capital expenditure	0.052	3.657	0.515
HRA	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
Capital Expenditure	13.876	14.613	11.320
Financed in year	13.788	13.757	10.795
Unfinanced capital expenditure	0.088	0.856	0.526

2. The Council’s Overall Borrowing Need

The Council’s underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council’s indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2023/24 unfinanced capital expenditure (see above table), and prior years’ net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council’s treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council’s cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWL] or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council’s (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

the application of additional capital financing resources (such as unapplied capital receipts); or

charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council’s 2023/24 MRP Policy (as required by DLUHC Guidance) was approved as part of the Treasury Management Strategy Report for 2023/24 on 28th February 2023.

The Council’s CFR for General Fund and the HRA for the year are shown below, and represent a key prudential indicator.

CFR: General Fund	31st March 2023 Actual £m	31st March 2024 Budget £m	31st March 2024 Actual £m
Opening balance	3.937	3.909	3.785
Add unfinanced capital expenditure (as above)	0.052	3.657	0.515
Less MRP/VRP	(0.204)	(0.214)	(0.207)
Less PFI & finance lease repayments	-	-	-
Closing balance	3.785	7.352	4.092

CFR: HRA	31st March 2023 Actual £m	31st March 2024 Budget £m	31st March 2024 Actual £m
Opening balance	69.893	69.982	69.981
Add unfinanced capital expenditure (as above)	0.088	3.657	0.526
Less MRP/VRP	-	-	-
Less PFI & finance lease repayments	-	-	-
Closing balance	69.981	73.639	70.507

Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2023/24 plus the estimates of any additional capital financing requirement for the current (2024/25) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2023/24. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

Gross borrowing and the CFR	31st March 2023 Actual £m	31st March 2024 Budget £m	31st March 2024 Actual £m
Gross borrowing position	63.060	63.060	63.060
CFR	73.767	78.190	74.600
Under / Over funding of CFR	-10.707	-15.129	-11.540

The lower than estimated CFR reflects re-profiling of spend within the capital programme to 2024/25 and lower than forecast borrowing.

The Authorised Limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2023/24 the Council has maintained gross borrowing within its authorised limit.

The Operational Boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual Financing Costs as a Proportion of Net Revenue Stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Borrowing Limits	GF £m	HRA £m	Total £m
Authorised limit	9.608	79.407	89.015
Maximum gross borrowing position	-	63.060	63.060
Operational boundary	-	63.060	63.060
Average gross borrowing position	-	63.060	63.060
Budgeted financing costs as a proportion of net revenue stream %	(18.17)	26.48	8.31
Actual financing costs as a proportion of net revenue stream %	(38.11)	26.50	(11.61)

3. Treasury Position as at 31st March 2024

The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2023/24 the Council's treasury (excluding borrowing by finance leases) position was as follows:

General Fund	31st March 2023 Principal £m	Rate/ Return %	Average Life yrs	31st March 2024 Principal £m	Rate/ Return %	Average Life yrs
Total debt	-	-	-	-	-	-
CFR	3.785	-	-	4.092	-	-
Over / (under) borrowing	(3.785)	-	-	(4.092)	-	-
Investments:						
- in house	44.108	2.16	-	43.297	4.92	-
Total investments	44.108	2.16	-	43.297	4.92	-

HRA	31st March 2023 Principal £m	Rate/ Return %	Average Life yrs	31st March 2024 Principal £m	Rate/ Return %	Average Life yrs
Fixed rate funding:						
-PWLB	63.060	4.05	31.73	63.060	4.05	30.73
Total debt	63.060	4.05	31.73	63.060	4.05	30.73
CFR	69.982	-	-	70.507	-	-
Over / (under) borrowing	(6.922)	-	-	(7.447)	-	-
Investments:						
- in house	16.382	2.16	-	13.373	4.92	-
Total investments	16.382	2.16	-	13.373	4.92	-

Maturity Structures

The maturity structure of the debt portfolio was as follows:

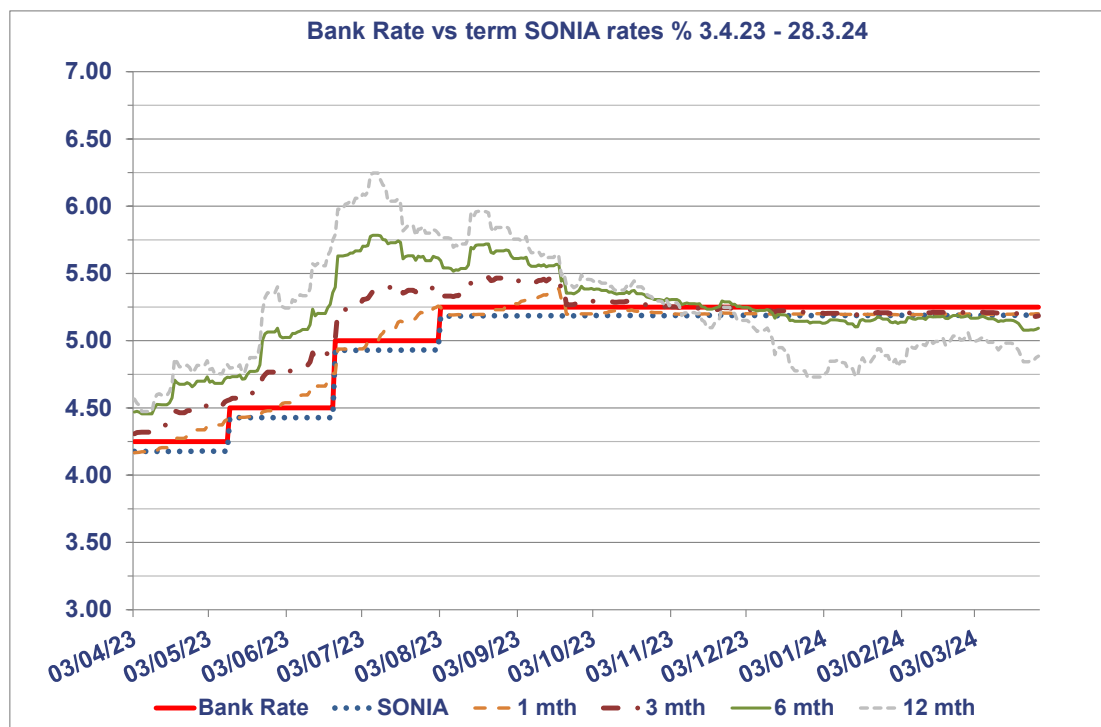
Duration	31st March 2023 Actual £m	2023/24 original limits %	31st March 2024 Actual £m
Under 12 months	-	20	-
12 months and within 24 months	-	20	-
24 months and within 5 years	-	25	-
5 years and within 10 years	1	75	1
10 years and within 15 years	4	100	4
15 years and within 50 years	58	100	58

All investments held by the Council were invested for up to one year, with the exception of £11.962m invested in property funds, which are held for the longer-term, 5 – 10 years.

4. The Strategy for 2023/24

4.1 Investment strategy and control of interest rate risk

Investment Benchmarking Data – Sterling Overnight Index Averages (Term) 2023/24



FINANCIAL YEAR TO QUARTER ENDED 28/03/2024						
	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	5.25	5.19	5.39	5.48	5.78	6.25
High Date	03/08/2023	28/03/2024	19/09/2023	30/08/2023	07/07/2023	07/07/2023
Low	4.25	4.18	4.17	4.31	4.46	4.47
Low Date	03/04/2023	04/04/2023	03/04/2023	03/04/2023	06/04/2023	06/04/2023
Average	5.03	4.96	5.02	5.13	5.23	5.25
Spread	1.00	1.01	1.22	1.17	1.33	1.77

Investment returns picked up throughout the course of 2023/24 as central banks, including the Bank of England, continued to respond to inflationary pressures that were not transitory, and realised that tighter monetary policy was called for.

Starting April at 4.25%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 5.25% by August. By the end of the financial year, no further increases were anticipated. Indeed, the market was pricing in a first cut in Bank Rate in either June or August 2024.

The upward sloping yield curve that prevailed throughout 2023/24 meant that local authorities continued to be faced with the challenge of proactive investment of surplus cash, and this emphasised the need for a detailed working knowledge of cashflow projections so that the appropriate balance between maintaining cash for liquidity purposes, and “laddering” deposits on a rolling basis to lock in the increase in investment rates as duration was extended, became an on-going feature of the investment landscape.

With bond markets selling off, UK equity market valuations struggled to make progress, as did property funds, although there have been some spirited, if temporary, market rallies from time to time – including in November and December 2023. However, the more traditional investment options, such as specified investments (simple to understand, and less than a year in duration), have continued to be at the forefront of most local authority investment strategies, particularly given Money Market Funds have also provided decent returns in close proximity to Bank Rate for liquidity purposes. In the latter part of 2023/24, the local authority market lacked any meaningful measure of depth, forcing short-term investment rates above 7% in the last week of March.

While the Council has taken a prudent approach to investing surplus monies, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the Global Financial Crisis of 2008/09. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

4.2 Borrowing strategy and control of interest rate risk

During 2023/24, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow was used as an interim measure. This strategy was prudent as although near-term investment rates were equal to, and sometimes higher than, long-term borrowing costs, the latter are expected to fall back through 2024 and 2025 as inflation concerns are dampened. The Council has sought to minimise the taking on of long-term borrowing at elevated levels (>4%) and has focused on a policy of internal and temporary borrowing, supplemented by short-dated borrowing (<5 years) as appropriate.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Executive Director Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short-term rates than initially expected, perhaps arising from the stickiness of inflation in the major developed economies, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts initially suggested further gradual rises in short, medium and longer-term fixed borrowing rates during 2023/24. Bank Rate had initially been forecast to peak at 4.5% but it is now expected to have peaked at 5.25%.

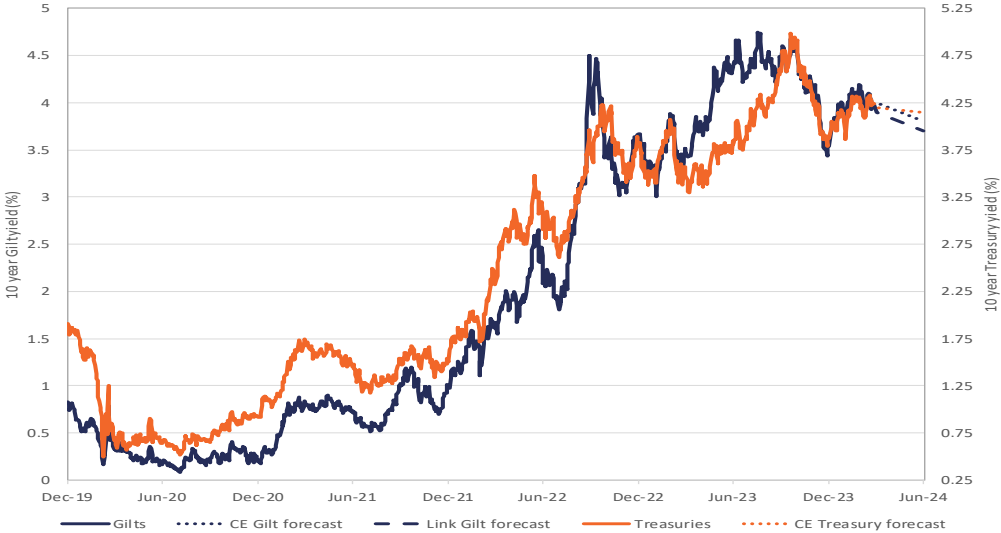
By January it had become clear that inflation was moving down significantly from its 40-year double-digit highs, and the Bank of England signalled in March 2024 that the next move in Bank Rate would be down, so long as upcoming inflation and employment data underpinned that view. Currently the CPI measure of inflation stands at 3.4% but is expected to fall materially below 2% over the summer months and to stay there in 2025 and 2026. Nonetheless, there remain significant risks to that central forecast, mainly in the form of a very tight labour market putting upward pressure on wages, and continuing geo-political inflationary risks emanating from the prevailing Middle East crisis and the Russian invasion of Ukraine.

PWLB Borrowing Rates

PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. Indeed, in recent years many bond yields up to 10 years in the Eurozone turned negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession.

However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the FOMC, ECB and Bank of England are all being challenged by levels of persistent inflation that are exacerbated by very tight labour markets and high wage increases relative to what central banks believe to be sustainable.

Graph of UK gilt yields v. US treasury yields



Gilt yields have generally been on a continual rise since the start of 2021, peaking in the autumn of 2023. Currently, yields are broadly range bound between 3.5% and 4.25%.

At the close of the day on 28 March 2024, all gilt yields from 1 to 50 years were between 3.81% and 4.56%, with the 1 year being the highest and 6-7 years being the lowest yield.

Regarding PWLB borrowing rates, the various margins attributed to their pricing are as follows: -

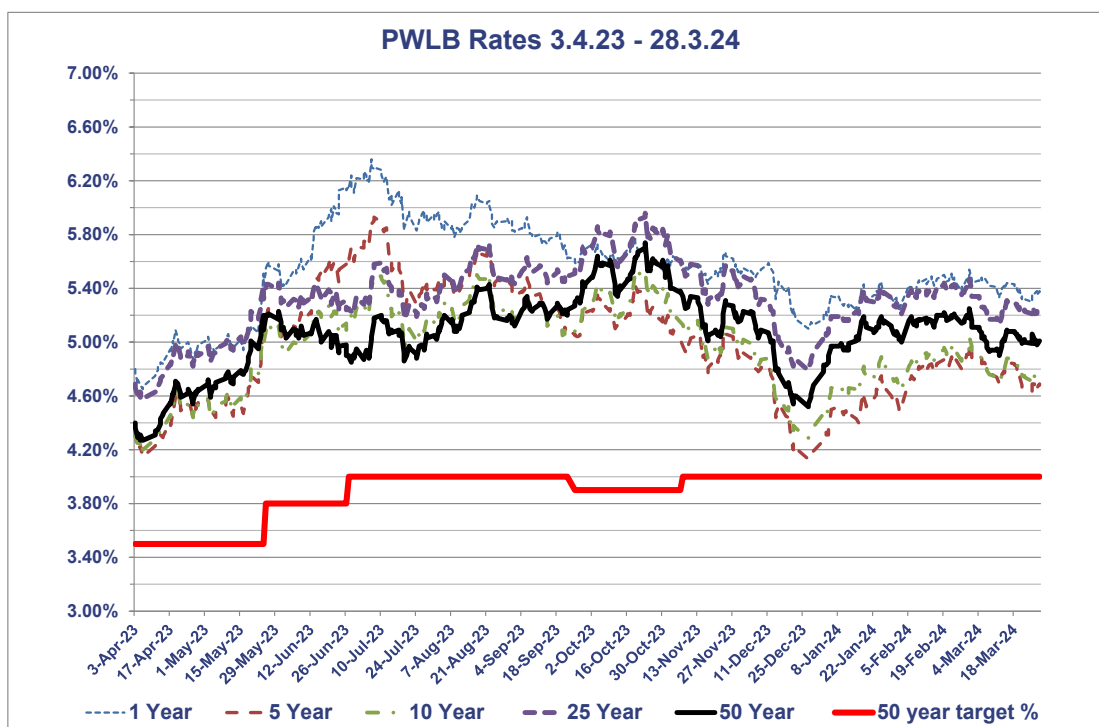
- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)
- **HRA Borrowing rate** is gilt plus 40 40bps (G+40bps)

There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the next one to two years as Bank Rate falls and inflation (on the Consumer Price Index measure) moves below the Bank of England’s 2% target.

As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.

The Bank of England is also embarking on a process of Quantitative Tightening. The Bank’s original £895bn stock of gilt and corporate bonds will gradually be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, and high in historic terms, is an unknown at the time of writing.

The graph and tables for PWLB rates below and in Appendix 2 show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



5. Borrowing Outturn for 2023/24

Treasury Borrowing

Due to the elevated cost of borrowing long-term, no borrowing was undertaken during the year.

Borrowing in Advance of Need

The Council has not borrowed more than, or in advance of, its needs, purely in order to profit from the investment of the extra sums borrowed.

Rescheduling

No rescheduling was done during the year as the approximate 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

6. Investment Outturn for 2023/24

Investment Policy – the Council’s investment policy is governed by DLUHC investment guidance, which has been implemented in the annual investment strategy approved by the Council on 28th February 2023. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Resources – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised the following:

Balance Sheet Resources General Fund	31st March 2023 £m	31 st March 2024 £m
Balances	9.615	10.737
Earmarked Reserves	15.560	20.134
Provisions	1.825	2.426
Usable Capital Receipts	12.601	11.612
Capital Grants Unapplied	0.975	1.221
Total GF	40.576	46.130
Balance Sheet Resources HRA	31st March 2023 £m	31 st March 2024 £m
Balances	2.761	2.220
Earmarked Reserves	10.599	9.708
Provisions	-	-
Usable Capital Receipts	1.71	2.320
Total HRA	15.07	14.248
Total Authority Resources	55.646	60.378

Investments held by the Council – the Council maintained an average balance of £67.4m of internally managed funds. The internally managed funds earned an average rate of return of 4.92%. The comparable performance indicator is the average 3 month SONIA rate which was 5.13%. This compared with a budget assumption of £38.2m investment balances earning an average rate of 3.4%.

7. Performance Measurement

One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide. The Council's performance indicators were set out in the Annual Treasury Management Strategy Statement.

This service has set the following local performance indicator:

➤ *Average external interest receivable in excess of 3 month SONIA rate;*

Whilst the assumed benchmark for local authorities is the 7 day SONIA rate, a higher target is set for internal performance.

The actual return of 4.92% is compared to the average 3 month SONIA of 5.13% (0.21% below target). This is due to the sharp increase in interest rates between 1st April 2023 and 31st March 2024, with some investments fixed at lower rates at the beginning of the year.

8. The Economy and Interest Rates

UK Economy

Against a backdrop of stubborn inflationary pressures, the Russian invasion of Ukraine, and war in the Middle East, UK interest rates have continued to be volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2023/24.

Markets have sought an end to central banks' on-going phase of keeping restrictive monetary policy in place on at least one occasion during 2023/24 but to date only the Swiss National Bank has cut rates and that was at the end of March 2024.

UK, EZ and US 10-year yields have all stayed stubbornly high throughout 2023/24. The table below provides a snapshot of the conundrum facing central banks: inflation is easing, albeit gradually, but labour markets remain very tight by historical comparisons, making it an issue of fine judgment as to when rates can be cut.

	UK	Eurozone	US
Bank Rate	5.25%	4%	5.25%-5.5%
GDP	-0.3%q/q Q4 (-0.2%/y/y)	+0.0%q/q Q4 (0.1%/y/y)	2.0% Q1 Annualised
Inflation	3.4%/y/y (Feb)	2.4%/y/y (Mar)	3.2%/y/y (Feb)
Unemployment Rate	3.9% (Jan)	6.4% (Feb)	3.9% (Feb)

The Bank of England sprung no surprises in their March meeting, leaving interest rates at 5.25% for the fifth time in a row and, despite no MPC members no longer voting to raise interest rates, it retained its relatively hawkish guidance. The Bank's communications suggest the MPC is gaining confidence that inflation will fall sustainably back to the 2.0% target. However, although the MPC noted that "the restrictive stance of monetary policy is weighing on activity in the real economy, is leading to a looser labour market and is bearing down on inflationary pressures", conversely it noted that key indicators of inflation persistence remain elevated and policy will be "restrictive for sufficiently long" and "restrictive for an extended period".

Of course, the UK economy has started to perform a little better in Q1 2024 but is still recovering from a shallow recession through the second half of 2023. Indeed, Q4 2023 saw negative GDP growth of -0.3% while y/y growth was also negative at -0.2%.

But it was a strange recession. Unemployment is currently sub 4%, against a backdrop of still over 900k of job vacancies, and annual wage inflation is running at above 5%. With gas and electricity price caps falling in April 2024, the CPI measure of inflation - which peaked at 11.1% in October 2022 - is now due to slide below the 2% target rate in April and to remain below that Bank of England benchmark for the next couple of years, according to Capital Economics. The Bank of England still needs some convincing on that score, but upcoming inflation and employment releases will settle that argument shortly. It is noted that core CPI was still a heady 4.5% in February and, ideally, needs to fall further.

Shoppers largely shrugged off the unusually wet weather in February, whilst rising real household incomes should support retail activity throughout 2024. Furthermore, the impact of higher interest rates on household interest payments is getting close to

its peak, even though fixed rate mortgage rates on new loans have shifted up a little since falling close to 4.5% in early 2024.

From a fiscal perspective, the further cuts to national insurance tax (from April) announced in the March Budget will boost real household disposable income by 0.5 - 1.0%. After real household disposable income rose by 1.9% in 2023, Capital Economics forecast it will rise by 1.7% in 2024 and by 2.4% in 2025. These rises in real household disposable income, combined with the earlier fading of the drag from previous rises in interest rates, means GDP growth of 0.5% is envisaged in 2024 and 1.5% in 2025. The Bank of England is less optimistic than that, seeing growth struggling to get near 1% over the next two to three years.

As for equity markets, the FTSE 100 has risen to nearly 8,000 and is now only 1% below the all-time high it reached in February 2023. The modest rise in UK equities in February was driven by strong performances in the cyclical industrials and consumer discretionary sectors, whilst communications and basic materials have fared poorly.

Despite its performance, the FTSE 100 is still lagging behind the S&P 500, which has been at an all-time high for several weeks.

USA Economy.

Despite the markets willing the FOMC to cut rates as soon as June 2024, the continued resilience of the economy, married to sticky inflation, is providing a significant headwind to a change in monetary policy. Markets currently anticipate three rate cuts this calendar year, but two or less would not be out of the question. Currently, policy remains flexible but primarily data driven.

In addition, the Fed will want to shrink its swollen \$16 trillion balance sheet at some point. Just because the \$ is the world's foremost reserve currency (China owns over \$1 trillion) does not mean the US can continually run a budget deficit. The mix of stubborn inflation and significant treasury issuance is keeping treasury yields high. The 10 year stands at 4.4%.

As for inflation, it is currently a little above 3%. The market is not expecting a recession, but whether rates staying high for longer is conducive to a soft landing for the economy is uncertain, hence why the consensus is for rate cuts this year and into 2025...but how many and when?

EZ Economy.

Although the Euro-zone inflation rate has fallen to 2.4%, the ECB will still be mindful that it has further work to do to dampen inflation expectations. However, with growth steadfastly in the slow lane (GDP flatlined in 2023), a June rate cut from the current 4% looks probable.

9. Investment in Property Funds

Investment in property funds was included within the Commercial Investment Strategy, with the aim of generating improved returns of c.4-5% p.a. (plus asset growth) being long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs). Utilising the capital receipt proceeds of the sale of the Golf Course, a budget of £12m was allocated to long-term investment in a number of property funds. To date, the Council has invested £1.85m with Schrodgers UK Real Estate Fund, £6.057m with Threadneedle Property Unit Trust, and £4.057m with Hermes Federated Property Unit Trust. Total investment £11.962m.

Fund Valuations	Investment	Valuation 31/03/2022	Valuation 31/03/2023	Valuation 31/03/2024
Schroders UK Real Estate Fund	1,848,933	2,139,618	1,727,176	1,567,521
Valuation Increase / (reduction)		290,685	(121,757)	(281,412)
Threadneedle Property Unit Trust	2,000,249	2,097,097	1,732,373	1,648,601
Valuation Increase / (reduction)		96,848	(267,875)	(351,648)
Threadneedle Property Unit Trust	4,056,536	4,407,163	3,640,676	3,464,625
Valuation Increase / (reduction)		350,627	(415,860)	(591,912)
Hermes Federated Property Unit Trust	4,056,500	4,450,808	3,741,712	3,462,647
Valuation Increase / (reduction)		394,308	(314,788)	(593,853)
Total	11,962,218	13,094,687	10,841,938	10,143,394
Valuation Increase / (reduction)		1,132,469	(1,120,280)	(1,818,824)

The Council received £487k in dividends from its property fund investments in 2023/24 (£458k in 2022/23), £1.598m in total since 2018/19, offset against the valuation decrease of £1.819m over the same period.

10. Other Issues

IFRS 9 fair value of investments

Following the consultation undertaken by the Department of Levelling Up, Housing and Communities [DLUHC] on IFRS 9, the Government has extended the mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds to 31st March 2025. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.

