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Meeting	AUDIT AND GOVERNANCE COMMITTEE
Time/Day/Date	6.30 pm on Wednesday, 19 January 2022
Location	Council Chamber, Council Offices, Coalville
Officer to contact	Democratic Services (01530 454512)

AGENDA

Item	Pages
1. APOLOGIES FOR ABSENCE	
2. DECLARATION OF INTERESTS	
Under the Code of Conduct members are reminded that in declaring disclosable interests you should make clear the nature of that interest and whether it is pecuniary or non-pecuniary.	
3. MINUTES	
To confirm and sign the minutes of the meeting held on 20 October 2021	3 - 6
4. COMMITTEE WORK PLAN	
To note the Committee's work plan	7 - 8
5. EXTERNAL AUDIT UPDATE	
To receive a verbal update from External Audit.	
6. INTERNAL AUDIT PROGRESS REPORT	
Report of the Audit Manager.	9 - 24
7. ASSESSMENT OF GOING CONCERN STATUS	
Report of the Head of Finance	25 - 32
8. PROGRESS OF IMPROVEMENTS IDENTIFIED THROUGH ANNUAL GOVERNANCE REVIEW 2020/21	
Report of the Head of Finance	33 - 36

9.	TREASURY MANAGEMENT ACTIVITY REPORT APRIL 2021 - DECEMBER 2021	
	Report of the Finance Team Manager	37 - 48
10.	CORPORATE RISK UPDATE	
	Report of the Strategic Director	49 - 60
11.	MEMBERS' CODE OF CONDUCT	
	Report of the Head of Legal and Commercial Services	61 - 102
12.	STANDARDS AND ETHICS - QUARTER 3 REPORT	
	Report of the Head of Legal and Commercial Services	103 - 114

Circulation:

Councillor S Gillard (Chairman)
Councillor N Smith (Deputy Chairman)
Councillor E G C Allman
Councillor C C Benfield
Councillor J Clarke
Councillor M D Hay
Councillor R L Morris
Councillor V Richichi
Councillor S Sheahan
Councillor M B Wyatt

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 20 OCTOBER 2021

Present: Councillor N Smith (Deputy Chairman) (In the Chair)

Councillors E G C Allman, J Clarke, M D Hay, R L Morris, V Richichi and S Sheahan

Officers: Mr A Barton, Mr D Bates, Beavis, Mr C Colvin, K Hiller, Mrs R Wallace and Miss A Wright

External Audit: Mr M SurrIDGE and Mrs L

13. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors C Benfield, S Gillard and M B Wyatt.

14. DECLARATION OF INTERESTS

There were no declarations of interest.

15. MINUTES

Consideration was given to the minutes of the meeting held on 21 July 2021.

It was moved by Councillor V Richichi, seconded by Councillor J Clarke and

RESOLVED THAT:

The minutes of the meeting held on 21 July be confirmed as a correct record.

16. COMMITTEE WORK PLAN

Consideration was given to the Committee work plan.

By affirmation of the meeting it was

RESOLVED THAT:

The Committee Work Plan be noted.

17. EXTERNAL AUDIT PROGRESS REPORT

The External Auditor presented the report to Members, highlighting the audit letter at appendix A which detailed the reasons for the delay in issuing the auditor's annual report. It was reported that progress on the annual report was good and thanked the Finance Team for the support received to date.

In response to a question from a Member, the External Auditor explained that as a result of the ongoing pandemic, it was estimated that the disruption to financial reporting would continue into the 2022/23 financial year.

It was moved by Councillor E Allman, seconded by Councillor V Richichi and

RESOLVED THAT:

The report be noted.

18. INTERNAL AUDIT PROGRESS UPDATE

The Audit Manager presented the report to Members which set out the Internal Audit progress for the period 1 July 2021 to 30 September 2021.

In response to a query on the high value grant claim arrangements audit, the Audit Manager confirmed that following the publication of the report, all the recommendations were now complete. It was explained that the audit process involved the selection of several high value grants which were tested to ensure that the conditions were being followed and the authority was not losing out financially.

In response to a comment in relation to a previous error with the renewable heating incentive grants, the Strategic Director assured Members that lessons had been learnt and audit processes had been improved to reflect that.

A question was asked in relation to the amount owed for sundry debtors since the service area had been put on hold. The Finance Team Manager reported that an officer was now in post and the work to recover the sundry debts would be restarting imminently. As it was not readily available, it was agreed for the total figure for sundry debtors to be provided to Members outside of the meeting.

It was moved by Councillor R Morris, seconded by Councillor E Allman and

RESOLVED THAT:

The report be noted.

19. TREASURY MANAGEMENT ACTIVITY REPORT APRIL 2021 - SEPTEMBER 2021

The Finance Team Manager presented the report which informed Members of the Council's treasury management activity undertaken during the period April 2021 to September 2021.

A question was raised in relation to the investments which provided no interest, it was confirmed that no charges were incurred for those investments. The Finance Team Manager explained that the current investments were the safest options, but officers were constantly reviewing this and looking at alternative options with the best possible return.

A discussion was held on the credibility of investments made in other Local Authorities. The Finance Team Manager assured Members that thorough diligence tests were undertaken and therefore investing in Local Authorities was a safe option.

A suggestion was made to consider an investment in the National Health Service. The Finance Team Manager agreed to discuss the matter further with the Treasury Advisors.

In response to a question in relation to the possibility that inflation could lead to an increase in interest rates, Members were informed that the Treasury Advisors had predicted that interest rates would increase in January/February 2022.

It was moved by Councillor R Morris, seconded by Councillor J Clarke and

RESOLVED THAT:

The report be approved.

20. STANDARDS AND ETHICS - QUARTER 2 REPORT

The Legal Services Team Manager presented the report to Members which detailed the figures for local determination of complaints and the ethical indicators for quarter 2 of 2021/2022.

It was moved by Councillor V Richichi, seconded by Councillor R Morris and

RESOLVED THAT:

The report be noted.

21. CORPORATE RISK UPDATE

The Strategic Director presented the report to Members listing the most current risks identified for the authority.

A Member felt that there was further discussion to be had on local government reorganisation and the risk of 'levelling up'. A discussion followed, the outcome of which was the agreement of the committee that consideration be given to including these areas on the risk register. The Strategic Director would take the suggestions back to the risk group to consider.

It was moved by Councillor J Clarke, seconded by Councillor S Sheahan and

RESOLVED THAT:

The report be noted.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 6.58 pm

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AUDIT AND GOVERNANCE COMMITTEE – WORK PROGRAMME (as at 11/01/22)

Issue	Report Author	Meeting at which will be reported
March 2022		
Report to those Charged with Governance 2020/21	Dan Bates, Head of Finance	30 March 2022
Annual Governance Statement 2020/21	Dan Bates, Head of Finance	30 March 2022
Annual Statement of Accounts 2020/21	Dan Bates, Head of Finance	30 March 2022
2020/21 Audit Completion Report	Dan Bates, Head of Finance	30 March 2022
April 2022		
Treasury Management Stewardship Report 2021/2022	Anna Wright, Finance Team Manager & Deputy S151 Officer	20 April 2022
External Audit Strategy Memorandum	Dan Bates, Head of Finance	20 April 2022
Corporate Risk Update	Andy Barton, Strategic Director of Housing and Customer Services	20 April 2022
Internal Audit Progress Report	Lisa Marron, Audit Manager	20 April 2022
Progress of Improvements Identified through Annual Governance Review 2020/21	Dan Bates, Head of Finance	20 April 2022
Annual Report on Grants and Claims	Dan Bates, Head of Finance	20 April 2022
Accounting Policies and Materiality 2021/22	Dan Bates, Head of Finance	20 April 2022
2021/22 Annual Audit Letter	Dan Bates, Head of Finance	20 April 2022
Internal Audit Annual Plan 2022/23	Lisa Marron, Audit Manager	20 April 2022
Annual Standards and Ethics Report	Elizabeth Warhurst, Head of Legal and Commercial Services	20 April 2022
Standards and Ethics - Quarter 4 Report	Elizabeth Warhurst, Head of Legal and Commercial Services	20 April 2022

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 19
JANUARY 2022

Title of Report	INTERNAL AUDIT PROGRESS REPORT	
Presented by	Kerry Beavis Audit Manager	
Background Papers	Public Sector Internal Audit Standards Internal Audit Plan 2021/22	Public Report: Yes
Purpose of Report	To inform the Committee of progress against the Internal Audit plan for 2021/22 and to highlight any incidences of significant control failings or weaknesses that have been identified.	
Recommendations	THE AUDIT AND GOVERNANCE COMMITTEE NOTE THE REPORT.	

1.0 BACKGROUND

- 1.1. The Public Sector Internal Audit Standards require the Authority's Audit Committee to approve the audit plan and monitor progress against it. The Standards state that the Committee should receive periodic reports on the work of internal audit.
- 1.2 The Audit and Governance Committee approved the 2021/22 Audit Plan on 21 April 2021. The Committee receives quarterly progress reports.

2.0 PROGRESS REPORT

- 2.1 The Internal Audit Progress Report for the period 01 October 2021 to 31 December 2021 (Q3) is attached at Appendix 1.

Policies and other considerations, as appropriate	
Council Priorities:	An effective internal audit service supports all council priorities.
Safeguarding:	The report includes progress against the recommendations made during the 2020/21 Safeguarding Audit.
Risks:	There are no specific risks associated with this report however if the Audit and Governance Committee did not receive periodic reports from Internal Audit, there would be a risk of not conforming with the Public Sector Internal Audit Standards.
Officer Contact	Kerry Beavis Audit Manager kerry.beavis@nwleicestershire.gov.uk



INTERNAL AUDIT SHARED SERVICE

North West Leicestershire District Council

Internal Audit Progress Report 2021/22 Q3

1. Introduction

1.1. Internal Audit is provided through a shared service arrangement led by North West Leicestershire District Council and delivered to Blaby DC and Charnwood BC. The assurances received through the Internal Audit programme are a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to highlight progress against the 2021/22 Internal Audit Plan up to 31st December 2021.

2. Internal Audit Plan Update

2.1. The 2021/22 audit plan is included at Appendix A for information and shows the audits in progress. Since the last update report one final report has been issued from the 2021/22 audit plan.

- Risk Management – Reasonable Assurance

The executive summaries for the report is included at Appendix B.

2.2. The audits due to take place or continuing in Q4 are:

- Grounds Maintenance – drafting
- Estates Compliance Arrangements – in progress
- Green Homes Grant Phase 1b - Grant Certification – in progress
- Fire Safety and Management – Housing (Q3/4)
- Rent Accounting
- CCTV
- Project Management

3. Internal Audit Recommendations

3.1. Internal Audit monitor and follow up all critical, high and medium priority recommendations. There are three overdue Internal Audit recommendations which are included in Appendix C for information.

3.2. Both CLT and Audit and Governance Committee were keen to track the progress of recommendations made following the Safeguarding Audit and Health and Safety – Covid-19 (final reports issued February and March 2021 respectively). Appendix D shows the progress to date against the Safeguarding and Health and Safety – Covid-19 recommendations.

4. Internal Audit Performance Indicators

4.1. Progress against the agreed Internal Audit performance targets is documented in Appendix E. Work on the 21/22 audit plan is progressing in line with work scheduling.

Appendix A

2021/22 AUDIT PLAN AS AT 31st DECEMBER 2021

Audit Area (Report No.)	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
High value grant claim arrangements	Audit	8	16	Final	Reasonable	-	5	1	-	
Leisure Recovery Support	Audit	6	6	Final	Substantial	-	-	-	-	
Risk Management	Audit	7	7	Final	Reasonable	-	-	5	1	
Estates Compliance Arrangements	Audit	8	6	In progress						
Green Homes Grant Phase 1b Certification	Certification	5	3	In progress						
CCTV	Audit	6	-	Put back to Q4						Put back to Q4 from Q3 at the request of the service.
Grounds Maintenance	Audit	8	9	Report Drafting						
Fire Safety and Management - Housing	Audit	8	0.5	Engagement Planning						
Key Housing Systems	Audit	12	-	Scheduled Q4						
Housing Rents	Audit	8	-	Scheduled Q4						
Building Control	Joint Audit	8	1	In progress						
Project Management	Audit	8	-	Scheduled Q4						
Covid-19 Related Assurance	Assurance	20	8	As required						Work on Compliance and Enforcement Grant and Business Grants.
New finance system advisory	Advisory	10	1.5	Monthly						

Audit Opinion Key

Opinion	Definition
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited

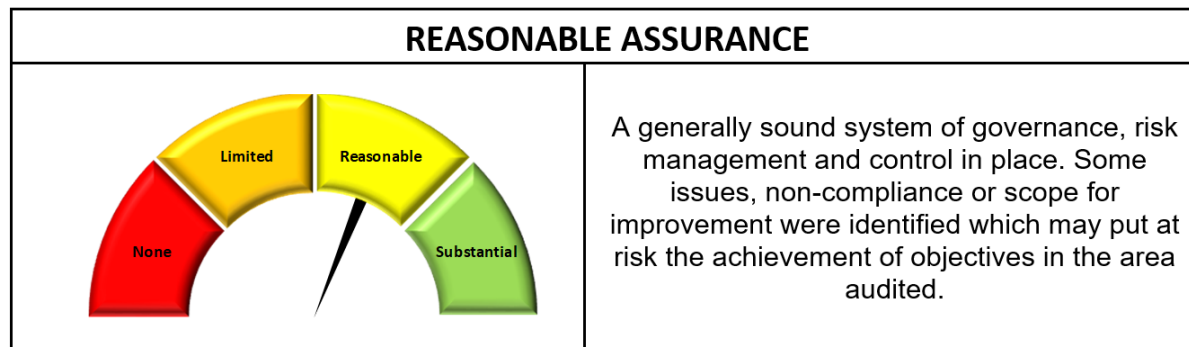
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Audit Recommendations Key

Level	Definition
Critical	Recommendations which are of a very serious nature and could have a critical impact on the Council, for example to address a breach in law or regulation that could result in material fines/consequences.
High	Recommendations which are fundamental to the system and require urgent attention to avoid exposure to significant risks.
Medium	Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
Low	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed or potential opportunities for management to improve the operational efficiency and/ or effectiveness of the system.

SUMMARY OF FINAL AUDIT REPORTS ISSUED BETWEEN 1 OCTOBER AND 31 DECEMBER 2021

CORPORATE RISK MANAGEMENT



Key Findings

Areas of positive assurance identified during the audit:

- The performance team have developed a team business plan template that incorporates a risk register that provides the ability to link the risks to deliverables of the team and the corporate priorities.
- Risk is considered in relevant committee reports.
- Risk management process encompasses projects.
- Processes are in place to ensure senior officers and members of the Audit & Governance committee are aware of the strategic risks to the authority and how they are being managed.

The main areas identified for improvement are:

- Full review of the Risk Management Policy to incorporate further information.
- Training required for officers and members, with different levels dependent on job roles.

Five medium recommendations and one low recommendation were made.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date

1. A full review of the risk management policy and framework is carried out to ensure that risk management is fully embedded across the whole authority.	Medium	Accepted. This recommendation will be considered in the annual policy update which should occur around the turn of the financial year.	Strategic Director of Housing & Customer Services	May 2022
2. The risk management intranet pages are reviewed and updated.	Low	Update has been completed	Strategic Director of Housing & Customer Services	Oct 2021
3. To assist officers tasked with overseeing risk management and to ensure the authority is kept up to date on new and emerging risk management practices membership to ALARM/ Institute of Risk Management should be considered.	Medium	Accepted	Strategic Director of Housing & Customer Services	April 2022
4. Consideration is given to further promotion of risk management at a service team level to ensure that risk management is embedded across the whole authority.	Medium	Agreed. Further risk promotion work will be undertaken at each annual cycle and will become part of the Team Plan process. Risk management is promoted especially at the project level on an ongoing basis. Performance team have promoted it during an ELT but, further promotion should come from a more strategic level in addition to the Risk Management Group.	Strategic Director of Housing & Customer Services/ Head of Human Resources	Ongoing Review April 2022
5. A review of the training available is carried out to ensure that all officers and members receive the right level of risk management training, appropriate to their job role/ position.	Medium	Staff Training Agreed, will look at introducing an eLearning module as an overview for all staff, additionally will look to include something a little more detailed in the management training pack that is currently being developed. Members Training	Head of Human Resources	May 2022

		<p>We will run an “introduction to Audit & Governance Committee” session following the elections in 2023 as part of the member induction process. This session will be open to all members. It will cover an introduction to the work of the Committee in terms of finance, internal and external audit, risk management and standards/member conduct.</p> <p>More detailed training will be provided to members of the Audit and Governance Committee as part of the induction process.</p> <p>Democratic services have been requested to include both sessions in the induction programme, and they will contact lead officers for the details/dates nearer the time</p>	<p>Head of Legal, Audit Manager, Head of Finance, Strategic Director of Housing & Customer Services</p> <p>Democratic Services Manager</p>	<p>Implemented as now on Democratic Services induction programme</p> <p>Full implementation will be 2023</p>
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Appendix C

RECOMMENDATIONS TRACKER – OVERDUE RECOMMENDATIONS AS AT 31st DECEMBER 2021

Report		Recommendation		Rating	Officer Responsible	Target Date	Internal Audit Comments
2020/21 Audits							
3	Safeguarding	8	The Recruitment Policy should be updated and include safer recruitment processes which should be undertaken when recruiting to posts that have contact with vulnerable groups.	High	Head of HR and Organisational Development	Jun-21	IA follow up in September has found this hasn't yet been redrafted as advised this will follow on from the update of the DBS Policy.
3	Safeguarding	5	A Modern Slavery Statement should be produced annually and published on the Council website within six months of the councils year end. Government guidance should be followed when preparing this document.	High	Head of Finance (S151)	Sep-21	Currently in progress.
8	Domestic Heating Services Contract Management	1	The policies and procedures relating to the servicing of heating appliances should be reviewed and updated where necessary. The documents should be easily accessible to those staff who would need to view them. Consideration should also be given to producing additional procedure documents e.g. preparing the Client Management report, as these would improve resilience and business continuity if there were changes in staffing.	Medium	Asset Team Manager	Aug-21	Due to resource issues an extension to 31 st January 2022 was requested

Appendix D

Safeguarding Audit 2020/21 Recommendations Progress

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date with IA update
1 - Where departments have safeguarding responsibilities officers should ensure that these are relevantly recorded within their business risk assessment.	Medium	<p>This will be addressed at the next meeting of the Risk Group (March 21). Comms to Risk Owners will be sent following meeting.</p> <p>The risk is addressed at a corporate level on the corporate wide Risk Register.</p>	Strategic Director of Housing & Customer Services (in his role as Chair of Risk Scrutiny Group)	<p>Agenda item for next Risk Scrutiny Group meeting 21st March 2021</p> <p>Update – discussed at 21st March RSG and team plans to be updated with a template risk but service specific mitigations.</p>
2 – The record of training for DSO's who have attended the two day external training and the DSO Induction Course should be updated. It would also be advisable to record any future additional training attended by DSO's as this may be required by Human Resources.	Medium	<p>Agreed – individuals responsible for recording their own training on ITrent as advised by HR. Community Safety will have a record of when DSO induction training has taken place.</p>	Community Safety Officer & DSO	Target date April-21 – IA follow up in May confirmed this has been implemented.
3 - With the current COVID situation and the intention for more agile working consideration should be given to introducing new ways of making staff aware of the safeguarding process and the Designated Safeguarding Officers.	Low	Agreed	Community Safety Officer & DSO	March 2021 and quarterly thereafter – IA do not formally follow up low priority recommendations.
4 - The capacity issues raised by the Head of Community Services should be reported formally to the Corporate Leadership Team. This should include the level of resource required for the service, allowing DSO's within services allocated time to perform this role, and identifying any opportunities for staff who	High	Agreed – report presented to Corporate Leadership Team – 27th January 2021	Head of Community Services in conjunction with the Community Safety Officer and DSO	Already implemented by time final audit report issued.

