

Agenda

Audit and Scrutiny Committee

Tuesday, 5 July 2022 at 7.00 pm Council Chamber, Town Hall, Ingrave Road, Brentwood, Essex CM15 8AY

Membership (Quorum - 3)

Cllrs Tanner (Chair), Hirst (Vice-Chair), Barrett, Mrs Fulcher, Haigh, Mrs Murphy, Sankey, Slade and Wagland

Substitute Members

Cllrs Dr Barrett, S Cloke, Cuthbert, Jakobsson, Reed and Wiles

Agenda

Item Item Wards(s) Page No Affected

Live broadcast

Live broadcast to start at 7pm and available for repeat viewing,

1. Apologies for Absence

2. Minutes of the previous meeting 5 - 10

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10. Urgent Business

An item of business may only be considered where the Chair is of the opinion that, by reason of special circumstances, which shall be specified in the Minutes, the item should be considered as a matter of urgency.

Jonathan Stephenson Chief Executive

Town Hall Brentwood, Essex 27.06.2022

Information for Members

Substitutes

The names of substitutes shall be announced at the start of the meeting by the Chair and the substitution shall cease at the end of the meeting.

Where substitution is permitted, substitutes for quasi judicial/regulatory committees must be drawn from Members who have received training in quasi-judicial/regulatory decision making. If a casual vacancy occurs on a quasi judicial/regulatory committee it will not be filled until the nominated member has been trained.

Rights to Attend and Speak

Any Members may attend any Committee to which these procedure rules apply.

A Member who is not a member of the Committee may speak at the meeting. The Member may speak at the Chair's discretion, it being the expectation that a Member will be allowed to speak on a ward matter.

Members requiring further information, or with specific questions, are asked to raise these with the appropriate officer at least two working days before the meeting.

Point of Order/ Personal explanation/ Point of Information

Point of Order

A member may raise a point of order at any time. The Mayor will hear them immediately. A point of order may only relate to an alleged breach of these Procedure Rules or the law. The Member must indicate the rule or law and the way in which they consider it has been broken. The ruling of the Mayor on the point of order will be final.

Personal Explanation

A member may make a personal explanation at any time. A personal explanation must relate to some material part of an earlier speech by the member which may appear to have been misunderstood in the present debate, or outside of the meeting. The ruling of the Mayor on the admissibility of a personal explanation will be final.

Point of Information or clarification

A point of information or clarification must relate to the matter being debated. If a Member wishes to raise a point of information, he/she must first seek the permission of the Mayor. The Member must specify the nature of the information he/she wishes to provide and its importance to the current debate, If the Mayor gives his/her permission, the Member will give the additional information succinctly. Points of Information or clarification should be used in exceptional circumstances and should not be used to interrupt other speakers or to make a further speech when he/she has already spoken during the debate. The ruling of the Mayor on the admissibility of a point of information or clarification will be final.

Information for Members of the Public

(i) Access to Information and Meetings

You have the right to attend all meetings of the Council and Committees. You also have the right to see the agenda, which will be published no later than 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.brentwood.gov.uk.

Guidelines on filming, photography, recording and use of social media at council and committee meetings

The council welcomes the filming, photography, recording and use of social media at council and committee meetings as a means of reporting on its proceedings because it helps to make the council more transparent and accountable to its local communities.

Where members of the public use a laptop, tablet device, smart phone or similar devices to make recordings, these devices must be set to 'silent' mode to avoid interrupting proceedings of the council or committee.

If you wish to record the proceedings of a meeting and have any special requirements or are intending to bring in large equipment then please contact the Communications Team before the meeting.

The use of flash photography or additional lighting may be allowed provided it has been discussed prior to the meeting and agreement reached to ensure that it will not disrupt proceedings.

The Chair of the meeting may terminate or suspend filming, photography, recording and use of social media if any of

these activities, in their opinion, are disrupting proceedings at the meeting.



Private Session

Occasionally meetings will need to discuss some of its business in private. This can only happen on a limited range of issues, which are set by law. When a Committee does so, you will be asked to leave the meeting.



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Access

There is wheelchair access to the meeting venue from the Main Entrance. If you do wish to attend this meeting, please contact the clerk should you have specific accessibility needs. There is an induction loop in the meeting room.



Evacuation Procedures

Evacuate the building using the nearest available exit and congregate at the assembly point in the Car Park.



Minutes

Audit and Scrutiny Committee Tuesday, 8th March, 2022

Membership/Attendance

Cllr Nolan (Chair)
Cllr Tanner (Vice-Chair)
Cllr Mrs Fulcher

Cllr Haigh

Cllr Hirst

Cllr Jakobsson Cllr Mrs Pound

Substitute Present

Cllr Cuthbert Cllr White

Also Present

Cllr Barber Cllr Mrs Pearson

Officers Present

Steve Summers - Strategic Director (Deputy Chief Executive)

Jacqueline Van - Corporate Director (Finance & Resources)

Mellaerts

Amanda Julian - Corporate Director (Law and Governance) and

Monitoring Officer

Greg Rubins - BDO, Internal Audit

Zoe Borman - Governance and Member Support Officer

LIVE BROADCAST

Live stream to start at 7pm and available for repeat viewing.

322. Apologies for Absence

Apologies had been received from Cllrs McLaren and Naylor and Cllrs White and Cuthbert were substitutes respectively.

323. Minutes of the previous meeting

The Minutes of the last Audit & Scrutiny meeting held on 12th January 2022 were agreed as a true record.