Risk management will need to take account of the 2018/19 Accounting Code of Practice proposals for the valuation of investments. Key considerations are:

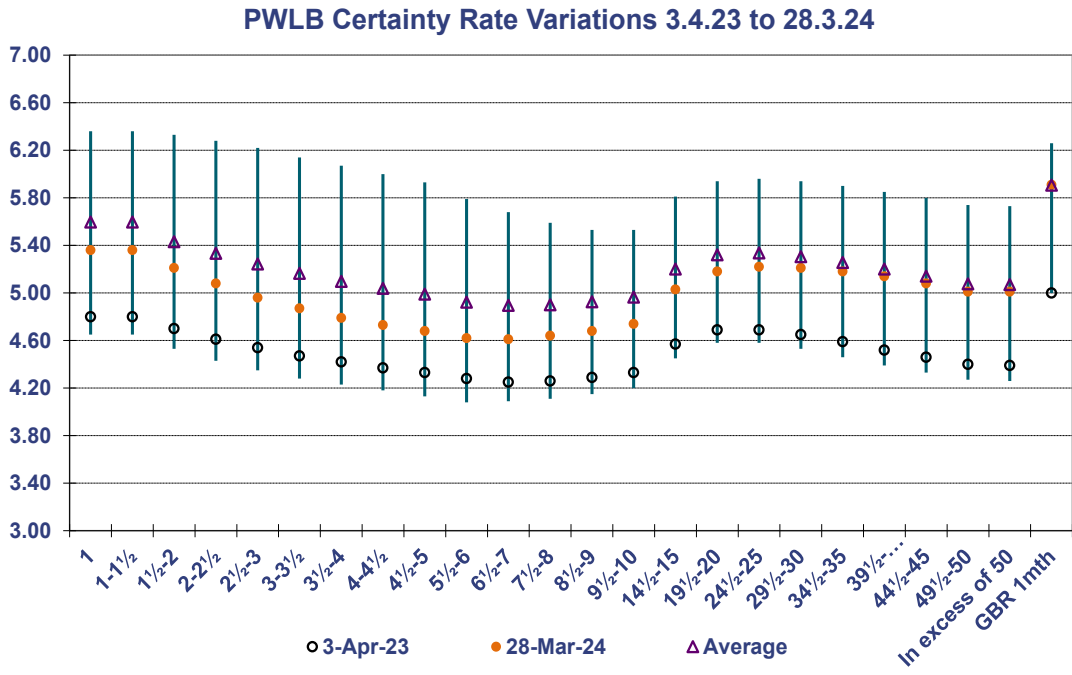
- Expected credit loss model. Whilst this should not be material for vanilla treasury investments such as bank deposits, this does impact our investment in property funds
- The valuation of investments previously valued under the available for sale category e.g., equity related to the “commercialism” agenda, property funds, equity funds and similar, will be changed to **Fair Value through the Profit and Loss (FVPL)**.

PRUDENTIAL AND TREASURY INDICATORS

APPENDIX 1

1. PRUDENTIAL INDICATORS	2022/23	2023/24	2023/24
Extract from budget and rent setting report	Actual	Original	Actual
Capital Expenditure	£m	£m	£m
Non - HRA	4.889	30.988	12.416
HRA	13.876	14.613	11.320
TOTAL	18.765	45.601	23.737
Ratio of financing costs to net revenue stream	%	%	%
Non - HRA	(26.854)	(18.17)	(38.11)
HRA	29.596	26.48	26.50
Gross borrowing requirement General Fund	£m	£m	£m
brought forward 1 April	3.937	3.909	3.785
carried forward 31 March	3.989	7.566	4.300
in year borrowing requirement	0.052	3.657	0.515
Gross borrowing requirement HRA	£m	£m	£m
brought forward 1 April	69.893	69.982	69.982
carried forward 31 March	69.981	73.639	70.507
in year borrowing requirement	0.088	3.657	0.526
	£m	£m	£m
Gross debt	63.060	63.060	63.060
Capital Financing Requirement	£m	£m	£m
Non – HRA	3.785	7.352	4.092
HRA	69.981	73.639	70.507
TOTAL	73.766	80.990	74.600
Annual change in Capital Financing Requirement	£m	£m	£m
Non – HRA	(0.152)	3.443	0.308
HRA	0.088	3.657	0.526
TOTAL	(0.064)	7.100	0.833

2. TREASURY MANAGEMENT INDICATORS	2022/23	2023/24	2023/24
	Actual	Original	Actual
	£m	£m	£m
Authorised Limit for external debt - General Fund			
borrowing	8.029	9.608	9.608
other long term liabilities	-	-	-
TOTAL	8.029	9.608	9.608
Authorised Limit for external debt - HRA			
borrowing	79.407	79.407	79.407
other long term liabilities	-	-	-
TOTAL	79.407	79.407	79.407
Operational Boundary for external debt - General Fund	£m	£m	£m
borrowing	-	-	-
other long term liabilities	-	-	-
TOTAL	-	-	-
Operational Boundary for external debt - HRA	£m	£m	£m
borrowing	63.060	63.060	63.060
other long term liabilities	-	-	-
TOTAL	63.060	63.060	63.060
Actual external debt	£m	£m	£m
	63.060	63.060	63.060



HIGH/LOW/AVERAGE PWLB RATES FOR 2023/24

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.13%	4.20%	4.58%	4.27%
Date	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.53%	5.96%	5.74%
Date	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
Average	5.54%	4.99%	4.97%	5.34%	5.08%
Spread	1.71%	1.80%	1.33%	1.38%	1.47%

AUDIT & GOVERNANCE COMMITTEE

25th September 2024

Report of the Executive Director Finance

FINANCIAL WAIVERS TO 30TH JUNE 2024

EXEMPT INFORMATION

None

PURPOSE

For the Audit & Governance Committee to note the waivers to the Council's procurement processes as set out in Financial Guidance for the period 1st April to 30th June 2024, for the reasons as set out, and to advise if any further information is required.

RECOMMENDATION

That the Committee note the waivers approved to the procurement processes as set out in the Council's Financial Guidance.

EXECUTIVE SUMMARY

As part of the core functions under terms of reference, this Committee is empowered to maintain an overview of the Council's Financial Guidance. One of the improvement recommendations included within Grant Thornton's Auditor's Annual Report for 2022/23, was that the Council should report on the number and value of waivers to Audit & Governance Committee on a quarterly basis. This is the first such report.

The contracts procedure rules state that best value and value for money must be sought in all procurement activities. Financial Guidance requires that quotations/estimates must be obtained for spend of up to £5,000, these may be verbal for values to £1,999, but any spend between £2,000 and £4,999 must have a minimum of 3 written quotations/estimates.

Any spend of £5,000 and above should be conducted using either the Quick Quote or tender process, and be tendered electronically using the Council's e-tendering system In-Tend. This is a secure portal which suppliers can use to view and respond to any advertised tenders and contracts, which also links to the Government's Contracts Finder and Find a Tender services as required by Public Contracts Regulations for tenders above a certain threshold. The In-Tend system is used for the initial advertisement, expressions of interest, invitation to tender/quote, submission of tenders/quotes by prospective suppliers, opening of tenders/quotations and contract award.

The requirements of Public Contract Regulations **must** be followed in all cases where the anticipated value of a contract is close to or exceeds the thresholds set out in legislation. The current thresholds (incl VAT) are as follows:-

Thresholds	Supplies & Services	Works/Concessions
Contract Value	£214,904	£5,372,609

For contracts below these values, there may be occasions where it is not considered to be appropriate or best value for money to follow the Council's procurement processes, for example, where there is only one supplier for a particular service, or where a company is already on site. As set out in Financial Guidance, in these circumstances the Executive Director Finance has authority to waive compliance and limits where necessary.

The waivers approved during the first quarter are set out in Appendix 1.

RESOURCE IMPLICATIONS

None as a direct result of this report.

LEGAL/RISK IMPLICATIONS

None as a direct result of this report.

EQUALITIES IMPLICATIONS

None as a direct result of this report

ENVIRONMENT AND SUSTAINABILITY IMPLICATIONS (INCLUDING CLIMATE CHANGE)

None as a direct result of this report

BACKGROUND INFORMATION

None

REPORT AUTHOR

If Members require further information, please contact Jo Goodfellow, Assistant Director Finance on ext 241.

LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 Financial Waivers Approved 1st April – 30th June 2024.

APPENDIX 1

FINANCIAL WAIVERS 1ST APRIL – 30TH JUNE 2024

Ref	Date	Service Area	Amount	Company	Reason
2024/01	23/04/2024	Training & Development	£3,900	Blank White Page	Transitional coaching for Chief Executive, had previously worked with this coach and required continuity.
2024/02	23/04/2024	Finance	£25,700	Zurich Municipal	Property valuations for insurance purposes, request that this work is carried out by Zurich Municipal as valuations feed into insurance that is already provided by Zurich, and which would need to be approved by them. Work to be completed before next insurance renewal due September 2024.
2024/03	30/04/2024	Streetscene	£0	Clear Channel	Bus shelter contract extended for one year (due to expire June 2024). Clear Channel clean and maintain shelters in exchange for advertising rights. Provision to be reviewed over next year before new contract entered into.
2024/04	07/05/2024	Finance	£6,500	Link Asset Management	Existing Treasury Management advisors undertaking specific additional work regarding investment strategy
2024/05	11/04/2024	Castle	£30,000	Castle repair work	Approved by Cabinet 11 April 24 - to allow existing heritage structural engineers to continue investigative works - EXEMPT REPORT
2024/06	14/05/2024	Castle	£89,000	Midland Conservation	12 month agreement to undertake specialist works at the Castle (total cost approx £14k) plus repairs to the Band stand (est £75k). Equans are unable to undertake work due to specialist Heritage experience required. Limited availability of alternative contractors. Bandstand works required immediate attention on health and safety grounds. Midland Conservation have previously tendered and won contracts at the Castle. They are a local firm specialising in heritage asset work - previous experience is that they have produced high quality work and understand the needs of the Castle well. Potential other options for tendering for castle work were discussed so that when work is required at short notice there is not an automatic requirement for waivers.
2024/07	14/05/2024	Castle	£22,530	Midland Conservation	Repairs at the front of the Castle. Midland Construction have been undertaking castle wall work on site which was awarded after a tendering process. Scaffolding already up and would be cheaper to continue with work rather than stop and have to restart again. MCL have the skills required to undertake the work.

AUDIT AND GOVERNANCE COMMITTEE

Wednesday 25th September 2024

REPORT OF THE ASSISTANT DIRECTOR FINANCE

RISK MANAGEMENT QUARTERLY UPDATE

Purpose

To report on the Risk Management process and progress for Quarter 1 of the 2024/25 financial year.

Recommendations

- **That the Committee endorses the Corporate Risk Register.**

Executive Summary

One of the functions of the Audit & Governance Committee is to monitor the effectiveness of the Authority's strategic risk management arrangements. This report includes the actions taken to manage those risks and raises issues of concern that may impact the Authority. Corporate risks are identified, managed, and monitored by the Corporate Management Team (CMT) on a quarterly basis.

A copy of the current corporate risk register is attached, as **Appendix 1**. The control measures contained have been developed to reflect the actions in the 3-year corporate plan. The revised risk control measures will ensure the delivery of the strategic objectives, as detailed in the 2022-25 Corporate Plan, and minimise the risk of strategic drift.

The corporate risk register has been reviewed and current risk scores and notes have been updated by CMT for quarter 1 reporting. This report does not refer to the incidents at the Holiday Inn as this took place during quarter 2 and will be reflected in the next corporate risk report.

The 2024/25 corporate risk profile can be seen in Appendix 2. A key to the likelihood and impact matrix scoring has been included to provide some context.

No issues of note have been raised by the risk champions to include in the corporate risk register. Work continues by Heads of Service to review their operational risks and update Pentana for 2024/25. Assistant Directors are scheduling in quarterly meetings with their Heads of Service and Risk Owners to review operational risks and report presentations to ensure a consistent approach across all service areas.

The corporate risk register has been reviewed and updated by CMT for 2024/25 taking into consideration the Internal Audit recommendations and Benchmarking report.

The main changes to the 2024/25 Corporate Risk Register are detailed below:

- Risks 4 (Lack of resources, capacity & right skills in place) & 5 (Organisational Resilience) have been merged for 2024/25 and the causes, consequences, risks, and notes have all been amalgamated into risk 5 titled “Organisational Resilience”.
- A new risk has been created (Risk 4), “Inability to meet social housing targets and deliver affordable housing”. This risk is still under review and will be updated further with target matrix scores and additional control measures for quarter 2 reporting.
- Updates on the risk controls in place for the new Procurement Act 23 have been included in Risk 1.
- All notes and Risk Control measures have been reviewed and updated.
- CMT considered the risks suggested in the Benchmarking report and have updated the report accordingly now clearly referencing the Future High Street & Gungate Projects, Cyber Attacks and Housing Risks.

Update on Internal Audit Risk Management Recommendations

Internal Audit completed a review of risk management at Tamworth Borough Council as part of the 2023/24 Internal Audit Plan endorsed by the Audit Committee.

Update on recommendations:

- Risk management training should be provided to the Audit and Governance Committee to ensure it has the appropriate skills to effectively undertake its role for overseeing and monitoring risks.
Risk management training was provided by Zurich Municipal to Members on Wednesday 14th August 2024 the presentation can be viewed in Appendix 3.
- Further training should be provided to staff, outlining the roles and responsibilities for risk management, and providing support on how to effectively document controls.
During 2023/24 training and workshop sessions with Zurich Municipal were provided to Risk Champions, Heads of Service and Risk Owners. Training needs will be kept under review and further training will be organised if required. During 2024/25 HR have been contacted to ascertain if any officers had recorded Risk Management as a training need, there were none identified. Assistant Directors will continue to discuss any ongoing training needs with Heads of Service & Risk Owners when meeting with them on a quarterly basis and raise with the Operations Accountant so bespoke training can be arranged to meet individual service area’s needs going forwards.
- Each Head of Service should present the local risk register to the Assistant Director responsible for the area quarterly to oversee the implementation of the control measures.
An email was circulated on the 6th of August reminding AD Direct Reports of the new requirements for Operational Risk Recording & Reporting. It is

recommended that each service area provides an update to CMT on their progress with this work during quarter 2.

The current risk landscape and the five risks most likely to present a material crisis as per the World Economic Forum Global Risks Report reported in the 2023/24 quarter 4 Risk Report remain unchanged:

1. Extreme Weather
2. AI-generated misinformation & disinformation
3. Societal and or political polarisation
4. Cost-of-living crisis.
5. Cyberattacks

These risks are considered in the corporate risk report and will continue to be monitored throughout the year.

Options Considered

None.

Resource Implications

If training needs are identified external support may be required at a cost to the council, the insurance risk fund can be utilised to fund a small amount of training however if not sufficient additional resources may be required.

Legal / Risk Implications

There are no direct legal implications from this report but failure to manage strategic risks could lead to issues in delivering strategic priorities.

Equalities Implications

None.

Environment and Sustainability Implications (including climate change)

None

BACKGROUND INFORMATION

The Authority is committed to embedding the culture of Risk Management as detailed in the Councils Risk Management Strategy.

Risk Management objectives for Tamworth Borough Council are reviewed on a continual basis and reported to CMT and Audit and Governance committee on a quarterly basis. These objectives are designed:

- To safeguard the public, members and employees,

- To protect the Authority's Reputation, Physical Assets and Services it provides by minimising losses and associated insurance costs.
- To manage risks in accordance with best practice and ensure risk management is integrated into the culture of the Authority and all those connected with it.
- To identify and take advantage of available opportunities to improve service delivery and/or the Authority's financial position.
- To ensure the Authority delivers its commitments to stakeholders and to demonstrate transparency, accountability and equity in its efforts to do so.
- To anticipate and respond positively to changing social, environmental and legislative requirements; and
- To identify and manage partnership risks.

The Audit & Governance Committee will regularly review the Risk Management Policy and Strategy to ensure their continued relevance to the Borough. They will also assess performance against the aims and objectives.

The council attach great significance to Risk Management, and it is essential that the Protocol is known and understood by all staff within the Authority. It will form part of the induction training and performance reviews for all staff and members and will be monitored as part of the performance review process utilising the corporate performance system

REPORT AUTHOR

Emma Dyer, Operations Accountant, ext. 239

LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 Qtr.1 Corporate Risk Register

Appendix 2 Qtr.1 Risk Profile

Appendix 3 Qtr.1 Members Training Presentation


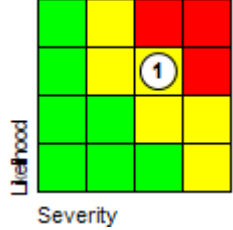
Corporate Risks Register Summary 2024/25






Generated on: 11 September 2024

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Code	Corporate Risk Heading	Status	Status	Current Risk Matrix	Executive Leadership Team
CR2024/25_1	Finance/Financial stability		Alert		Becky Smeathers
CR2024/25_2	Governance		OK		Anica Goodwin
CR2024/25_3	Promoting community resilience and cohesive communities		OK		Rob Barnes

Code	Corporate Risk Heading	Status	Status	Current Risk Matrix	Executive Leadership Team
CR2024/25_4	Inability to meet social housing targets and deliver affordable housing		Warning		Rob Barnes
CR2024/25_5	Organisational Resilience		Warning		Rob Barnes
CR2024/25_6	Failure to meet climate change/meet net zero targets and plan for major weather impacts		Warning		Rob Barnes
CR2024/25_7	Information and Data Management		Warning		Anica Goodwin

Code	Corporate Risk Heading	Status	Status	Current Risk Matrix	Executive Leadership Team
CR2024/25_8	Inability to deliver economic growth, sustainability, and prosperity in the Borough		Warning		Rob Barnes

Risk Status	
	Alert
	High Risk
	Warning
	OK
	Unknown

Risk Scoring Key from Risk Management Strategy

Each risk should be analysed for the likelihood it will happen and the impacts if it did happen. This assessment should be made considering controls that are already in place and working effectively. Probability assessment is applied relative to specific timeframes e.g. 'operational' risks will be assessed over a shorter timeframe than 'strategic' risks.

Likelihood Criteria:

- 4 – Very likely
- 3 - Likely
- 2 - Unlikely
- 1 – Very unlikely

The impact should be considered against the relevant objectives - corporate risks should be scored against the council's objectives; directorate risks scored against directorate objectives; service risks scored against service objectives; project risks scored against the objectives of the project. The impact relates to the potential effects on an objective, activity or function which may either be positive or negative.

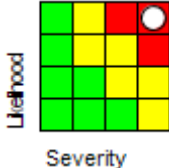
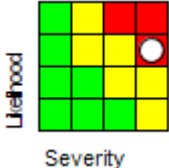
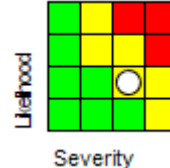
Impact Measure: There are 4 'impact descriptors' as follows:

- 4 - Major
- 3 - Serious
- 2 - Significant
- 1 - Minor

Each identified risk should be assessed at the Original (Inherent), Current (residual) and Target level.

1 Finance/Financial stability 2024/25



Generated on: 11 September 2024






CR2024/25_1.1		To ensure that the Council is financially sustainable as an organisation			
Categories Code & Description		Corporate Priority affected		Priority2: The Economy	
				Priority4: Living in Tamworth	
				Priority5: Town Centre	
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	4	Severity	4	Severity	3
Likelihood	4	Likelihood	3	Likelihood	2
Risk Score	16	Risk Score	12	Risk Score	6
Original Risk Date	15-May-2023	Date Reviewed	30-Apr-2024	Target Date	
Causes	<ul style="list-style-type: none"> * Risk of Austerity cuts/Major variances to the level of grant/subsidy * Uncertainty risk and potential financial disruption from External economic influences - mainly on income levels and current cost / inflationary pressures (and potential contractual cost increases) * Risk potential for poor Procurement practices and weak or ineffective Contract Management meaning VFM not maximised, and TBC exposed to unnecessary liabilities. * Ongoing cost of living crisis and inflationary pressures risk having an impact on the Council's income if households struggle to pay council tax, housing rent payments, etc. If families find themselves in financial difficulty it could also increase the demand 		Consequences	<ul style="list-style-type: none"> • Inability to plan long term due to uncertainty over future Local Government funding. A new Government following the General Election in July 2024 is unlikely to be able to implement anything but a one-year settlement for 2025/26. The planned funding reforms, Fair Funding Review, business rates reset, and the revised business rates retention scheme have been repeatedly deferred and are unlikely before 2026/27 at the earliest. While this means the Council will be able to retain its business rate growth for 2025/26, it also means that the uncertainty continues, making it difficult to plan beyond one year with any certainty. * Unplanned cost reductions / savings requirements * Financial issues leading to the Authority being taken over by Government appointed officers, having to 	

	<p>for our services putting pressure on resources, for example increase in homelessness.</p> <ul style="list-style-type: none"> * Underutilisation of Assets, failure to maximise income * Major town centre facility/source of income failing * New political leadership and inexperienced members * Not being prepared for the new Procurement Act 2023 		<p>make a request for additional financial support or issuing a S114 notice with the ensuing reputational damage that would entail.</p> <ul style="list-style-type: none"> *Inability to plan investments into assets, assets become costly to maintain and deliver little benefit *Inability to diversify/maximise income streams *Social cohesion erosion could occur as public are adversely impacted by cost-of-living increases – potential for reputational damage for the council if unable to support effectively (or perception). * Procurement challenges which could have reputational and financial implications. Scrutiny from the Government.
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<p>Latest Risk Note</p>	<p>A new Government following the General Election in July 2024 is unlikely to be able to implement anything but a one-year settlement for 2025/26. The planned funding reforms, Fair Funding Review, business rates reset, and the revised business rates retention scheme have been repeatedly deferred and are unlikely before 2026/27 at the earliest. While this means the Council will be able to retain its business rate growth for 2025/26, it also means that the uncertainty continues, making it difficult to plan beyond one year with any certainty. The big questions about the future of the funding system remain unaddressed.</p> <p>As part of the Local Government Finance settlement for 2024/25, councils were required to produce a productivity plan, to be submitted to DLUHC and published on the website by 19th July. TBC's productivity plan was reported to Corporate Scrutiny and Cabinet in June 2024 and includes details of how the Council will transform services to make better use of resources, identify ways to reduce wasteful spending within systems and take advantage of technological advances.</p> <p>The report to Corporate Scrutiny and Cabinet also included details of the Financial Stability Plan to support the production of a balanced MTFS and wider organisational improvement, this includes plans to implement targeted zero-based budgeting; budget holder savings reviews; the identification of spend to save projects; and opportunities for service transformation.</p> <p>The ongoing cost of living crisis and inflationary pressures continue to have an</p>	<p>09 Sep 2024</p>	<p>Emma Dyer</p>
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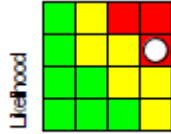
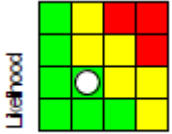
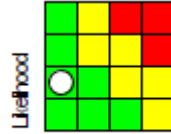
	<p>impact on the Council's finances. At the same time as rising supply costs there is also the potential for a fall in income as the disposable income of the public reduces due to the pressures on the household purse. This has the potential to affect collection rates for Council Tax and Housing Rents and it is also possible that income to attractions and events will reduce. If families find themselves in financial difficulty it could also increase the demand for our services putting additional pressure on resources, for example increased homelessness, exacerbated by the potential for increased numbers of asylum seekers who may also present as homeless. The situation will continue to be monitored, including through the monthly budget monitoring process.</p> <p>Original Risk Score – Impact – 4 Major Likelihood 4 Very Likely. This score was given based on the likelihood of further cuts to government funding; the uncertainty of continuing one year settlement on longer term financial stability; the potential negative impact of business rate funding reform or fairer funding review, whereby funding is likely to be redistributed to unitaries or counties with social care pressures; and the ongoing impact of the cost of living crisis and potential for a significant reduction in income from commercial property.</p> <p>Current Risk Score – Impact 4 Major Likelihood 3 Likely. Some mitigation in terms of the possibility of a three-year settlement from 2026/27 giving us more certainty over the short to medium term.</p> <p>Target Risk Score – Impact 3 Serious Likelihood 2 Unlikely. In recognition that there is understanding that savings will have to be made over the next three years and that we have a financial stability plan which is being implemented with effect from the 2025/26 MTFs, giving us time to manage the process.</p>		
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RCM linked action Code and Title	Status	RCM linked action Due date	RCM linked action Latest note	RCM linked Action Latest note date	RCM linked action AD
RCM 2024-25 Annual Fees & Charges Review		31-Mar-2025	Annual review of fees & charges as part of budget process	09-Jul-2024	Joanne Goodfellow
RCM 2024-25 Financial Stability Strategy &		31-Mar-2025	Financial Stability Strategy and budget process	18-Jul-2024	Joanne Goodfellow; Becky Smeathers

Productivity Plan			including planned savings review. To include ELT/BRG meetings to support members Productivity plan completed and emailed to MHCLG.		
RCM 2024-25 Improvements to procurement processes and contact management in line with new Public Contracts Regulations		31-Mar-2025	Procurement activity reported to CMT on a quarterly basis. Training scheduled for CMT & HOS on the new procurement act during qtr. 2 and qtr. 3.	09-Jul-2024	Joanne Goodfellow
RCM 2024-25 Monthly Budget Monitoring		31-Mar-2025	Monthly Financial Health check reports to CMT and quarterly to Corporate Scrutiny and Cabinet	09-Jul-2024	Joanne Goodfellow
RCM 2024-25 Proactive and targeted cost saving analysis and review of reserve funds		31-Mar-2025	Review of reserves and retained funds to be reported to Cabinet in December and release of unspent funds to be returned to balances.	09-Jul-2024	Joanne Goodfellow; Becky Smeathers
RCM 2024-25 Robust asset management strategy and plans in place		31-Mar-2025	Draft Asset Management Strategy with Asset Strategy Steering Group prior to formal adoption by Cabinet.	18-Jul-2024	Paul Weston
RCM 2024-25 Robust monitoring process for MTFS in place and Quarterly Healthcheck update to Members		31-Mar-2025	2024/25 Quarterly reporting to CMT, Corporate Scrutiny and Cabinet to include review of latest MTFS position.	09-Jul-2024	Joanne Goodfellow; Becky Smeathers