<p>are unable to perform their current roles as a result of the pandemic to be trained as DSO's.</p> <p>Additionally consideration should be given to having safeguarding champions within specific services across the authority to be able to promote safeguarding, offer safeguarding advice and support within their areas, highlight any specific issues that the service is having and reduce the pressure on DSO's.</p>				
<p>5 - A Modern Slavery Statement should be produced annually and published on the Council website within six months of the councils year end. Government guidance should be followed when preparing this document. This guidance can be found at: https://www.gov.uk/guidance/publish-an-annual-modern-slavery-statement</p>	High	Agreed	Head of Finance (S151 Officer)	<p>By September 2021</p> <p>Progress has started on the statement but as yet this has not been published.</p>
<p>6 - The DBS Policy and procedure document should be updated and approved. The current document should be shown as out of date (if this is possible) and to contact HR for guidance until the new policy is available.</p> <p>The updated policy and procedure should provide clear guidance and advice relating to DBS checks. This should cover the posts which are required to have DBS checks, obtaining of DBS checks, subscribing to the update service and who is responsible for carrying out the annual checking via the update service. The guidance should also refer to requirements when employing agency workers.</p>	High	Agreed	Head of HR and Organisational Development	<p>Target date - June 2021</p> <p>IA follow up in July confirmed this has been implemented.</p>
<p>7 - All posts which are required to have a DBS check should be identified and recorded on ITrent. Details relating to the DBS check, date of check, reference number and confirmation that the annual recheck has been done should also be recorded on ITrent. Responsibility for ensuring that DBS checks are carried out on an annual basis should be documented and circulated.</p>	High	<p>Agreed that check information to be recorded on ITrent etc.</p> <p>There is no requirement by the DBS for annual checks to be carried out. If people don't subscribe to the update service a new check would be required. Good practice suggests new</p>	Head of HR and Organisational Development	<p>Target date - June 2021</p> <p>Follow up in September confirmed this has been implemented.</p>

		checks done every 2-3 years, not annually.		
8 - The Recruitment Policy should be updated and include safer recruitment processes which should be undertaken when recruiting to posts that have contact with vulnerable groups.	Medium	Agreed	Head of HR and Organisational Development	<p>Target date - June 2021</p> <p>IA follow up in September has found this hasn't yet been redrafted as advised this will follow on from the update of the DBS Policy.</p> <p>IA follow up in December found that DBS policy has yet to be published. Therefore still outstanding.</p>
9 - The Safer Recruitment e-learning module should be added to Learning Pool. The availability of this training should be communicated to all relevant staff.	High	Agreed	Senior HR Advisor	Already implemented by time final audit report issued.

Health and Safety – Covid-19 Audit 2020/21 Recommendations Progress

Recommendation	Priority	Response/ Agreed Action	Officer Responsible	Implementation Date
<p>There should be a comprehensive record of all statutory Health and Safety inspections / checks that are required by the Council. This record should cover all services and be monitored and reported against on a regular basis to ensure checks have taken place as required.</p>	<p>High</p>	<p>Agreed</p>	<p>Head of Human Resources and Organisational Development in conjunction with the Head of Customer Services, Corporate Property and Assets in his role as Chair of the Statutory Duty Group.</p>	<p>Target date - June 2021</p> <p>This is being progressed with improvement areas being identified and resolved.</p> <p>Internal Audit are reviewing the records as part of the Estates Compliance Arrangements Audit currently in progress.</p>

2021/22 INTERNAL AUDIT PERFORMANCE

Performance Measure	Position as at 31.12.21	Comments
Achievement of the Internal Audit Plan	27%	1 audit is currently being drafted, 3 audits are well underway and one is due to start early January.
Quarterly Progress Reports to Management Team and Audit and Standards Committee	On track	
Follow up testing completed in month agreed in final report	On track	
Annual Opinion Report - July 2021 Audit and Standards Committee Meeting	Achieved	
100% Customer Satisfaction with the Internal Audit Service	100%	Based on 13 returns for 19/20 and 3 for 20/21.
Compliance with Public Sector Internal Audit Standards	Conforms	External inspection carried out w/c 30 th November 2020 which confirmed that we conform with the Public Sector Internal Audit Standards.

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 19
JANUARY 2022

Title of Report	ASSESSMENT OF GOING CONCERN STATUS	
Presented by	Dan Bates, Interim Head of Finance and Section 151 Officer dan.bates@nwleicestershire.gov.uk	
Background Papers	2020/21 Draft (unaudited) Statement of Accounts (public) Draft Budget and Council Tax report to Cabinet – 11 January 2022	Public Report: Yes
Purpose of Report	To share with the Committee the basis for the representation made by the management of the Council to the external auditors that the Council is a going concern.	
Recommendations	THAT THE COMMITTEE NOTE THE CONCLUSION THAT NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL IS A GOING CONCERN AND THE BASIS FOR THAT ASSUMPTION	

1.0 BACKGROUND

- 1.1 The 'going concern' concept assumes that an organisation's functions and services will continue to operate for the foreseeable future. The assumption underpins the accounts drawn up under the Local Authority Code of Accounting Practice and is made because local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government).
- 1.2 If an authority were in financial difficulty, alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year.
- 1.3 Given the significant reduction in funding for local government in recent years and the impact COVID-19 poses to the ongoing financial viability, external auditors are placing a greater emphasis on local authorities undertaking an assessment of the 'going concern' basis on which they prepare their financial statements. This report sets out the position for North West Leicestershire District Council.
- 1.4 The Council is required to compile its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting for 2020/21 ("the Code"). The Code is published by the Chartered Institute of Public Finance and Accountancy (CIPFA). In accordance with the Code, the Council's Statement of Accounts is prepared assuming that the Council will continue to operate in the foreseeable future and that it is able to do so within the current and anticipated resources available. By this, it is meant that the Council will realise its assets and settle its obligations in the normal course of business.
- 1.5 The main factors which underpin this assessment considered within this report, are:
- The Council's current financial position for the year 2021/22 including the latest reported revenue budget forecasts

- The Council's projected financial position beyond March 2022 as set out in the latest Medium-Term Financial Plan update covering the financial years up to 2026/27
- The Council's governance arrangements
- The regulatory and control environment applicable to the Council as a local authority.

1.6 The next section looks at the Going Concern review focussing on the current year as well as the medium term and also looks at usable reserve levels, cashflow, borrowing and the council's capital and debt position.

2.0 GOING CONCERN REVIEW

2.1 Current financial position and projection to 31 March 2022

Potential Going Concern Risks

- **Significant overspends resulting in unsustainable use of reserves**
- **Unrealistic and unachievable budget set resulting uncontrollable overspends**
- **Poor budgetary control and performance management**

2.2 The COVID-19 pandemic has continued to adversely impact on the Council's financial position in 2021/22. Direct implications include the additional costs of providing services such as waste management in a Covid-safe environment as well as loss of income due to closure of facilities such as the leisure centres. Indirect implications include lower collection rates for council tax and business rates and the additional costs in officer and member time working on the implications of the pandemic.

2.3 The general fund half year revenue forecast position is a surplus of £142k compared to a budgeted surplus of £1,102m, an unfavourable variance of £960k. On the HRA, the position is a forecast deficit of £84k compared to a budgeted surplus of £35k, an unfavourable variance of £119k.

2.4 The unfavourable revenue position has been explained as being largely due to variances consistent with the ongoing cost of the pandemic and not to other unanticipated overspends which give some assurance in respect of the budget estimates. The large budgeted net surplus in the General Fund shows that the 2021/22 has resilience to withstand the additional, largely COVID, pressures. Budget monitoring is reported to Corporate Scrutiny and Cabinet on a quarterly basis.

2.5 Although the variance in both budgets are unfavourable, they are largely attributable to exceptional circumstances associated with the pandemic and the authority's reserves position, considered in the next section, is reasonably strong. For these reasons, the S151 Officer assesses that there are no going concern issues arising from the 2021/22 revenue budget positions.

2.6 Level of revenue usable reserves

Potential Going Concern Risks

- **Low level of usable revenue reserves**
- **Usable revenue reserves depleting at an unsustainable level**

2.7 The level of usable reserves is considered to be one of the most significant measures of a Council's financial health. A low level of usable revenue reserves would provide insufficient resilience to manage inevitable budget pressures and ultimately result in the Council not being considered a 'going concern'.

- 2.8 Table 1 (below) shows the level of usable revenue reserves at North West Leicestershire.
- 2.9 General Fund usable reserves have reduced slightly but remain at a level which is equivalent to over a year's net revenue expenditure. Housing Revenue Account reserves increased in 2021/22 and are at healthy levels.

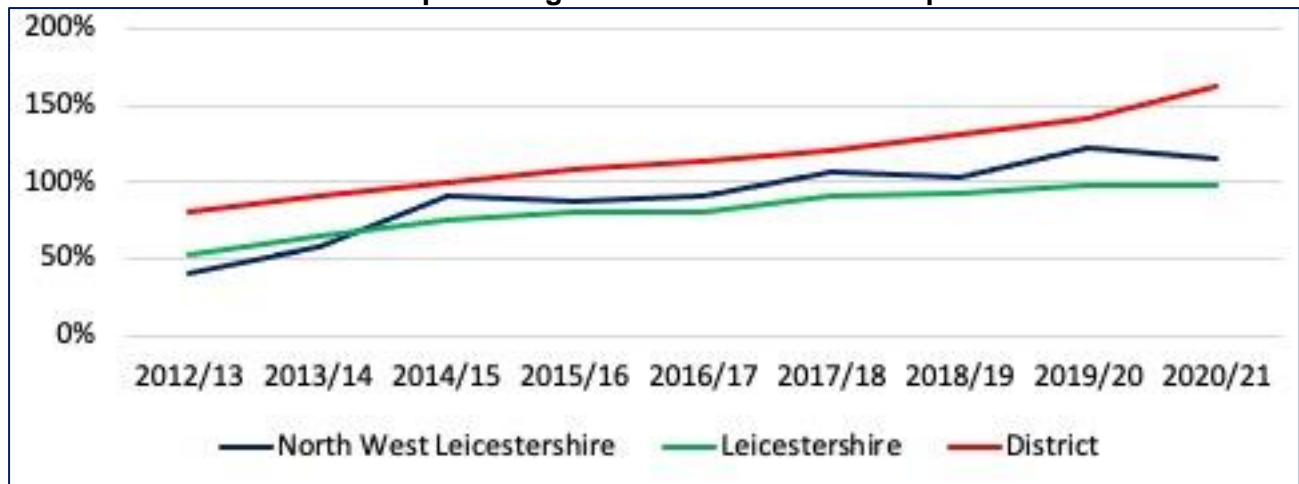
Table 1 – Council Reserves as at 31/03/2021 compared with 31/03/2020

Reserves (all figures in £'m)	20/21	21/22
<u>General Fund</u>		
General Fund Earmarked Reserves *	8,836	8,062
General Fund Balance	7,906	7,832
	16,742	15,894
<u>Housing Revenue Account</u>	17,327	20,826

*An adjustment has been made to this balance to reflect timing difference between COVID grants received that will be accounted for in the 2022/23 Collection fund.

- 2.10 The graph below shows the level of General Fund Usable Revenue Reserves over time and compared with other benchmarks. Reserves have increased from a reasonably low base and are reasonably healthy when compared with other benchmarks.

Usable Revenue Reserves as percentage of 19/20 Net Revenue Expenditure: 12/13 to 20/21



2.11 Whilst reserves are reasonably healthy, it should be noted that unlike other benchmarks (all districts and Leicestershire districts) that the actual level of reserves reduced at North West Leicestershire during 2021/22. Though the reduction is small and average reserve levels remain higher than the Leicestershire district average, this is nonetheless a notable indicator and one that will be monitored closely over the coming years.

2.12 As the level of usable reserves remain at reasonably healthy levels for both the General Fund and Housing Revenue Account, the Section 151 Officer assesses that there are no 'going concern' issues arising from the level of reserves.

2.13 Financial Position and Projections 2021 to 2025

Potential Going Concern Risks

- **No Medium-Term Financial Plan/Strategy or insufficient analysis of future funding scenarios and expenditure plans**
- **Significant reductions in recent Government funding**
- **No robust plans to bridge observed budget gaps**

2.14 An updated Medium Term Financial Plan was considered by Cabinet in September 2021 and Corporate Scrutiny in November 2021. Subsequently, the Government has issued a Spending Review and the Local Government Finance Settlement for 2022/23.

2.15 The updated medium-term financial position, reported to Cabinet on 11 January 2022, is summarised below:

- The proposed general fund revenue budget for 2022/23 includes a budgeted £1.133m contribution to reserves. The surplus of funding is due to the Council receiving significantly higher than average levels of funding from business rates growth and New Homes Bonus
- Business Rates growth is expected to be reset in 2023/24 and New Homes Bonus is expected to be reformed and reduced in value
- As a consequence, although proposals have been developed for a general fund balanced budget in 2022/23 and 2023/24, significant budget gaps of £1.150m, £6.502m and £6.454m need to be addressed from 2024/25, 2025/26 and 2026/27 respectively.
- The Journey to Self-Sufficiency programme will deliver long term savings to address the above budget gaps and a proportion of the healthy level of reserves, noted in the previous section will be used to assist the transition to a more sustainable general fund budget

- 2.16 The medium-term financial position remains significantly difficult for North West Leicestershire District Council. Although this is the case for all district councils, NWLDC has received significantly higher gains from New Homes Bonus and business rates growth and therefore has more to lose from changes to these funding streams.
- 2.17 The Housing Revenue Account is in a more secure position in the medium term due to the relative stability of housing incomes. However, with a large capital programme to meet decent homes and climate emergency targets, careful financial management will be required to secure the medium term health of the account.
- 2.18 On a bi-annual basis, the MTFPs are refreshed: once during the summer to provide the Council and Cabinet with information on the financial position of the Council prior to the development of the budget; and again during the autumn as the draft budget is developed for consultation in order to show the affordability of proposals.
- 2.19 The Section 151 Officer assesses that the Council remains a 'going concern' in the medium term but committee's attention is drawn to the budget gaps from 2024/25 onwards. It will be important to ensure that the Council maintains a focus on housing and business rates growth which will continue to contribute to funding. It is also essential that significant progress is made in respect of the Journey to Self Sufficiency Programme in order to identify cost savings and additional income and secure medium term financial sustainability.

2.20 Cash flow, borrowing, debt gearing and capital expenditure

Potential Going Concern Risks

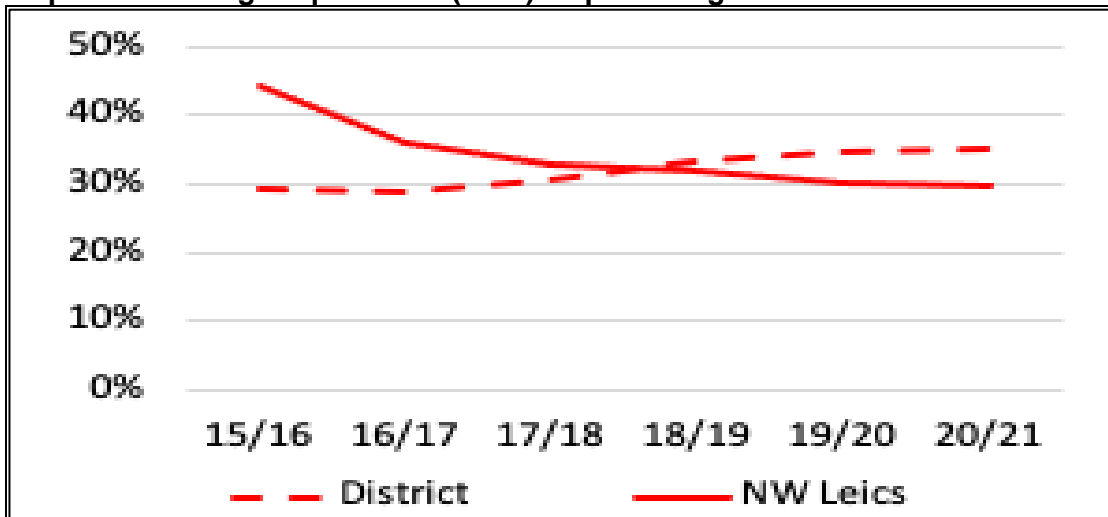
- **Cash balances are reduced resulting in a loss of interest and a need to borrow**
- **Borrowing for capital purposes increases to unsustainable levels**
- **The Capital Programme is therefore unaffordable**

- 2.21 The Council maintains short and long term cash flow projections, and manages its cash, investments and borrowing in line with the Council approved Treasury Management Strategy. As at the 31 March 2021 the Council had long-term borrowing commitments of £79.0m and held £29.0m in investments and £20.9m in Cash and Cash Equivalents.
- 2.22 At 31 December 2021, the authority held long term borrowing commitments of £78.5m and £60.5m of treasury investments. There are currently no projected negative balances on the Council's cash flow to March 2021.
- 2.23 The Council's long-term cash flow projection is best illustrated with reference to the Council's underlying need to borrow for capital purposes. This is measured by the Capital Financing Requirement (CFR) and represents how much funding is required to complete capital budget commitments. The CFR is set against the usable reserves and working capital which represent the underlying resources available for investment.
- 2.24 The latest Capital Strategy document forecasts that the need to borrow as shown by the CFR is set to increase in 2022/23. This is due to significant planned investment in both leisure and housing.
- 2.25 The need to borrow is not necessarily a bad thing so long as adequate provision is made to fund the costs associated with borrowing which include interest payments and loan repayment. North West Leicestershire will continue to follow a prudent policy in respect of minimum revenue provision which ensures that it sets aside sufficient resources from the revenue budget in order to service interest and repay borrowing when due. It is this policy, which has enabled the council to invest in its priorities whilst

maintaining good capital health.

- 2.26 Good capital health is demonstrated in the analysis below which shows that the Council's need to borrow as a percentage of asset values, effectively debt gearing, is lower than the district average and has decreased steadily over the last few years. This shows that over time NWLDC is becoming less reliant on debt and has a higher equity stake in its capital assets.

Capital Financing Requirement (Debt) as percentage of asset values



- 2.27 The management of cash flow, investment and borrowing and capital expenditure including minimum revenue provision are covered in the Council's Capital and Treasury Management Strategies which were considered by Corporate Scrutiny Committee on 5 January 2022 ahead of being considered by Cabinet on 1 February 2022.
- 2.28 The Section 151 Officer assesses that the Council remains a 'going concern' in respect of cash flow, borrowing and capital expenditure. This assessment is based upon the measures highlighted in the above section and the robustness of the capital and treasury management strategies and processes.

THE COUNCIL'S GOVERNANCE ARRANGEMENTS

- 3.0 The Annual Governance Statement has been reviewed taking into account external and internal audit reviews and completion of assurance statements by the Corporate Leadership Team. The Statement includes a detailed review of the effectiveness of the Council's governance arrangements.
- 3.1 Whilst it is not possible to provide absolute assurance the review process as outlined in the Annual Governance Statement does conclude that the existing arrangements remain fit for purposes and help provide reasonable assurance of their effectiveness. This Statement was reviewed by the Chief Executive, Internal Audit manager, Monitoring Officer, S151 Officer and the Leader of the Council before the draft version produced. The statement will be reviewed by the Audit and Governance Committee prior to the final version being issued.

THE EXTERNAL REGULATORY AND CONTROL ENVIRONMENT

- 4.0 As a principal local authority the Council has to operate within a highly legislated and controlled environment. An example of this is the requirement for a balanced budget each year combined with the legal requirement for the Council to have regard to consideration of such matters as the robustness of budget estimates and the adequacy of reserves.
- 4.1 In addition to the legal framework and central government control there are other factors such as the role undertaken by the external auditor as well as the statutory requirement in some cases for compliance with best practice and guidance published by CIPFA and other relevant bodies.

MATERIAL UNCERTAINTIES

- 5.0 The Council is aware that there is a requirement to consider any material uncertainties which would impact on the Council's ability to continue as a going concern. At the time of writing this assessment there are no material uncertainties to respond to that impact on the going concern assessment.

6.0 CONCLUSION

- 6.1 The Section 151 Officer and the Council's Corporate Leadership Team consider, having regard to the Council's current and projected financial position, that the Council remains as a going concern and that there is no material uncertainty that exists that should be disclosed in the financial statements.
- 6.2 This assessment will be undertaken annually in the course of preparing the Council's financial statements and a similar report presented to the Audit and Governance Committee each year.

Policies and other considerations, as appropriate	
Council Priorities:	The going concern assumption underpins the delivery of all of the council's priorities.
Policy Considerations:	The underlying assumption of a going concern basis forms a general principle of the council's accounting policies which are used to guide accounting treatment and the production of the annual accounts.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None.
Economic and Social Impact:	None.
Environment and Climate Change:	None.
Consultation/Community Engagement:	None.
Risks:	None.
Officer Contact	Dan Bates Interim Head of Finance and Section 151 Officer dan.bates@nwleicestershire.gov.uk

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY,
19 JANUARY 2022



Title of Report	PROGRESS OF IMPROVEMENTS IDENTIFIED THROUGH ANNUAL GOVERNANCE REVIEW 2019/20	
Presented by	Dan Bates Interim Head of Finance and Section 151 Officer	
Background Papers	None	Public Report: Yes
Purpose of Report	To provide Committee members with an update in respect of progress made against improvements identified as part of the 2019/20 Annual Governance Statement.	
Recommendations	THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES AND COMMENTS ON THE REPORT	

1.0 BACKGROUND

- 1.1 Members reviewed and approved the Annual Governance Statement (AGS) in respect of the 2019/20 year at its meeting on 22 July 2020.
- 1.2 A total of 5 improvement areas were identified through this review, where it was recognised that the Council could strengthen its governance arrangements.
- 1.3 Two of the areas for improvement were carried forward from the 2017/18 AGS review covering the approach to anti-fraud awareness and a new finance system. Significant progress has been made in respect of both these areas as set out in the appendix.
- 1.4 One area for improvement was carried forward from the 2018/19 AGS review relating to service benchmarking.
- 1.5 Two areas for improvement were identified in the 2019/20 AGS review covering service planning and the management of assets.
- 1.6 This update is the third update members have received on the progress of 2019/20 improvements, following on from the report to the January meeting of this committee.

2.0 PROGRESS MADE IN RESPECT OF IMPROVEMENT AREAS 2019/20

- 2.1 Of the 5 improvements identified, 3 are now complete and for the remaining 2, substantial progress has been made since the last report to this Committee in July. Further monitoring of these improvements as well as any improvements identified in the 2020/21 Annual Governance Statement review will be reported to this committee every six months.
- 2.2 Full details can be found in Appendix A.

Policies and other considerations, as appropriate	
Council Priorities:	Good governance underpins the council's ability to deliver against all of its priorities.
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None.
Economic and Social Impact:	None.
Environment and Climate Change:	None.
Consultation/Community Engagement:	None.
Risks:	None.
Officer Contact	Dan Bates Interim Head of Finance and Section 151 Officer dan.bates@nwleicestershire.gov.uk

PROGRESS MADE IN RESPECT OF IMPROVEMENTS IDENTIFIED THROUGH THE REVIEW OF THE ANNUAL GOVERNANCE STATEMENT 2019/20

CIPFA/SOLACE Principle	Improvement	Owner	Target Completion	Status Update June 2021	Status Update January 2022
<p>D: Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	<p>Review service and financial planning timetable</p>	<p>Head of Finance</p>	<p>June 2021 <i>Revised Date September 202</i></p>	<p>Underway The service planning timetable is currently being reviewed ahead of the annual budget process. It will be implemented in September 2021.</p>	<p>Complete The service planning and financial planning timetable has been incorporated into the annual budget process.</p>
<p>E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it</p>	<p>Review the effectiveness of the current arrangements for managing assets</p>	<p>Head of Customer Services, Corporate Property and Assets</p>	<p>September 2021 <i>Revised Date September 2022</i></p>	<p>Underway The critical elements of the improvement work have been actioned. Due to the loss of the team manager (and impending recruitment) plus the proposed accommodation changes, we have paused further significant development work until the changes have been completed. This will give the opportunity to consider the services and resources we need to run the service in its new guise following these major changes. This will be commenced as part of the accommodation work, which at present is programmed to complete in Summer 2022.</p>	<p>Underway The approach to management of assets has been agreed in principle as the authority moves to a ‘single landlord’ model. This approach will be formalised and actioned through the J2SS process and progress will be reported throughout 2022.</p>

CIPFA/SOLACE Principle	Improvement	Owner	Target Completion	Status Update June 2021	Status Update January 2022
F: Managing risks and performance through robust internal control and strong public financial management	Develop organisational requirements for benchmarking of services <i>(carried forward from 2018/19)</i>	Head of HR and Organisational Development	March 2021 <i>Revised Date September 2021</i>	<p>Underway The work of the performance team has been affected by the COVID-19 pandemic, and the team were seconded to other roles during much of 2020, which has caused a delay in progressing this action.</p> <p>During 2021 the performance monitoring has restarted and reports have been presented to the Corporate scrutiny committee and Cabinet. The performance indicators used in those reports have been reviewed by the Corporate Leadership Team and as part of the consideration included the potential for comparisons with other organisations. A revised Council Delivery Plan has been considered by the Corporate Scrutiny Committee, and this will progress to Cabinet in July and Council in September 2021.</p>	<p>Underway Benchmarking of services has now been incorporated into the J2SS process which will undertake a series of service reviews based upon an initial budget book benchmarking exercise.</p> <p>The initial exercise will be completed by March 2022 and a timetable of full reviews will be established,</p> <p>Performance and financial benchmarking will be incorporated into all service reviews.</p> <p>Progress will be reported throughout 2022.</p>
	Develop and implement anti-fraud awareness raising programme <i>(carried forward from 2017/18)</i>	Head of Finance	March 2021	<p>Complete Anti-fraud online training rolled out to all staff. At time of writing, 90% of all staff had undertaken the training and passed the assessment which was part of the training.</p>	Previously completed
	Procure new finance system <i>(carried forward from 2017/18)</i>	Head of Finance	March 2021	<p>Complete Project has commenced and new finance system will 'go live' in April 2022.</p>	Previously completed

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 19 JANUARY 2022

Title of Report	TREASURY MANAGEMENT ACTIVITY REPORT APRIL 2021 –DECEMBER 2021	
Presented by	Anna Wright Finance Team Manager and Deputy S151 Officer	
Background Papers	Treasury Management Strategy Statement 2021/22 Council 23 February 2021	Public Report: Yes
Purpose of Report	To inform Members of the Council's Treasury Management activity undertaken during the period April 2021 to December 2021.	
Recommendations	THAT MEMBERS APPROVE THIS REPORT AND COMMENT AS APPROPRIATE.	

1.0 BACKGROUND

- 1.1** Treasury Management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the code"), which requires local authorities to produce Prudential Indicators and a Treasury Management Strategy Statement annually on the likely financing and investment activity.
- 1.2** As a minimum, the code requires that the council reports on the performance of the Treasury Management function at least twice yearly (mid-year and at year end). This is the third report to be presented in 2021/22 designed to inform Members of the council's treasury activity and enable scrutiny of activity and performance.
- 1.3** The council's current Treasury Management Strategy Statement which includes the Borrowing Strategy; Debt Rescheduling Strategy; Annual Investment Strategy; Apportionment of Interest Strategy; Prudential Indicators and Annual Minimum Revenue Provision was approved by Council on 23 February 2021.
- 1.4** Investing or borrowing activities expose the council to financial risks including the loss of invested funds and revenue effects of changing interest rates. The successful identification, monitoring and control of risks are therefore central to the council's Treasury Management strategy.

2.0 THE UK ECONOMY & OTHER FACTORS

2.1 Economic and interest rate forecasts are provided on a regular basis by our treasury advisors (Arlingclose). The last update was provided on 17 December 2021

Economic background: The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.

The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.

Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.

In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.

GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.

Credit outlook: Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of

impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.

3.0 THE COUNCIL'S TREASURY POSITION

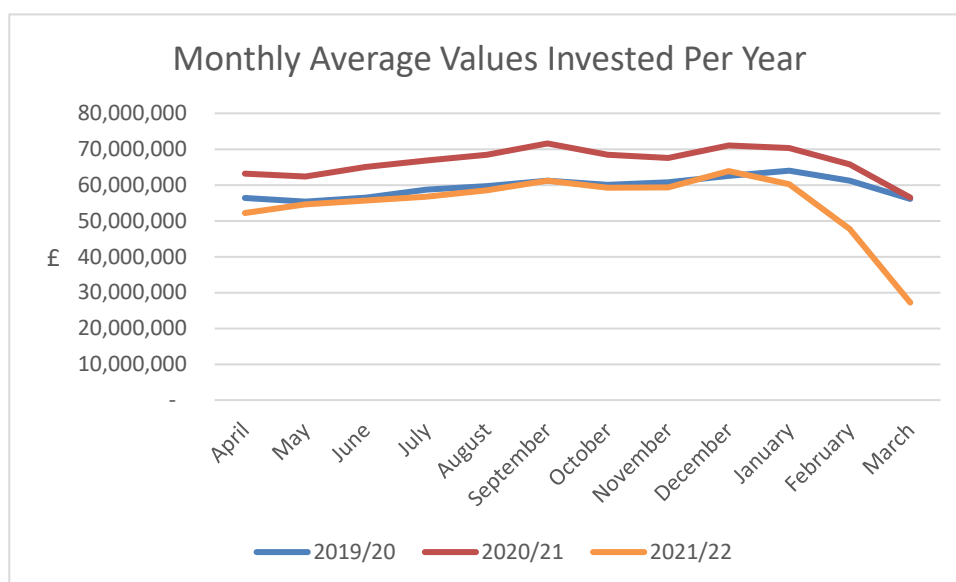
3.1 The Council's current strategy is to use internal borrowing to reduce risk and keep interest costs low. The treasury management current position and the change over the reporting period is shown below.

	01.04.21	Movement	31.12.21	31.12.21
	Balance	£m	Balance	Rate
	£m		£m	%
Long-term borrowing	79.05	-0.59	78.46	3.39%
Short-term borrowing	0.00	0.00	0.00	0
Total borrowing	79.05	-0.59	78.46	3.39%
Long-term investments	0.00	0.00	0	0
Short-term investments	33.00	8.50	41.50	0.05%
Cash and cash equivalents	14.50	4.50	19.00	0.01%
Total investments	53.50	7.00	60.50	0.04%
Net Borrowing - Investments	25.55		17.96	

3.2 In the period April 2021 to December 2021, the capacity for investment has increased by £7 million. The volatility of balances is normal throughout the year and a number of factors contribute to this during the financial year:

- The council (as it typically does) has benefit from the receipt of Council Tax and Business Rates during the first ten months of the financial year whilst revenue expenditure is more evenly weighted throughout the financial year.
- Normally, Capital expenditure is heavily weighted towards the latter part of the financial year due to the time required to schedule programmes of work or award contracts. This was further impacted by COVID due to difficulty in sourcing resource and materials.

3.3 The average value of investments per month are represented in the graph below, illustrating the cash flow trends throughout the year. For the remainder of 2021/22 the graph shows the forecasted investment amounts available. This shows a marked decrease due to repayment of grants and payments valuing £14 million for repayments of long-term loans.



4.0 BORROWING ACTIVITY

4.1 The council's Borrowing Strategy 2021/22 incorporates a prudent and pragmatic approach to borrowing to minimise borrowing costs without compromising the longer-term stability of the portfolio, consistent with the council's Prudential Indicators.

4.2 The council's forecasting for 2021/22 shows that we will not need to borrow in 2021/22. However, moving into 2022/23 it is likely that borrowing will be required particularly if the council wishes to maintain its professional investor (MIFID) status which requires an investment balance of £10m at all times. We are currently forecasting a balance of below £10m from May 2022 onwards.

4.3 The council has not undertaken any short-term or long-term borrowing during this financial year.

4.4 The council have four PWLB loan repayments due this year. The first two are annuity loans that require part of the principle to be paid each year. The first payment totalling £0.59 million was made on 28 September and the second of the same amount will be made on March 28 2022. The two further loans will be repaid also on 28 March 2022 totalling £13 million. All

four of these loans were taken out in 2012 as part of the self-financing of the Housing Revenue Account.

4.5 Interest payments on all loans will total £2.67 million for the 2021/22 financial year

4.6 The balance of the HRA loan redemption reserve when taken together with outstanding loans gives a complete picture of the actual outstanding HRA borrowing and the balance on the reserve forms part of our total investments which are shown in the report.

5.0 DEBT RESCHEDULING ACTIVITY

5.1 The council's Debt Rescheduling Strategy 2021/22 establishes a flexible approach where the rationale for rescheduling could be one or more of the following:

- Savings in interest costs with minimal risk.
- Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio.
- Amending the profile of maturing debt to reduce any inherent refinancing risks.

5.2 No opportunities for debt rescheduling were identified that conformed to the above rationale. Accordingly, the council has undertaken no debt rescheduling activity during the period.

5.3 The council's portfolio of thirteen loans, ten PWLB loans and three market loans, will continue to be monitored for debt rescheduling opportunities. Two of the PWLB loans will be repaid this financial year as outlined in section 4.4.

6.0 INVESTMENT ACTIVITY

6.1 The main objective of the council's Investment Policy and Strategy 2021/22 is to invest its surplus funds prudently.

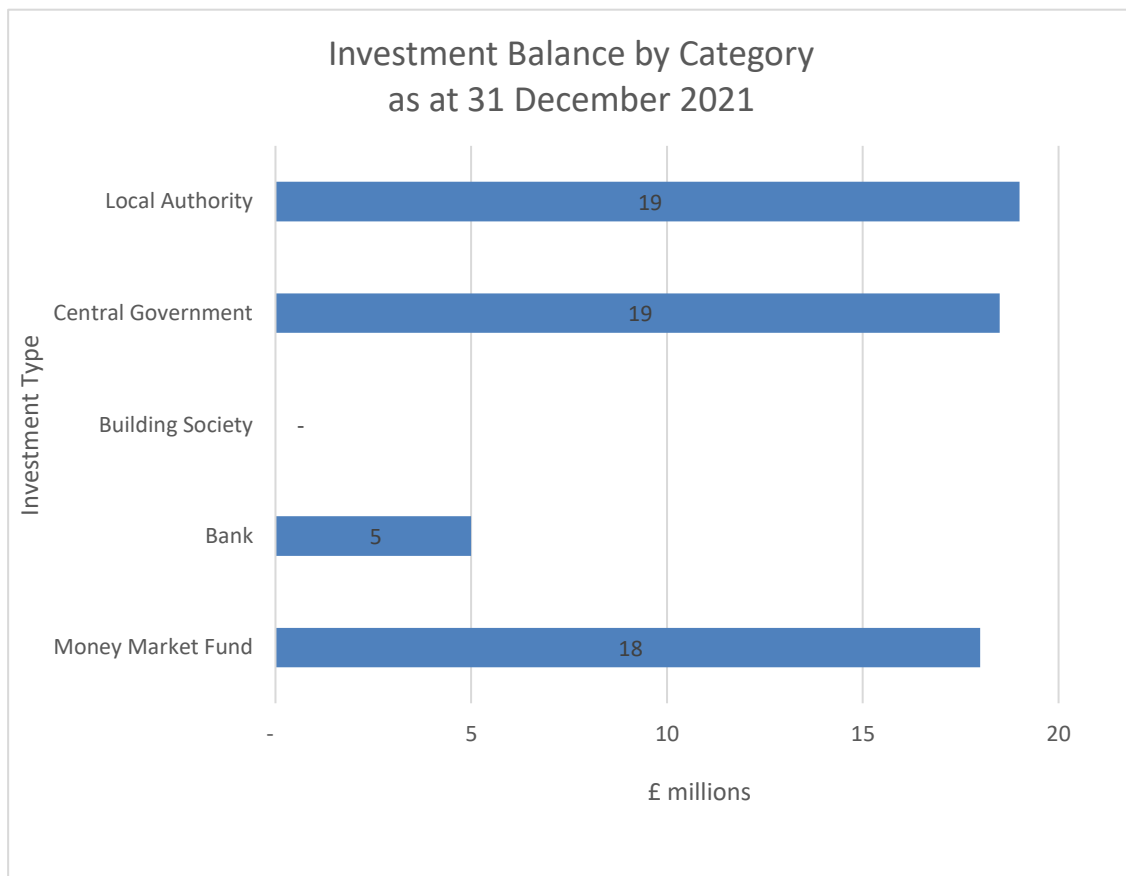
6.2 The council's investment priorities are:

- Security of the invested capital;
- Sufficient liquidity to permit investments; and,
- Optimum yield which is commensurate with security and liquidity.

6.3 During the period April 2021 to December 2021 the deposit rates on the Debt Management Account Deposit Facility (DMADF) were at 0.01% for all durations. On 15 December 2021 the Monetary Policy Committee voted 8-1 to increase bank rate to 0.25%. This has increased the DMADF deposit returns for longer term investments. Different amounts and time frames now yield different rates of return. This is outlined in the below diagram which represents indicative interest rates as at 31 December 2021. Please note that these change each day.