2 Governance 2024/25

Generated on: 11 September 2024

CR2024/25_2.1		To ensure the Council is fully compliant in all legislative requirements			
Categories Code & Description		Corporate Priority affected		Priority2: The Economy	
				Priority4: Living in Tamworth	
				Priority: Organisation	
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	4	Severity	2	Severity	1
Likelihood	3	Likelihood	2	Likelihood	2
Risk Score	12	Risk Score	4	Risk Score	2
Original Risk Date	09-Sep-2020	Date Reviewed	02-Sep-2024	Target Date	
Causes	<ul style="list-style-type: none"> * Failure of democratic process * Failure to understand or respond adequately to new or changing legislation or regulation * No horizon scanning /awareness of legislative changes * Out of date/unclear policies, procedures, and documentation *Lack of capacity to meet changing demands and priorities *Not enough capacity to plan ahead proactively due to reactive nature of business activity *Decisions made by Members could impact current planned work *Insufficient direction for strategic priorities – may not be fit for purpose which leads to lack of clarity with planning *Inadequate training 		Consequences	<ul style="list-style-type: none"> * Prosecution of individuals * Loss of reputation * Adverse impact on Tamworth residents * Authority taken over by Government appointed officers * Increase in costs, Legal and settlement as well as potential rectification of non-compliance * Potential harm to vulnerable persons, employees, and commercial relationships * Legal action * Financial penalties * Reputational damage * Difficulties quantifying what success of objectives/priorities will look like * Impede work that is underway or already planned 	

	<ul style="list-style-type: none"> *Poor communication *Insufficient resources (budget constraints/understaffing/inadequate technology) *Ineffective leadership *Lack of accountability *Weak risk management *Organisational culture is resistant to change 		<ul style="list-style-type: none"> * Additional effort if required to manage workloads from already stretched services *Unable to effectively priorities objectives and workloads *Potential to mis-align resources *Breach of statutory duties *Disruption of services *Media scrutiny *Employee morale decline *Government intervention
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Latest Risk Note	<p>**The updated assessment of this current risk profile remains as is.</p> <p>This assessment is made on the basis of the council was not to be compliant with regards to legislative requirements it could assessed as 'significant' (see 'consequences'). However, due to the amount of governance arrangements, procedures, resources, training, access to legal expertise, audits, budgetary controls, document management processes, Whistle Blowing policy, regular communications, and a proactive compliance culture, significantly mitigate the likelihood of this happening and therefore, is assessed as 'unlikely'.</p>	02 Sep 2024	Anica Goodwin
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RCM linked action Code and Title	Status	RCM linked action Due date	RCM linked action Latest note	RCM linked Action Latest note date	RCM linked action AD
RCM 2024-25 Audit and Scrutiny Committees		31-Mar-2025	<p>Regular meetings in place, training plan for Audit Committee members being developed.</p> <p>Some training provided and another session planned in August 2024.</p>	18-Jul-2024	Joanne Goodfellow
RCM 2024-25 Policies and Procedures		31-Mar-2025	<p>Ensure legal compliance though proactive horizon scanning.</p>	02-Sep-2024	Zoe Wolicki

			New legislation, worker protection amendment to the equality act 2010 act 2023		
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3 Promoting Community Resilience and Cohesive Communities 2024/25






Generated on: 11 September 2024


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CR2024/25_3.1		Failure to understand Borough issues that may lead to community cohesion challenges and community resilience issues affecting Tamworth ‘the place’			
Categories Code & Description		Corporate Priority affected		Priority1: The Environment	
				Priority4: Living in Tamworth	
				Priority5: Town Centre	
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	3	Severity	2	Severity	2
Likelihood	3	Likelihood	2	Likelihood	1
Risk Score	9	Risk Score	4	Risk Score	2
Original Risk Date	09-Sep-2021	Date Reviewed	23-May-2024	Target Date	
Causes	<ul style="list-style-type: none"> * Lack of strong local leadership (political, community etc) * Failure to provide or signpost support for the most vulnerable in our communities * Lack of communication activity/strategy to engage with local communities * Lack of partnership working and initiatives * Failure to understand local issues * Lack of sustainable approach to community engagement and development which is inclusive and embraces diversity * Poor educational outcomes and job opportunities Failure to engage with other statutory agencies 		Consequences	<ul style="list-style-type: none"> * May be unable to support the vulnerable leading to wider demands on public services * Wider health and employment inequality * Rise in crime or perception of crime * Increased levels of community tensions * Rise in environmental crime? * Lack of civic pride Lack of aspiration 	

Latest Risk Note	<p>Strong community safety partnership working.</p> <p>Looking to reconvene the Tamworth Strategic Partnership (TSP). TSP planned for 10th September, with a range of key theme working groups to feed into a TSP board structure.</p> <p>Proactive approach to migration</p> <p>Widened engagement across the Health & Wellbeing Partnership to support addressing the wider determinants of health.</p> <p>Risk score generated through assessing the causes and consequences as identified above and current status assessed in Q1 April-July 2024. Feedback from local partners is positive towards the partnership approach for supporting community cohesion, with further proactive work planned in Q2 for the reestablishment of the Tamworth Strategic Partnership.</p>	10 Sep 2024	Emma Dyer
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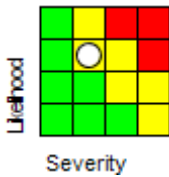
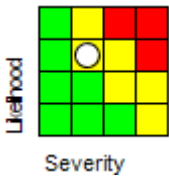
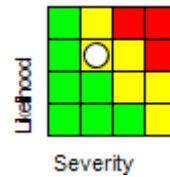
RCM linked action Code and Title	Status	RCM linked action Due date	RCM linked action Latest note	RCM linked Action Latest note date	RCM linked action AD
RCM 2024-25 Comments, Compliments and Complaints		31-Mar-2025	Approval of updated policy and annual report by cabinet on 29 August 2024 Submission to Housing Ombudsman made by deadline of 5 September.	02-Sep-2024	Zoe Wolicki
RCM 2024-25 Commissioning of debt/advice services		31-Mar-2025	To be reviewed and renewed from April 2025	18-Jul-2024	Joanne Sands
RCM 2024-25 Quality open spaces		31-Mar-2025	Ongoing work through Operational Services and partners such as Staffordshire Wildlife Trust	18-Jul-2024	Hannah Peate

			to maintain / enhance the array of green spaces in the borough.		
RCM 2024-25 Strong Community Safety Partnership in place		31-Mar-2025	Partnership in place. CSP plan in place 2023-2026 and Community Safety Strategic Assessment refreshed annually with report to IS&G scrutiny committee	18-Jul-2024	Joanne Sands
RCM 2024-25 Strong partnership working with Staffordshire County Council around strategic issues affecting Tamworth communities.		31-Mar-2025	Links to all relevant community safety groups, priority working areas including Directors Health Inequalities group.	18-Jul-2024	Joanne Sands
RCM 2024-25 Support for the Voluntary Sector		31-Mar-2025	Voluntary sector pledge signed 2021. Community and councillor grants schemes in place administered by Staffordshire community foundation.	18-Jul-2024	Joanne Sands
RCM 2024-25 Use of insight		31-Mar-2025	Model and systems for data collection and analysis to be developed. System for learning from complaints to be developed improved data analysis around complaints.	18-Jul-2024	Zoe Wolicki
RCM 2024-25 Wellbeing Strategy		31-Mar-2025	on hold pending the publication of the Strategic Outcomes Planning Model,	02-Jul-2024	Joanne Sands



			health inequalities strategy and JSNA		
RCM 2024-25 Wide range of arts, sporting, and community events		31-Mar-2025	<p>Outdoor Theatre, Summer Concerts and range of events being hosted through the Events Team, Castle Team and support provided to external event hirers too, with significant planning for these in Q1.</p> <p>New wellbeing opportunities being provided / planned to include walking football, activities for national wellbeing week. planning in progress to start rounders sessions with Rounders England and working in conjunction with Staffordshire County Council for summer bike ability delivery and promotion of Holiday Activity and Food initiatives.</p>	18-Jul-2024	Hannah Peate

4 Inability to meet social housing targets and deliver affordable housing 2024/25

Generated on: 11 September 2024

CR2024/25_4.1	Inability to meet social housing targets, deliver affordable housing and meet the requirements of the social housing regulations.				
Categories Code & Description		Corporate Priority affected	Priority4: Living in Tamworth		
			Priority: Organisation		
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	2	Severity	2	Severity	2
Likelihood	3	Likelihood	3	Likelihood	3
Risk Score	6	Risk Score	6	Risk Score	6
Original Risk Date	11-Sep-2024	Date Reviewed	11-Sep-2024	Target Date	
Causes	<ul style="list-style-type: none"> * Lack of land in Tamworth for development of new social housing. * Limited capacity within the HRA budget * Significant financial challenges to meeting the Social Housing Regulations * Lack of greenfield land for general market housing of which affordable homes provide a component * Delivering affordable homes on brownfield land is challenged by the viability of bringing these sites forwards 		Consequences	<ul style="list-style-type: none"> * Failure to meet social housing regulatory standards. * Reputational impact * Inability to meet housing targets 	

Latest Risk Note	Risk of earlier than anticipated inspection increased via Regulator Feedback.	23 Jul 2024	Pardeep Kataria
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RCM linked action Code and Title	Status	RCM linked action Due date	RCM linked action Latest note	RCM linked Action Latest note date	RCM linked action AD
RCM 2024-25 Comprehensive Project in place to address compliance with Social Housing Regulations		31-Mar-2025			Tina Mustafa
RCM 2024-25 HRA Capital Programme to increase supply of council housing		31-Mar-2025	Programme to make use of right to buy monies to increase supply of council housing.	11-Sep-2024	Paul Weston



5 Organisational Resilience 2024/25

Generated on: 11 September 2024

CR2024/25_5.1	Failure to provide services or maintain the continued wellbeing and operations within the Borough and be resilient to the unprecedented changes of the future. Lack of resources, capacity, and right skills in place to deliver corporate objectives				
Categories Code & Description		Corporate Priority affected		Priority2: The Economy	
				Priority4: Living in Tamworth	
				Priority: Organisation	
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	3	Severity	3	Severity	1
Likelihood	4	Likelihood	3	Likelihood	1
Risk Score	12	Risk Score	9	Risk Score	1
Original Risk Date	09-Sep-2020	Date Reviewed	30-Apr-2024	Target Date	
Causes	<ul style="list-style-type: none"> * Significant event outside of our control e.g. major disaster, pandemic etc. * Staff not aware of action to be taken in the event of an emergency/disaster * Lack of sufficient agile operational options * Lack of corporate overview to understand and effectively prioritise workloads, resource allocation and understand where cross-function collaboration stands. * National and local political interference may impede planning and priorities * Executive staff turnover may lead to experience/ knowledge loss 		Consequences	<ul style="list-style-type: none"> * Services not delivered * Reduced 'economic attractiveness.' * Loss of reputation * Potential to misalign resources * Governance does not provide the full picture * Negative public perception may damage Council's reputation * Difficulties retaining staff – they may look more external opportunities * Costs of turnover and retraining new starters * Potential for noncompliance with specific roles that require accreditation or specific skills 	

	<ul style="list-style-type: none"> *Inability to drive public engagement and manage increase in demand/ expectations *Lack of succession planning *Aging profile of organisation *Lack of incentive for young people to work for council *Competitive salary market impedes finding right candidates including not enough applicants for vacant roles *Increased workloads may not leave enough capacity to complete all in a timely manner *Lack of capacity to respond to changes regulations due to delays in releasing from the Gov and staff already stretched with current workloads. * Failure to have the organisational structure and a skilled and motivated workforce * Ineffective project management and governance * Ineffective performance management 		<ul style="list-style-type: none"> *Ability to respond to regulatory/ statutory changes may be inefficient *Working to prioritised work/ leader decisions * Unable to deliver organisational strategies * Increased turnover/absenteeism Service failure leading to ombudsman intervention and increased compensation claims. * Decreased staff engagement and satisfaction resulting in poor performance. Impact on health and wellbeing of existing staff
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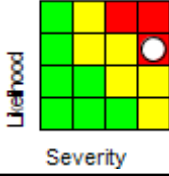
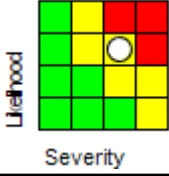
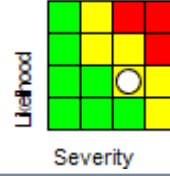
Latest Risk Note	Vacancies continue to be monitored. Where pressure points are identified these are being kept under review.	10 Jul 2024	Emma Dyer
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RCM linked action Code and Title	Status	RCM linked action Due date	RCM linked action Latest note	RCM linked Action Latest note date	RCM linked action AD
RCM 2024-25 Business Continuity Planning		31-Mar-2025	Initial plans have been drafted and work continues to develop through to final completed plan. Once completed testing will be needed.	18-Jul-2024	Paul Weston
RCM 2024-25 Delivery of People and Organisational Strategy		31-Mar-2025	Strategy and action plan to be refreshed 2024/25 aligned to the new corporate plan and to take into account learning from peer review.	18-Jul-2024	Zoe Wolicki



RCM 2024-25 Develop Project management skills for key staff		31-Mar-2025	Staff requiring training identified via PDR process. Training to be delivered by 31 March 2025	18-Jul-2024	Zoe Wolicki
RCM 2024-25 Effective employee relations		31-Mar-2025	AGM held. Further AGM to be reorganised. CE held staff meeting post riots 4 sept	02-Sep-2024	Anica Goodwin; Zoe Wolicki
RCM 2024-25 Emergency Planning		31-Mar-2025	CCU updated ELT on the 17 July 24 with the emergency planning improvement plan agreed new proposals around policy, training, and service development.	19-Jul-2024	Hamid Khan; Tina Mustafa
RCM 2024-25 Monitoring of staff turnover		31-Mar-2025	6 monthly updates to appointments and staffing committee on starters, leavers, transfers, secondments etc. Staffing turnover reported annually on pentana	02-Sep-2024	Anica Goodwin; Zoe Wolicki
RCM 2024-25 Training plan resourced		31-Mar-2025	Head of HR and OD met with AD's to prioritise for service areas	02-Sep-2024	Zoe Wolicki
RCM 2024-25 Workforce plan in place		31-Mar-2025	Work continues to be completed by 31 March 2025.	18-Jul-2024	Zoe Wolicki







6 Failure to meet climate change ambitions / meet net zero targets and plan for major weather impacts

Generated on: 11 September 2024

CR2024/25_6.1		Failure to meet climate change ambitions/ meet net zero targets and plan for major weather impacts			
Categories Code & Description		Corporate Priority affected	Priority1: The Environment Priority4: Living in Tamworth		
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	4	Severity	3	Severity	3
Likelihood	3	Likelihood	3	Likelihood	2
Risk Score	12	Risk Score	9	Risk Score	6
Original Risk Date	19-Aug-2023	Date Reviewed	30-Apr-2024	Target Date	
Causes	<ul style="list-style-type: none"> * Staff not aware of action to be taken in the event of an emergency/disaster * Global warming/climate change - severe weather impacts to the Borough * Failure to plan ahead financially for cost implications * Not having the specialist skills in place to develop adverse climate resistant infrastructure * Lack of trained staff to deal with emergencies and over reliance on 3rd parties. * Lack of funding/finance 		Consequences	<ul style="list-style-type: none"> * Life and property put in harm's way * Extreme weather conditions/impact on business's & communities * Failure to have a plan for recovery/ repairs/ public support * Impact on vulnerable people Unable to deliver services 	

Latest Risk Note	<p>In quarter 4 a new climate change officer started. Also, the Climate Change Action Plan was started with external consultants Aether.</p> <p>The Borough Council declared a climate change emergency recognising that it needs to respond to this global concern. The appointment of a climate change officer in February 2024 has accelerated work to understand what the Borough Council needs to do meet net zero targets and bad weather events. Following a baseline report in 2022 an action plan is being prepared and a climate change adaptation plan which will provide actions and a road map for the Borough Council to be able to deliver against this risk. Workshops have been held with Members to inform the work and both reports will be available at the end of the year.</p> <p>In parallel with these workstreams the climate change officer has established an officer working group to support the delivery of actions. The officer has also started to engage with the wider community. To support procurement processes climate change is one of three social values that will now feature in our procurement expectations.</p> <p>Given that we are starting to be a in position to understand the task at hand, resource is allocated to it in the form of a climate change officer and engagement is underway, this risk score 3 for severity and 3 for likelihood. Our understanding of what need to be achieved to be prepared for climate change is better than it was.</p>	11 Sep 2024	Emma Dyer
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RCM linked action Code and Title	Status	RCM linked action Due date	RCM linked action Latest note	RCM linked Action Latest note date	RCM linked action AD
RCM 2024-25 Deliver against the Nature Recovery Declaration		31-Mar-2025	Cross organisational work taking place to deliver on aspects of this work for the authority. With a paper being drafted for ISG Committee in August 2024, which will provide the updated position of this work to Members.	18-Jul-2024	Hannah Peate
RCM 2024-25 Delivery of a communications plan for climate change		31-Mar-2025	This work is underway and will be completed 24/25	09-Jul-2024	Anna Miller

RCM 2024-25 Delivery of Climate Adaptation Plan		31-Mar-2025	This work is underway and will be completed 24/25	09-Jul-2024	Anna Miller
RCM 2024-25 Delivery of Climate Change Action Plan		31-Mar-2025	This work is underway and will be completed 24/25	09-Jul-2024	Anna Miller
RCM 2024-25 Delivery of training and induction into climate change		31-Mar-2025	This work is underway and will be completed 24/25	09-Jul-2024	Anna Miller
RCM 2024-25 Development of infrastructure for acting on Climate Change		31-Mar-2025	Imminent delivery of EV charging hub at Riverdrive.	18-Jul-2024	Anna Miller
RCM 2024-25 Embed climate change into procurement processes		31-Mar-2025	Climate change forms one of the strands of social value that will be incorporated into procurement processes. This work is at a draft stage.	11-Aug-2024	Anna Miller
RCM 2024-25 Embed climate change into the Local Plan review		31-Mar-2025	Local Plan Review underway	09-Jul-2024	Anna Miller



7 Information and Data Management 2024/25

Generated on: 11 September 2024

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CR2024/25_7.1		Lack of insight from information and data systems could impede effective decision making and affect systems viability.			
Categories Code & Description		Corporate Priority affected	Priority2: The Economy		
			Priority: Organisation		
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	3	Severity	3	Severity	2
Likelihood	3	Likelihood	2	Likelihood	1
Risk Score	9	Risk Score	6	Risk Score	2
Original Risk Date	19-Aug-2023	Date Reviewed	02-Sep-2024	Target Date	
Causes	<ul style="list-style-type: none"> *Isolated systems may not support sharing information. *Lack of joined up systems *Non-user-friendly systems may inhibit competency/confidence *Unable to keep up with costs of updating systems *System obsolescence 		Consequences	<ul style="list-style-type: none"> *Inability to drive value of decision making from data *Missed or gaps in data could impede tracking progress of work and / or lead to inaccurate decisions being made *Not paying for updates to systems could result in vulnerabilities - potential for cyber-attacks. Not making use of data available to us *Reduced operational efficiency (leading to a lack of responsiveness, inability to forecast *Financial consequences (e.g. missed revenue opportunities) *Regulatory and compliance risks *Loss of stakeholder trust *Organisational stagnation (lack of innovation/missed opportunities) 	

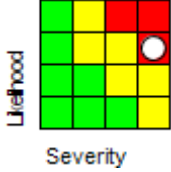
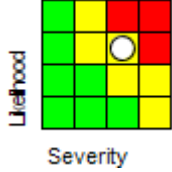
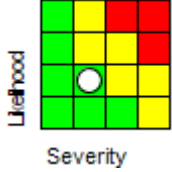
Latest Risk Note	This risk has been assessed as serious as the impact of this risk as TBC relies heavily on information and data systems to make decisions from pay to benefits to collection of revenue. However, the likelihood of this happening is assessed as unlikely due to the number of ICT and data management processes and procedures in places as well as a high level of controls (information, document management and budgetary)	02 Sep 2024	Anica Goodwin
-------------------------	---	-------------	---------------

RCM linked action Code and Title	Status	RCM linked action Due date	RCM linked action Latest note	RCM linked Action Latest note date	RCM linked action AD
RCM 2024-25 Cyber Security		31-Mar-2025	<p>ICT monitor cyber security measures, latest threats, perform regular vulnerability scans and remediation activities and are signed up to the NCSC Active Cyber Defence programme.</p> <p>Regular information to staff via newsletters and Infozone updates.</p> <p>Cyber e-learning mandatory training for all staff.</p>	23-Jul-2024	Zoe Wolicki
RCM 2024-25 Data Protection		31-Mar-2025	Policies and procedures for DP on Astute and available as hard copies.	18-Jul-2024	Zoe Wolicki

8 Inability to deliver economic growth, sustainability, and prosperity in the Borough 2024/25





Generated on: 11 September 2024

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CR2024/25_8.1		Lack of economic growth, sustainability, and prosperity in the Borough at the levels required			
Categories Code & Description		Corporate Priority affected		Priority2: The Economy	
				Priority1: The Environment	
				Priority3: Infrastructure	
				Priority4: Living in Tamworth	
				Priority5: Town Centre	
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	4	Severity	3	Severity	2
Likelihood	3	Likelihood	3	Likelihood	2
Risk Score	12	Risk Score	9	Risk Score	4
Original Risk Date	21-Aug-2023	Date Reviewed	30-Apr-2024	Target Date	
Causes	<ul style="list-style-type: none"> * Lack of investment in the Borough * General downturn in the economy due to factors beyond our control * Failure to recognise economic changes * The uncertainty and financial disruption from External Economic influences and current cost / inflationary pressures (and potential contractual cost increases * Changes in Job market * Inadequate business continuity plans * Lack of economic development strategy 		Consequences	<ul style="list-style-type: none"> * Economic prosperity declines * Deprivation * Reduced Business Rates income * Tamworth not seen as a positive place to live or invest in * Lack of economic and commercial growth * Unable to recruit key/essential skills * Failure to deliver project outcomes * Failure to deliver corporate plan * Government intervention 	

	<ul style="list-style-type: none"> * Reliance on small number large income generators/operators/town centre facilities * Community cohesion and a negative perception of Tamworth as a place to do business 		<ul style="list-style-type: none"> * Increased customer dissatisfaction * Unrealised benefits * Negative public perception may damage Council's reputation
--	---	--	---

<p>Latest Risk Note</p>	<p>FHSF construction work gathering pace. Decisions taken to support FHSF project to enable completion. Decisions taken around a road map for Local Plan production.</p> <p>Many of the factors that can cause economic uncertainty lies outside the control of Tamworth Borough Council. That said, a number of significant interventions are underway to bring about substantial change in Tamworth that will act as a catalyst and underpin future prosperity. A total of £40m of investment in the FHSF and new South Staffordshire College will transform the town centre. Increased footfall and a new demographic using the town centre will generate business opportunities. The St Editha's Sq. transformation is designed to pull people into the heart of the town where activities will take place including the market and events run either by the Borough Council or external providers. The relationship of the Castle with the town centre businesses will be improved along with the public realm to make the space inviting and accessible. Heritage refurbishments will provide new rental units for businesses and entrepreneurial opportunities.</p> <p>Other regeneration opportunities exist within the town and Tamworth Borough Council are assembling land and meeting with potential developers to discuss opportunities.</p> <p>In relation to the wider Tamworth Borough the Council are bringing forwards development at Solway Close and a new Local Centre in Amington. The Council Asset Management Strategy has the potential to identify further regeneration opportunities within the town's estates. The Local Plan which seeks to manage change over a 20-year timeframe, it being reviewed. This document will align with the Corporate Plan and the Asset Management Strategy to ensure that priorities are met, and opportunities are identified.</p> <p>This risk scores 3 for severity and 3 for likelihood because there are many plans and programmes in place to mitigate the current economic climate.</p>	<p>11 Sep 2024</p>	<p>Emma Dyer</p>
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RCM linked action Code and Title	Status	RCM linked action Due date	RCM linked action Latest note	RCM linked Action Latest note date	RCM linked action AD
RCM 2024-25 3A - Local plan to improve infrastructure, evening economy and transport links		31-Mar-2025	Local plan preparation underway for draft plan.	18-Jul-2024	Anna Miller
RCM 2024-25 Delivery of Future High Streets Fund		31-Mar-2025	Peel Cafe is well advanced with Nationwide starting the fit out works. TEC 2 is progressing well with likely TBC occupation from early 2025. The Flex building has started following demolition with a likely TBC occupation Spring 2025. The remaining projects are close to contract close-out. Enabling works have been completed for the Market Street properties.	11-Aug-2024	Anna Miller
RCM 2024-25 Delivery of Gungate project (North and South)		31-Mar-2025	Acquisition of Gungate North likely by the end of 2024. Discussions have resumed with ATIK following a change of ownership. On Gungate South there has been developer interest in the site.	11-Aug-2024	Anna Miller
RCM 2024-25 Development of business initiatives to promote start up and growth		31-Mar-2025	The Borough Council has a business grant combined with UKSPF funding to deliver town centre	18-Jul-2024	Anna Miller

			<p>activities that increase footfall across the town and support the town centre economy.</p> <p>The FHSF is delivering a project called the FLEX which will be entrepreneurial space/pop up space that can be flexibly managed, creating conditions for new businesses to try and establish themselves in the town.</p>		
RCM 2024-25 Management of Assets - deliver Corporate Capital Strategy and Asset Management Strategy actions		31-Mar-2025	Draft strategy with Asset Strategy Steering Group awaiting approval before submission to Cabinet for formal adoption.	18-Jul-2024	Paul Weston

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Tamworth Borough Councils 2024/25 Risk Profile

Key to Corporate Risk Headings

- R1 Finance/Financial stability
- R2 Governance
- R3 Promoting community resilience and cohesive communities
- R4 Inability to meet social housing targets and deliver affordable housing
- R5 Organisational Resilience
- R6 Failure to meet climate change ambitions/ meet net zero targets and plan for major weather impacts
- R7 Information and Data Management
- R8 Inability to deliver economic growth, sustainability and prosperity in the Borough

Key to Likelihood & Impact Scoring

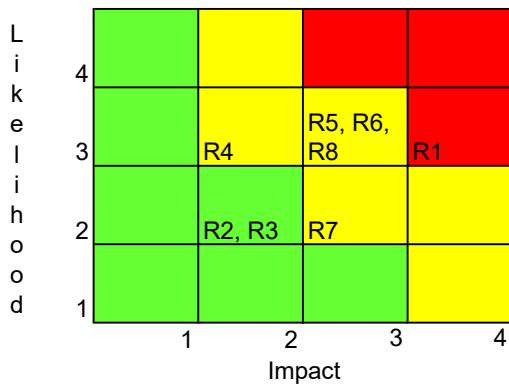
Likelihood Criteria

- 4 – Very likely
- 3 - Likely
- 2 - Unlikely
- 1 – Very unlikely

Impact Measure

- 4 - Major
- 3 - Serious
- 2 - Significant
- 1 - Minor

Quarter 1 Risk Summary



Risk profile

High risk	12.5%
Medium risk	37.5%
Medium/Low Risk	25.0%
Low Risk	25.0%

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Tamworth Borough Council

Elected Members Risk Management Training

Page 93

Harvin Kaur | Matthew Hardwick,

Trainee Risk Consultant | Senior

Risk Consultant

Zurich Resilience Solutions

Tamworth
Borough Council

ZURICH
Resilience Solutions



The Objectives

1. Understand the importance and relevance of Risk Management in achieving the Tamworth Borough Council's goals.

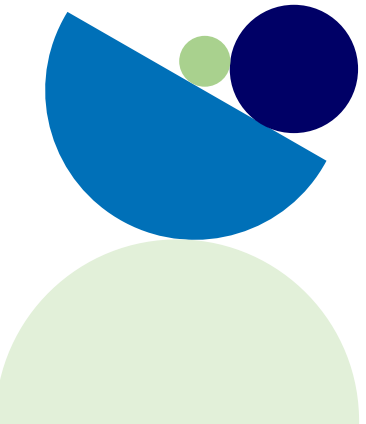
1.