LESS THAN 25M		25M AND GREATER	
BID <25m		BID >25m	
O/N	-0.45	O/N	-0.45
1W	-0.27	1W	-0.27
2W	-0.15	2W	-0.15
3W	-0.10	3W	-0.10
1M	-0.07	1M	-0.07
2M	0.02	2M	0.02
3M	0.08	3M	0.08
4M	0.10	4M	0.10
5M	0.11	5M	0.11
6M	0.12	6M	0.12

- 6.4 The return on Money Market Funds net of fees remained very low between 0.005% and 0.02%. In many instances, the fund management companies have temporarily lowered or waived fees to maintain a positive net return.
- 6.5 To lower the inherent investment risk, the council has minimised the use of banks and continues to use other Local Authorities as investment counterparties. A range of lengths of investment, from overnight investments to short term up to 9 months have been utilised to ensure that the principles of security, liquidity and yield are followed.
- 6.6 The graph below shows the type of counterparties used by the council and the values currently invested.



- 6.7 The counterparties that the Council currently use all meet the criteria set out in the Treasury Management Strategy Statement 2021/22 and are monitored by our Treasury Management Advisors. A detailed list of the counterparties used and amounts currently invested can be seen in Appendix A.
- 6.8 The average rate of return on the council’s investment balances as at 31 December 2021 was 0.04%. For comparison purposes the benchmark return at the start of December 2021 for the average 7-day London Interbank Offered Rate (LIBOR) was 0.04%. This rating system will be being phased out at the end of the year and so we will also be using the 7-day Sterling Over Night Rate (SONIA) this was at 0.05%.

- 6.9** The Council's Treasury Management Advisors produce investment-benchmarking information quarterly. The latest available benchmarking data is from the 30 September 2021. This shows that the Council's 0.05% interest yield is significantly lower than other Councils which sit at 2.35% and 3.65% for non-met districts. These figures do not represent all other UK councils, but all councils overseen by Arlingclose. The smaller interest return is largely due to the lack of longer-term investments that some other councils engage in such as strategic funds and cash plus funds. Due to the forecasted shortfall in cashflow longer term investments are not feasible for the Council as CIPFA's prudential code advises against borrowing for investment purposes. The full benchmarking summary can be seen in Appendix B.
- 6.10** Short and long term borrowing interest rates have been at a historical low point with the Bank of England keeping base rate at 0.10% combined with local authorities' cash demand being low as a result of grants received from central government. With the base rate having risen on 15 December 2021 to 0.25% it is anticipated this will increase slightly over the coming weeks.
- 6.11** There were 53 investments made during the period April 2021 to December 2021 totalling £184 million and 45 maturities totalling £171 million. The average balance held for the period was £59 million.
- 6.12** The fixed term investments for the period were for amounts ranging between £4m and £10m.
- 6.13** The budget for investment income for 2021/2022 for the General Fund and Housing Revenue Account was £14,000. Investment activity from April 2021 to December 2021 has generated £22,000 in interest for the financial year. The current outturn forecast is estimated to be £26,000
- 6.14** Of this total forecast, an amount is removed from the total due to interest earned on investment balances held on behalf of external funds. This external income largely represents balances from S106 contributions that have not yet been spent. The forecasted amount of interest earned from these external funds is an estimated £4,000. There is no budget applied to this element as S106 contributions are only achieved when specific conditions are met and are anticipated to be spent.
- 6.15** After the external fund income discussed above is removed the forecasted interest earned for the 2021/22 financial year the resulting forecasted Interest earned is £22,000. This will be apportioned between the General Fund and the Housing Revenue Account as shown in the table below.

	Budget 2021/22	Projected 2021/22
General Fund	£8,906	£14,181
Housing Revenue Account	£5,130	£8,169
Sub-Total	£14,036	£22,351
External Balances		£3,736
Total	£14,036	£26,087

- 6.16** There was a breach of the Treasury Management Strategy Statement (TMSS) on 1 December 2021. This was caused as a result of an unexpected payment of £350,000 arriving into the bank late in the day. As a result, the operational bank account finished the day with a balance of £5,079,500. The limit within the TMSS is £5 million thus resulting in a breach of £79,500. Procedures have been updated to mitigate the risk of this occurring in the future by leaving a £500,000 headroom in the bank account for incoming payments late in the day. Practically this means that the operational bank account will not exceed £4.5 million unless a late payment is received.

7.0 Treasury Advisor's Commentary – Arlingclose Ltd – This commentary is provided by our treasury management advisors and was last updated in July 2021 and remains relevant.

7.1 NWLDC is currently taking a relatively low credit and liquidity risk approach to its investment strategy by investing mainly in Money Market Funds (MMFs), local authorities and the UK central government for short terms (up to 12 months). These options avoid the direct bail-in risk associated with bank deposits (although indirect exposure is held via the MMFs, this is highly diversified).

7.2 The council's focus is on security and liquidity and this approach combined with the current interest rate environment means investment returns are at low levels. Given these low returns, the council's level of real return (i.e. adjusting for inflation) is negative. The latest client investment benchmarking exercise that NWLDC took part in (June 2021) showed the council's credit risk (as measured by credit ratings) and return in line with the average for other local authorities on internally managed investments.

7.3 Other investment options that may fit with the council's current risk appetite include longer-term loans to local authorities (the council has done this before), covered bonds and loans to Registered Providers (housing associations), which would also require a longer investment horizon (3 to 5 years).

7.4 Going beyond this would be an alternative approach – that a portion of the investment portfolio is invested strategically for income rather than liquidity. This would involve investing in asset classes such as property, bonds and equities (typically via pooled funds). This would carry a different and typically higher set of risks but also generate a higher return. An appropriate risk/return balance is key and these would be long-term investments, the value of which would fluctuate over time.

8.0 SUMMARY

8.1 In compliance with the requirements of the CIPFA code of practice, this report provides Members with a summary report of the Treasury Management activity for the period April 2021 to December 2021. A prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

8.2 For the reporting period, there has been one breach as outlined in section 6.16 of this report. Outside of that it can be confirmed that the Treasury Management Strategy Statement and Treasury Management practices have been complied with.

Policies and other considerations, as appropriate	
Council Priorities:	Value for Money
Policy Considerations:	Treasury Management Strategy Statement 2021/22 Council 23 February 2021
Safeguarding:	Not applicable
Equalities/Diversity:	Not applicable
Customer Impact:	Not applicable
Economic and Social Impact:	Not applicable
Environment and Climate Change:	Not applicable
Consultation/Community Engagement:	Not applicable
Risks:	Borrowing and investment both carry an element of risk. This risk is mitigated through the adoption of the Treasury and Investment Strategies, compliance with the CIPFA code of Treasury Management and the retention of Treasury Management advisors (Arlingclose) to proffer expert advice.
Officer Contact	Anna Wright Finance Team Manager and Deputy S151 Officer anna.wright@nwleicestershire.gov.uk

Appendix A

LIST OF COUNTERPARTIES, CURRENT INVESTMENT AND RATE

Investments as of 31/12/2021			
Counterparty	Length	Amount	Interest Rate
Blackrock MMF	Overnight	5,000,000.00	0.01%
Aberdeen Asset Management MMF	Overnight	4,000,000.00	0.01%
Federated Investors MMF	Overnight	5,000,000.00	0.01%
CCLA MMF	Overnight	4,000,000.00	0.02%
Lloyds Notice Account	32 days	2,000,000.00	0.03%
Santander Notice Account	35 days	2,000,000.00	0.15%
Lloyds Market Call Account	Overnight	1,000,000.00	0.01%
Isle of Wight	277 days	5,000,000.00	0.09%
Guilford Borough Council	276 days	5,000,000.00	0.09%
Surrey Heath Borough Council	184 days	4,000,000.00	0.03%
London Borough of Barking & Dagenham	140 days	5,000,000.00	0.03%
DMADF	Overnight	18,500,000.00	0.03%
Total		60,500,000.00	0.04%

Appendix B

Investment benchmarking 30th September 2021



Investment Benchmarking 30 September 2021

NW Leicestershire
51 English Non-Met Districts Average
129 LAs Average

Internal Investments	£53.8m	£36.1m	£72.7m
Cash Plus & Short Bond Funds	£0.0m	£1.9m	£2.2m
Strategic Pooled Funds	£0.0m	£14.1m	£13.1m
TOTAL INVESTMENTS	£53.8m	£51.7m	£87.9m

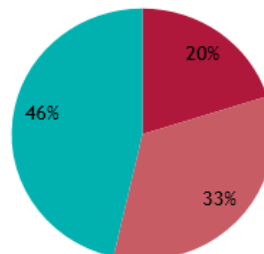
Security			
Average Credit Score	4.77	4.66	4.69
Average Credit Rating	A+	A+	A+
Average Credit Score (time-weighted)	4.48	4.57	4.53
Average Credit Rating (time-weighted)	AA-	A+	A+
Number of Counterparties / Funds	13	13	13
Proportion Exposed to Bail-in	54%	69%	69%

Liquidity			
Proportion Available within 7 days	48%	48%	56%
Proportion Available within 100 days	74%	65%	75%
Average Days to Maturity	45	32	10

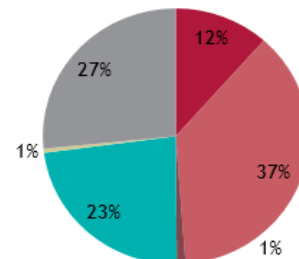
Market Risks			
Average Days to Next Rate Reset	62	55	44
Strategic Fund Volatility	-	3.0%	3.9%

Yield			
Internal Investment Return	0.05%	0.08%	0.08%
Cash Plus Funds - Income Return	-	0.39%	0.33%
Strategic Funds - Income Return	-	4.20%	4.27%
Total Investments - Income Return	0.05%	1.20%	0.78%
Cash Plus Funds - Capital Gain/Loss	-	-0.03%	0.03%
Strategic Funds - Capital Gain/Loss	-	9.28%	9.42%
Total Investments - Total Return	0.05%	3.65%	2.35%

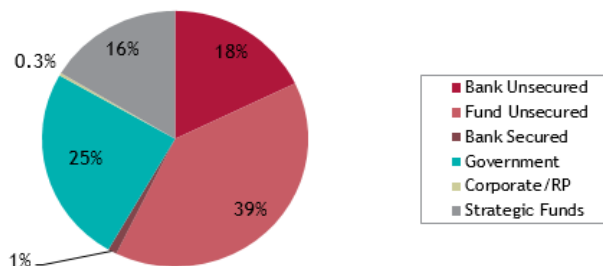
NW Leicestershire



English Non-Met Districts



All Arlingclose Clients



Notes

- Unless otherwise stated, all measures relate to internally managed investments only, i.e. excluding external pooled funds.
- Averages within a portfolio are weighted by size of investment, but averages across authorities are not weighted.
- Credit scores are calculated as AAA = 1, AA+ = 2, etc.
- Volatility is the standard deviation of weekly total returns, annualised.

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 19
JANUARY 2022

Title of Report	CORPORATE RISK UPDATE	
Presented by	Andy Barton Strategic Director	
Background Papers	None	Public Report: Yes
Purpose of Report	To provide Committee members with an update in respect of the Council's corporate risk register.	
Recommendations	THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES AND COMMENTS ON THE LATEST CORPORATE RISK REGISTER FOR CONSIDERATION BY THE RISK SCRUTINY GROUP.	

1.0 BACKGROUND

- 1.1 As part of the agreed Risk Management approach this report presents the latest version of the Corporate Risk Register as reviewed at the last meeting of the Risk Scrutiny Group. In line with the policy, members of this Committee, and Cabinet are to receive periodic updates on risks monitored through the Corporate Risk Register.
- 1.2 The updated Risk Register can be found at Appendix 1 and a summary of changes since the last update is set out below. To reflect the discussion at the last meeting of the committee the risk regarding Local Government Reform (Risk 12) has been reconsidered in light of Mayoral proposals etc. Textural changes have been made but the scoring is not considered to of altered at this time.
- 1.3 Out of the 14 active risks, 0 are Red, 7 are Amber and 7 are Green.

Risk Ref	Risk Title	Summary of Change
1	Death / Serious Harm	Reduced likelihood to reflect actuality of events (ie predicted to happen less than once a year).
13	EU Exit	Reduced likelihood to reflect that the severity of the risks outline have not occurred (note there is great difficulty in dissecting elements of this risk from those of COVID related disruption to supply chains in particular)

- 1.4 The Strategic Director acts as lead for corporate risk and is satisfied that the main risks posed to the organisation have been captured within the risk register and that control measures to mitigate these risks are appropriate. The report is based on an update in

December 2021, any further update on significant changes in risk will be provided at the meeting.

- 1.5 The Audit and Governance Committee are asked to review and note this risk update, and provide any feedback they wish to be considered by the Risk Scrutiny Group at its next meeting.

Policies and other considerations, as appropriate	
Council Priorities:	Effective risk management underpins the ability of the Council to deliver against all its priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	None
Risks:	The Council manages its risks within existing budgets. Effective risk management protects the Council from insurance and/or compensation claims, fraud, and a range of other financial and non financial risks
Officer Contact	Andy Barton Strategic Director Andy.Barton@nwleicestershire.gov.uk

Corporate Risk Register													
Ref No.	Risk Description	Consequence	Cause	Inherent Risk			Responsibility of	Responsible to	Control Measures	Residual Risk			Movement of Risk
				Impact	Likelihood	Rating				Impact	Likelihood	Rating	
51	1 SOCIAL/ POLITICAL/ LEGAL Death / serious harm to a vulnerable person receiving a council service and safeguarding compliance	A serious case review arising from death/serious harm to a vulnerable person. Reputational damage to council. Loss of confidence in ability of council to deliver services. Ensuring compliance with Safeguarding legislation and practise.	Lack of response to a safeguarding report. Service failure. Modern slavery. poor safeguarding assurance	4	3	12	Community Safety Team Manager	Head of Community Services	The organisation has the following structures in place; A recent audit with action plan of reasonable assurance An identified Corporate Lead (Head of Service) with a Portfolio Holder lead An identified Team responsible for Safeguarding (Safer & Stronger) with responsibility embedded into Team Leader role and an officer (Child & Adults at risk Officer) An agreed Safeguarding Policy refreshed as required with delegation Head of Community Services for updates An identified group of Designated Safeguarding Officers (DSO's) in most service areas A programme of regular DSO meetings which consider training, best practice and case issues An annual training programme to ensure new DSO's are well informed and trained A quarterly senior management review of all cases to check progress/close cases A quarterly briefing with the Chief Executive, a 6 monthly report to CLT and an annual report to Cabinet Annual report reviews previous year and endorses an action plan for the year ahead. A computerised system of reporting and managing reports introduced in 2019, will ensure constant reminders of new cases, sending alerts at all points in the procedure.	3	1	3	Reduced
	2 FINANCIAL/ COMMERCIAL/ REPUTATIONAL Mismanagement of council	Central Government intervention/special measures. Adverse publicity. Possible litigation. Withdrawal of services.	Mis-interpreting of or not responding appropriately to a change in fiscal policy.	4	4	16	Head of Finance	Strategic Director	Commitment to raise awareness of the scale and extent of modern slavery in the UK and ensure our contracts and supplies don't contribute to modern day slavery	4	1	4	Stable

Corporate Risk Register													
Ref No.	Risk Description	Consequence	Cause	Inherent Risk			Responsibility of	Responsible to	Control Measures	Residual Risk			Movement of Risk
				Impact	Likelihood	Rating				Impact	Likelihood	Rating	
	finances		Poor budget planning / management. Internal financial systems and regulations not being properly applied.						Monthly management reviews monitor actual spend against budgets and forecast to the end of the year. Monthly reporting and challenging at CLT, and reported to Cabinet quarterly Sound policies and procedures are in place. Financial planning processes have been documented and are reviewed regularly. Internal and External audit of systems and accounts. Procurement of new finance system with increased controls and monitoring underway				
52	3 REPUTAITONAL/ LEGAL COMMERCIAL Insufficient resources due to unplanned / unforeseen absences / vacancies / changes to financial picture	Council unable to perform its statutory duties. Council's Partners unable to perform duties. Use of external resources at significantly higher cost. Short / Medium Term Exposure	Failure to horizon scan and interpret future needs in crucial roles. Changes to income or financial climate Inability to recruit to vacancies / retain staff. unexpected or unplanned event (eg pandemic)	4	3	12	Head of HR and OD	Chief Executive	Membership of CIPFA and engagement of Arling Close gives access to specialist advice, analysis and expertise. Current and forecasted balance MTFS, although uncertainty regarding future gov funding streams and impacts of changes such as DevCo/Freeport etc Advance planning will help to mitigate this risk; recent COVID expereince demonstrates NWL able to react and adjust Ability to divert resources from other services, bringing in additional resources from other sources (e.g. Agencies, Consultants, Voluntary/ Community sector etc.) would be activated. Market conditions are tested through recruitment processes, and boyant at present. The Council can offer a package of additional benefits to enhance the recruitment offer. The Council has developed innovative partnering relationships with other sectors including the private sector to make posts uniquely attractive.	3	2	6	Stable

Corporate Risk Register													
Ref No.	Risk Description	Consequence	Cause	Inherent Risk			Responsibility of	Responsible to	Control Measures	Residual Risk			Movement of Risk
				Impact	Likelihood	Rating				Impact	Likelihood	Rating	
									Best Employee Experience is a programme to attract and develop the right skills, and promoting existing staff talent through secondments and tailored development programmes. Apprenticeships allow the Council to 'grow our own'.				
53	4 LEGAL / FINANCIAL Contracts are not properly procured and managed	Council liable to incur additional costs, contract overrun, litigation and potential health & safety issues as well as service disruptions.	<p>Failure to monitor contractors appropriately.</p> <p>Legal and procurement teams not consulted when contractors are engaged.</p> <p>Loss of key staff or supplier.</p> <p>Procurement procedures are not followed.</p> <p>The council contributes to modern slavery via it's contracts and supplies.</p>	3	3	9	Finance Team Manager. All Team Managers.	All Heads of Service	<p>Oversight Board structure in place to oversee major project work & compliance group now in place to oversee these elements of contracted work.</p> <p>Corporate procurement support and legal team to support where necessary on contract management.</p> <p>Corporate procurement team re-established and charged with reviewing Procurement Strategy as part of MTFS.</p> <p>Analysis of sepnd undertaken and procurement toolkit to be produced to cover majority of lower value procurments with high value and complex procurements to be supported by specialised function.</p>	2	3	6	Stable
	5 LEGAL / TECHNOLOGICAL Loss or unlawful use of personal data constituting breach of data protection legislation	Monetary penalties from ICO, adverse publicity, private litigation and personal criminal liability of officers.	<p>Systems not in place to protect sensitive data.</p> <p>Staff are not properly trained in managing information, and do not follow internal procedures.</p> <p>Changes in working practises casuing unintended risk/exposure</p>	3	3	9	Legal Services Team Manager	Head of Legal & Support Services	<p>Policies and procedures are in place and rolled out. Regularly reviewed and compliance is monitored.</p> <p>Corporate Governance training is undertaken annually and includes information governance as appropriate to reflect changes in legislation. E-learning module updated in 2019 and rolled out as mandatory annual training for all staff.</p> <p>The Council has a dedicated SIRO and DPO.</p> <p>Corporate Governance Groups are in place to scrutinise impacts/issues arising.</p> <p>Internal audit was carried out in December 2019. The outcome of the audit was a Grade 1. One medium risk recommendation</p>	2	2	4	Stable