2. Gain a high-level overview of Risk Management principles and the Risk Management Process at Tamworth Borough Council

2.

3. Improve your confidence as an Elected Member to check and challenge risks presented by the Council

3.





What does Risk Management mean to you?

Responsibilities for Elected Members

To ensure that risks are identified, assessed, managed and monitored effectively to safeguard Tamworth Borough Council's Strategic objectives and services. Primary responsibilities include:

Strategic oversight and leadership

Policy approval

reviewing the risk management policy and framework ensuring it aligns with overall strategic objectives.

Monitoring and Reporting

Performance Monitoring

Ensuring that risk management is a standing agenda item in relevant council and committee meetings, facilitating regular updates and discussions.

Scrutiny and Assurance

Reviewing Risk Registers

Regularly reviewing the corporate risk register to understand key risks facing the Council and measures in place to mitigate them.

Audit and Governance Committee

Overseeing risk management including reviewing the risk framework, receiving regular risk reports and updates.

Tamworth Borough Council exists to achieve its vision, aims and objectives

The purpose of Risk Management is to manage the barriers to achieving these objectives.

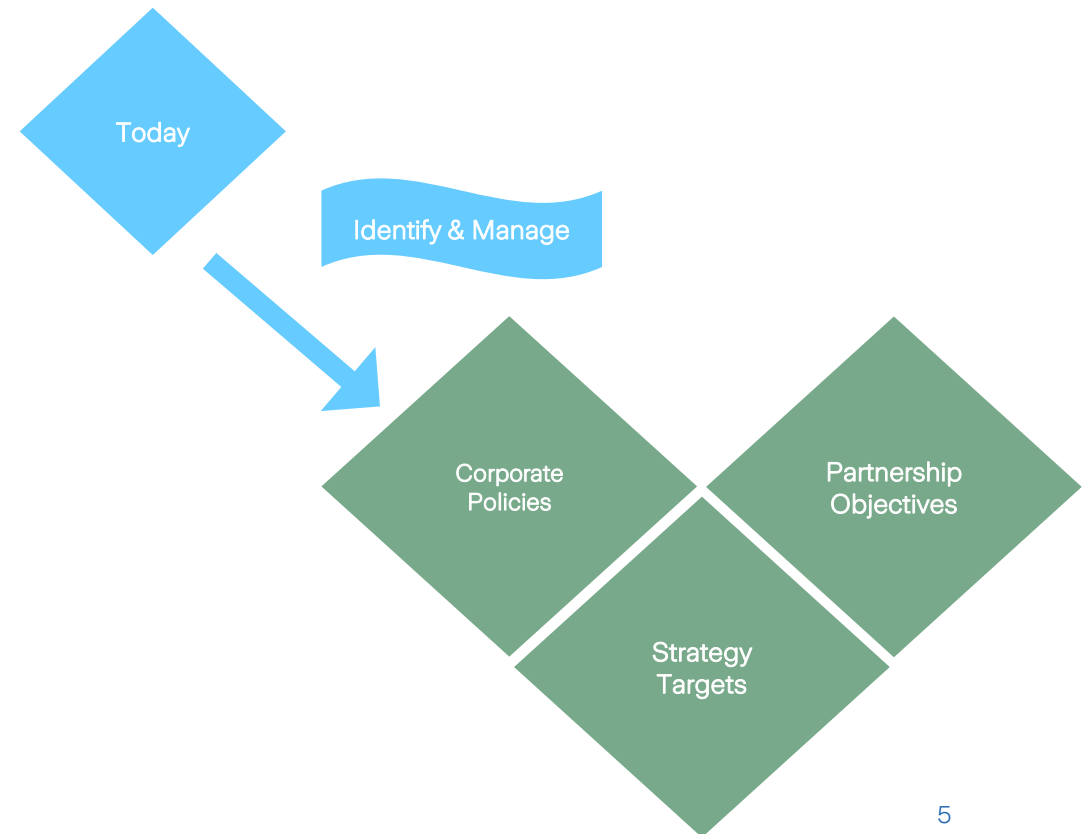
As unprecedented change continues, risk management has **NEVER** been more important.

01.

02.

03.

The Purpose of Risk Management





RISK

‘The effect of uncertainty on objectives, often described by an event or a change in circumstance’



RISK MANGEMENT

‘Coordinated activities to direct and control an organisation with regard to risk’



ENTERPRISE RISK MANAGEMENT

‘A holistic and integrated approach to risk management that considers all risk’



RISK

‘The effect of uncertainty on objectives, often described by an event or a change in circumstance’



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‘Coordinated activities to direct and control an organisation with regard to risk’



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ENTERPRISE RISK MANAGEMENT

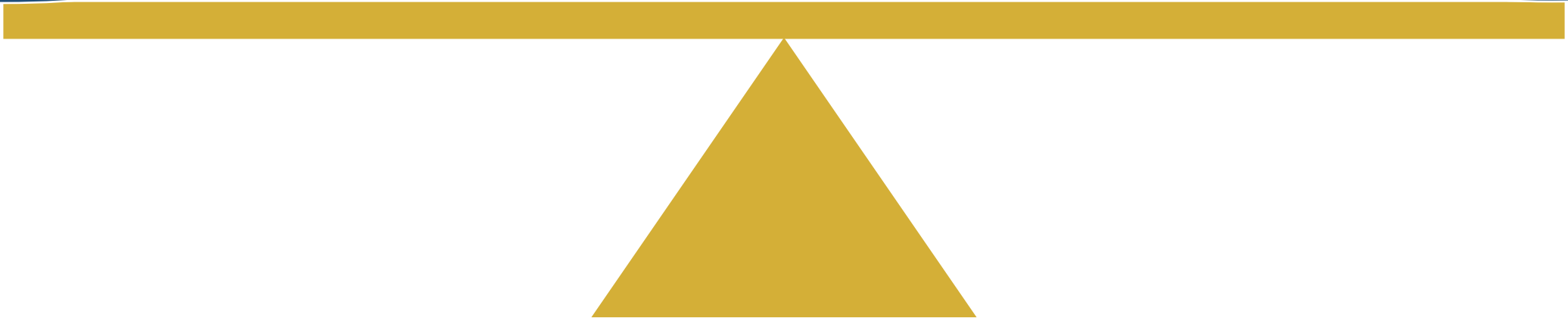
‘A holistic and integrated approach to risk management that considers all risk’

Benefits of Risk Management

Reactive



Proactive



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Benefits of Risk Management

Reactive



Proactive



Risks VS Issues



VS



Issue

An issue is an unplanned event that's already happened and requires action to manage it.

E.g.: Damp & Mould in Social Housing

Risk

A Risk is something uncertain. It might happen it also might not happen A risk matters because, if it happens, it will influence objectives.

E.g.: Finances, Budget Planning & Section 114's

Different Types of Risk

High level risks related specifically to the achievement of the organisation's corporate objectives.

Risks associated with future business plans and strategies, including plans for entering new business lines.

Strategic

Service based risks that may prevent individual business unit aims and objectives being met (and therefore impact attainment of corporate objectives)

Risks associated with inadequate or failed internal processes, people, systems or external events.

Service

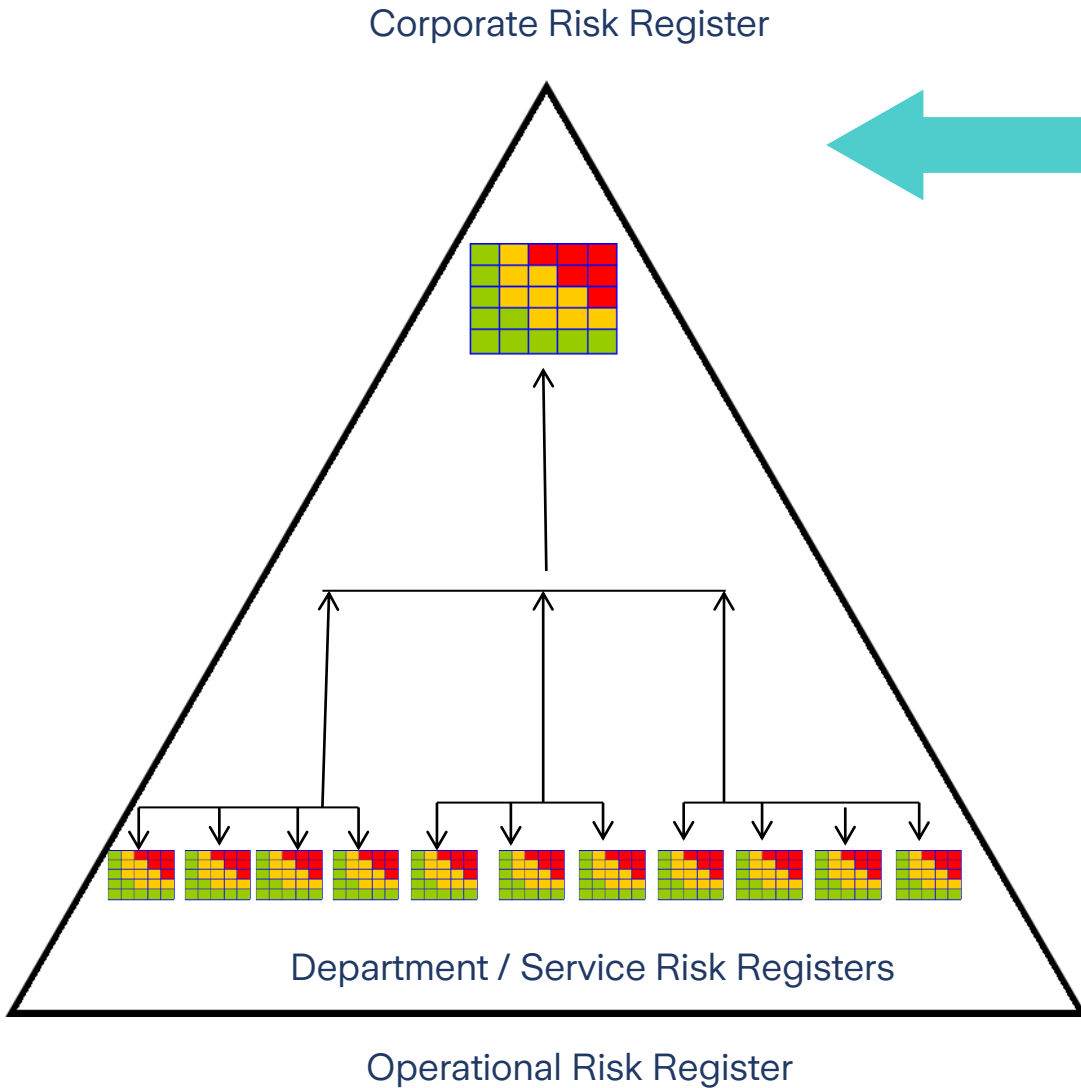
For a comprehensive strategic risk register we need to consider both types – if a service issues pose a big enough risk to the organisation, they have a place on the corporate risk register

Key Message

The Risk Management Structure

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Escalate if required

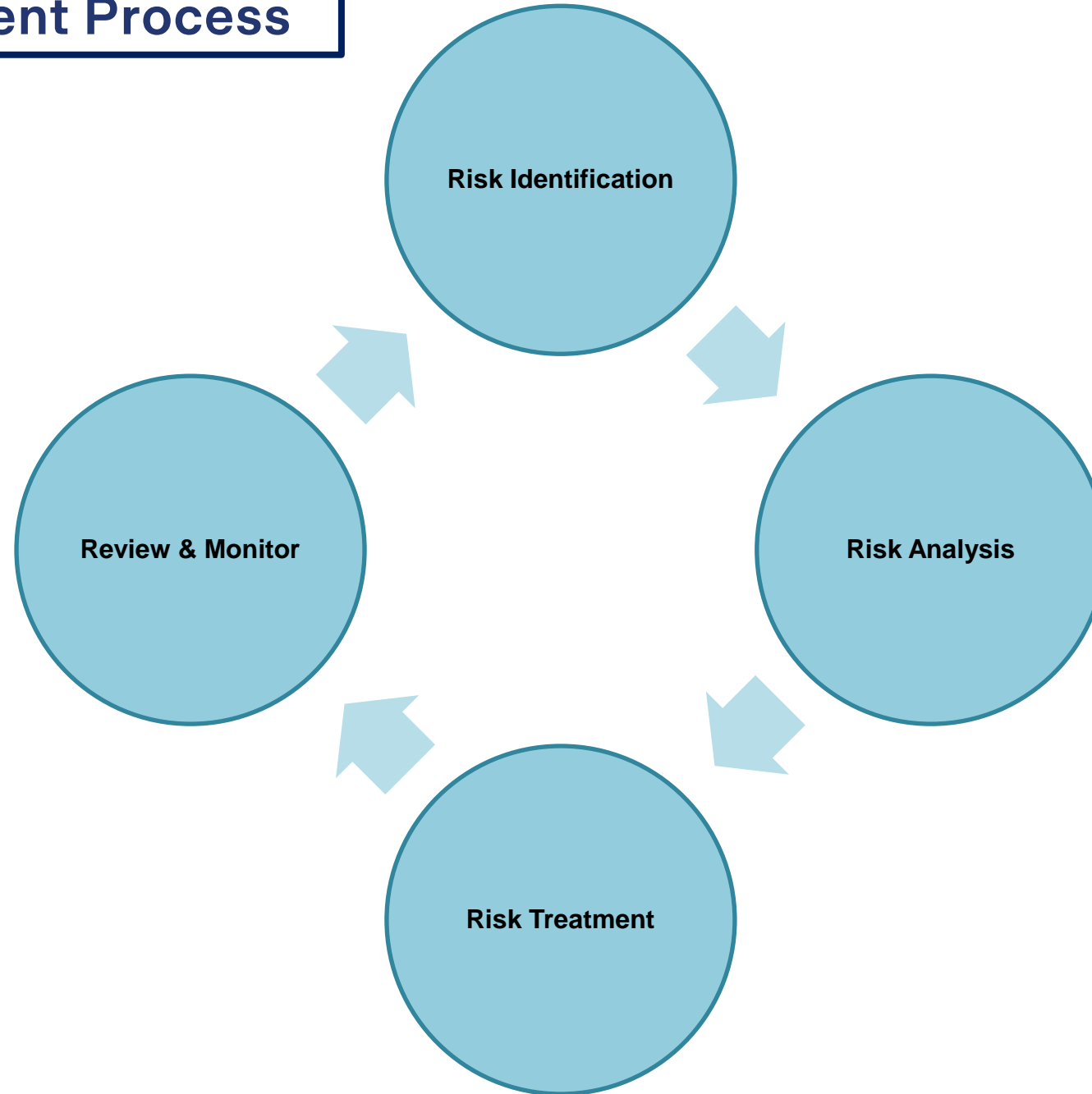
Management co-ordination



Members can influence:

- ✓ Strategic Direction
- ✓ Tone at the top
- ✓ Long term strategy
- ✓ Strategic decisions

Risk Management Process



Risk Identification

Risk Identification



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Risk Identification

What are the challenges and barriers which are going to stop us from achieving our end goal?

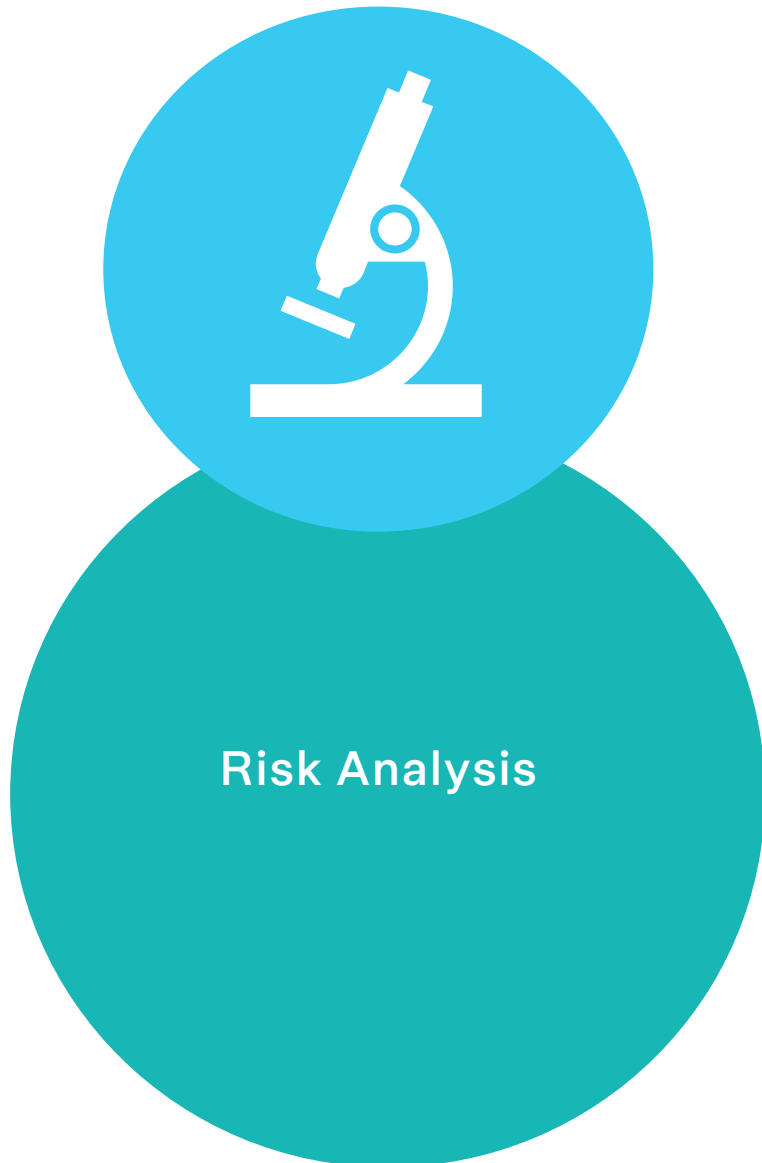
- Have all the risks been considered?
- What time frame has been used to assess future risk?
- Who has been involved in the risk identification stage?
- Are the risks issues or threats?





Risk Identification – Understanding the risk

Risk Register – Analyse		
Risk Description		Potential Effect
Cause	Event	Consequence
<p>Situation or event – exposes us to a risk/s</p> <p>How and Why?</p>	<p>Include the event that could or has occurred that results in a negative impact on the objectives being achieved</p> <p>What and Where?</p>	<p>The negative impact</p> <p>How big?</p> <p>How bad?</p> <p>How much?</p> <p>Consider worst likely scenario</p> <p>How big, How Bad?</p>



Risk Evaluation

What are the priority areas of focus?

- What is the likelihood and impact of the risk occurring?
- Are we comfortable with the risk score? Does it reflect the current risk?
- Who has been involved in the risk identification stage?



Risks are measured on two distinct scales which provide an overall score...

The **Likelihood** of frequency of the risk occurring; and



The **Severity** of that risk occurring

Scores are multiplied together to give a risk rating. We assess both the Inherent and Residual Risk Score.

Likelihood

4	8	12	16
3	6	9	12
2	4	6	8
1	2	3	4

Severity

Inherent Risk Score

The Risk as it was first identified

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In its true form without any controls or mitigations

Business as usual

Residual Risk Score

The risk after specific controls have been implemented

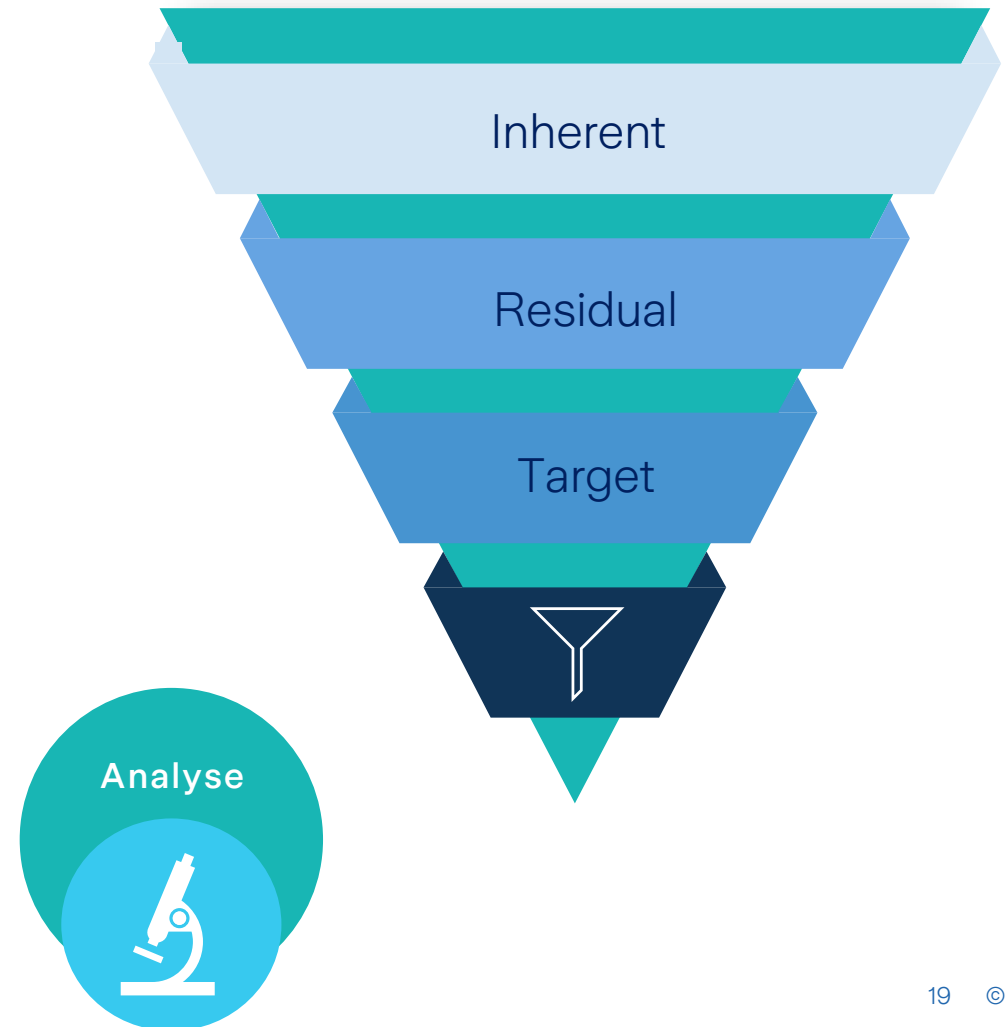
Risk should have a reduced impact and likelihood score

Target Risk Score

Aspirational target score within reasonable boundaries

As low as possible, aligned with Council's Risk Appetite

Risk Scoring





Members Checklist – Risk Analysis



The Risk Assessment is done to reflect a snapshot in time. The role of a member is to understand if that assessment is fair judgement and to understand if anything further is required to manage the risk more effectively.



The Risk Scores should correspond to the controls which are in place to manage the risk



The risk analysis should be a reflection of collective analysis not just one person's view



Measurements should and can change as progress is made towards managing the risk

Risk Treatment

Risk Treatment



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Risk Response

Is the method of managing the risk the right one?

- Can we accept the risk?
- Does the risk impact the strategic goals of the Council?
- Is the risk too big to manage individually?

Risk Controls – The 4 T's



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Treat the risk to reduce the likely impact and exposure. E.g. installing firewalls and encryptions to reduce the risk to an acceptable level.

Tolerate the risk and its likely impact, used for statutory services and low impact and low likelihood risks.



Transfer the risk to another party. Purchasing comprehensive car insurance to cover the financial risk associated with accidents.

Terminate the activity giving rise to the risk. Terminating a construction project if initial surveys deem it unsafe. Not widely applicable for statutory services.



Risk Review & Monitor

Review and Monitor



Risk Monitor

- Manage by exception
- Risk reporting not assurance reporting
- Are controls effective?
- What additional lens can you add onto the risk review and cycle



Key Questions to Consider

Have existing risks changed in any way?