Corporate Risk Register													
Ref No.	Risk Description	Consequence	Cause	Inherent Risk			Responsibility of	Responsible to	Control Measures	Residual Risk			Movement of Risk
				Impact	Likelihood	Rating				Impact	Likelihood	Rating	
									Information Governance Team to cooperate with the supervisory authority and monitor compliance with Data Protection laws.				
6	LEGAL / REPUTATIONAL / COMMERCIAL Failure to respond to an emergency in an appropriate manner	General public at risk of harm or unable to access relevant services (e.g. emergency accommodation or rest centre). Adverse publicity. "Business as usual" not possible without appropriate business continuity plan in place. Breakdown in relationship with other responders.	Lack of planning, training and exercising of Emergency plans Inadequate Corporate Business Continuity Management. Lack of procedural understanding	4	3	12	Head of Human Resources and Organisation Development	Chief Executive	Business continuity plans have been documented, policies and procedures are in place. The LRF partnership arrangement with all Leicestershire and Rutland authorities provide resilience during civil emergency situations. Business Continuity exercises show the readiness of the Council to deal with emergencies. System of ICO / FLM duty rotas is in place & continued reassessment for ongoing incidents. COVID experience shows capability and works.	4	1	4	Stable
54	7 LEGAL/ TECHNOLOGICAL/ COMMERCIAL Infiltration of ICT systems	"Business as usual" would not be possible. Cost of repelling cyber threat and enhancing security features.	Systems not in place or kept current to deflect any foreseeable cyber attack. Limited staff awareness of possible threats. Lapse in security awareness and basic processes from a technical and human perspective.	4	4	16	ICT Manager	Head of Customer Services	Fully resilient environment in place with no single points of failure for core systems, other critical systems use cold standby equipment. Yearly IT security health check and PEN (penetration) testing carried out, by a CREST security accredited supplier, with remediation action plan in place to mitigate any risks found. Phishing campaigns ran twice a year to test staff security awareness and feed back results to CLT, with improvement plans in place for those who have not passed the test. Quarterly Cyber Security awareness training held for staff and new starters, to protect staff at work and in the office. New business services are run in remote fully resilient data centres and existing systems are being progressively migrated to these cloud computing centres.	3	2	6	Stable

Corporate Risk Register													
Ref No.	Risk Description	Consequence	Cause	Inherent Risk			Responsibility of	Responsible to	Control Measures	Residual Risk			Movement of Risk
				Impact	Likelihood	Rating				Impact	Likelihood	Rating	
									<p>Phishing campaigns ran twice a year to test staff security awareness and feed back results to CLT, with improvement plans in place for those who have not passed the test.</p> <p>Latest Audit / assessments all confirm secure environment</p> <p>Improved business recovery arrangements have been implemented to minimise recovery time. Accreditation to Cyber Essentials Plus and the Public Services Network.</p>				
8 55	COMMERCIAL / POLITICAL / FINANCIAL Projects are poorly managed	Failure of proposed projects could result in failure to achieve overall objectives. Inefficient use / waste of resources.	<p>Failure to implement project management techniques.</p> <p>Poor corporate oversight of projects.</p> <p>Inadequate controls on expenditure and poor budget monitoring.</p> <p>Inadequate monitoring of external contracts.</p> <p>Failure to engage project management expertise when required.</p>	3	4	12	Head of Human Resources and Organisation Development	Chief Executive	<p>Greater use of professional project managers for key projects. Work ongoing to address project methodologies deployed across the council. Greater use of external / out of subject board members. Board structure covering all major projects in place</p> <p>An annual external audit of IT assessed the organisation's IT arrangements in a range of areas against best practice. (The outcome of the audit in 2020 was, GRADE 1, with one recommendation, which has already been addressed and provides assurance that the organisation's IT arrangements are</p>	3	2	6	Stable

Corporate Risk Register													
Ref No.	Risk Description	Consequence	Cause	Inherent Risk			Responsibility of	Responsible to	Control Measures	Residual Risk			Movement of Risk
				Impact	Likelihood	Rating				Impact	Likelihood	Rating	
9	LEGAL / POLITICAL / REPUTATIONAL Council makes ultra vires (beyond the council's powers and functions) decisions	Potential litigation against the Council, resulting in increased costs / compensation. Reputational damage.	Staff / Members proceeding without established governance arrangements. Failure to consult with Legal / Monitoring Officer. Lack of understanding of the implications of dealing with a particular matter.	4	3	12	Legal Services Team Manager	Head of Legal & Support Services	Properly convened project teams with PID and project plan in place, including project risk registers. Progress on corporate projects scrutinised by CLT. Implementation of contract management framework for outsourced services. Scrutiny of quarterly monitoring reports on capital expenditure.	4	1	4	Stable
10 56	FINANCIAL / LEGAL / REPUTATIONAL Council is subject to serious fraud, corruption or theft	Financial, reputational and political damage to Council.	Lack of checks and balances within financial regulations. Poor budget / contract management. Poor monitoring of / adherence to financial systems	4	3	12	Head of Finance. All Team Managers & Heads of Service.	Directors Utilising Internal Audit to conduct audits of individual projects or Project management more widely. Use of external resources to be used to support the Coalville and Leisure projects. Scrutiny of risk registers or project management framework of individual projects by Risk Scrutiny Group Policies & procedures in place, governance processes are documented and in operation, ongoing assessments and reviews are performed. Completion of the Annual Governance statement. A policy framework that includes Anti-Fraud and Corruption Policy, Confidential Reporting (Whistleblowing) Policy and Anti-Money Laundering Policy. Policy Refreshed late 2020 - refresh of training underway.	3	2	6	Stable	

Corporate Risk Register													
Ref No.	Risk Description	Consequence	Cause	Inherent Risk			Responsibility of	Responsible to	Control Measures	Residual Risk			Movement of Risk
				Impact	Likelihood	Rating				Impact	Likelihood	Rating	
57			Changes in working practises causing unintended risk/exposure						<p>The Internal Audit annual planning process takes into account high risk areas, which considers fraud risks. Fraud risks are considered as part of specific audits with testing designed to detect fraud where possible. The Council is also subject to External Audit. New Covid related Grants all subject to external audit and compliance checks.</p> <p>Internal control and governance arrangements such as segregation of duties, schemes of delegation, bank reconciliations of fund movements, and verification processes.</p> <p>Participation and strengthening of involvement in National Fraud Initiative (mandatory)</p> <p>Leicestershire Revenues and Benefits Partnership have two trained officers working solely on Council Tax Reduction Scheme Fraud and act as Single Point of Contact for DWP referrals.</p> <p>Information on how to report fraud is on the website including relevant links.</p>				

Corporate Risk Register													
Ref No.	Risk Description	Consequence	Cause	Inherent Risk			Responsibility of	Responsible to	Control Measures	Residual Risk			Movement of Risk
				Impact	Likelihood	Rating				Impact	Likelihood	Rating	
11	FINANCIAL / COMMERCIAL / ECONOMIC The Council is subject to a reduction in income	Services are unable to be delivered. Potential staff redundancies. Funding of external groups is withdrawn. Potential breach of statutory duties.	Reduction in government grant. Changes to the local authority financial settlement. Economic downturn / recession. Commercial opportunities not progressed. Changing rent policies.	3	4	12	Head of Finance. All Heads of Service.	Directors. Chief Executive.	Medium Term Financial Strategy in place, and will be reviewed in light of October 21 Comprehensive Spending Review. Change in budgeting focus from incremental to outcomes focussed expected to identify quick wins and plan for longer term self-sufficiency. Head of Finance monitoring of Local Government funding reviews. Funding advisor engaged. Economic Development Team promotes business offer. Participation in Business Rates Pilots. Accessing external funding where appropriate. Income collection procedures in Revs & Bens Service and Housing.	2	3	6	Stable
58 12	POLITICAL / ORGANISATIONAL The Council is affected by Local Government Reorganisation	a) Change to Local Government structure in Leicestershire/East Midlands, including potential merger of district councils/county council or development of a Combined Authority for the East Midlands, or elected Major either of which could lead to: - Change in location for service delivery/staff - Reduction of control over local matters - Change in financial situation - Staff redundancies - Alternative political structure and governance arrangements - Changes in services to be provided and organisation culture - Deterioration in staff morale and negative effect on staff recruitment and retention - Ineffective engagement with staff, Members and residents in considering, and responding to, proposals. - Diversion of senior staff resources to respond to proposals.	Political direction to consolidate local government tiers to potentially seek greater efficiency and co-ordination	4	3	12	Chief Executive and Head of Legal and Support Services.	Chief Executive	Active engagement with political leaders and Chief Executives across the County and East Midlands so NWL's needs are taken into account in any proposals. Open and transparent communication of NWL position to all stakeholders. Senior management and politicians stay close to project and monitor progress. Internal and external communication plans in place, including for key decision points. Gov stance changed to no longer pursue wholesale LGR - County Deals not linked to LGR.	1	3	3	Stable

Corporate Risk Register													
Ref No.	Risk Description	Consequence	Cause	Inherent Risk			Responsibility of	Responsible to	Control Measures	Residual Risk			Movement of Risk
				Impact	Likelihood	Rating				Impact	Likelihood	Rating	
13	POLITICAL / ORGANISATIONAL The Council is affected by the UK's departure from the EU, including a potential 'no deal' Brexit	The UK's departure from the EU, including an inability to agree the terms of the exit by 31 October 2019 could lead to: - increase in checks on goods by Environmental Officers at East Midlands Airport meaning increase in resources / costs. - uncertainty and subsequent regime around tariffs, access to markets, migrant labour and transport of goods in / out of EU could impact on businesses in district / region leading to decline in business rates and employment levels. - potential need for increased storage facilities at entry / exit points and associated increases in freight traffic, putting pressure on local infrastructure - potential withdrawal of access to EU wide IT systems (e.g. relating to imported foodstuffs) -diversion of staff resources into contingency planning.	UK departure from EU, including inability of the EU and UK govt to agree terms by 31 January 2020 of the UK's exit. Deal then to be negotiated by End 2020.	4	4	16	Chief Executive and Head of Economic Regeneration	Strategic Director & Chief Executive	Engage with National Local Authority steering groups for border control at strategic & operational levels. Implement communication strategy for local businesses so technical notices are shared, with appropriate signposting. Work with LLEP and Chamber of Commerce to provide business advice and support to address changes to legislation & certification. Establish contingency plans after scenario based assessment of resources required for increase in checks and controls, & access to alternative IT systems. Watching brief localised assessment of potential impact around East Midlands Airport. Participate in Multi-agency Leicestershire Resilience Forum framework , with risk assessment and mitigation plan to be prepared. Applied for and gained additional support funding for Port activity	2	2	4	Reduced
14	ORGANISATIONAL/FINANCIAL Council is subject to large scale and medium term reduction in staffing/supplies/increase in restrictions etc leading to risks and ongoing medium/long term impacts on either the financial or reputational standing of the Council	Financial, reputational and political damage to Council.	Pandemic, national/global infrastructure interruption, supply chain mass failure over medium / long time period	4	4	16	Chief Executive, Directors, Heads of Service	Chief Executive	Balanced budget achieved with additional government grant support. Continued active engagement and lobbying to ensure that all options for support are considered and actioned where possible. Are some service areas that continue to struggle to maintain services due to restrictions / staffing shortages.	3	2	6	Stable

Corporate Risk Register													
Ref No.	Risk Description	Consequence	Cause	Inherent Risk			Responsibility of	Responsible to	Control Measures	Residual Risk			Movement of Risk
				Impact	Likelihood	Rating				Impact	Likelihood	Rating	

Assessing the likelihood of a risk:

1 Low	Likely to occur once in every ten years or more
2 Medium	Likely to occur once in every two to three years
3 High	Likely to occur once a year
4 Very high	Likely to occur at least twice in a year

1 Low	Loss of a service for up to one day, Objectives of individuals are not met No injuries Financial loss below £10,000 No media attention No breaches in council working practices No complaints / litigation
2 Medium	Loss of a service for up to one week with limited impact on the general public Service objectives of a service unit are not met Injury to an employee or member of the public requiring medical treatment Financial loss over £10,000 Adverse regional or local media attention – televised or newspaper report Potential for a complaint litigation possible Breaches of regulations / standards
3 High	Loss of a critical service for one week or more with significant impact on the public and partner organisations Service objectives of the directorate of a critical nature are not met Non- statutory duties are not achieved Permanent injury to an employee or member of the public Financial loss over £100,000 Adverse national or regional media attention – national newspaper report Litigation to be expected Breaches of law punishable by fine
4 Very high	An incident so severe in its effects that a critical service or project will be unavailable permanently Strategic priorities of a critical nature are not met Statutory duties are not achieved Death of an employee or member of the public Financial loss over £1m. Adverse national media attention – national televised news report Litigation almost certain and difficult to defend Breaches of law punishable by imprisonment

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – 19 JANUARY
2021

Title of Report	MEMBERS' CODE OF CONDUCT	
Presented by	Elizabeth Warhurst – Head of Legal and Commercial Services and Monitoring Officer	
Background Papers	Audit and Governance Committee Report – Review of Model Member Code of Conduct Current Member Code of Conduct	Public Report: Yes
Purpose of Report	To ask the Committee to consider work of the Standards Working Group on developing the new Members' Code of Conduct, to provide comments on the draft Code ahead of its consideration by Council on 24 February 2022 and to note progress on the on the best practice recommendations arising from the report from the Committee for Standards in Public Life.	
Recommendations	THAT AUDIT AND GOVERNANCE COMMITTEE: 1. NOTE THE WORK OF THE WORKING GROUP IN RESPECT OF MEMBERS' CODE OF CONDUCT 2. RECOMMEND THE NEW MEMBERS' CODE OF CONDUCT (AS DETAILED IN APPENDIX A) TO COUNCIL AT ITS MEETING ON 24 FEBRUARY 2022 FOR ADOPTION WITH EFFECT FROM 1 APRIL 2022 3. RECOMMEND THE CHANGES TO THE COUNCIL'S ARRANGEMENTS FOR DEALING WITH COMPLAINTS ABOUT MEMBER CONDUCT (AS DETAILED IN APPENDIX B) TO COUNCIL AT ITS MEETING ON 24 FEBRUARY 2022 FOR ADOPTION	

1.0 BACKGROUND

- 1.1 This Committee considered a report at its meeting on 22 July 2020 regarding the Committee for Standards in Public Life (CforSPL) Report published in 2019. The report made a series of recommendations that required consideration by Government (and potentially legislative changes) and the Local Government Association (LGA) along with 15 best practice recommendations for consideration by local authorities.

- 1.2 One of the recommendations from the CforSPL report was that the LGA produce a new model Members' Code of Conduct that reflected the outcomes of the research and work that the CforSPL had undertaken. The LGA ran a consultation process on their draft new model code and each council was asked to respond to that consultation. Following that consultation the LGA has worked on the model code and produced a number of versions. The final version was published on 17 May 2021.
- 1.4 At the meeting on 22 July 2020, Members agreed to establish a small working group, drawn from the Audit and Governance Committee, to work on and finalise the response to the LGA consultation on the new model Members' Code of Conduct and to work through the best practice recommendations from the CforSPL report.
- 1.5 Following the meeting, Cllrs Benfield, Clarke, Merrie and Sheahan agreed to be part of the Standards Working Group (SWG). The Group has met on the following dates:
- 28 August 2020
 - 25 September 2020
 - 30 October 2020
 - 27 November 2020
 - 16 December 2020
 - 11 November 2021
- 1.6 In addition to the meetings above, the Working Group have been kept up to date on progress following the publication of the LGA Model Code and development of the new draft Code via regular email updates. The terms of reference of the SWG are attached at Appendix C. The Monitoring Officer is grateful for the time and contribution of the Working Group to this work.

2.0 WORK WITH LEICESTERSHIRE AUTHORITIES

- 2.1 Following discussions with the SWG, the Monitoring Officer has collaborated with other Leicestershire MOs, including the County Council to work on a common Leicestershire Code. It was felt this would be beneficial for dual hatted members.
- 2.2 The model code is a significant departure from the current codes of the authorities. The standards of the model code are much more detailed and descriptive but have also been brought up-to-date to cover new elements such as social media. The interests section is the most significant change. It introduces different tests and further types of interests that would need to be disclosed.
- 2.3 The MO working group identified that some aspects of the model code weren't particularly clear. It therefore worked on a revised version of the model code that did not alter the substance of the code but re-ordered and made minor changes to wording so that it was easier to read. Most of the changes were made to the interests section, where flowcharts have also been introduced to help the reader understand how that section should be interpreted. There is also a separate section on single-member-decision-making which would be removed the Council does not operate single-member-decision-making.

2.4 It was agreed with the other authorities that each Monitoring Officer would discuss the revised draft Code with their own members and ascertain whether members wished to:

1. Adopt the draft code based on the LGA Model Code (as amended by the MO working group) – “locally amended code”;
2. Continue with the authority’s current code ; or
3. Adopting a hybrid (i.e. some elements of the new code and some elements of their current code)

2.5 The MO has sought the views of the Leader, Deputy Leader, all Group Leaders and the Standards Working Group. The consensus was that the locally amended code be taken forward and recommended to this Committee.

3.0 OTHER LEICESTERSHIRE LOCAL AUTHORITIES

3.1 The locally amended LGA Model Code will be/has been considered by district councils through their own governance processes as set out below:

Charnwood BC	At 17 January 2022 meeting, Council is being asked to adopt the locally amended code
Oadby and Wigston BC	Council agreed on 21 December 2021 to adopt the locally amended code as of 1 April 2022
Hinckley and Bosworth BC	Being considered by Committee and Council in February 2022.
Blaby DC	Council agreed on 14 December 2021 to adopt the locally amended code as of 1 April 2022
Harborough DC	Audit and Standards Committee recommended approval of locally amended code - Council on 13 December 2021.
Melton BC	Council agreed on 16 December 2021 to adopt the locally amended code
Leicestershire County Council	Approved for adoption on 1 December 2021

4.0 LIAISON WITH THE LEICESTERSHIRE & RUTLAND ASSOCIATION OF LOCAL COUNCILS (LRLAC)

4.1 Every Town and Parish Council in Leicestershire is a member of the LRLAC. The MOs have worked with LRLAC in the production of the new draft locally amended code. LRLAC has recently confirmed its intention to recommend that its member parish and town councils adopt the new code following adoption by their relevant District and Borough Councils. Most Town and Parish Councils adopted the NWL Members Code of Conduct or version thereof in 2011.

4.2 Should Council adopt the locally amended code in February 2022, the MO will contact each town and parish council to encourage them to review their code and consider adopting the new locally amended code. Subject to the views of this Committee, full Council will be recommended to adopt the new Code with effect from

1 April 2022. This will allow some time for Town and Parish Councils to take the Code via their own governance processes.

5.0 ARRANGEMENTS FOR DEALING WITH COMPLAINTS

5.1 The Council is required under Section 28 of the Localism Act 2011 to adopt Arrangements for dealing with Complaints about member conduct. These have been reviewed by the SWG in light of the Committee for Standards in Public Life report and by the MO in light of the locally amended code and guidance published by the LGA.

5.2 When considering the Council's current arrangements for dealing with complaints the SWG noted that they were satisfied with the approach which NWLDC took. They considered that the current approach of assessing complaints against the initial tests, encouraging parties to engage in informal resolution and referring unresolved complaints to the Assessment Sub-committee worked well. It ensured that only complaints which were covered by the Code of Conduct were dealt with and the informal resolution process allowed parties to work towards a pragmatic solution which was agreeable to both complainant and subject member. Only complaints which were not able to be resolved informally would be considered by the Assessment Sub-committee who could make a decision on whether to take further action or not based on clear criteria and an assessment of the public interest. The SWG recommended that the arrangements be updated to reflect the current approach and their suggestions to enhance compliance with the best practice recommendations. The Arrangements have been reviewed against the LGA guidance and the revised Arrangements are at Appendix B

5.3 The revised Arrangements do not show the tracked changes in different colours as feedback from members has indicated that presenting changes to these documents in this way can be difficult to read and therefore this paragraph summarises the main changes in instead. The main changes proposed to the Arrangements are as follows:

- Details have been included in relation to what information the complainant may be asked to provide (section 3)
- Clarification has been included regarding the difference between confidential and anonymous complaints (section 3)
- Clarification has been added as to when informal resolution may be appropriate and why (section 4)
- Clarity as to when a complainant and/or Subject Member may be able to attend committee hearings that are in private session (sections 5 and 6)
- A paragraph has been added to address what happens if a Subject Member sits on multiple authorities (section 5)
- A paragraph has been added to make it clear that there is no right to appeal but complaints can be made to the LGO (section 13)
- A timescales section has been added to make it clear when different parts of the process will take place (section 14)

- Repetitive references to the Independent Person have been removed (throughout)

5.4 The SWG also identified other improvements which could be made to operational procedures and documents used by the MO, when dealing with complaints, which would improve clarity for those involved in the process. These included ensuring that the Council's website contained up to date information regarding the complaints process, the role of the Independent Person and the current practice of appointing independent external investigators (where a formal investigation is required), reviewing and updating templates and guidance documents used in the complaints process and updating guidance on the Members' Code of Conduct to members. These operational and procedural matters have been put into an action plan which will be implemented by the Monitoring Officer. A number of actions have been completed and some await the consideration and adoption of the new locally amended code. Once the action plan is completed, this will ensure compliance with the best practice recommendations from the 2019 report referred to at para 1.1 above.

6.0 LGA GUIDANCE

6.1 The LGA has produced guidance to sit alongside its model code. Whilst that guidance was being prepared, the Deputy Monitoring Officer was part of a small group of officers from various authorities who had sight of early drafts and an opportunity to input into its layout and content. Various comments were fed back as part of that process. Links to the final version of the guidance will be made available on the Member Hub.

7.0 TRAINING

7.1 Training will be offered to District and Town and Parish Councillors should Council adopt the new Code. Given the uncertainties in relation to the COVID 19 pandemic and feedback which has been received from members regarding the convenience and flexibility of virtual training, it is likely that a combination of in person and virtual training will be offered. Training on the new Code will be mandatory for District Councillors. Given that the County Council have adopted the same locally amended code, it will be acceptable for dual hatted members to demonstrate that they have attended the County Council training.

Policies and other considerations, as appropriate	
Council Priorities:	NA
Policy Considerations:	It is a legal requirement to have a Members' Code of Conduct. It forms part of the Council's Constitution
Safeguarding:	NA
Equalities/Diversity:	NA
Customer Impact:	The Councils website will be updated with details of the new Code and Arrangements for Dealing with Complaints should the code be adopted by Council in February 2022. The MO provides advice to members and the public on the operation and interpretation of the Code
Economic and Social Impact:	NA
Environment and Climate Change:	NA
Consultation/Community Engagement:	LGA consulted nationally on the model code. This was open to the public, members and LAs. Engagement with LRALC.
Risks:	It is a legal requirement to have a Members' Code of Conduct. Having a compliant code which follows, in large part, the LGA Model may reduce the risk of any challenge to NWL processes.
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Council Logo

[Council Name]

Member Code of Conduct

BACKGROUND TO THIS CODE OF CONDUCT

This section sets out general interpretation and background to the Code of Conduct, including definitions used within the code, the purpose of the code, the principles the code is based on and when the code applies. It does not form part of the Code of Conduct itself and consequently does not contain any obligations for you to follow, as these are contained in the 'Code of Conduct' section below.

All councils are required to have a local Member Code of Conduct.

Definitions

For the purposes of this Code of Conduct, a "member" means a member or co-opted member of **[Council Name]** ('the Council').

A "co-opted member" is defined in the Localism Act 2011 Section 27(4) as "a person who is not a member of the authority but who

- a) is a member of any committee or sub-committee of the authority, or;
- b) is a member of, and represents the authority on, any joint committee or joint subcommittee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee".

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a member, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow members, Council officers and the reputation of the council and local government. It sets out general principles of conduct expected of all members and your specific obligations in relation to standards of conduct. The fundamental aim of the Code is to create and maintain public confidence in the role of member and local government.

General principles of member conduct

Everyone in public office at all levels; i.e. all who serve the public or deliver public services, including ministers, civil servants, members and council officers; should uphold the [Seven Principles of Public Life](#), also known as the Nolan Principles, which are set out in Appendix A.

Building on these principles, the following general principles have been developed specifically for the role of member and these principles underpin the obligations in the Code of Conduct that follows.

In accordance with the public trust placed in you, you should:

- act with integrity and honesty
- act lawfully
- treat all persons fairly and with respect; and
- lead by example and act in a way that secures public confidence in the role of member.

In undertaking your role you should:

- impartially exercise your responsibilities in the interests of the local community
- do not improperly seek to confer an advantage, or disadvantage, on any person
- avoid conflicts of interest
- exercise reasonable care and diligence;
- ensure that public resources are used prudently in accordance with your Council's requirements and in the public interest; and
- uphold high standards of conduct, show leadership at all times and not misuse your position when acting as a member

Application of the Code of Conduct

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

This Code of Conduct applies to you when you:

- act in your capacity as a member or co-opted member of the Council; and
- conduct the business of the Council (which, in this Code, includes the business of the office to which you are elected or appointed).

Where you act as a representative of the Council:

- on another relevant authority, you must, when acting for that other authority, comply with that other authority's code of conduct; or
- on any other body, you must, when acting for that other body, comply with this Code of Conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

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

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

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct. It is your responsibility to comply with the provisions of this Code and to ensure all its obligations are met. You are encouraged to seek advice from the Monitoring Officer on any matters that may relate to the Code of Conduct which you are unsure of. [Town and parish members are encouraged to seek advice from their Monitoring Officer or Clerk (who may refer matters to the Monitoring Officer).]

THE CODE OF CONDUCT

Standards of member conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a member. Should your conduct be perceived to fall short of these standards or the Nolan Principles, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

1. Respect

As a member:

1.1 I will treat others memberwith respect.

1.2 I will treat council officers , employees and representatives of partner organisations and those volunteering for the council with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a member, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in members.

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and notify them to the Council, the relevant social media provider or the police. This also applies to fellow members, where action could then be taken under the Member Code of Conduct, and council officers where concerns should be raised in line with the council's member-officer protocol.

2. Bullying, harassment and discrimination

As a member:

2.1 I will not bully any person.

2.2 I will not harass any person.

2.3 I will promote equalities and do not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be

a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Equality Act 2010 places specific duties on local authorities. Members have a central role to play in ensuring that equality issues are integral to the Council's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers of the Council

As a member:

3.1 I will not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the council.

Officers work for the council as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

4. Confidentiality and access to information

As a member:

4.1 I will not disclose information:

- a. given to me in confidence by anyone**
- b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless**
 - i. I have received the consent of a person authorised to give it;**
 - ii. I am required by law to do so;**
 - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or**
 - iv. the disclosure is:**
 - 1. reasonable and in the public interest; and**
 - 2. made in good faith and in compliance with the reasonable requirements of the Council; and**

3. I have consulted the [Monitoring Officer/Clerk] prior to its release.

4.2 I will not improperly use knowledge gained solely as a result of my role as a member for the advancement of myself, my friends, my family members, my employer or my business interests.

4.3 I will not prevent anyone from getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the council must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute

As a member:

5.1 I will not bring my role or Council into disrepute or conduct myself in a manner which could reasonably be regarded as bringing my role or Council into disrepute.

As a Member, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other members and/or the Council and may lower the public's confidence in you or the Council's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring the Council into disrepute.

You are able to hold the Council and fellow members to account and are able to constructively challenge and express concern about decisions and processes undertaken by the Council whilst continuing to adhere to other aspects of this Code of Conduct.

6. Use of position

As a member:

6.1 I will not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

6.2 I will not place myself under a financial or other obligation to outside individuals or organisations that might seek to influence me in the performance of my official duties.

Your position as a member of the Council provides you with certain opportunities, responsibilities and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

As a member you need to be able to act impartially in the exercise of your responsibilities and ensure that you make decisions in the interests of the local community. You should

therefore avoid any financial or other obligations to outside individuals or organisations whose influence may prevent you from acting impartially..

7. Use of Council resources and facilities

As a member:

7.1 I will not misuse council resources.

7.2 I will, when using the resources of the Council or authorising their use by others:

- a. act in accordance with the Council's requirements; and**
- b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the Council or of the office to which I have been elected or appointed.**

You may be provided with resources and facilities by the Council to assist you in carrying out your duties as a member.

Examples include:

- office support
- stationery
- equipment such as phones, ipads, dongles computers etc.
- transport
- access and use of council buildings and rooms.

These are given to you to help you carry out your role as a member more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the council's own policies regarding their use.

8. Making decisions

As a member:

8.1 When reaching decisions on any matter I will have regard to any relevant advice provided to me by officers and professional third parties.

8.2 I will give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed.

8.3 I will make all choices, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, on individual and independent merit

8.4 I will be as open as possible about my decisions and actions and the decisions and actions of the authority and will be prepared to give reasons for those decisions and actions, notwithstanding my other obligations under this Code.

To assist members in acting lawfully, officers may give advice from time to time. It is important that as a member you have due regard to any such advice given and consider it fully, even if (for good reason) you may choose not to follow that advice.

In making any decisions, giving reasons helps instil public confidence in the role of the member and can be a legal requirement in certain situations. You should ensure that you always give reasons in accordance with any specific requirements and having regard to the benefits of transparency generally.

As a member you must act impartially and not improperly seek to confer an advantage, or disadvantage, on any person. It is therefore important that when you are making decisions that involve choosing one party over another, that you do so based on independent merit. You should be open and transparent about the decisions that you have made and the actions of the authority.

9. Complying with the Code of Conduct

As a Member:

9.1 I will undertake Code of Conduct training provided by my Council.

9.2 I will cooperate with any Code of Conduct investigation and/or determination.

9.3 I will not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.

9.4 I will comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

It is extremely important for you as a member to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the Council or its governance. If you do not understand or are concerned about the council's processes in handling a complaint you should raise this with the Monitoring Officer.

Protecting your reputation and the reputation of the Council

10. Interests

As a member:

10.1 I will register and disclose my interests in accordance with the provisions set out in Appendix B

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority.

You need to register your interests so that the public, Council employees and fellow members know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other members when making or taking part in

decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as defined in Appendix B, is a criminal offence under the Localism Act 2011.

The provisions of this paragraph 10.1 shall be applied in such a manner as to recognise that this Code of Conduct should not obstruct a member's service on more than one local authority. For the avoidance of doubt, participation in discussion and decision-making at one local authority will not by itself normally prevent you from taking part in discussion and decision-making on the same matter at another local authority. This is on the basis that a reasonable member of the public will see no objection in principle to such service or regard it as prejudicing a member's judgement of the public interest and will only regard a matter as giving rise to an interest which might lead to bias in exceptional circumstances.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from the Monitoring Officer, or from the clerk in the case of town and parish councils.

11. Gifts and hospitality

As a member:

- 11.1 I will not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the Council or from persons who may apply to the Council for any permission, licence or other significant advantage.**

- 11.2 I will register with the [Monitoring Officer/Clerk] any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.**

- 11.3 I will register with the [Monitoring Officer/Clerk] any significant gift or hospitality with an estimated value of at least £50 that I have been offered but have refused to accept.**

In order to protect your position and the reputation of the Council, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a member. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a member, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a member. If you are unsure, do contact the Monitoring Officer or Clerk for guidance.

12. Dispensations

As a member:

- 12.1 I may request a dispensation from the **[Proper Officer]** for one meeting only.
- 12.2 I must make the request in writing detailing what my interest is, why the dispensation is required and for what meeting.
- 12.3 I must make my request 5 days prior to the meeting at which the Dispensation is required.
- 12.4 If I wish to make a further request for dispensation, this must be made to the **[Relevant Officer/Committee]**.
- 12.5 I will only be granted a Dispensation where there are reasonable grounds for doing so and where such grounds are in the public interest.

Appendix B sets out the situations where a Member's personal interest in a matter may prevent them from participating in the decision-making process. In certain circumstances, however, there may be reasonable grounds to allow a Member to participate in decision-making on that matter where it would be in the public interest to do so. Where you consider that there may be good grounds for you to continue to participate you should request a dispensation from the Monitoring Officer.

Appendices

Appendix A – The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B – Interests

1. Definitions

“**Disclosable Pecuniary Interest**” means any interest described as such in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#) and includes an interest of yourself, or of your Partner (if you are aware of your Partner's interest) that falls within the descriptions set out in the following table. A Disclosable Pecuniary Interest is a Registerable Interest.

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the member during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a member, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the member or his/her spouse or civil partner or the person with whom the member is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the council. ‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the member or his/her spouse or civil partner or the person with whom the member is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.

Licenses	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer
Corporate tenancies	Any tenancy where (to the member's knowledge)— (a) the landlord is the council; and the tenant is a body that the member, or his/her spouse or civil partner or the person with whom the member is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the member's knowledge) has a place of business or land in the area of the council; and (b) either— (i)) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the member, or his/ her spouse or civil partner or the person with whom the member is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

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

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

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

"Other Registerable Interest" is a personal interest in any business of your authority which relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority; or
- b) any body

- (i) exercising functions of a public nature
- (ii) any body directed to charitable purposes or
- (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

“Registrable Interests” are interests that you are required to register in accordance with this Code of Conduct and include both Disclosable Pecuniary Interests and Other Registerable Interests.

“Non-Registrable Interests” are interests that you are not required to register but need to be disclosed in accordance with section 3.3.

A **“Dispensation”** is agreement that you may continue to participate in the decision-making process notwithstanding your interest as detailed at section 12 of the Code of the Conduct and this Appendix B.

A **“Sensitive Interest”** is as an interest which, if disclosed, could lead to the member, or a person connected with the member, being subject to violence or intimidation. In any case where this Code of Conduct requires to you to disclose an interest (subject to the agreement of the Monitoring Officer in accordance with paragraph 2.2 of this Appendix regarding registration of interests), you do not have to disclose the nature of the interest, if it is a Sensitive Interest. In such circumstances you just have to disclose that you have an interest.

A matter **“directly relates”** to one of your interests where the matter is directly about that interest. For example the matter being discussed is an application about a particular property in which you or somebody associated with you has a financial interest.

A matter **“affects”** your interest where the matter is not directly about that interest but would still have clear implications for the interest. For example, the matter concerns a neighbouring property.

2. Registering Interests

- 2.1. Within 28 days of becoming a member or co-opted member or your re-election or re-appointment to office you must register with the Monitoring Officer any Disclosable Pecuniary Interests and any Other Registerable Interests.
- 2.2. Where you have a Sensitive Interest you must notify the Monitoring Officer with the reasons why you believe it is a Sensitive Interest. If the Monitoring Officer agrees they will withhold the interest from the public register.
- 2.3. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.

3. Declaration at and Participation in Meetings

If you are present at a meeting and you have either a Registerable or Non-Registerable Interest in any matter to be considered or being considered, and the interest is not a Sensitive Interest, you must disclose that interest to the meeting (whether or not it is registered).

To determine whether your interest affects your ability to participate in a meeting, you must first determine what type of interest you have and, if necessary, go on to apply the tests as set out below.

3.1. Disclosable Pecuniary Interests

3.1.1. Where a matter arises at a meeting which **directly relates** to one of your Disclosable Pecuniary Interests:

- a. you must disclose the interest;
- b. not participate in any discussion or vote on the matter; and
- c. must not remain in the room unless you have been granted a Dispensation.

3.2. Other Registerable Interests

3.2.1. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests:

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

3.2.2. The provisions of paragraph 3.1.1 and 3.2.1 shall be applied in such a manner as to recognise that this Code should not obstruct a member's service on more than one local authority. For the avoidance of doubt, participation in discussion and decision making at one local authority will not by itself normally prevent you from taking part in discussion and decision making on the same matter at another local authority. This is on the basis that a reasonable member of the public will see no objection in principle to such service or regard it as prejudicing a member's judgement of the public interest and will only regard a matter as giving rise to a Personal Interest which might lead to bias in exceptional circumstances

3.3. Non-Registerable Interests

3.3.1. Where a matter arises at a meeting which **directly relates** to a financial interest or the well-being of yourself or of a friend, relative or close associate (and is not a Registerable Interest):

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

3.3.2. Where a matter arises at a meeting which does not directly relate to but **affects**

- a. a financial interest or the well-being of yourself or of a friend, relative or close associate; or
- b. a financial interest or wellbeing of a body included in those you need to disclose under Other Registerable Interests

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test in paragraphs 3.3.3 and 3.3.4 should be applied.

3.3.3. Where a matter under paragraph 3.3.2 **affects** the financial interest or well-being or body:

- a. to a greater extent than it affects the financial interests or wellbeing of the majority of inhabitants of the ward affected by the decision; and
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest;

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

3.3.4. Where a matter under paragraph 3.3.2 does not affect the financial interest or well-being or body:

- a. to a greater extent than it affects the financial interests or wellbeing of the majority of inhabitants of the ward affected by the decision; and/or
- b. a reasonable member of the public knowing all the facts would not believe that it would affect your view of the wider public interest;

you may remain in the room, speak if you wish to and take part in any discussion or vote on the matter, provided you have disclosed your interest under paragraph 3.3.2.