Has the likelihood or impact score changed since the last review?

Have further actions, if they were needed, been implemented?

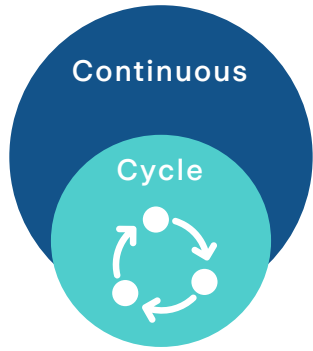
Are the controls in place to manage the risk effective and still working adequately? What assurance is available to support this judgement?

Are the controls in place appropriate to the level of risk?

Is the response overly cautious or is more attention needed?

Have all interested parties or stakeholders been consulted on the risk or communicated with in an appropriate way?

Are there any new or emerging risks not captured in the risk register?



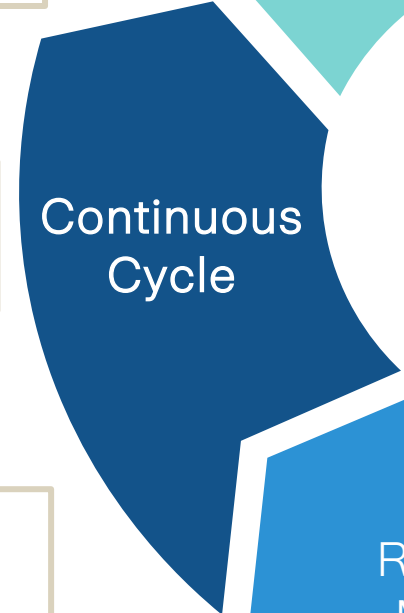
Continue the cycle and reap the benefits of **effective Risk Management**

Align resources to objectives



Informed and effective decision making

Better services and outcomes



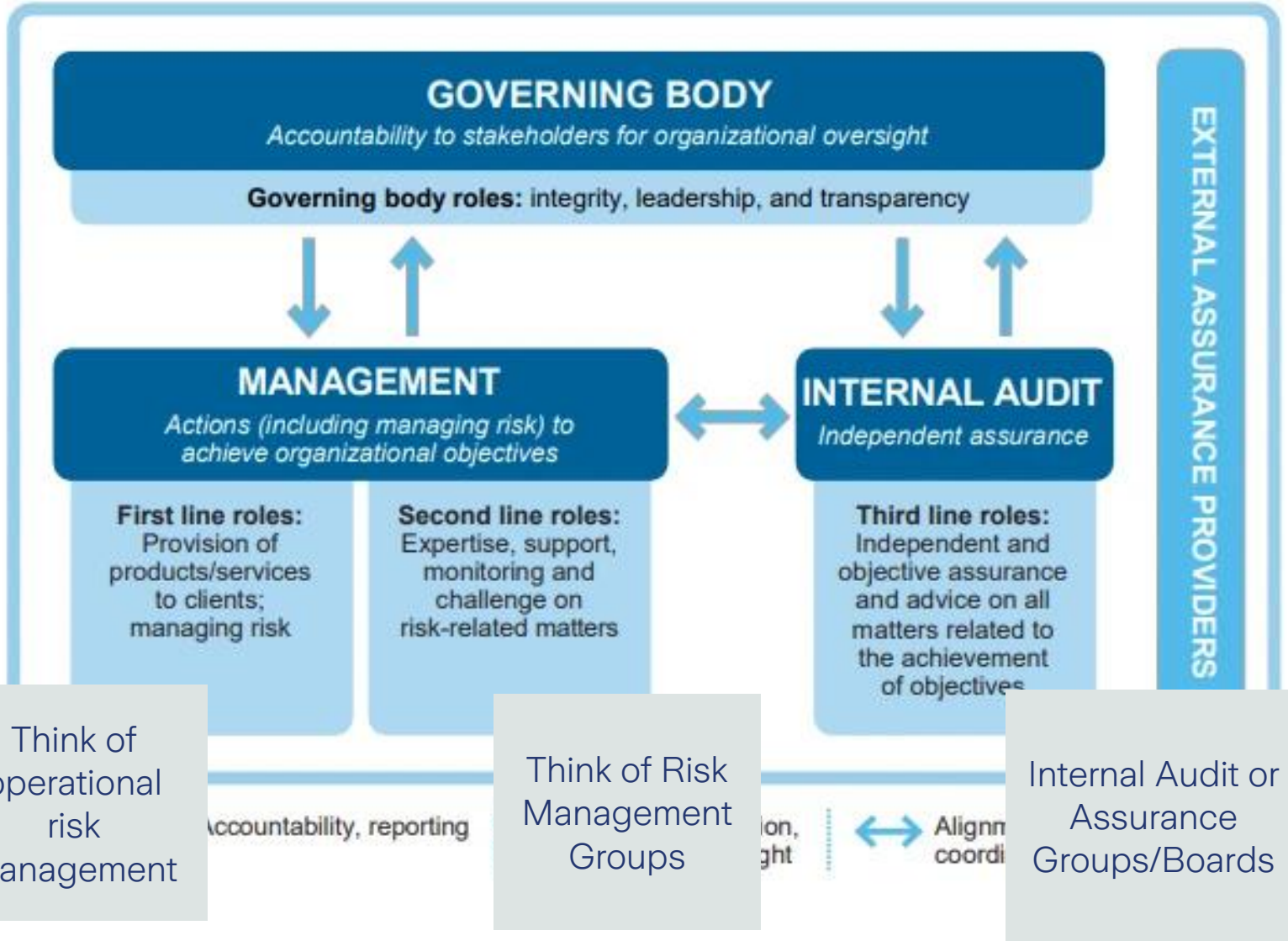
Build future resilience

Maximise on opportunities

Enhance your corporate performance

3 Lines of Defense Model

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! As members you need to understand each line of defense and how controls are working to reduce the risk, if you have effective controls across each line of defense, you can have reassurance that risk is being managed effectively.

Challenges to maintaining an effective framework


Avoid turning it into a complicated lengthy process

Focus on the right risks – strategic vs operational

Ensure there is alignment with strategy, business activities and decision-making processes

Risks should always be dynamic and changing – how can you as an elected member support this process?





What will you do differently or take away from this session?

Tamworth Borough Council

Thank you!

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Elected Members
Risk Management Training

Harvin Kaur | Matthew Hardwick

Harvin.Kaur@uk.Zurich.com

Matthew.Hardwick@uk.Zurich.com



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Community Impact Assessment

Part 1 – Details		
What Policy/ Procedure/ Strategy/Project/Service is being assessed?	2024/25 Qtr. 1 Corporate Risk Reporting to Audit & Governance.	
Date Conducted	16/09/2024	
Name of Lead Officer and Service Area	Jo Goodfellow, AD Finance	
Commissioning Team (if applicable)		
Director Responsible for project/service area	Becky Smeathers, ED Finance	
Who are the main stakeholders	Corporate Management Team (CMT) and Elected Members	
Describe what consultation has been undertaken. Who was involved and what was the outcome	Corporate Management Team have reviewed the Qtr.1 Corporate Risk Report and provided updates.	
Outline the wider research that has taken place (E.G. commissioners, partners, other providers etc)	N/A	
What are you assessing? Indicate with an 'x' which applies	A decision to review or change a service	<input type="checkbox"/>
	A Strategy/Policy/Procedure	X
	A function, service or project	<input type="checkbox"/>
What kind of assessment is it? Indicate with an 'x' which applies	New	<input type="checkbox"/>
	Existing	<input type="checkbox"/>
	Being reviewed	<input type="checkbox"/>
	Being reviewed as a result of budget constraints / End of Contract	<input type="checkbox"/>

Part 2 – Summary of Assessment

Give a summary of your proposal and set out the aims/ objectives/ purposes/ and outcomes of the area you are impact assessing.

To submit the Qtr. 1 Corporate Risk Report to the audit & governance committee for endorsement.

Who will be affected and how?

If risk is not managed effectively all stakeholders could be affected.

Are there any other functions, policies or services linked to this impact assessment?

Yes No

If you answered 'Yes', please indicate what they are?

Risk Management Strategy
All services/ functions are covered by this report

Part 3 – Impact on the Community

Thinking about each of the Areas below, does or could the Policy function, or service have a direct impact on them?

Impact Area	Yes	No	Reason (provide brief explanation)
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Gender Reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Marriage and Civil Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Pregnancy & Maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Sexual orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Sex	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Gypsy/Travelling Community	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report
Those with caring/dependent responsibilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No impact as a direct result of this report

Those having an offending past	<input type="checkbox"/>	X	No impact as a direct result of this report
Children	<input type="checkbox"/>	X	No impact as a direct result of this report
Vulnerable Adults	<input type="checkbox"/>	X	No impact as a direct result of this report
Families	<input type="checkbox"/>	X	No impact as a direct result of this report
Those who are homeless	<input type="checkbox"/>	X	No impact as a direct result of this report
Those on low income	<input type="checkbox"/>	X	No impact as a direct result of this report
Those with drug or alcohol problems	<input type="checkbox"/>	X	No impact as a direct result of this report
Those with mental health issues	<input type="checkbox"/>	X	No impact as a direct result of this report
Those with physical health issues	<input type="checkbox"/>	X	No impact as a direct result of this report
Social inclusion Please include refugees and asylum seekers,	<input type="checkbox"/>	X	No impact as a direct result of this report
Social inclusion: Armed Forces The Armed Forces Covenant is a pledge that together we acknowledge and understand that those who have served in the armed forces, and their families, should be treated with fairness and respect and any impact should be considered	<input type="checkbox"/>	X	No impact as a direct result of this report
Health and Wellbeing	<input type="checkbox"/>	X	No impact as a direct result of this report
Climate Change	<input type="checkbox"/>	X	No impact as a direct result of this report

Part 4 – Risk Assessment

From evidence given from previous question, please detail what measures or changes will be put in place to mitigate adverse implications. this includes climate change considerations

This is the section in which to please outline any actions to mitigate negative or enhance positive impacts in terms of economic, environmental or wider societal considerations, and actions to review and monitor the overall impact of the change accordingly.

Impact Area	Details of the Impact	Action to reduce risk
N/A		

Part 5 - Action Plan and Review

Detail in the plan below, actions that you have identified in your Community Impact Assessment, which will eliminate discrimination, advance equality of opportunity and/or foster good relations.

If you are unable to eliminate or reduce negative impact on any of the impact areas, you should explain why

Impact (positive or negative) identified	Action	Person(s) responsible	Target date	Required outcome
N/A	Outcomes and Actions entered onto Pentana			

Date of Review (If applicable)

Guidance and form updated July 2023 following CMT approval.

Wednesday, 25 September 2024

Report of the Assistant Director People

Local Government and Social Care Ombudsman Annual Review 2023/24

1. Exempt Information

None

2. Purpose

To advise the committee of the contents of the Local Government and Social Care Ombudsman's Annual Review letter for the year ended 31st March 2024 in relation to complaints against Tamworth Borough Council.

3. Recommendations

It is recommended that the committee endorse the contents of the 2023/24 Ombudsman Annual Review Letter, and the summary of complaints, decisions and compliance contained within it.

4. Executive Summary

4.1 Annual Letter

The Local Government and Social Care Ombudsman (LGSCO) produces an annual letter setting out statistics about complaints relating to Tamworth Borough Council that have been referred to them. This year's letter was published on 17th July and covers the period 1st April 2023 to 31st March 2024 a copy of which can be found at Appendix 1.

All decisions made by the ombudsman regarding complaints against Tamworth Borough Council can be found on the LGSCO website <https://www.lgo.org.uk/decisions>. This data can also be viewed via an interactive map of all councils' performance nationally which can be found on this link <https://www.lgo.org.uk/your-councils-performance>.

Section 4.2 of this report provides full detail of the complaints and enquiries received by the ombudsman in respect to Tamworth Borough Council along with the decisions made.

The ombudsman annual letter also reports on the number of complaints upheld as a percentage of the total detailed investigations. For this reporting period the ombudsman carried out no full investigations.

The ombudsman also reports on compliance with recommendations made by the ombudsman, however, as there were no investigations no recommendations were due for compliance in this period.

The final element reported by the ombudsman is the percentage of upheld cases where the council provides a satisfactory remedy before the complaint reached the ombudsman. In this reporting period as the ombudsman did not uphold any complaints there is no data on this element.

4.2 Complaints and enquiries received by the ombudsman in 2023/24

In the reporting year the Ombudsman received 6 enquiries and complaints about Tamworth Borough Council and made 6 decisions. Appendix 2 gives a detailed breakdown of this.

The complaints received by the Ombudsman were related to the following service areas:

- 2 complaints for Housing
- 2 complaints for Benefits/Council Tax
- 2 complaints for Corporate and other services

When a complaint is received an ombudsman assessor makes an initial judgement on the case and decides whether to progress it further. Within this reporting year the ombudsman closed 4 complaints before contact was made with the Council where they gave the complainant advice to contact the Council to resolve the issue locally, or that the complaint was incomplete/ invalid.

The ombudsman contacted the council with respect to the 2 remaining complaints to assess if a full investigation was necessary.

- Both cases were closed after initial enquiries, in one case because the ombudsman judged that the complaint was not warranted by the alleged fault. The second case was closed as the ombudsman deemed it was reasonable to take the claim to court.

4.3 Complaints investigated in detail

No complaints were investigated in detail during the reporting year.

4.4 Future Developments

The council remains committed to continuous improvement and to learning from complaints to improve service delivery and customer satisfaction. To support this the following actions are planned within the 2024/25 year:

- The Information Governance Team will continue to facilitate, monitor and improve the complaints process.
- Reporting on complaints performance will continue to be presented to scrutiny and cabinet in the quarterly performance report.
- Work toward implementation of the LGSCO complaint handling code which was published in 2024 and will be used when cases are considered from April 2026.
- The Link Officer will continue to attend focus groups and workshops with the LGSCO

5. Resource Implications

There are no resource implications arising from this report.

6. Legal/Risk Implications

Failure to manage complaints effectively not only reduces the opportunities to learn from the information they provide but could also have a negative impact on the council's reputation and increase costs via compensation payments. The comments, compliments and complaints policy updated to reflect the LGSCO and Housing Ombudsman complaint handling codes will help mitigate this risk.

7. Equalities Implications

A Community Impact Assessment can be found at appendix 3 .

8. Environment and Sustainability Implications (including climate change)

There are no environment or sustainability implications arising from this report.

9. Background Information

The Committee's role and function includes a requirement to monitor the effectiveness of Local Government and Social Care Ombudsman (LGSCO) investigations. As the operation of the LGSCO forms part of this regulatory framework the Committee is provided with the LGSCO annual review for consideration. The LGSCO distribute annual review letters to all councils regarding their performance in dealing with complaints made about them to the Ombudsman. The aim is to provide councils with information to help them improve complaint handling, and improve services more generally, for the benefit of the public. The letters also include a summary of statistics relating to the complaints received by the LGSCO and dealt with against each council.

The LGSCO has the power to investigate complaints by members of the public who consider that they have been caused injustice by maladministration or service failure in connection with action taken by the Council in the exercise of its administrative functions. Whilst the Ombudsman can investigate complaints about how the Council has done something, it cannot question what a Council has done simply because someone does not agree with it.

A complainant must give the council an opportunity to deal with a complaint against it first although in practice this is not always the route taken. The Ombudsman expects the council's own complaints procedure to be exhausted in the first instance, in this case the two stages of the Comments, Compliments and Complaints policy. If a complainant is not satisfied with the action the council takes, they can send a written complaint to the Local Government and Social Care Ombudsman. Complainants are informed on how to do so at the conclusion of the Comments, Compliments and Complaints stage two process.

The objective of the Ombudsman is to secure, where appropriate, satisfactory redress for complainants and better administration from authorities. Since 1989, the Ombudsman has had power to issue advice on good administrative practice in local government based on experience derived from their investigations.

The LGSCO provide each local authority with an annual review of the authority's performance in dealing with complaints against it which were referred to them, so that the authority can learn from its own performance compared to other authorities.

The LGSCO require every authority to have a Link Officer to whom all complaints are referred, at TBC this is Zoe Wolicki (Assistant Director People) with Nicola Hesketh (Data Protection Officer and Monitoring Officer) providing support.

Report Author

Zoe Wolicki – Assistant Director People

Appendices

Appendix 1 – Annual Review Letter

Appendix 2 – Complaints, Decisions and Compliance Data

Appendix 3 – Community Impact Assessment

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17 July 2024

By email

Mr Gabriel
Chief Executive
Tamworth Borough Council

Dear Mr Gabriel

Annual Review letter 2023-24

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2024. The information offers valuable insight about your organisation's approach to complaints, and I know you will consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to ensure effective ownership and oversight of complaint outcomes, which offer valuable opportunities to learn and improve. In addition, this year, we have encouraged Monitoring Officers to register to receive the letter directly, supporting their role to report the decisions we uphold to their council.

For most of the reporting year, Paul Najsarek steered the organisation during his tenure as interim Ombudsman, and I was delighted to take up the role of Ombudsman in February 2024. I look forward to working with you and colleagues across the local government sector to ensure we continue to harness the value of individual complaints and drive and promote systemic change and improvement across the local government landscape.

While I know this ambition will align with your own, I am aware of the difficult financial circumstances and service demands that make continuous improvement a challenging focus for the sector. However, we will continue to hold organisations to account through our investigations and recommend proportionate actions to remedy injustice. Despite the challenges, I have great confidence that you recognise the valuable contribution and insight complaints, and their swift resolution, offer to improve services for the public.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic. This year, we also provide the number of upheld complaints per 100,000 population.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and give credit to organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 24 July 2024. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

In February, following a period of consultation, we launched the [Complaint Handling Code](#) for councils, setting out a clear process for responding to complaints effectively and fairly. It is aligned with the Code issued to housing authorities and landlords by the Housing Ombudsman Service and we encourage you to adopt the Code without undue delay. Twenty councils have volunteered to take part in an implementation pilot over the next two years that will develop further guidance and best practice.

The Code is issued to councils under our powers to provide guidance about good administrative practice. We expect councils to carefully consider the Code when developing policies and procedures and will begin considering it as part of our processes from April 2026 at the earliest.

The Code is considered good practice for all organisations we investigate (except where there are statutory complaint handling processes in place), and we may decide to issue it as guidance to other organisations in future.

Our successful complaint handling training programme continues to develop with new modules in Adult Social Care and Children's Services complaint handling available soon. All our courses include practical interactive workshops that help participants develop their complaint handling skills. We delivered 126 online workshops during the year, reaching more than 1,700 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

Returning to the theme of continuous improvement, we recognise the importance of reflecting on our own performance. With that in mind I encourage you to share your view of our organisation via this survey: <https://www.smartsurvey.co.uk/s/ombudsman/>. Your responses will help us to assess our impact and improve our offer to you. We want to gather a range of views and welcome multiple responses from organisations, so please do share the link with relevant colleagues.

Yours sincerely,



Amerdeep Somal
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld

The Ombudsman carried out no investigations in this period

Compliance with Ombudsman recommendations

No recommendations were due for compliance in this period

Satisfactory remedies provided by the authority

The Ombudsman did not uphold any complaints in this period

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Reference	Authority	Category	Decided
22017803	Tamworth Borough Council	Housing	10/05/23
23002613	Tamworth Borough Council	Housing	30/05/23
23009438	Tamworth Borough Council	Corporate & Other Services	13/10/23
23009661	Tamworth Borough Council	Benefits & Tax	20/09/23
23015126	Tamworth Borough Council	Benefits & Tax	20/03/24
23018979	Tamworth Borough Council	Corporate & Other Services	28/02/24

Decision	Decision Reason
Closed after initial enquiries	26(6)(c) Court remedy
Incomplete/Invalid	Insufficient information to proceed and PA advised
Closed after initial enquiries	26(6)(c) Court remedy
Referred back for local resolution	Premature Decision - advice given
Closed after initial enquiries	Not warranted by alleged fault
Referred back for local resolution	Premature Decision - advice given

Remedy

Service improvement recommendations

Community Impact Assessment

Part 1 – Details		
What Policy/ Procedure/ Strategy/Project/Service is being assessed?	Local Government and Social Care Ombudsman Annual Review 2023/24 Report	
Date Conducted	9 September 2024	
Name of Lead Officer and Service Area	Zoe Wolicki, Assistant Director People	
Commissioning Team (if applicable)		
Director Responsible for project /service area	Anica Goodwin, Executive Director Organisation	
Who are the main stakeholders	Audit and Governance Committee	
Describe what consultation has been undertaken. Who was involved and what was the outcome	N/A	
Outline the wider research that has taken place (E.G. commissioners, partners, other providers etc)	N/A	
What are you assessing? Indicate with an 'x' which applies	A decision to review or change a service	<input type="checkbox"/>
	A Strategy/Policy/Procedure	<input checked="" type="checkbox"/>
	A function, service or project	<input type="checkbox"/>
What kind of assessment is it? Indicate with an 'x' which applies	New	<input checked="" type="checkbox"/>
	Existing	<input type="checkbox"/>
	Being reviewed	<input type="checkbox"/>
	Being reviewed as a result of budget constraints / End of Contract	<input type="checkbox"/>

Part 2 – Summary of Assessment

Give a summary of your proposal and set out the aims/ objectives/ purposes/ and outcomes of the area you are impact assessing.

Report to advise committee of the contents of the Local Government and Social Care Ombudsman's Annual Review letter for the year ended 31st March 2024 in relation to complaints against Tamworth Borough Council.

Who will be affected and how?

The whole organisation is impacted by the report

Residents, businesses, visitors, voluntary sector and partner organisations

Are there any other functions, policies or services linked to this impact assessment?

Yes No

If you answered 'Yes', please indicate what they are?

All services/ functions are covered by this report

Part 3 – Impact on the Community

Thinking about each of the areas below, does or could the Policy function, or service have a direct impact on them?

Impact Area	Yes	No	Reason (provide brief explanation)
Age		<input checked="" type="checkbox"/>	Not a factor
Disability		<input checked="" type="checkbox"/>	Not a factor
Gender Reassignment		<input checked="" type="checkbox"/>	Not a factor
Marriage and Civil Partnership		<input checked="" type="checkbox"/>	Not a factor
Pregnancy & Maternity		<input checked="" type="checkbox"/>	Not a factor
Race		<input checked="" type="checkbox"/>	Not a factor
Religion or belief		<input checked="" type="checkbox"/>	Not a factor
Sexual orientation		<input checked="" type="checkbox"/>	Not a factor
Sex		<input checked="" type="checkbox"/>	Not a factor
Gypsy/Travelling Community		<input checked="" type="checkbox"/>	Not a factor
Those with caring/dependent responsibilities		<input checked="" type="checkbox"/>	Not a factor
Those having an offending past		<input checked="" type="checkbox"/>	Not a factor
Children		<input checked="" type="checkbox"/>	Not a factor
Vulnerable Adults		<input checked="" type="checkbox"/>	Not a factor

Families		X	Not a factor
Those who are homeless		X	Not a factor
Those on low income		X	Not a factor
Those with drug or alcohol problems		X	Not a factor
Those with mental health issues		X	Not a factor
Those with physical health issues		X	Not a factor
Social inclusion Please include refugees and asylum seekers,		X	Not a factor
Social inclusion: Armed Forces The Armed Forces Covenant is a pledge that together we acknowledge and understand that those who have served in the armed forces, and their families, should be treated with fairness and respect and any impact should be considered		X	Not a factor
Health and Wellbeing		X	Not a factor
Climate Change		X	Not a factor

Part 4 – Risk Assessment

From evidence given from previous question, please detail what measures or changes will be put in place to mitigate adverse implications. this includes climate change considerations

This is the section in which to please outline any actions to mitigate negative or enhance positive impacts in terms of economic, environmental or wider societal considerations, and actions to review and monitor the overall impact of the change accordingly.

Impact Area	Details of the Impact	Action to reduce risk

Part 5 - Action Plan and Review

Detail in the plan below, actions that you have identified in your Community Impact Assessment, which will eliminate discrimination, advance equality of opportunity and/or foster good relations.

If you are unable to eliminate or reduce negative impact on any of the impact areas, you should explain why

Impact (positive or negative) identified	Action	Person(s) responsible	Target date	Required outcome
n/a	Outcomes and Actions entered onto Pentana	Service Manager/ AD	31.3.2025	Strategic project impacts up to date on pentana

Date of Review (If applicable) : 9 September 2024

Guidance and form updated July 2023 following CMT approval.

Audit & Governance Committee

Wednesday 25 September 2024

Report of the Assistant Director Partnerships

Regulation of Investigatory Powers Act 2000 Annual Update

Purpose

The Council's Code of Practice for carrying out surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) specifies that annual reports will be taken to Audit & Governance Committee to demonstrate to elected members that the Council is complying with its own Code of Practice when using RIPA.

Recommendation

That Audit and Governance Committee endorse the RIPA monitoring report for 2023/24

Executive Summary

The Council has a number of statutory functions that involve officers investigating the conduct of others with a view to bringing legal action against them. The Council has also been given powers under the Regulation of Investigatory Powers Act 2000 (RIPA) which enable it to carry out Directed Surveillance in certain strict circumstances. RIPA provides a legal framework for the control and regulation of surveillance and information gathering techniques which public bodies such as Tamworth Borough Council have to comply with. These powers have been amended and changed in accordance with various pieces of legislation.

Following the review of the constitution in 2020, any policy updates are now approved by the Audit and Governance Committee where identified.

The annual review by the Senior Responsible Officer, the Assistant Director Partnerships, **has not identified any material changes currently**. The policy is attached at **Appendix 1**.