4. Single Member Decision Making

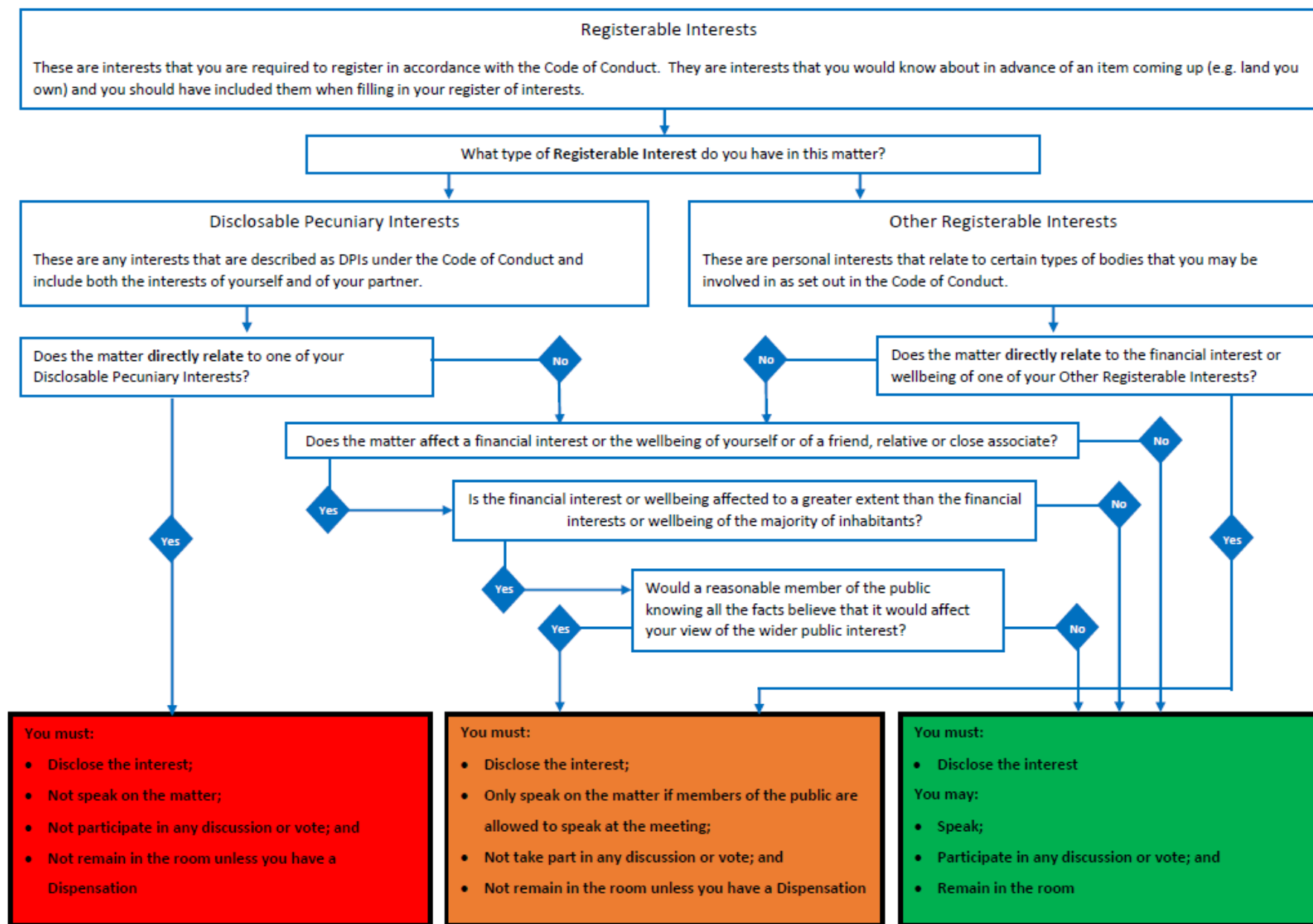
~~4.1. Some local authorities operate single member decision making where their constitutions allow. In the event that you are making a decision as a single member the following section applies in relation to any interests you may have. For the avoidance of doubt, parish councils do not operate single member decision making and this section does not apply to them.~~

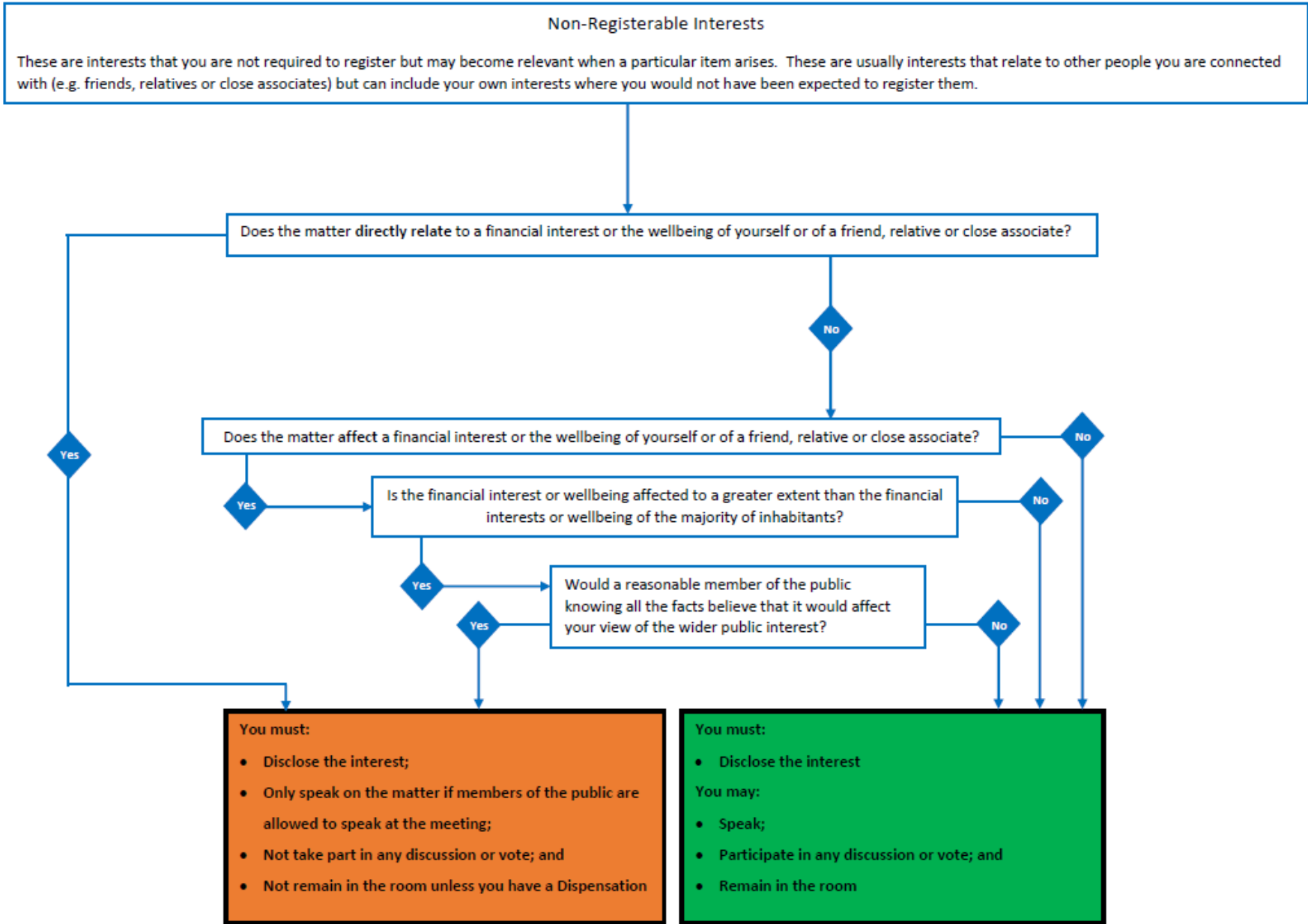
~~4.1.1. Where you have a personal interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function (i.e. single member decision making) and the interest is:~~

- ~~a. A Registrable Interest; or~~
- ~~b. A Non-Registrable Interest that falls under paragraph 3.3.3 above;~~

~~you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.~~

4.1.2. Where you have a personal interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function (i.e. single-member decision-making) and the interest is a Non-Registrable Interest that falls under paragraph 3.3.4, you must make sure that any written statement of that decision records the existence and nature of your interest.





Appendix C – the Committee on Standards in Public Life

The LGA has undertaken this review whilst the Government continues to consider the recommendations made by the Committee on Standards in Public Life in their report on [Local Government Ethical Standards](#). If the Government chooses to implement any of the recommendations, this could require a change to this Code.

The recommendations cover:

- Recommendations for changes to the Localism Act 2011 to clarify in law when the Code of Conduct applies
- The introduction of sanctions
- An appeals process through the Local Government Ombudsman
- Changes to the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012
- Updates to the Local Government Transparency Code
- Changes to the role and responsibilities of the Independent Person
- That the criminal offences in the Localism Act 2011 relating to Disclosable Pecuniary Interests should be abolished

The Local Government Ethical Standards report also includes Best Practice recommendations. These are:

Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.

Best practice 2: Councils should include provisions in their code of conduct requiring members to comply with any formal standards investigation and prohibiting trivial or malicious allegations by members.

Best practice 3: Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.

Best practice 4: An authority's code should be readily accessible to both members and the public, in a prominent position on a council's website and available in council premises.

Best practice 5: Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.

Best practice 6: Councils should publish a clear and straightforward public interest test against which allegations are filtered.

Best practice 7: Local authorities should have access to at least two Independent Persons.

Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to

review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.

Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the

allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.

Best practice 10: A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.

Best practice 11: Formal standards complaints about the conduct of a parish member towards a clerk should be made by the chair or by the parish council, rather than the clerk in all but exceptional circumstances.

Best practice 12: Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.

Best practice 13: A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.

Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness and publish their board agendas and minutes and annual reports in an accessible place.

Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.

The LGA has committed to reviewing its Model Code on an annual basis to ensure it is still fit for purpose.

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL ARRANGEMENTS FOR DEALING WITH STANDARDS ALLEGATIONS UNDER THE LOCALISM ACT 2011

1. Context

These “Arrangements” set out how a person may make a complaint that an elected or co-opted member of this authority or of a Town or Parish Council has failed to comply with the Members’ Code of Conduct, and sets out how the authority will deal with allegations of a failure to comply with that Code.

Under Section 28(6) and (7) of the Localism Act 2011, the Council must have in place “Arrangements” under which allegations that a member or co-opted member of the authority or Town or Parish Council, or of a Committee or Sub-Committee of the authority, has failed to comply with the Code of Conduct can be investigated and decisions made on such allegations.

These arrangements also provide for the authority to appoint at least one Independent Person, whose views must be sought before a decision on an allegation is made and which it has decided shall be investigated, and whose views can be sought by the authority at any other stage, or by a member against whom an allegation has been made.

2. The Code of Conduct

The Council has adopted a Code of Conduct for members, which is available for inspection on the authority’s website and on request from Reception at the Civic Offices.

3. Making a complaint

If you wish to make a complaint, please write or email to:

“The Monitoring Officer
North West Leicestershire District Council
Council Offices
Coalville
Leicestershire
LE67 3FJ”

Or:

elizabeth.warhurst@nwleicestershire.gov.uk

If you have a disability that prevents you from submitting a complaint in writing, you can call the Customer Services team on 01530 454545 and arrangements will be made to transcribe your complaint for you.

The Monitoring Officer is a senior officer of the authority who has statutory responsibility for maintaining the register of members’ interests and who is

responsible for administering the system in respect of complaints of member misconduct.

In order to ensure that all the information required is available with the complaint, the complainant will be asked to provide their name and a contact address or email address together with any relevant documents in support of their complaint. Supporting information may include:

- Dates and times of alleged misconduct;
- Details of any witnesses to the alleged misconduct;
- Any other authorities that the member belongs to.

The Monitoring Officer will acknowledge receipt of the complaint within 5 working days of receiving it.

Anonymous and Confidential Complaints

An anonymous complaint is one where the complainant is not known. The Council will not normally allow anonymous complaints as that would be against the principles of transparency and fairness and make matters much more difficult to investigate. However, there may be exceptional compelling reasons why an anonymous complaint could be accepted without detriment to the process and where the allegation can be evidenced without reference to the complainant. Where an anonymous complaint is received, the Monitoring Officer will make a decision on whether to proceed with the complaints process, depending on the nature of the alleged misconduct and the public interest.

A confidential complaint is one where the complainant makes themselves known but does not wish for their identity to be revealed during the complaints process. Where the complainant wishes to remain anonymous it will be at the Monitoring Officer's discretion as to whether the complaint proceeds. Consideration will be given to the public interest and whether the complaint can be justified or determined without the complainant's participation.

4. What happens to my complaint?

When a complaint is received, it will be acknowledged and the complainant may be asked for further information in order for the Monitoring Officer to carry out an initial assessment of the complaint.

The Monitoring Officer will review each complaint and will determine whether the initial tests have been met

1. Does the complaint relate to a member within the NWLDC area, in office at the time of the conduct complained of?
2. Was the member acting in their capacity as a councillor at the time of the conduct complained of?

3. The complaint, if proven, would be a breach of the Code under which the member operates?

When considering the initial tests, the Monitoring Officer may need to inform the Subject Member of the complaint and seek further information from them. The Monitoring Officer may also consult with and seek advice from the Independent Person during this time.

If the initial tests are not met, then the complaint cannot progress and the complainant will be informed.

If the initial tests are met then the Monitoring Officer will decide if the complaint is suitable for informal resolution, having regard to the jurisdictional test. The Monitoring Officer will not make a determination about whether Code of Conduct has been breached but will work with both parties to see whether the issue is one which can be resolved informally to the satisfaction of the complainant and the subject member.

Informal resolution can be a proportionate way of dealing with relatively minor allegations, one-off incidents or underlying disagreements between individuals. For the avoidance of doubt, dealing with a matter by alternative resolution at the initial assessment stage is making no finding of fact as there has been no formal investigation and therefore the Monitoring Officer will balance the interest in resolving a matter quickly and satisfactorily against the interest in the complainant having their complaint upheld or the member's desire to clear their name.

In the event that the Monitoring Officer considers informal resolution appropriate, it may, for example involve the member accepting that his/her conduct was unacceptable and offer an apology, or other remedial action / steps which are acceptable to both parties such as the member undertaking training. The Monitoring Officer may consult with or seek advice from the Independent Person when considering informal resolution.

5. What if Informal Resolution is not appropriate/successful?

In cases where Informal Resolution is not appropriate or successful the Monitoring Officer will prepare a report to the Assessment Sub-Committee.

The Assessment Sub-Committee ~~who~~ will determine the further steps to be taken in relation to the complaint or whether no further action is to be taken based on a consideration of the public interest test. The Assessment Sub-Committee will consist of members from the Council's Audit and Governance Committee (a politically proportionate committee). The report will detail all steps taken by the Monitoring Officer and the Independent Person prior to the Sub Committee. The Independent Person will be invited to attend the meeting of the Assessment Sub-committee and can offer guidance to members in reaching their decision on whether to take any further action on the complaint or not.

The Assessment Sub-Committee is subject to the normal Access to Information Procedures and Committee rules in relation to public meetings and it will take a decision at the start of the meeting to determine whether it is appropriate to hold the meeting in closed session. There will be a presumption that the committee is in closed session unless the committee determines that there is good reason for it to be made public.

The complainant and the Subject Member will not participate in the meeting but their views will have been sought prior to the meeting to enable their opinions to be presented. It will be at the Chair's discretion as to whether the complainant and/or Subject Member may be able to observe the meeting if it is being held in closed session.

If, on assessment of the facts, the Sub-Committee determines that no further action is required or there is no case to answer, this will be reported back to the complainant and the subject member who may be given leave by the Committee to appeal the decision. Such appeal will only be granted where there is new evidence in relation to the complaint.

There may be instances where the Sub-Committee consider the action of the subject member should be referred to the police (e.g. failure to disclose a Disclosable Pecuniary Interest). In such circumstances, the Sub-Committee will instruct the Monitoring Officer to refer the matter to the appropriate body for investigation.

Should the Committee determine that the matter warrants a detailed investigation, the Monitoring Officer will appoint an Investigating Officer who may be an officer of another authority (e.g. an Monitoring Officer from another council) or an external investigator. The Investigating Officer will decide whether he/she needs to meet or speak to the complainant to understand the nature of the complaint and will provide an opportunity for the complainant to explain their understanding of events and suggest what documents the Investigating Officer needs to see, and who the Investigating Officer needs to interview.

In exceptional cases, where it is appropriate to keep identities confidential or disclosure of details of the complaint to the member might prejudice the investigation, the Monitoring Officer can delete names and addresses from the papers given to the member, or delay notifying the member until the investigation has progressed sufficiently.

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

Having received and taken account of any comments, the Investigating Officer will send his/her final report to the Monitoring Officer.

Complaints in relation to members that sit on multiple authorities

There may be times when the same complaint is made against a member of more than one authority. For example, an allegation may allege that a councillor has failed to register an interest at both district and county level.

In such a case the Council will agree with the other authority who would carry out the initial assessment (if necessary, under an agreed delegation) and any subsequent action. This avoids the risk of two different actions or conclusions being reached.

For the avoidance of doubt, this would not arise where the councillor is on a town or parish council and as well as this Council because this Council is responsible for handling both complaints. It could however arise if the parish or town councillor were also on the county council in a two-tier area.

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

On completing their investigation the Investigating Officer will present their report to the Determination Sub-Committee who will take into account the facts and evidence produced.

The Determinations Sub-Committee is subject to the normal Access to Information and Committee rules in relation to public meetings and it will take a decision at the start of the meeting to determine whether it is appropriate to hold the meeting in closed session. There will be a presumption that the committee is open to the public unless there is good reason for it to be dealt with confidentially. It will be at the Chair's discretion as to whether the complainant and/or Subject Member may be able to observe the meeting if it is being held in closed session.

If satisfied that the Investigating Officer's report is sufficient, the Determinations Sub Committee will accept the findings of the report and request the Monitoring Officer to write to the complainant and to the member concerned notifying them that they are satisfied that no further action is required, and provide a copy of the Investigating Officer's final report. If the Monitoring Officer is not satisfied that the investigation has been conducted properly, they may ask the Investigating Officer to reconsider his/her report.

There may be instances where the Determinations Sub Committee wishes to ask questions of the complainant and the Subject Member in order to fully understand the circumstances of the complaint. Where this is requested by the Sub Committee, the meeting will be adjourned to enable the attendance of all parties. In such a situation, the Sub Committee will be conducted in a manner similar to other regulatory committees where each party may present their arguments.

At the end of the Committee the Chair will ask the subject member whether they are happy for the outcome of the matter to be published through public notice/press statement. It will be at the discretion of the subject member whether such action is taken.

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

Where the investigating officer has determined that there is a breach of the code of conduct they will present their report to the Determinations Sub Committee in accordance with the relevant timescales in section 14 below.

The Monitoring Officer may conduct a “pre-hearing process”, requiring the member to give his/her response to the Investigating Officer’s report, in order to identify what is likely to be agreed and what is likely to be in contention at the hearing. The Chair of the Hearings Panel may issue directions as to the manner in which the hearing will be conducted.

At the Sub Committee, the Investigating Officer will present his/her report, call such witnesses as he/she considers necessary and make representations to substantiate his/her conclusion that the member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer may ask the complainant to attend and give evidence to the Sub Committee. The member will then have an opportunity to give his/her evidence, to call witnesses and to make representations to the Sub Committee as to why he/she considers that he/she did not fail to comply with the Code of Conduct.

The Sub Committee, with the benefit of any advice from the Monitoring Officer and an Independent Person, may conclude, in disagreement with the investigation officer that the member did not fail to comply with the Code of Conduct, and so dismiss the complaint. If the Sub Committee concludes that the member did fail to comply with the Code of Conduct, the Chair will inform the meeting of this finding and the Sub Committee will then consider what action, if any, should be taken as a result of the member’s failure to comply with the Code of Conduct. In doing this, the Sub Committee will give the member an opportunity to make representations to the Panel and will consult the Independent Person (and if appropriate the Parish Council), but will then decide what action, if any, to take in respect of the matter.

8. What action can the Determination Committee take where a member has failed to comply with the Code of Conduct?

The Council has delegated to the Audit and Governance Committee and its sub-committees such of its powers to take action in respect of individual members as may be necessary to promote and maintain high standards of conduct. Both the Assessment Sub-Committee and Determination Sub-Committee will each have their own procedures and the procedures for the Determination Sub-Committee will set out the factors that will be taken into account when determining a sanction. In such circumstances, the Committee may:

- Issue a formal letter to the member found to have breached the Code.
- Impose Formal censure.
- Make recommendations to Full Council to remove the member from committee(s) and other appointments subject to political balance requirements (where there are political groups, the decision could only be to recommend them to change their nominated appointees).
- A press release and other appropriate publicity.
- Recommend Training.
- Recommendation to Group Leader to remove the member from committee(s) and other appointments.

The Committee has no power to suspend or disqualify the member or to withdraw members' or special responsibility allowances.

[In relation to Parish Members, the Monitoring Officer can only make recommendations for sanctions against those Members. The responsibility for enforcing those sanctions will fall to the Parish Council as a whole with the assistance and guidance from the Monitoring Officer.]

9. What happens at the end of the hearing?

At the end of the hearing, the Chair will state the decision of the Committee as to whether the member failed to comply with the Code of Conduct and as to any actions which the Committee resolves to take.

As soon as reasonably practicable thereafter, the Monitoring Officer shall prepare a formal decision notice in consultation with the Chair of the Committee, and send a copy to the complainant, to the member *[and to the Parish Council]*. The Council will publish the minute of the Determination Sub-Committee on its website.

10. Who are the Committees?

The Assessment and Determinations Sub Committees are Sub-Committee of the Council's Audit and Governance Committee.

The Independent Person is invited to attend all meetings of the sub-committees and their views are sought and taken into consideration before any decision is taken on whether the member's conduct constitutes a failure to comply with the Code of conduct and as to any action to be taken following a finding of failure to comply with the Code of Conduct. There may be more than one Independent Person involved throughout the complaint depending on whether they have been conflicted out of sitting on the Committee/Sub Committee due to being

approached by the Complainant or Subject Member for assistance throughout the process.

11. Who is the Independent Person?

The Independent Person is a person who has applied for the post following advertisement of a vacancy for the post, and is appointed by a positive vote from a majority of all the members of Council.

A person cannot be “independent” if he/she:

- is, or has been within the past 5 years, a member, co-opted member or officer of the authority;
- *[is or has been within the past 5 years, a member, co-opted member or officer of a parish council within the authority’s area], or*
- is a relative, or close friend, of a person within paragraph 11.1 or 11.2 above. For this purpose, “relative” means:
 - spouse or civil partner;
 - living with the other person as husband and wife or as if they were civil partners;
 - grandparent of the other person;
 - a lineal descendent of a grandparent of the other person;
 - a parent, sibling or child of a person within paragraphs 11.3.1 or 11.3.2;
 - a spouse or civil partner of a person within paragraphs 11.3.3, 11.3.4 or 11.3.5; or
 - living with a person within paragraphs 11.3.3, 11.3.4 or 11.3.5 as husband and wife or as if they were civil partners.

The Council is part of the pool arrangements which have been established with the other Leicestershire District and Borough Councils. This arrangement provides for a pool of 5 IPs which can be called upon by any Council.

Views may be sought from the Independent Person at the initial tests stage and in which case those views will not be made public. The Independent Person may also provide views at the Assessment Sub-Committee and/or the Determinations Sub-Committee.

In addition to the above, it is open to the complainant and/or the Subject Member to speak with the Independent Person also. If you wish to do this, you should arrange this through the Monitoring Officer.

12. Revision of these arrangements

The Council may by resolution agree to amend these arrangements, and has delegated to the Monitoring Officer in consultation with the Independent Person the right to depart from these arrangements where he/she considers that it is expedient to do so in order to secure the effective and fair consideration of any matter.

13. Appeals

The Sub Committees have authority to allow, or not, a right of review following the Assessment Sub Committee's determination of the complaint, and following the determination of the complaint by the Determination Sub Committee. The process follows one similar to the court process, where Members be given leave to appeal a decision taken on their matter. That in order to avoid frivolous appeals, a stance of "unless new evidence is submitted/provided there will be no review".

Such request for a review to be received within 28 days of the decision by the relevant Sub Committee.

There is no right of appeal for the complainant or for the subject member:

- against a decision of the Monitoring Officer made under this process;
- a decision by the Assessment Sub-Committee or Determination Committee not to grant leave to appeal; or
- a decision made on review

If you feel that the authority has failed to deal with your complaint properly, you may make a complaint to the Local Government and Social Care Ombudsman. Details can be found here <https://www.lgo.org.uk/make-a-complaint/fact-sheets/other-topics/complaints-about-standards-and-member-conduct>

14. Timescales

The complaints process will proceed in line with the following timescales (unless otherwise agreed with the relevant parties):

Member to make comments on complaint – 10 working days from being notified

Initial assessment outcome – 15 working days from date complaint received

Investigations – completed within 6 months (where possible)

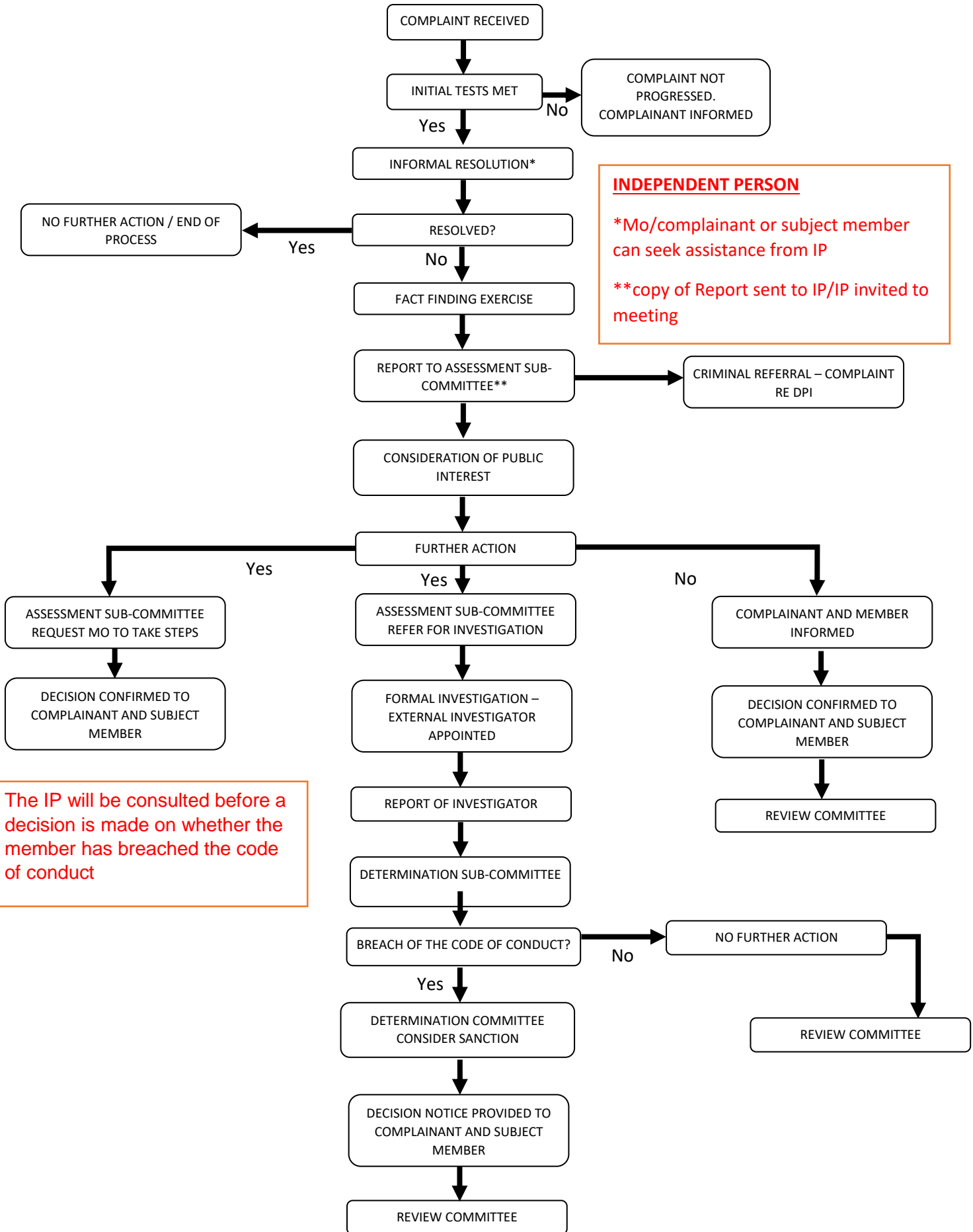
Notice of Determinations Sub-Committee hearing – at least 2 weeks prior to hearing
Determinations Sub-Committee hearing – within 3 months of report (but not within first 14 days)

Panel's written decision – within one week of the Determinations Sub-Committee hearing

Appendix

Flowchart of procedure

**AUDIT AND GOVERNANCE COMMITTEE
MEMBER COMPLAINT PROCEDURE**



INDEPENDENT PERSON
 *Mo/complainant or subject member can seek assistance from IP
 **copy of Report sent to IP/IP invited to meeting

The IP will be consulted before a decision is made on whether the member has breached the code of conduct

Monitoring Officer to advise complainant about role of Local Government and Social Care Ombudsman at the end of each step as appropriate

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**STANDARDS TASK AND FINISH GROUP
TERMS OF REFERENCE – DRAFT**

28.07.2020

Core Objectives:

- To consider the LGA consultation on the new model code of conduct and provide a response to the LGA
- To consider the Committee for Standards in Public Life report (Jan 19) best practice suggestions and make recommendations for implementation to the Audit and Governance Committee
- To review the NWLDC Members' code of conduct and arrangements for dealing with complaints in the light of the CforSPL report, work being carried out by the LGA and any new legislation and make recommendations to the Audit and Governance Committee.

Exclusions:

- Individual allegations of breaches of the Members' Code of Conduct – these are dealt with under the existing arrangements adopted by Council in July 2012.
- Parish council's members code of conduct – parishes are required to adopt their own codes of conduct although we do encourage them to adopt the same/similar one to NWL for consistency.

Membership:

Area of responsibility	Representative
Member	Cllr Carl Benfield
Member	Cllr John Clarke
Member	Cllr Keith Merrie
Member	Cllr Sean Sheahan
Head of Legal and Commercial Services and MO	Elizabeth Warhurst
Legal Team Manager and Deputy MO	Elisabeth Tomlinson

Meetings:

Initial meeting – Friday 28 August

Frequency - to be agreed

Meetings will be held virtually by preference to support government guidance around individuals working from home where possible. Meetings will be held via MS Teams.

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 19
JANUARY 2022

Title of Report	STANDARDS AND ETHICS - QUARTER 3 REPORT	
Presented by	Elizabeth Warhurst Head of Legal and Commercial Services and Monitoring Officer	
Background Papers	None	Public Report: Yes
Purpose of Report	To receive the figures for local determination of complaints and the ethical indicators for Quarter 3 of 2021/2022.	
Recommendations	THE REPORT BE RECEIVED AND NOTED.	

1.0 BACKGROUND

1.1 The Standards and Ethics Report provides information in two categories: Local Determination of Complaints and Ethical Indicators.

1.2 The Quarter 3 Report include updates on the progress of ongoing cases as requested by members at the Q4 20/21 meeting.

Policies and other considerations, as appropriate	
Council Priorities:	Our communities are safe, healthy and connected.
Policy Considerations:	N/A
Safeguarding:	Safeguarding in relation to Modern Slavery.
Equalities/Diversity:	N/A
Customer Impact:	Customers have the opportunity to report on measures that are included in this report.
Economic and Social Impact:	N/A
Environment and Climate Change:	N/A
Consultation/Community Engagement:	Customers have the opportunity to report on measures that are included in this report.
Risks:	By receiving this information members will be able to manage risks.
Officer Contact	Elizabeth Warhurst Head of Legal and Commercial Services elizabeth.warhurst@nwleicestershire.gov.uk

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Standards and Ethics

Quarter 3 Report

2021-2022

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Introduction

This is the quarterly report to the Audit & Governance Committee detailing both the figures for the Ethical Indicators and the figures for the Local Determination of Complaints process for 2021/22.

For clarification purposes the months covered by the quarters are as follows:

Quarter 1 - 1 April to 30 June

Quarter 2 - 1 July to 30 September

Quarter 3 - 1 October to 31 December

Quarter 4 - 1 January to 31 March

The report is split into 2 parts for ease of reference; Part 1 refers to the local determination of complaints, part 2 is the table showing the ethical indicators figures.

The report will enable the Audit & Governance Committee to build up a picture over time of how many complaints are received and where these are coming from. The parts of the Code of Conduct which have been breached will also be recorded to enable training to be targeted effectively.

Local Determination of Complaints

The Monitoring Officer received 3 complaints about the same matter in Quarter 3 of 2021/22.

2.1 Assessment Sub-committee Decisions

There has been 0 Assessment Sub-committee meetings in this quarter.

The Monitoring Officer pursues an informal dispute resolution process prior to initiating formal proceedings via the Sub-committee route.

0 complaints have been resolved informally in Quarter 3.

2.2 Timeliness of Decision

The Standards for England Guidance stated that the Assessment Sub-committee should complete its initial assessment of an allegation “within an average of 20 working days” to reach a decision on what should happen with the complaint. The Council has taken this standard and adapted it under the new rules to aim to hold an Assessment Sub-committee within 20 working days of notifying the parties that informal resolution is not possible.

2.3 Review Requests

There have been 0 review requests in Quarter 3. Review requests can only be made following a decision of ‘No further Action’ by the Assessment Sub-committee where there is submission of new evidence or information by the complainant.

2.4 Subsequent Referrals

None to report - see above.

2.5 Outcome of Investigations

There were no investigations concluded in this period.

2.6 Parts of the Code Breached

This section is intended to show where there are patterns forming to enable the Audit and Governance Committee to determine where there needs to be further training for Councillors. Targeting training in this way makes it more sustainable and, hopefully, more effective.

So far this year, the following areas of the code were found to have been breached:

N/A

Complaints made to the Monitoring Officer under the Code of Conduct during Q3 2021/22

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<u>Qtr 3</u> <u>21/22</u>	<u>Complaint from</u>	<u>About district/ parish councillor</u>	<u>Regarding</u>	<u>status</u>
	Member of the public	Parish Cllr	Comments on social media	It was concluded this complaint was unable to be progressed as the subject member was not acting in their capacity as a Councillor at the time
	Member of the public	Parish Cllr	Comments on social media	It was concluded this complaint was unable to be progressed as the subject member was not acting in their capacity as a Councillor at the time
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Ethical Indicators

PERFORMANCE INDICATOR	Q1			Q2			Q3			Q4		
	19/20	20/21	21/22	19/20	20/21	21/22	19/20	20/21	21/22	18/19	19/20	20/21
Instances of concerns raised re Modern Slavery	0	0	0	1	0	0	0	0	0	n/a	0	0
Instances of concerns raised re Modern Slavery referred to national agencies	1	0	0	1	0	0	0	0	0		0	0
Number of whistle blowing incidents reported	0	0	0	0	0	0	0	0	0	n/a	0	0
Number of Challenges to procurements	0	0	0	0	0	0	0	0	0		0	0
Public interest Reports	0	0	0	0	0	0	0	0	0		0	0
Objections to the Councils Accounts	0	0	0	0	0	0	0	0	0		0	0
Disciplinary action relating to breaches of the Member/Officer Protocol	0	0	0	0	0	0	0	0	0		0	0
Follow up action relating to breaches of the Member/Officer Protocol	0	0	0	0	0	0	0	0	0	n/a	0	0

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Freedom of Information Requests

	Q1			Q2			Q3			Q4		
	19/20	20/21	21/22	19/20	20/21	21/22	19/20	20/21	21/22	18/19	19/20	20/21
Total Number (FOIs)	84	55	102	100	93	107	79	152	90	109	79	94
% answered on time	99%	72.2%	81.9%	95.8%	84.1%	71.9%	99%	75%	95.1%	91%	95.8%	86%
Average per month	28	18	34	33	31	36	26	51	30	36	26	31
Average response time (days)	11	15	14	10	13	13	10	17	10	10	11	11
Business as usual (BAUs)	59	27	1	73	24	14	62	26	2	73	65	11
Withheld due to exemption/fees (FOI and BAU)*	6	10	19	18	16	12	7	31	15	10	8	10
Transfers (TFRs)	18	14	18	22	18	12	30	25	24	42	33	23
Subject access requests (SARs)	2	3	1	12	6	2	6	12	5	7	5	5
Internal Reviews	tbc	1	0	tbc	tbc	2	tbc	0	1	tbc	2	0
Environmental Information Requests/ Land Charges Searches (personal)	437	213	6	367	1	491	308	2	336		334	11

Requests for information are being managed using a new system, as of 14 December 2021. The table only reflects old system data, though new data is discussed below.

- The number of requests received in Q3 appears normal, new system contains **11 additional FOIs**. Total is therefore **101 FOIs**.
- The **% answered on time** at **95.1%**, highest level since Q4 19/20, and average **response time** has also returned to **10 days**.
- The number of cases handled as **BAUs** has reduced to **2**, this is due to a change of process in anticipation of the new system. BAUs were handled primarily as full FOIs.
- Currently there are **9 outstanding requests** on the old system plus **9 outstanding requests** on the new system.
- The number of **SARs** received has returned to a more typical level, **5**.
- Overall we appear to be seeing stabilisation and return to normal levels following the initial disruption we saw when the pandemic began. It is expected that we will see performance improve further as we adapt to the new system.

FOI Exemptions for Q3 21/22

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Exemption	Description	FOI	BAU	Total
S21	Information Already Reasonably Accessible	2		2
S22	Information Intended for Future Publication			
S27	International Relations			
S28	Relations within the UK			
S29	The Economy			
S30	Investigations			
S31	Law Enforcement	6		6
S32	Court Records			
S36	Effective Conduct of Public Affairs			
S38	Endangering Health and Safety			
S39	Environmental Information			
S40	Personal Information of the Requester/Personal Information	5		5
S41	Confidentiality			
S42	Legal Professional Privilege			
S43	Trade Secrets and Prejudice to Commercial Interests	2		2
S44	Prohibitions on Disclosure			
Total	<i>Number need not match the number of cases. Multiple exemptions may apply to one case.</i>	15	0	15

Definitions

Business as usual Information requested can be sent quickly and easily within the normal course of business

Land Charges specific information about a particular property

Ombudsman Complaint a customer has followed Stage 1 and 2 complaints procedure but unhappy with the outcome they are entitled to take complaint to the Local government Ombudsman who will decide if the Council has a case to answer.

Subject Access Request a request by an individual to see information an organisation holds on them

Transfers requests received that fall out of our remit i.e. Adult social Care or Highways

Environmental Information Request a right for any person to request access to environmental information held by public authorities.

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