At the Audit and Governance Committee on 23 July 2020 it was further agreed that, in accordance with guidance, annual reports on the use of RIPA powers be submitted to Audit & Governance Committee for verbal update unless applications have been made during any Council year requiring separate report.

No Directed Surveillance has been carried out by the Council during 2023/24 and there have been no authorisations for the use of Covert Human Intelligence Sources.

It is not envisaged that there will be any appreciable change in the foreseeable future.

By adhering to Policy the Council ensure that the acquisition and disclosure of data is lawful, necessary and proportionate so that the Council will not be held to be in

breach of Article 8 (the right to respect for private family life, home and correspondence) of the European Convention on Human Rights.

The Investigatory Powers Commissioner's Office (IPCO) now conduct a 3 yearly written inspection which the council responded to in July 2023.

The Commissioner was satisfied that the response provided ongoing compliance with the RIPA 2000 Act and the Investigatory Powers Act 2016. The next inspection will be 2026.

Options Considered

Obligations arising under RIPA for the authority are statutory therefore there the only option is compliance.

Resource Implications

Support for the RIPA obligations and functions are met from existing budget and existing staff resources.

Legal/Statutory and Risk Implications

The recording of applications, authorisations, renewals and cancellations of investigations using covert surveillance techniques or involving the acquisition of communications data is covered by the Regulation of Investigatory Powers Act 2000.

The Regulation of Investigatory Powers Act was introduced to regulate existing surveillance and investigation in order to meet the requirements of Article 8 of the Human Rights Act. Article 8 states: Everyone has the right to his private and family life, home and correspondence. There shall be no interference by a public authority with the exercise of this right except such as in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the Country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

RIPA investigations can only be authorised by a local authority where it is investigating criminal offences which

- (1) attract a **maximum** custodial sentence of six months or more or
- (2) relate to the sale of alcohol or tobacco products to children.

There are no risk management or Health and Safety implications.

Equality Implications

Any requests for RIPA authorisation will have full impact assessments and collateral inclusion included for consideration. No authorisations have been requested, therefore there are no equality implications identified.

Sustainability Implications

The legislation requires the Authority to record and monitor all RIPA applications, keep the records up to date and report quarterly to a relevant Committee.

Background Information

The Protection of Freedoms Act 2012 requires that local authority authorisations under RIPA for Directed Surveillance or CHIS can only become effective on the granting of an order approving the authorisation by a Justice of the Peace. Further a local authority can now only have an authorisation under RIPA for the use of Directed Surveillance where the local authority is investigating criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco under the Licensing Act 2003 or the Children and Families Act 2014.

The RIPA Code of Practice produced by the Home Office in April 2010 and updated in January 2016 and again in August 2018 introduced the requirement to produce at a minimum annual reports to elected members to demonstrate that the Council is using its RIPA powers appropriately and complying with its own Code of Practice when carrying out covert surveillance. This requirement relates to the use of directed surveillance and covert human intelligence sources (CHIS).

Background papers

None

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**REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)
POLICY STATEMENT, STRATEGY & GUIDANCE NOTES**

Document Status: Final

Originator: J M Hackett

Updated: J Sands

Owner: Assistant Director Partnerships

Version: 01.01.16

Date: 01/09/2024

Approved by Audit & Governance Committee

Document Location

This document is held by Tamworth Borough Council, and the document owner is Joanne Sands, Assistant Director Partnerships.

Printed documents may be obsolete. An electronic copy will be available on Tamworth Borough Councils Intranet. Please check for current version before using.

Revision History

Revision Date	Version Control	Summary of changes
	1.01.01	Scheduled review
December 2008	1.01.02	Scheduled review
September 2010	1.01.03	Scheduled review
September 2011	1.01.04	Scheduled review
December 2012	1.01.05	Scheduled review
November 2014	1.01.06	Scheduled review
April 2015	1.01.07	Scheduled review
February 2016	1.01.08	Scheduled review
January 2017	1.01.09	Scheduled review
October 2017	1.01.10	OSC recommendation
October 2018	1.01.11	Scheduled review, ownership and juvenile CHIS authorisation period
April 2020	1.01.12	Scheduled review and addition of Social Media policy Update of Section L – Acquisition of Communications Data Audit Committee review
June 2021	1.01.13	Scheduled review
June 2022	1.01.14	Scheduled review
June 2023	1.01.15	Scheduled review
September 2024	1.01.16	Scheduled review

Approvals

Name	Title	Approved
Audit & Governance Committee	Committee Approval	Yes
CMT	Group Approval	Yes

Document Review Plans

This document is subject to a scheduled annual review by Audit and Governance Committee. Updates shall be made in accordance with business requirements and changes and will be with agreement with the document owner.

Distribution

The document will be available on the Intranet and the website.

TAMWORTH BOROUGH COUNCIL

POLICY & PROCEDURE

REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)



Joanne Sands
Assistant Director Partnerships
Tamworth Borough Council

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Section A Introduction

1. OBJECTIVE: SUSTAINABLE COMMUNITIES; SAFER AND STRONGER COMMUNITIES

Tamworth Borough Council is committed to improving the quality of life for the communities of Tamworth which includes benefiting from an attractive place to live, meeting the needs of local people and employers with opportunities for all to engage in community life. It also wishes to maintain its position as a low crime borough and a safe place to live, work and learn. Although most of the community comply with the law, it is necessary for Tamworth to carry out enforcement functions to take full action against those who flout the law. Tamworth Borough Council will carry out enforcement action in a fair, practical and consistent manner to help promote a thriving local economy.

2. HUMAN RIGHTS ACT 1998 – ARTICLE 8 – RIGHT TO RESPECT FOR PRIVATE & FAMILY LIFE, HOME AND CORRESPONDENCE

The Human Rights Act 1998 brought into UK domestic law much of the European Convention on Human Rights and Fundamental Freedoms 1950. Article 8 of the European Convention requires the Council to respect the private and family life of its citizens, their homes and their correspondence. Article 8 does, however, recognise that there may be circumstances in a democratic society where it is necessary for the state to interfere with this right.

3. USE OF COVERT SURVEILLANCE TECHNIQUES AND HUMAN INTELLIGENCE SOURCES

The Council has various functions which involve observing or investigating the conduct of others, for example, investigating anti-social behaviour, fly tipping, noise nuisance control, planning (contraventions), fraud, licensing and food safety legislation. In most cases, Council officers carry out these functions openly and in a way which does not interfere with a person's right to a private life. However, there are cases where it is necessary for officers to use covert surveillance techniques to undertake a specific investigation. The use of covert surveillance techniques is regulated by the Regulation of Investigatory Powers Act 2000 (RIPA), which seeks to ensure that the public interest and human rights of individuals are appropriately balanced. This document sets out the Council's policy and procedures on the use of covert surveillance techniques and the conduct and use of a Covert Human Intelligence Source. You should also refer to the two Codes of Practice published by the Government. These Codes are on the Home Office website and supplement the procedures in this document. The Codes are admissible as evidence in Criminal and Civil Proceedings. If a provision of these Codes appear relevant to any court or tribunal, it must be taken into account.

The Codes of Practice for both Covert Surveillance and Covert Human Intelligence Sources can be obtained by following the link below:

<https://www.gov.uk/government/publications/covert-surveillance-and-covert-human-intelligence-sources-codes-of-practice>

There are also two other guidance documents relating the procedural changes regarding the authorisation process requiring Justice of the Peace approval from the 1st November 2012. These have been issued by the Home Office to both Local Authorities and Magistrates.

<http://www.homeoffice.gov.uk/publications/counter-terrorism/ripa-forms/local-authority-ripa-guidance/>

4. ACQUISITION OF COMMUNICATIONS DATA

With effect from 27 May 2019 the acquisition of communications data held by telecommunications companies and internet service providers is regulated by the Investigatory Powers Act 2016 for national security services.

Advice is contained with the Bulk Communications Data Code of Practice (COP)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/715477/Bulk_Communications_Data_Code_of_Practice.pdf

Local Authorities can still obtain limited comms data, via the National Anti Fraud Network (NAFN), as set out in the Code of Practice below which will be followed if the Council ever consider such use.

[acquisition and disclosure of communications data code of practice \(publishing.service.gov.uk\)](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/715477/Bulk_Communications_Data_Code_of_Practice.pdf)

Section B

EFFECTIVE DATE OF OPERATION AND AUTHORISING OFFICER RESPONSIBILITIES

1. The Policy and Procedures in this document have been amended to reflect the latest Codes of Practice which are in force and the legislative amendments which require Justice of the Peace (JP) approval for all Local Authority RIPA applications and renewals, which came in effect on 1 November 2012, changes in website addresses and application forms, as well as to reflect recommendations arising out of inspection by the Investigatory Powers Commissioner's Offices, (the last inspection was carried out in July 2017) and their guidance documents. It is essential, therefore, that Authorising Officers, take personal responsibility for the effective and efficient observance of this document and the Investigatory Powers Commissioner's Office (IPCO) guidance documents. (The IPCO replaced the OSC on 1 September 2017)
2. It will be the responsibility of Authorising Officers to ensure that their relevant members of staff are suitably trained as 'Applicants'.
3. Authorising Officers will also ensure that staff who report to them follow this Policy and Procedures Document and do not undertake or carry out surveillance activity that meets the criteria as set out by RIPA without first obtaining the relevant authorisations in compliance with this document.
4. Authorising Officers must also pay particular attention to health and safety issues that may be raised by any proposed surveillance activity. Under no circumstances, should an Authorising Officer approve any RIPA form unless, and until they are satisfied that
 - the health and safety of Council employees/agents are suitably addressed
 - risks minimised so far as is possible, and
 - risks are proportionate to the surveillance being proposed.

If an Authorising Officer is in any doubt, prior guidance should be obtained from the Assistant Director Partnerships.

5. Authorising Officers must also ensure that, when sending copies of any Forms to the Assistant Director Partnerships (or any other relevant authority), that they are sent in **sealed** envelopes and marked '**Strictly Private & Confidential**'.
6. In Accordance with the Codes of Practice, the Senior Responsible Officer (SRO) who is the Assistant Director Partnerships is responsible for
 - the integrity of the process in place within the public authority to authorise directed and intrusive surveillance
 - compliance with Part II of the 2000 Act, and with this code;
 - engagement with the Commissioner and inspectors when they conduct their inspections, and
 - where necessary, overseeing the implementation of any post inspection action plans recommended or approved by a Commissioner.

The Assistant Director Partnerships is also the RIPA Co-ordinator. The key responsibilities of the RIPA Co-ordinator are set out in Section G of this document.

7. The Chief Executive in consultation with Corporate Management Team has power to appoint Authorising Officers for the purposes of RIPA. Authorising Officers will only be appointed on the Chief Operating Officer being satisfied that suitable training on RIPA has been undertaken.
8. The Assistant Director Partnerships will review the policy annually any updates and performance issues will be presented to the Audit and Governance Committee.
9. Annual reports on the use of RIPA will be considered by the Audit and Governance Committee.

Section C

GENERAL INFORMATION ON RIPA

1. The Human Rights Act 1998 requires the Council, and organisations working on its behalf, pursuant to Article 8 of the European Convention, to respect the private and family life of citizens, their homes and their correspondence.
2. The European Convention did not, however, make this an absolute right, but a qualified right. Accordingly, in certain circumstances, the Council may interfere in the citizen's right mentioned above, if such interference is:-
 - (a) **in accordance with the Law;**
 - (b) **necessary** in the circumstances of the particular case; **and**
 - (c) **proportionate** to what it seeks to achieve.
3. The Regulation of Investigatory Powers Act 2000 ('RIPA') provides a statutory mechanism (ie. 'in accordance with the law') for authorising **covert surveillance** and the use of a '**covert human intelligence source**' ('**CHIS**') – eg. undercover agents. It seeks to ensure that any interference with an individual's right under Article 8 of the European Convention is necessary and proportionate. In doing so, RIPA and this Policy and Procedure document seeks to ensure both the public interest and the human rights of individuals are suitably balanced.
4. Directly employed Council staff and external agencies working for the Council are covered by the Act for the time they are working for the Council. All external agencies must, therefore, comply with RIPA and the work carried out by agencies on the Council's behalf, must be properly authorised by one of the Council's designated Authorising Officers. They may also be inspected by the IPCO in respect of that particular operation. This should be pointed out during the instruction and contract stage. It is also important that the Authorising Officer is aware of the abilities of the operatives to ensure they are capable of undertaking the surveillance. Please refer to Section H and to the paragraph on "Authorising Officers."
5. If the correct procedures are not followed, evidence may be disallowed by the courts, a complaint of maladministration could be made to the Ombudsman and/or the Council could be ordered to pay compensation.

Section D

WHAT RIPA DOES AND DOES NOT DO

1. RIPA:

- requires prior authorisation of directed surveillance.
- prohibits the Council from carrying out intrusive surveillance.
- requires authorisation of the conduct and use of a CHIS.
- requires safeguards for the conduct and use of a CHIS.

2. RIPA does not:

- make lawful conduct which is otherwise unlawful.
- prejudice or affect any existing powers available to the Council to obtain information by any means not involving conduct that may be authorised under this Act. For example, the Council's current powers to obtain information from the DVLA or from the Land Registry as to the ownership of a property.

3. If the Authorising Officer or any Applicant is in any doubt, s/he should ask the Assistant Director Partnerships **BEFORE any directed surveillance and/or CHIS is authorised, renewed, cancelled or rejected.**

Section E

TYPES OF SURVEILLANCE

'Surveillance' includes:

- monitoring, observing and listening to persons, watching or following their movements, listening to their conversations and other such activities or communications. It may be conducted with or without the assistance of a surveillance device.
- recording anything mentioned above in the course of authorised surveillance.

Surveillance can be overt or covert.

Overt Surveillance

Most of the surveillance carried out by the Council will be done overtly – there will be nothing secretive, clandestine or hidden about it. They will be going about Council business openly. Similarly, surveillance will be overt if the subject has been told it will happen (e.g. where a noisemaker is warned (preferably in writing) that noise will be recorded).

Covert Surveillance

Covert Surveillance is carried out in a manner calculated to ensure that the person subject to the surveillance is unaware of it taking place. (Section 26(9)(a) of RIPA).

RIPA regulates two types of covert surveillance, (Directed Surveillance and Intrusive Surveillance) and the use of Covert Human Intelligence Sources (CHIS).

Directed Surveillance

Directed Surveillance is surveillance which:-

- is **covert**; and
- is **not intrusive surveillance** (see definition below – the Council cannot carry out any intrusive surveillance).
- is not carried out as an immediate response to events which would otherwise make seeking authorisation under the Act reasonable, eg. spotting something suspicious and continuing to observe it; and
- it is undertaken for the purpose of a **specific investigation** or operation in a manner **likely to obtain private information** about an individual (whether or not that person is specifically targeted for purposes of an investigation). (*Section 26(10) RIPA*).

Private Information in relation to a person includes any information relating to his private and family life, his home or his correspondence. The fact that covert surveillance occurs in a public place or on business premises does not mean that it cannot result in the obtaining of private information about a person. Prolonged surveillance targeted on a single person will undoubtedly result in the obtaining of private information about him/her and others with whom s/he comes into contact. Private information may include personal data such as names, addresses or telephone numbers. Where such information is acquired by means of covert surveillance of a person having a reasonable expectation of privacy, a directed surveillance authorisation is appropriate.

Similarly, although overt town centre CCTV cameras do not normally require authorisation, if the camera is tasked for a specific purpose, which involves prolonged surveillance on a particular person, authorisation will be required. The way a person runs his/her business may also reveal information about his or her private life and the private lives of others. Privacy considerations are likely to arise if several records are examined together to establish a pattern of behaviour.

For the avoidance of doubt, only those Officers appointed as ‘Authorising Officers’ for the purpose of RIPA can authorise ‘Directed Surveillance’ IF, AND ONLY IF, the RIPA authorisation procedures detailed in this Document, are followed.

Intrusive Surveillance

This is when it:-

- is covert;
- relates to residential premises and private vehicles, even if used on a temporary basis and
- involves the presence of a person in the premises or in the vehicle or is carried out by a surveillance device in the premises/vehicle. Surveillance equipment mounted outside the premises will not be intrusive, unless the device consistently provides information of the same quality and detail as might be expected if they were in the premises/vehicle.

This form of surveillance can be carried out only by police and other law enforcement agencies. Intrusive surveillance relates to the location of the surveillance, and not any consideration of the information that is likely to be obtained. Council officers cannot carry out intrusive surveillance.

“Proportionality”

This term contains three concepts:-

- the surveillance should not be excessive in relation to the gravity of the matter being investigated;
- the least intrusive method of surveillance should be chosen; and
- collateral intrusion involving invasion of third parties’ privacy and should, so far as possible, be minimised.

Proportionality involves balancing the intrusiveness of the activity on the subject and others who might be affected by it against the need for the activity in operational terms. The activity will not be proportionate if it is excessive in the circumstances of the case, or if the information which is sought could reasonably be obtained by other less intrusive means. All such activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair. The interference with the person's right should be no greater than that which is required to meet the aim and objectives.

The onus is on the Authorising Officer to ensure that the surveillance meets the tests of **necessity and proportionality**.

The codes provide guidance relating to proportionality which should be considered by both applicants and Authorising Officers :

- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

When considering the intrusion, it is important that the Authorising Officer is fully aware of the technical capabilities of any proposed equipment to be used, and that any images are managed in line with the Data Protection Act and Home Office Guidance. These issues have a direct bearing on determining proportionality.

Section F

Covert Human Intelligence Source (CHIS)

Staff will need to know when someone providing information may become a CHIS, and in these circumstances the Council is required to have procedures in place should this be necessary. However, if it appears that use of a CHIS may be required, Authorising Officers must seek advice from the Assistant Director Partnerships.

A CHIS could be an informant or an undercover officer carrying out covert enquiries on behalf of the council. However, the provisions of the 2000 Act are not intended to apply in circumstances where members of the public volunteer information to the Council as part of their normal civic duties, or to contact numbers set up to receive information such as the Fraud Hot Line. Members of the public acting in this way would not generally be regarded as sources.

Under section 26(8) of the 2000 Act a person is a source if:

- a) he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph (b) or (c);
- b) he covertly uses such a relationship to obtain information or to provide access to any information to another person; or
- c) he covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.

By virtue of section 26(9)(b) of the 2000 Act a purpose is covert, in relation to the establishment or maintenance of a personal or other relationship, if and only if, the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the purpose.

By virtue of section 26(9)(c) of the 2000 Act a relationship is used covertly, and information obtained as above is disclosed covertly, if and only if it is used or, as the case may be, disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question.

Conduct and Use of a Source

The **use of a source** involves inducing, asking or assisting a person to engage in the conduct of a source or to obtain information by means of the conduct of such a source.

The **conduct of a source** is any conduct falling within a), b), or c), mentioned above, or which is incidental to anything falling within those sections.

The **use of a source** is what the Authority does in connection with the source and the **conduct** is what a source does to fulfill whatever tasks are given to them or which is incidental to it. **The Use and Conduct require separate consideration before authorisation.**

When completing applications for the use of a CHIS, the applicant must state who the CHIS is, what they can do and for which purpose.

When determining whether a CHIS authorisation is required, consideration should be given to the covert relationship between the parties and the purposes mentioned in a, b, and c above.

Management of Sources

Within the provisions there has to be;

- (a) a person who has the day to day responsibility for dealing with the source and for the source's security and welfare (**Handler**)
- (b) at all times there will be another person who will have general oversight of the use made of the source (**Controller**)
- (c) at all times there will be a person who will have responsibility for maintaining a record of the use made of the source

The **Handler** will have day to day responsibility for:

- dealing with the source on behalf of the authority concerned;
- directing the day to day activities of the source;
- recording the information supplied by the source; and
- monitoring the source's security and welfare;

The **Controller** will be responsible for the general oversight of the use of the source.

Tasking

Tasking is the assignment given to the source by the Handler or Controller by asking him to obtain information, to provide access to information, or to otherwise act, incidentally, for the benefit of the relevant public authority. Authorisation for the use or conduct of a source is required prior to any tasking where such tasking requires the source to establish or maintain a personal or other relationship for a covert purpose.

In some instances, the tasking given to a person will not require the source to establish a personal or other relationship for a covert purpose. For example, a source may be tasked with finding out purely factual information about the layout of commercial premises. Alternatively, a Council Officer may be involved in the test purchase of items

which have been labelled misleadingly or are unfit for consumption. In such cases, it is for the Council to determine where, and in what circumstances, such activity may require authorisation.

Should a CHIS authority be required, all of the staff involved in the process should make themselves fully aware of all of the aspects relating to tasking contained within the CHIS codes of Practice

Management Responsibility

The Council will ensure that arrangements are in place for the proper oversight and management of sources including appointing a Handler and Controller for each source prior to a CHIS authorisation.

The Handler of the source will usually be of a rank or position below that of the Authorising Officer.

It is envisaged that the use of a CHIS will be infrequent. Should a CHIS application be necessary, the CHIS Codes of Practice should be consulted to ensure that the Council can meet its management responsibilities.

Security and Welfare

The Council has a responsibility for the safety and welfare of the source and for the consequences to others of any tasks given to the source. Before authorising the use or conduct of a source, the Authorising Officer should ensure that a risk assessment is carried out to determine the risk to the source of any tasking and the likely consequences should the role of the source become known. The ongoing security and welfare of the source, after the cancellation of the authorisation, should also be considered at the outset.

Record Management for CHIS

Proper records must be kept of the authorisation and use of a source. The particulars to be contained within the records are;

- a. the identity of the source;
- b. the identity, where known, used by the source;
- c. any relevant investigating authority other than the authority maintaining the records;
- d. the means by which the source is referred to within each relevant investigating authority;

- e. any other significant information connected with the security and welfare of the source;
- f. any confirmation made by a person granting or renewing an authorisation for the conduct or use of a source that the information in paragraph (d) has been considered and that any identified risks to the security and welfare of the source have where appropriate been properly explained to and understood by the source;
- g. the date when, and the circumstances in which the source was recruited;
- h. the identities of the persons who, in relation to the source, are discharging or have discharged the functions mentioned in section 29(5)(a) to (c) of the 2000 Act or in any order made by the Secretary of State under section 29(2)(c);
- i. the periods during which those persons have discharged those responsibilities;
- j. the tasks given to the source and the demands made of him in relation to his activities as a source;
- k. all contacts or communications between the source and a person acting on behalf of any relevant investigating authority;
- l. the information obtained by each relevant investigating authority by the conduct or use of the source;
- m. any dissemination by that authority of information obtained in that way; and
- n. in the case of a source who is not an undercover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating authority in respect of the source's activities for the benefit of that or any other relevant investigating authority.

Juvenile Sources

Special safeguards apply to the use or conduct of juvenile sources (i.e. those under the age of 18). On no occasion can a child under 16 years of age be authorised to give information against his or her parents or any person with parental responsibility for him or her. Only the Chief Executive, or in his absence, the Executive Director Organisation can authorise the use of a juvenile as a source.

Vulnerable Individuals

A Vulnerable Individual is a person who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself or herself, or unable to protect himself or herself against significant harm or exploitation.

A Vulnerable Individual will only be authorised to act as a source in the most exceptional of circumstances. Only the Chief Executive, or in his absence, the

Executive Director Organisation can authorise the use of a vulnerable individual as a source.

Test Purchases

Carrying out test purchases will not normally require the purchaser to establish a relationship with the supplier with the covert purpose of obtaining information and, therefore, the purchaser will not normally be a CHIS. For example, authorisation as a CHIS would not normally be required for test purchases carried out in the ordinary course of business (e.g. walking into a shop and purchasing a product over the counter).

By contrast, developing a relationship with a person in the shop, to obtain information about the seller's suppliers of an illegal product (e.g. illegally imported products) will require authorisation as a CHIS. Similarly, using mobile hidden recording devices or CCTV cameras to record what is going on in the shop will require authorisation as directed surveillance. A combined authorisation can be given for a CHIS and also directed surveillance. However it will be necessary to complete the relevant separate application forms.

Authorising Officers should consider the likelihood that the test purchase will lead to a relationship being formed with a person in the shop. If the particular circumstances of a particular test purchase are likely to involve the development of a relationship Authorising Officers must seek legal advice from the Assistant Director Partnerships.

If several shop premises are included on one application for Directed Surveillance, each premises will be required to be assessed by the Authorising Officer individually on their own merits.

Anti-Social Behaviour Activities (e.g. Noise, Violence, Race etc.)

As from 1 November 2012 there is no provision for a Local Authority to use RIPA to conduct covert activities for disorder such as anti-social behaviour, **unless** there are criminal offences involved which attract a maximum custodial sentence of six months.

Should it be necessary to conduct covert surveillance for disorder which does not meet the serious crime criteria of a custodial sentence of a maximum of six months, this surveillance would be classed as surveillance outside of RIPA, and would still have to meet the Human Rights Act provisions of Necessity and Proportionality

Persons who complain about anti-social behaviour, and are asked to keep a diary, will not normally be a CHIS, as they are not required to establish or maintain a relationship for a covert purpose. Recording the level of noise (eg. the decibel level) will not normally capture private information and, therefore, does not require authorisation.

Section G

Internet and Social Media Research and Investigations

Online open source research is widely regarded as the collection, evaluation and analysis of material from online sources available to the public, whether by payment or otherwise to use as intelligence and evidence.

The use of online open source internet and social media research techniques has become a productive method of obtaining information to assist Tamworth Borough Council with its regulatory and enforcement functions. It can also assist with other functions such as service delivery issues and debt recovery. However, the use of the internet and social media is constantly evolving and with it the risks, particularly regarding breaches of privacy under Article 8 Human Rights Act (HRA) and other operational risks.

Tamworth Borough Council is a Public Authority in law under the Human Rights Act 1998, and as such, the staff of the authority must always work within this legislation. This applies to research on the internet. Just because it may seem easier to carry out internet research does not mean that it should take place without justification.

Researching, recording, storing, and using open source information regarding a person or group of people must be both necessary and proportionate, and take account of the level of intrusion against any person.

The activity may also require authorisation and approval by a Magistrate under the Regulation of Investigatory Powers Act (RIPA) 2000. To ensure that any resultant interference with a person's Article 8 right to respect for their private and family life is lawful, the material must be retained and processed in accordance with the principles of the General Data Protection Regulations (GDPR).

The full Tamworth Borough Council Internet and Social Media Research and Investigations Policy is attached as **Appendix 3** (and available separately for relevant staff) and will be reviewed in conjunction with the full RIPA Policy.

If officers are in doubt as to whether or not directed surveillance can be used for the crime being investigated, advice can be obtained from the Assistant Director Partnerships.

Section H

THE ROLE OF THE RIPA CO-ORDINATOR

Key Responsibilities of the RIPA Co-ordinator

In this document the RIPA Co-ordinator is the Assistant Director Partnerships. The key responsibilities of the RIPA Co-ordinator are to:

- Retain all applications for authorisation (including those that have been refused), renewals and cancellations for a period of at least **three years** together with any supplementary documentation;
- Provide a unique reference number and maintain the central register of all applications for authorisations whether finally granted or refused (see section below);
- Create and maintain a spread sheet for the purpose of identifying and monitoring expiry dates and renewal dates although the responsibility for this is primarily that of the officer in charge and the Authorising Officer;
- Retain an oversight of the authorisation process
- Monitor types of activities being authorised to ensure consistency and quality throughout the Council;
- Ensure sections identify and fulfil training needs;
- Periodically review Council procedures to ensure that they are up to date;
- Assist Council employees to keep abreast of RIPA developments by organising training and raising RIPA awareness throughout the Council;
- Provide a link to the IPCO and disseminate information on changes on the law, good practice etc. Officers becoming aware of such information should, conversely, send it to the RIPA Co-ordinator for this purpose;
- Check that Authorising Officers carry out reviews and cancellations on a timely basis.

Central Record of Authorisations

A centrally retrievable record of all authorisations will be held by the RIPA Co-ordinator (Assistant Director Partnerships) which must be up-dated whenever an authorisation is granted, renewed or cancelled. These records will be retained for a period of **three years** from the ending of the authorisation and will contain the following information:

- The type of authorisation;
- The date the authorisation was given;

- The date approved by the Magistrate
- The name and title of the Authorising Officer;
- The unique reference number of the investigation (URN);
- The title of the investigation or operation, including a brief description and the names of the subjects, if known;
- Whether the investigation will obtain confidential information;
- Whether the authorisation was granted by an individual directly involved in the investigation;
- The dates the authorisation is reviewed and the name and title of the Authorising Officer;
- If the authorisation is renewed, when it was renewed and the name and title of the Authorising Officer;
- The date the authorisation was cancelled.
- Joint surveillance activity where Council staff have been authorised on another agencies authorisation will also be recorded.

Access to the data will be restricted to the RIPA Co-ordinator and Authorising Officers to maintain the confidentiality of the information.

Section I

AUTHORISATION PROCEDURES

1. Directed surveillance and the use of a CHIS can only be lawfully carried out if properly authorised, and in strict accordance with the terms of the authorisation.

Authorising Officers

Forms can only be signed by Authorising Officers. The Authorising Officers are:

Chief Executive	Andrew Barratt
Executive Director Organisation	Anica Goodwin

Appointment of the aforesaid officers is subject to the training requirements set out in the paragraph below.

Authorisations under RIPA are separate from delegated authority to act under the Council's Scheme of Delegation and any internal departmental Schemes of Management.

RIPA authorisations are for specific investigations only, and must be renewed or cancelled at the earliest opportunity once the specific surveillance is complete. **The authorisations do not lapse with time.**

Authorising officers should not normally be responsible for authorising operations in which they are directly involved, although it is recognised that this may sometimes be unavoidable, especially in the case of small organisations, or where it is necessary to act urgently or for security reasons. Where an authorising officer authorises such an investigation or operation the centrally retrievable record of authorisations should highlight this and the attention of a Commissioner or Inspector should be invited to it during the next inspection.

Training

Authorising Officers will only be appointed if the Chief Executive is satisfied that they have undertaken suitable training on RIPA. Evidence of suitable training is to be supplied in the form of a certificate/confirmation from the trainer to the effect that the Authorising Officer has completed a suitable course of instruction.

The Assistant Director Partnerships will maintain a Register of Authorising Officers and details of training undertaken by them.

If the Chief Executive is of the view that an Authorising Officer has not complied fully with the requirements of this document, or the training requirements then that Officer's authorisation can be withdrawn until they have undertaken further approved training or has attended a one-to-one meeting with the Chief Executive.

Grounds for Authorisation

On 1 November 2012 two significant changes came into force that effects how local authorities use RIPA.

- **Approval of Local Authority Authorisations under RIPA by a Justice of the Peace:** The amendments in the Protection of Freedoms Act 2012 mean that local authority authorisations under RIPA for the use of Directed Surveillance or use of Covert Human Intelligence sources (CHIS) can only be given effect once an order approving the authorisation has been granted by a Justice of the Peace (JP). **This applies to applications and renewals only, not reviews and cancellations.**
- **Directed surveillance crime threshold:** The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) (Amendment) Order 2012 ("the 2012 Order") states that a local authority can now only grant an authorisation under RIPA for the use of **Directed Surveillance** where the local authority is investigating (1) criminal offences which attract a maximum custodial sentence of six months or more or (2) criminal offences under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933 relating to the sale of alcohol or tobacco products to children.

The crime threshold, as mentioned is only for Directed Surveillance.

Therefore the only lawful reason is **prevention and detection of crime** in respect of its Core Functions. As from 1 November 2012 there is no provision for a Local Authority to use RIPA to conduct covert activities for disorder such as anti-social behaviour unless there are criminal offences involved which attract a maximum custodial sentence of six months.

APPLICATION PROCESS

No covert activity covered by RIPA or the use of a CHIS should be undertaken at any time unless it meets the legal criteria (see above) and has been authorised by an Authorising Officer and approved by a JP/Magistrate as mentioned above. The activity conducted must be in strict accordance with the terms of the authorisation.

The effect of the above legislation means that all applications and renewals for covert RIPA activity will have to have a JP's approval. It does not apply to Reviews and Cancellations which will still be carried out internally.

The procedure is as follows;

All applications and renewals for Directed Surveillance and use of a CHIS will be required to have a JP's approval.

The applicant will complete the relevant application form ensuring compliance with the statutory provisions shown above. The application form will be submitted to an Authorising Officer for consideration. If authorised, the applicant will also complete the required section of the judicial application/order form. Although this form requires the applicant to provide a brief summary of the circumstances of the case on the judicial

application form, this is supplementary to and does not replace the need to supply the original RIPA authorisation as well.

It will then be necessary within Office hours to arrange with Her Majesty's Courts & Tribunals Service (HMCTS) administration at the magistrates' court to arrange a hearing. The hearing will be in private and heard by a single JP.

The Authorising Officer will be expected to attend the hearing along with the applicant officer. Officers who may present the application at these proceedings will need to be formally designated by the Council under section 223 of the Local Government Act 1972 to appear, be sworn in and present evidence or provide information as required by the JP. If in doubt as to whether you are able to present the application seek advice from the Solicitor to the Council.

Upon attending the hearing, the officer must present to the JP the partially completed judicial application/order form, a copy of the RIPA application/authorisation form, together with any supporting documents setting out the case, and the original application/authorisation form.

The original RIPA application/authorisation should be shown to the JP but will be retained by the local authority so that it is available for inspection by the Commissioner's office and in the event of any legal challenge or investigations by the Investigatory Powers Tribunal (IPT).

The JP will read and consider the RIPA application/ authorisation and the judicial application/order form. They may have questions to clarify points or require additional reassurance on particular matters. These questions are supplementary to the content of the application form. **However the forms and supporting papers must by themselves make the case. It is not sufficient for the local authority to provide oral evidence where this is not reflected or supported in the papers provided.**

The JP will consider whether he or she is satisfied that at the time the authorisation was granted or renewed, there were reasonable grounds for believing that the authorisation was necessary and proportionate. They will also consider whether there continues to be reasonable grounds. In addition they must be satisfied that the person who granted the authorisation or gave the notice was an appropriate designated person within the local authority and the authorisation was made in accordance with any applicable legal restrictions, for example that the crime threshold for directed surveillance has been met.

The JP may decide to:

Approve the Grant or renewal of an authorisation

The grant or renewal of the RIPA authorisation will then take effect and the local authority may proceed to use the technique in that particular case. The duration of the authorisation commences with the magistrate's approval.

Refuse to approve the grant or renewal of an authorisation

The RIPA authorisation will not take effect and the local authority may **not** use the technique in that case.

Where an application has been refused the applicant may wish to consider the reasons for that refusal. If more information was required by the JP to determine whether the application/authorisation has met the tests, and this is the reason for refusal the officer should consider whether they can reapply, for example, if there was information to support the application which was available to the local authority, but not included in the papers provided at the hearing.

For, a technical error, the form may be remedied without going through the internal authorisation process again. The officer may then wish to reapply for judicial approval once those steps have been taken.

Refuse to approve the grant or renewal and quash the authorisation or notice

This applies where the JP refuses to approve the application/authorisation or renew the application/authorisation and decides to quash the original authorisation or notice. However the court must not exercise its power to quash the application/authorisation unless the applicant has had at least 2 business days from the date of the refusal in which to make representations. If this is the case the officer will inform the Legal section who will consider whether to make any representations.

Whatever the decision the JP will record their decision on the order section of the judicial application/order form. The court administration will retain a copy of the local authority RIPA application and authorisation form and the judicial application/order form. The officer will retain the original application/authorisation and a copy of the judicial application/order form.

If approved by the JP, the date of the approval becomes the commencement date and the three months duration will commence on this date, The officers are now allowed to undertake the activity.

The original application and the copy of the judicial application/order form should be forwarded to the Central Register and a copy retained by the applicant and if necessary by the Authorising Officer.

A local authority may only appeal a JP decision on a point of law by judicial review. If such a concern arises, the Legal team will decide what action if any should be taken.

If it is intended to undertake both directed surveillance and the use of a CHIS on the same surveillance subject, the respective applications forms and procedures should be followed and both activities should be considered separately on their own merits. An application for an authorisation must include an assessment of the risk of any collateral intrusion or interference. The Authorising Officer will take this into account, particularly when considering the proportionality of the directed surveillance or the use of a CHIS.

Application, Review, Renewal and Cancellation Forms

Applications

All the relevant sections on an application form must be completed with sufficient information for the Authorising Officer to consider Necessity, Proportionality and the Collateral Intrusion issues. Risk assessments should take place prior to the completion of the application form. Each application should be completed on its own merits of the case. **Cutting and pasting or using template entries should not take place as this would leave the process open to challenge.**

All applications will be submitted to the Authorising Officer via the Line Manager of the appropriate enforcement team in order that they are aware of the activities being undertaken by the staff. Applications whether authorised or refused will be issued with a unique number by the Authorising Officer, taken from the next available number in the Central Record of Authorisations.

If authorised the applicant will then complete the relevant section of the judicial application/order form and follow the procedure above by arranging and attending the Magistrates Court to seek a JP’s approval. The duration of the authorisation commences with the magistrate’s approval. (see procedure above RIPA application and authorisation process)

Duration of Applications

Directed Surveillance	3 Months
Renewal	3 Months
Covert Human Intelligence Source	12 Months
Juvenile Sources	4 Months
 Renewal	 12 months

All Authorisations must be cancelled by completing a cancellation form. They must not be left to simply expire. (See cancellations page 16)

Reviews

The reviews are dealt with internally by submitting the review form to the authorising officer. In such circumstances seek advice from the RIPA Co-ordinator. There is no requirement for a review form to be submitted to a JP. However if a different surveillance techniques is required it is likely a new application will have to be completed and approved by a JP.

Regular reviews of authorisations should be undertaken to assess the need for the surveillance to continue. The results of a review should be recorded on the central record of authorisations. Particular attention is drawn to the need to review

authorisations frequently where the surveillance provides access to confidential information or involves collateral intrusion.

In each case the Authorising Officer should determine how often a review should take place. This should be as frequently as is considered necessary and practicable and they will record when they are to take place on the application form. This decision will be based on the circumstances of each application. However reviews will be conducted on a monthly or less basis to ensure that the activity is managed. It will be important for the Authorising Officer to be aware of when reviews are required following an authorisation to ensure that the applicants submit the review form on time.

Applicants should submit a review form by the review date set by the Authorising Officer. They should also use a review form for changes in circumstances to the original application so that the need to continue the activity can be reassessed. However if the circumstances or the objectives have changed considerably, or the techniques to be used are now different a new application form should be submitted and will be required to follow the process again and be approved by a JP. The applicant does not have to wait until the review date if it is being submitted for a change in circumstances.

Managers or Team Leaders of applicants should also make themselves aware of when the reviews are required to ensure that the relevant forms are completed on time.

Renewal

Should it be necessary to renew a Directed Surveillance or CHIS application/authorisation, this must be approved by a JP.

Applications for renewals should not be made until shortly before the original authorisation period is due to expire but the applicant must take account of factors which may delay the renewal process (e.g. intervening weekends or the availability of the relevant authorising officer and a JP to consider the application).

The applicant should complete all the sections within the renewal form and submit the form to the authorising officer.

Authorising Officers should examine the circumstances with regard to Necessity, Proportionality and the Collateral Intrusion issues before making a decision to renew the activity. A CHIS application should not be renewed unless a thorough review has been carried out covering the use made of the source, the tasks given to them and information obtained. The Authorising Officer must consider the results of the review when deciding whether to renew or not. The review and the consideration must be documented.

If the authorising officer refuses to renew the application the cancellation process should be completed. If the AO authorises the renewal of the activity the same process is to be followed as mentioned earlier for the initial application.

A renewal takes effect on the day on which the authorisation would have ceased and lasts for a further period of three months.

Cancellation

Cancellation should take place at the earliest opportunity.

The cancellation form is to be submitted by the applicant or another investigator in their absence. The Authorising Officer who granted or last renewed the authorisation must cancel it if they are satisfied that the directed surveillance no longer meets the criteria upon which it was authorised. Where the Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of Authorising Officer or the person who is acting as Authorising Officer.

As soon as the decision is taken that directed surveillance should be discontinued, the applicant or other investigating officer involved in the investigation should inform the Authorising Officer. The Authorising Officer will formally instruct the investigating officer to cease the surveillance, noting the time and date of their decision. This will be required for the cancellation form. The date and time when such an instruction was given should also be recorded in the central record of authorisations (see paragraph 5.18 in the Codes of Practice). **It will also be necessary to detail the amount of time spent on the surveillance as this is required to be retained by the Senior Responsible Officer.**

The officer submitting the cancellation should complete in detail the relevant sections of the form and include the period of surveillance and what if any images were obtained and any images containing third parties. The Authorising Officer should then take this into account and issues instructions regarding the management and disposal of the images etc.

The cancellation process should also be used to evaluate whether the objectives have been achieved and whether the applicant carried out what they stated was necessary in the application form. This check will form part of the oversight function. Where issues are identified they will be brought to the attention of the line manager and the Senior Responsible Officer (SRO). This will assist with future audits and oversight.

Before an Authorising Officer signs a Form, they must:-

- (a) Be mindful of this Policy & Procedures Document and the training undertaken
- (b) Be satisfied that the RIPA authorisation is:-
 - (i) **in accordance with the law;**
 - (ii) **necessary** in the circumstances of the particular case on the ground mentioned**and**
 - (iii) **proportionate** to what it seeks to achieve. (see section on proportionality)
- (c) In assessing whether or not the proposed surveillance is proportionate, consider other appropriate means of gathering the information.

The authorisation will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorised should bring an expected

benefit to the investigation or operation and should not be disproportionate or arbitrary. The fact that a suspected offence may be serious will not alone render intrusive actions proportionate. Similarly, an offence may be so minor that any deployment of covert techniques would be disproportionate. No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means.

The following elements of proportionality should therefore be considered:

- balance the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explain how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- consider whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidence, what other methods have been considered and why they were not implemented.

The least intrusive method will be considered proportionate by the courts.

- (d) Take into account the risk of intrusion into the privacy of persons other than the specified subject of the surveillance (**collateral intrusion**). Measures must be taken wherever practicable to avoid or minimise (so far as is possible) collateral intrusion. This matter may be an aspect of determining proportionality;
- (e) Set a date for review of the authorisation and review on only that date;
- (f) Obtain a Unique Reference Number (URN) for the application from the Solicitor to the Council on 01827 709258
- (g) Ensure that a copy of the RIPA Forms (and any review/cancellation of the same) is forwarded to the Solicitor to the Council, Central Register, **within 5 working days of the relevant authorisation, review, renewal, cancellation or rejection.**

Additional Safeguards when Authorising a CHIS

When authorising the conduct or use of a CHIS, the Authorising Officer must also:-

- (a) be satisfied that the **conduct** and/or **use** of the CHIS is proportionate to what is sought to be achieved.
- (b) Be satisfied that **appropriate arrangements** are in place for the management and oversight of the CHIS and this must address health and safety issues through a risk assessment;
- (c) Consider the likely degree of intrusion of all those potentially affected;

- (d) Consider any adverse impact on community confidence that may result from the use or conduct or the information obtained;
- (e) Ensure **records** contain particulars and are not available except on a need to know basis.
- (f) Ensure that if the CHIS is under the age of 18 or is a vulnerable adult the Authorising Officer is the Chief Executive or in his absence, the Executive Director Organisation.

The Authorising Officer must attend to the requirement of section 29(5) RIPA and of the Regulation of Investigatory Powers (Source Records) Regulations 2000. It is strongly recommended that legal advice is obtained in relation to the authorisation of a CHIS.

Any person granting or applying for an authorisation will also need to be aware of particular sensitivities in the local community where the surveillance is taking place and of any similar activities being undertaken by other public authorities which could impact on the deployment of surveillance. It is therefore recommended that where an authorising officer from a public authority considers that conflicts might arise they should consult a senior officer within the police force area in which the investigation or operation is to take place.

Urgent Authorisations

As from 1 November 2012 there is now no provision under RIPA for urgent oral authorisations.

Section J

WORKING WITH / THROUGH OTHER AGENCIES

When some other agency has been instructed on behalf of the Council to undertake any action under RIPA, this document and the forms in it must be used (as per normal procedure) and the agency advised or kept informed, as necessary, of the various requirements. The agency must be made aware explicitly what they are authorised to do. The agency will be provided with a copy of the application form (redacted if necessary) or at the least the authorisation page containing the unique number.

Equally, if Council staff are authorised on another agencies RIPA authorisation, the staff will obtain a copy of the application form (redacted if necessary), or at the least the authorisation page containing the unique number, a copy of which should be forwarded for filing within the central register. They must ensure that they do not conduct activity outside of that authorisation.

Provisions should also be made regarding any disclosure implications under the Criminal Procedure and Investigations Act (CPIA) and the management, storage and dissemination of any product obtained.

When another agency (e.g. Police, Customs & Excise, Inland Revenue etc):-

- (a) wishes to use the Council's resources (e.g. CCTV surveillance systems), that agency must use its own RIPA procedures and, before any Officer agrees to allow the Council's resources to be used for the other agency's purposes, the Officer must obtain a copy of that agency's RIPA form (redacted if necessary) or at the least the authorisation page containing the unique number for the record (a copy of which must be passed to the Assistant Director Partnerships for the Central Register) Should this be an urgent oral authorisation they should obtain a copy of the contemporaneous notes of what has been authorised by the Authorising Officer in line with current guidance. A copy of these notes will be forwarded for filing in the central register.
- (b) wish to use the Council's premises for their own RIPA action, the responsible Corporate Management Team officer should, normally, cooperate with the same, unless there are security or other good operational or managerial reasons as to why the Council's premises should not be used for the agency's activities. Suitable insurance or other appropriate indemnities may be sought, if necessary, from the other agency for the Council's cooperation in the agent's RIPA operation. In such cases, however, the Council's own RIPA forms should not be used as the Council is only 'assisting' not being 'involved' in the RIPA activity of the external agency.

If the Police or any other Agency wish to use Council resources for general surveillance, as opposed to specific RIPA operations, an appropriate letter requesting the proposed use, extent of remit, duration, who will be undertaking the general surveillance and the purpose of it must be obtained from the police or other Agency before any Council resources are made available for the proposed use.

If in doubt, please consult with the Assistant Director Partnerships at the earliest opportunity.

Section K

RECORD MANAGEMENT

The Council must keep detailed records of all authorisations, renewals, cancellations and rejections in Departments and a Central Register of all Authorisation Forms will be maintained and monitored by the Assistant Director Partnerships.

Records Maintained in the Department

The following documents must be retained by the Department authorising the surveillance:

- a copy of the Forms together with any supplementary documentation and notification of the approval given by the Authorising Officer;
- a record of the period over which the surveillance has taken place;
- the frequency of reviews prescribed by the Authorising Officer;
- a record of the result of each review of the authorisation;
- a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
- the date and time when any instruction was given by the Authorising Officer;
- the Unique Reference Number for the authorisation (URN).

Central Register maintained by the Assistant Director Partnerships

Authorising Officers must forward a copy of the form to the Assistant Director Partnerships for the Central Register, within 5 working days of the authorisation, review, renewal, cancellation or rejection. The Assistant Director Partnerships will monitor the same and give appropriate guidance to Authorising Officers from time to time, or amend this document in the light of changes of legislation or developments through case law.

Retention and Destruction of Material

The retention of the material obtained during a RIPA operation is governed by the Criminal Procedure and Investigations Act (CPIA) 1996 and the Data Protection Act 2018.

Arrangements are in place for the secure handling, storage and destruction of material obtained through the use of directed surveillance or CHIS. Authorising Officers, through their relevant Data Controller, must ensure compliance with the appropriate

data protection requirements under the Data Protection Act 2018 and any relevant codes of practice produced by individual authorised relating to the handling and storage of material.

The Council will retain records for a period of at least five years from the ending of the authorisation. The Investigatory Powers Commissioner's Office (IPCO) can audit/review the Council's policies and procedures, and individual authorisations. The IPCO will also write to the Council from time to time, requesting information as to the numbers of authorisations made in a specific period. It will be the responsibility of the Solicitor to the Council to respond to such communications.

Errors

There is a requirement as set out in the IPCO procedures and Guidance 2011 to report all covert activity that was not properly authorised to the IPCO in writing as soon as the error is recognised. This would be known as an error. This includes activity which should have been authorised but wasn't or which was conducted beyond the directions provided by the authorising officer. It is therefore important that when an error has been identified it is brought to the attention of the SRO in order to comply with this guidance. The Council has a responsibility to report to the Inspector at the commencement of an inspection all activity which should have been authorised but wasn't. This is to confirm that any direction provided by the IPCO has been followed. This will also assist with the oversight provisions of the Councils' RIPA activity.

This does not apply to covert activity which is deliberately not authorised because an authorising officer considers that it does not meet the legislative criteria, but allows it to continue. This would be surveillance outside of RIPA. (See oversight section below)

Section L

ACQUISITION OF COMMUNICATIONS DATA

What is Communications Data?

Communication data means any traffic or any information that is or has been sent by or over a telecommunications system or postal system, together with information about the use of the system made by any person.

Powers

As above – think you need to include reference to comms data.

CONCLUSION

Obtaining an authorisation under RIPA and following the guidance and procedures in this document will assist in ensuring that the use of covert surveillance or a CHIS is carried out in accordance with the law and subject to safeguards against infringing an individual's human rights. Complying with the provisions of RIPA protects the Council against challenges for breaches of Article 8 of the European Convention on Human Rights.

Authorising Officers will be suitably trained and they must exercise their minds every time they are asked to sign a Form. They must never sign or rubber stamp Form(s) without thinking about their personal and the Council's responsibilities.

Any boxes not needed on the Form(s) must be clearly marked as being 'NOT APPLICABLE', 'N/A' or a line put through the same. Great care must also be taken to ensure accurate information is used and is inserted in the correct boxes. Reasons for any refusal of an application must also be kept on the form and the form retained for future audits.

For further advice and assistance on RIPA, please contact the Assistant Director Partnerships (who is also the Monitoring Officer).

APPENDIX 1

A FORMS

DIRECTED SURVEILLANCE

All forms can be obtained from:

<https://www.gov.uk/government/collections/ripa-forms--2>

The form has to be downloaded and completed in the applicant's handwriting. The Authorising Officer must also complete the relevant section of the form in handwriting. The original form has to be passed to the Assistant Director Partnerships.

Application for Authorisation Directed Surveillance

Application for Review of a Directed Surveillance Authorisation

Application for Renewal of a Directed Surveillance Authorisation

Application for Cancellation of a Directed Surveillance Authorisation

APPENDIX 2

B FORMS

CONDUCT OF A COVERT HUMAN INTELLIGENCE SOURCE

All forms can be obtained from:

<https://www.gov.uk/government/collections/ripa-forms--2>

The form has to be downloaded and completed in the applicant's handwriting. The Authorising Officer must also complete the relevant section of the form in handwriting. The original form has to be passed to the Assistant Director Partnerships.

Application for Authorisation of the conduct or use of a Covert Human Intelligence Source (CHIS).

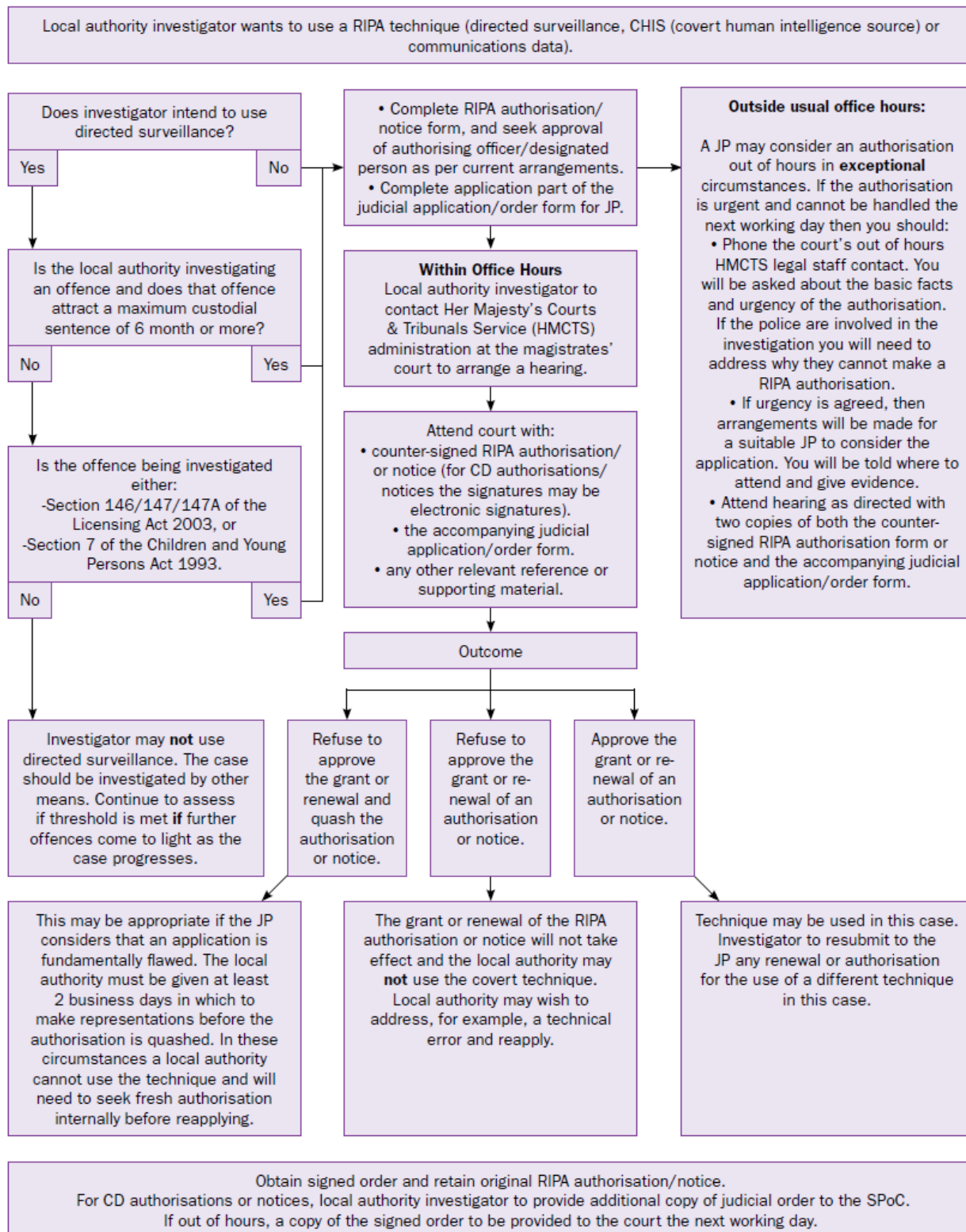
Application for Review of a Covert Human Intelligence Source (CHIS) Authorisation.

Application for renewal of a Covert Human Intelligence Source (CHIS) Authorisation.

Application for Cancellation of an authorisation for the use or Conduct of a Covert Human Intelligence Source.

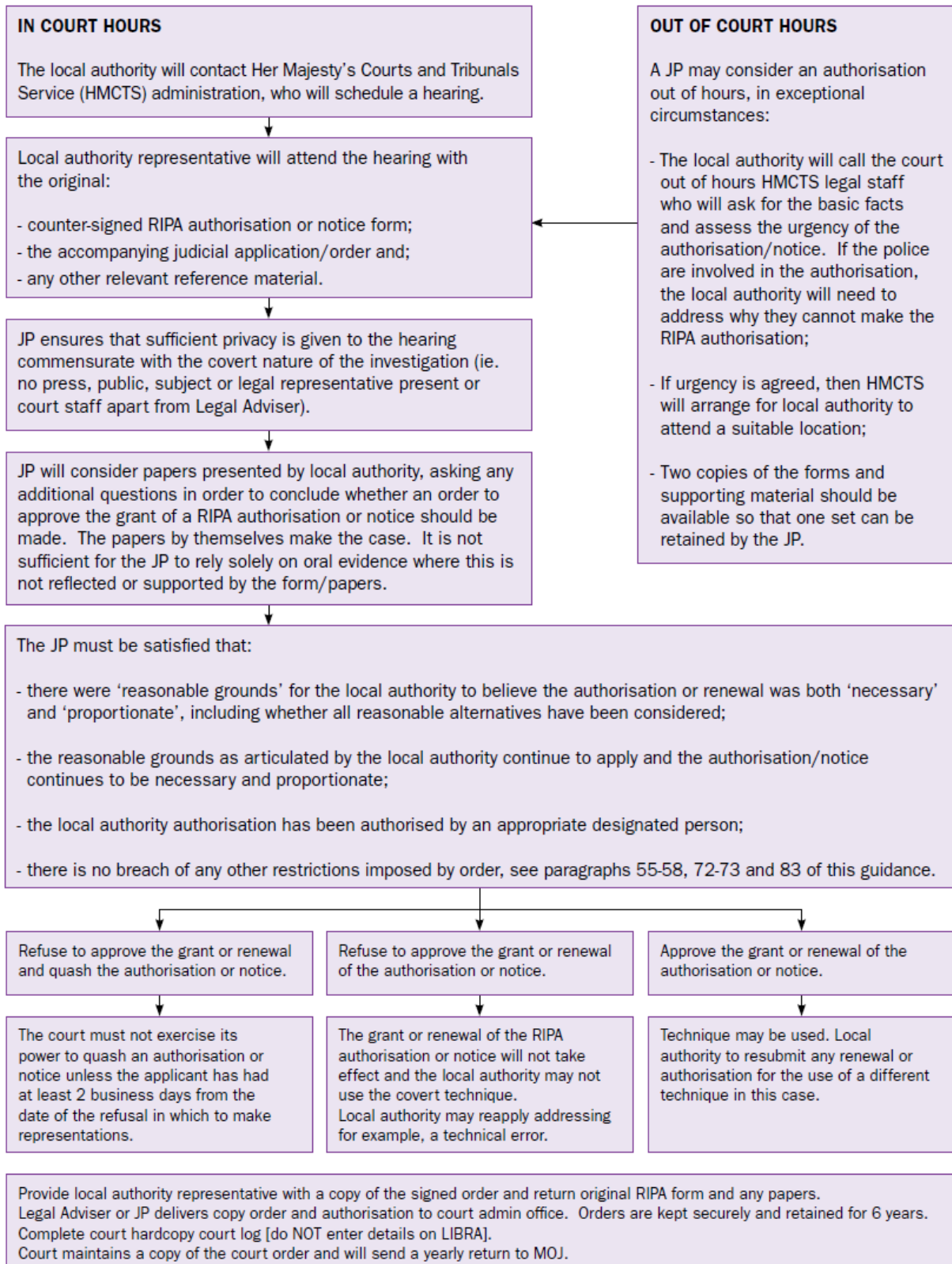
Annex A Local Authority Procedure

LOCAL AUTHORITY PROCEDURE: APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



Annex B JP Procedure

PROCEDURE: LOCAL AUTHORITY APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



Annex C Application for Judicial Approval and Order Form

Application for judicial approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance. Regulation of Investigatory Powers Act 2000 sections 23A, 23B, 32A, 32B.

Local Authority:.....

Local authority department:.....

Offence under investigation:.....

Address of premises or identity of subject:.....

.....

Covert technique requested: (tick one and specify details)

Communications Data

Covert Human Intelligence Source

Directed Surveillance

Summary of details

.....
.....
.....
.....
.....
.....

Note: this application should be read in conjunction with the attached RIPA authorisation/RIPA application or notice.

Investigating Officer:.....

Authorising Officer/Designated Person:.....

Officer(s) appearing before JP:.....

Address of applicant department:.....

Contact telephone number:.....

Contact email address
(optional):.....

Local authority
reference:.....

Number of
pages:.....

Order made on an application for judicial approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance. Regulation of Investigatory Powers Act 2000 sections 23A, 23B, 32A, 32B.

Magistrates' court:.....

Having considered the application, I (tick one):

- am satisfied that there are reasonable grounds for believing that the requirements of the Act were satisfied and remain satisfied, and that the relevant conditions are satisfied and I therefore approve the grant or renewal of the authorisation/notice.
- refuse to approve the grant or renewal of the authorisation/notice.
- refuse to approve the grant or renewal and quash the authorisation/notice.

Notes

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Reasons

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.....
.....

Signed:

Date:

Time:

Full name:

Address of magistrates' court:

APPENDIX 3

INTERNET & SOCIAL MEDIA RESEARCH & INVESTIGATIONS POLICY

1. Introduction

1.1 Online open source research is widely regarded as the collection, evaluation and analysis of material from online sources available to the public, whether by payment or otherwise to use as intelligence and evidence.

1.2 The use of online open source internet and Social Media research is a method of obtaining information to assist Tamworth Borough Council with its regulatory and enforcement functions. It can also assist with service delivery issues. However, the use of the internet and Social Media is constantly evolving and with it the risks, particularly regarding breaches of privacy under Article 8 Human Rights Act (HRA) and other operational risks.

1.3 Tamworth Borough Council is a Public Authority in law under the Human Rights Act 1998, and as such, the staff of the authority must always work within this legislation. This applies to research on the internet.

1.4 Researching, recording, storing, and using open source information regarding a person or group of people must be both necessary and proportionate and take account of the level of intrusion against any person. The activity may also require authorisation and approval by a Magistrate under the Regulation of Investigatory Powers Act (RIPA) 2000. To ensure that any resultant interference with a person's Article 8 right to respect for their private and family life is lawful, the material must be retained and processed in accordance with the principles of the General Data Protection Regulations (GDPR).

2. Scope of Policy

2.1 This policy and associated procedure establishes Tamworth Borough Council's approach to ensure that all online research and investigations are conducted lawfully and ethically to reduce risk. It provides guidance to all staff when engaged in their official capacity of the implications and legislative framework associated with online internet and Social Media research. It will also ensure that the activity undertaken, and any evidence obtained will stand scrutiny.

2.2 This policy takes account of the Human Rights Act 1998, Regulation of Investigatory Powers Act (RIPA) 2000, Criminal Procedure and Investigations Act (CPIA) 1996, General Data Protection Regulations (GDPR), NPCC Guidance on Open Source Investigation/Research.

2.3 This policy and associated procedure will be followed at all times and should be read, where required with the RIPA Codes of Practice and any other legislation and relevant policies mentioned in this document. Should there be any queries, advice can be sought from the Assistant Director Partnerships

2.4 Not adhering to this policy and procedure could result in members of staff being dealt with through the Council's disciplinary procedure.

2.5 This policy should not be exempt from disclosure under the Freedom of Information Act 2000

3. Risk

3.1 Staff must be aware that any activity carried out over the internet leaves a trace or footprint which can identify the device used, and, in some circumstances, the individual carrying out the activity. This may pose a legal and reputational risk to the Council from being challenged by the subject of the research for breaching Article 8.1 of the HRA which states:-

"Everyone has the right to respect for his private and family life, his home and his correspondence".

8.2 states:-

"There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals or for the protection of the rights and freedoms of others".

3.2 There is also a risk of compromise to other investigations, therefore, the activity should be conducted in a manner that does not compromise any current or future investigation or tactics.

4. Necessity / Justification

4.1 To justify the research, there must be a clear lawful reason, and it must be necessary. Therefore, the reason for the research, such as, the criminal conduct that it is aimed to prevent or detect must be identified and clearly described. This should be documented with clear objectives. Should the research fall within RIPA activity, the RIPA authorisation deals with this criteria for it to be lawful.

5. Proportionality

5.1 Proportionality involves balancing the intrusiveness of the research on the subject and other innocent third parties who might be affected by it (collateral intrusion) against the need for the activity in operational terms.

- What is the benefit to carrying out the activity?
- How will the benefit outweigh the intrusion?

5.2 The activity will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less

intrusive means. All such activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair

6 Private information

6.1 Private information is defined in the RIPA Codes of Practice and states it “includes any information relating to a person’s private or family life. Private information should be taken generally to include any aspect of a person’s private or personal relationship with others, including family and professional or business relationships.

6.2 Prior to, and during any research, staff must take into account the privacy issues regarding any person associated with the research.

7. Reviewing the Activity

7.1 During the course of conducting the internet open source research, the nature of the online activity may evolve. It is important staff continually assess and review their activity to ensure it remains lawful and compliant. Where it evolves into RIPA activity, the RIPA procedure should be followed. If in doubt, seek advice.

8. Use of Material

8.1 The material obtained from conducting open source internet and Social Media research may be used as intelligence or evidence.

8.2 Any material gathered from the internet during the course of a criminal investigation must be retained in compliance with the Criminal Procedure and Investigations Act (CPIA) Codes of Practice and all material stored in line with the General Data Protection Regulations (GDPR) data retention policy

9. Monitoring and Review of Policy

9.1 This policy will monitored and reviewed where necessary by the Assistant Director Partnerships upon review of the RIPA Policy.

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Wednesday, 25 September 2024

Report of the Assistant Director - Partnerships

Modern Slavery Statement 2023/24

Exempt Information

None

Purpose

To endorse the Council's Modern Slavery and Human Trafficking Statement 2023/24

Recommendations

It is recommended that the Committee:

1. Endorse the Modern Slavery and Human Trafficking Statement 2023/24 signed by the Chief Executive
2. Approve the publication of statement in accordance with the Modern Slavery Act 2015

Executive Summary

Section 54 of the Modern Slavery Act 2015 imposes a legal duty on commercial organisations, which supply goods and/or services from or to the UK and have a global turnover above £36 million, to publish a slavery and human trafficking statement covering each financial year.

The legal duty does not specifically cover corporate bodies such as local authorities, however it is considered that publication is a matter of best practice.

The statement is due for publication by 30 September each year immediately following the end of the preceding financial year.

There are no financial or criminal penalties for failing to produce a slavery and human trafficking statement, although the Secretary of State can apply to the Court for an injunction to force an organisation to produce a statement.

Tamworth Borough Council adopts a zero-tolerance position on known violations of anti-human trafficking and anti-modern slavery laws and is included in Safeguarding policies and duties. We are committed to improving our practices and ensuring there is no modern slavery or human trafficking in any part of our business and in so far as is possible requiring our suppliers to hold similar ethos.

The council has a key role to play in tackling modern slavery, including in identifying and supporting victims and working in partnership locally and can be separated into four distinct areas:

- identification and referral of victims
- supporting victims – this can be through safeguarding children and adults with care and support needs and through housing/homelessness services
- community safety services and disruption activities
- ensuring that the supply chains councils procure from are free from modern slavery

The Modern Slavery and Human Trafficking Statement (attached as Appendix 1) sets out the continuing council's actions to understand potential modern slavery risks related to its business and ongoing actions to ensure that there is no slavery or human tracking in its own business, and its supply chains and relates to actions and activities during the financial year 1 April 2023 to 31 March 2024 and ongoing activities. Once endorsed it will be published on the Tamworth Borough Council website [Tamworth Borough Council Safeguarding](#).

Looking forward for 2024/25, the Council are committed to:

- Continuing commitment to attend the Staffordshire Modern Slavery Human Trafficking Tactical meeting to ensure crime trends are recognised, proactively organise action with multi-agency partners to tackle possible problems in the Tamworth area and respond to suspicions of Modern Slavery Human Trafficking.
- Identifying further training needs through the Salvation Army, Voice of Hope and Catch 22 for identified front line staff as appropriate.
- Raising awareness through the Tamworth Community Safety Partnership about County Lines (exploitation of vulnerable people) which is now recognised as a modern slavery human trafficking issue)
- Joint working with agencies of the Responsible Bodies Group (RBG) to identify and report modern slavery concerns which may be identified through ongoing programmed inspections of licenced or other premises.
- Continuing to seek reassurance via current training packages that staff remain up to date and have undergone relevant training
- Working with identified safeguarding champions in each Council service to ensure ongoing awareness
- Continuing to work with Service Managers to undertake relevant risk assessments as necessary with suppliers to ensure their understanding and compliance with the Modern Slavery Act
- Ensuring that Anti Slavery Week is promoted via relevant social media channels
- Monitor low level contract spends to identify contractors who are subject to Section 54 of the Modern Slavery Act 2015
- Ensure that suppliers through framework agreements can produce their Modern Slavery Statements
- Ensure that the new Debarment List for suppliers who conduct offences under the Modern Slavery Act is checked following introduction of new Procurement Regulations in October 2024.
- Working with community, faith and business groups through community cohesion project to ensure understanding of modern slavery risks and where to report
- Reviewing the Council's Equality and Diversity policy

Options Considered

None

Resource Implications

Support of the Modern Slavery Act 2015 obligations is met from existing budget and staff resources through the Partnerships team.

Legal/Risk Implications Background

The publication of an annual Modern Slavery and Human Trafficking Statement is a requirement of the Modern Slavery Act 2015

Equalities Implications

The statement seeks to ensure that persons at risk of, or subject to modern slavery are protected.

Environment and Sustainability Implications (including climate change)

None

Background Information

Modern slavery is an international crime, affecting an estimated 49.6 million people around the world. It is a growing global issue that transcends age, gender and ethnicities. It includes victims who have been brought from overseas and vulnerable people in the UK, who are forced to illegally work against their will across many different sectors such as agriculture, hospitality, construction, retail and manufacturing.

The Modern Slavery Act 2015 consolidates various offences relating to human trafficking and slavery. In broad terms:

- 'slavery' is where ownership is exercised over a person.
- 'servitude' involves coercion to oblige a person to provide services.
- 'Forced and compulsory labour' is where a person works or provides services on a non-voluntary basis under the threat of a penalty.
- 'Human trafficking' involves arranging or facilitating the travel of a person with a view to exploiting them.

Section 52 of the Act imposes a duty on public authorities, including district councils, to notify the Secretary of State of suspected victims of slavery or human trafficking.

Section 54 of the Act imposes a legal duty on organisations, which supply goods and/or services from or to the UK and have a global turnover above £36 million, to publish a slavery and human trafficking statement each financial year.

The Council engages in commercial activity (statutory and discretionary) and provides a range of services to residents, businesses and visitors. This includes waste collection and recycling, collection of council tax and business rates, housing, homeless support, parks and open spaces, planning and building control, street cleaning, promoting economic growth and regeneration, environmental health, leisure services, community safety and election administration. Services are delivered through a mixture of direct provision, commissioned services, contracted services, joint/shared services, and partnerships. Its annual turnover is greater than £36 million.

Report Author

Joanne Sands – Assistant Director Partnerships

List of Background Papers

Modern Slavery Act 2015

Appendices

Appendix 1 – Modern Slavery Statement 2023/24

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Wednesday, 21 August 2024

Report of the Assistant Director - Partnerships

Modern Slavery Statement 2023/24

Exempt Information

None

Purpose

To endorse the Council's Modern Slavery and Human Trafficking Statement 2023/24

Recommendations

It is recommended that:

1. That ELT endorse the Modern Slavery and Human Trafficking Statement 2023/24
2. That the Chief Executive signs the Statement for endorsement by the Audit and Governance Committee in accordance with the Modern Slavery Act 2015

Executive Summary

Section 54 of the Modern Slavery Act 2015 imposes a legal duty on organisations, which supply goods and/or services from or to the UK and have a global turnover above £36 million, to publish a slavery and human trafficking statement covering each financial year.

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Options Considered

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Resource Implications

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Legal/Risk Implications Background

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Environment and Sustainability Implications (including climate change)

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Background Information

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Report Author

Joanne Sands – Assistant Director Partnerships

List of Background Papers

Modern Slavery Act 2015

Appendices

Appendix 1 – Modern Slavery Statement 2023/24

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Audit & Governance Committee

2024 - 2025

Functions of the Committee:

Those functions conferred on the Council in relation to Audit and Governance matters including Audit Activity, Regulatory Framework and Accounts.

To advise the council on the adoption or revision of its Code of Conduct.

To monitor and advise the council about the operation of its Code of Conduct in the light of best practice and in terms of the Localism Act 2011. To assist members and co-opted members of the authority.

To ensure that all members of the Council have access to training in all aspects of the member Code of Conduct, that this training is actively promoted, and that members are aware of the standards expected from local councillors under the Code.

Other functions:

Functions relating to standards of conduct of members under any relevant provision of, or regulations made under, the Localism Act 2011 including complaints against members and co-opted members of the Council for breach of the Code of Conduct; and the granting of dispensations pursuant to section 33, Localism Act 2011.

The Council's complaints procedure.

Membership: Councillors: C Adams (Chair), A Wells (Vice Chair), C Bain, M Couchman, S Doyle, P Turner, J Wadrup

ROLLING AUDIT & GOVERNANCE TIMETABLE OF PLANNED REPORTS TO AUDIT AND GOVERNANCE COMMITTEE

2024/25 Year

Note: Audit & Governance Committee training is planned for 4th June 2024, additional training will be provided to Committee members during the year (dates to be agreed).

	Report	Committee Date	Report of	Comments
1.	Regulatory Investigatory Powers Act 2000 (RIPA) Annual Update	25 th September 2024	Assistant Director, Partnerships	
2.	Modern Slavery and Human Trafficking Statement	25 th September 2024	Assistant Director – Partnerships	
3.	Local Government Ombudsman’s Annual Review and Report 2023/24	25 th September 2024	Assistant Director – People	
4.	Internal Audit Quarterly Update Q1	25 th September 2024	Audit Manager	
5.	Financial Waivers to 30th June 2024	25 th September 2024	Assistant Director – Finance	
6.	Risk Management Quarterly Update	25 th September 2024	Assistant Director – Finance	
7.	Annual Report on The Treasury Management Service and Actual Prudential Indicators 2023/24	25 th September 2024	Executive Director Finance	

8.	Audit & Governance Committee update	25 th September 2024	Azets	Verbal Update
9.	Private meeting of Internal and External Auditors and Committee members	25 th September 2024		
	Report	Committee Date	Report of	Comments
1.	Internal Audit Quarterly Update Q2	13 th November 2024	Audit Manager	
2.	Counter Fraud update	13 th November 2024	Audit Manager	
3.	Risk Management Quarterly Update	13 th November 2024	Assistant Director – Finance	
4.	Quarterly update - Financial Waivers	13 th November 2024	Assistant Director – Finance	
5.	Member Enquiries Update	13 th November 2024	Monitoring Officer	
6.	Annual Statement of Accounts 25th September 2024	13 th November 2024	Executive Director Finance	
7.	Audit Findings Report and Management Representation Letter	13 th November 2024	Azets	
	Report	Committee Date	Report of	Comments
1.	Internal Audit Quarterly Update Q3	5 th February 2025	Audit Manager	
2.	Risk Management Quarterly Update	5 th February 2025	Assistant Director – Finance	
3.	Audit Committee Effectiveness	5 th February 2025	Audit Manager	

4.	Future High Street Fund Risk Report	5 th February 2025	Assistant Director, Growth & Regeneration	
5.	Quarterly update - Financial Waivers	5 th February 2025	Assistant Director – Finance	
6.	Review of the Constitution and Scheme of Delegation for Officers	5 th February 2025	Monitoring Officer	
7.	Councillor Code of Conduct	5 th February 2025	Monitoring Officer	
	Report	Committee Date	Report of	Comments
1.	Audit and Governance Committee update	19 th March 2025	Azets	<i>Verbal Update</i>
2.	Internal Audit Charter and Audit Plan 2025/26	19 th March 2025	Audit Manager	
3.	Final Accounts – Accounting Policies and Action Plan	19 th March 2025	Assistant Director of Finance	
4.	Private meeting of Internal and External Auditors and Committee members	19 th March 2025		
	Report	Committee Date	Report Of	Comments
1.	Public Sector Internal Audit Standards/Quality Assurance and Improvement Programme	15 th April 2025	Audit Manager	
2.	Annual Report of the Chair of Audit & Governance Committee	15 th April 2025	Audit Manager / Chair	

3.	Review of Financial Guidance	15 th April 2025	Assistant Director Finance	
4.	Review of the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement and the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report	15 th April 2025	Executive Director Finance	
5.	Auditor's Annual Report	15 th April 2025	Azets	
6.	Audit Findings Report	15 th April 2025	Azets	

Portfolio Holder: The Leader of the Council (Operations/Finance/Cost of Living)

Matters Considered

	Report	Committee Date	Report of	Comments
1.	Internal Audit Annual Report and Quarterly Update for 2023/24	26 th June 2024	Audit Manager	
2.	Annual Governance Statement and Code of Corporate Governance	26 th June 2024	Chief Executive/Audit	

			Manager	
3.	Risk Management Quarterly Update	26th June 2024	Assistant Director, Finance	
4.	Future High Street Fund Risk Report	26th June 2024	Assistant Director, Growth & Regeneration	
5.	Audit Committee Effectiveness (Skills Audit) and Independent Member update	26th June 2024	Audit Manager	
1.	Members Training Session	14th August2024	Zurich/ Executive Director Finance	