Cllr Haigh thanked Mrs Van Mellaerts for the information provided relating to the pension deficit requested at a previous meeting.

324. Internal Audit Progress Report 2021/22

This report was intended to inform the Audit and Scrutiny Committee of progress made against the 2021/22 internal audit plan.

The following reports have been finalised since the last Committee:

| Homelessness (Moderate/Moderate)

☐ Building control (Moderate/Moderate)

Mr Greg Rubins, Internal Auditor, was present at the meeting and summarised the report.

Following a full discussion Members noted the report.

325. Risk Management

The report updated members of the Audit & Scrutiny Committee on the status of the Council's 2021/22 Strategic Risk Register and high-level operational risks.

As a result of the current risk review one Strategic risk had reduced and one amended. The other risk scores remained the same from the recent Committee in December.

Of the high-level operational risks, five risk scores had been reduced, and the other risks scores had remained the same.

Following a full discussion, Members noted the report.

326. Formal Complaints & Performance Indicator Working Group

This report submits the report and recommendations of the Formal Complaints and Performance Indicators Working Group for consideration by the Audit & Scrutiny Committee.

A motion was **MOVED** by Cllr Nolan and **SECONDED** by Cllr Tanner to approve the recommendations in the report.

Following a full discussion a vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY**:

Member to note the Formal Complaints and Performance Indicators Working Group report, as attached at Appendix A, and agree the recommendations contained within it.

Reasons for Recommendation

To ensure the Council provides quality customer services.

327. Local Development Plan Member Working Group Update

The Local Development Plan (LDP) Member Working Group is an established engagement between Officers and Councillors focussed on delivery of the Council's Local Plan and related work. Its purpose was approved by Policy, Projects and Resources Committee in September 2017.

The work of the working group is monitored by the Audit and Scrutiny Committee as part of the committee's work programme. This report provides an update on the most recent meetings of the working group.

Members noted the report.

328. Ordinary Council Motions 2021/2022

At a previous meeting of Audit & Scrutiny held on 6th July 2021, Cllr Dr Barrett requested a report to be presented on the progress of Ordinary Council Motions (Min 77 refers) under the Scrutiny Work Programme.

This report will form part of the Scrutiny Working Programme and an annual report will be presented at the last Audit and Scrutiny of the Municipal year to ensure transparent governance and open to scrutiny.

The Chair requested a change in the rating system to enhance transparency and enable monitoring over time. He suggested the use of standard industry Red, Amber and Green (RAG) for scoring. Green being on track and complete, Amber being off track but on plan to complete, and red being off track and no plan.

Members noted the report.

329. Review of Member Representation on Outside Bodies

An annual Outside Organisation review had been undertaken to ensure effective partnership working wherever appropriate to help deliver the Council's goals and overcome constraints, and to ensure that the Council's time is spent productively and effectively. This forms part of the Scrutiny Work Programme.

Mr Summers summarised the report.

Members raised concerns regarding the report and agreed that the content should expand on the purpose and achievement of each committee.

Cllr White requested that Mr Summers investigate why the Health and Safety Committee has not met and whether this would resume in March.

Members also raised concerns about organisations potentially being removed from the list and suggested a Working Group be formed to undertake the necessary work required to bring the recommendations of any removals before Ordinary Council.

Members requested a slight change to the recommendation to ensure this Committee would not be removing any organisations from the list.

That Members review Appendix B and recommend the removal of any Outside Organisations to Ordinary Council for the new municipal year 2022/2023.

To read:

That Members review Appendix B and recommend "NO" removal of any Outside Organisations to Ordinary Council for the new municipal year 2022/2023.

A motion was **MOVED** by Cllr Nolan and **SECONDED** by Cllr Tanner to approve the recommendations in the report as amended.

That Members review Appendix B and recommend no removal of any Outside Organisations to Ordinary Council for the new municipal year 2022/2023.

Reasons for Recommendation

The Council needs to be satisfied, and remain satisfied throughout the year, that the list of outside bodies only contains bodies upon which the Council could properly or would wish to nominate representatives and to be represented or where a councillor could be an appropriate point of contact.

330. Scrutiny Work Programme 2021/22

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee. This report provides an update of the current scrutiny work programme and is set out in Appendix A.

Members requested that a Working Group to review outside bodies be added to the Work Programme.

Cllr White **MOVED** and Cllr Fulcher **SECONDED** an amendment that a Working Group be formed for the purpose of evaluating the Outside Organisations Review and recommend the removal of any Outside Organisations to Ordinary Council for the new municipal year 2022/2023.

This amendment was accepted by the Chair.

Cllr Tanner advised Members that the Brentwood Leisure Trust report did not come to this Committee because further work was in abeyance and needed to be completed before reported.

Following a full discussion a vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY**:

That the Committee considers and agrees the 2021/22 Scrutiny work programme as set out in Appendix A and that Members form a Working Group to review the outside organisations to be added to the programme.

Reasons for Recommendation

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee.

331. Urgent Business

There were no items of urgent business.

The meeting concluded at 19.55.

Committee(s): Audit and Scrutiny Committee	Date: 5 th July 2022
Subject: Audit Results Report 2020/21	Wards Affected: All
Report of: Jacqueline Van Mellaerts, Corporate Director	Public
(Finance & Resources)	
Report Author/s:	For Decision
Name: Phoebe Barnes, Corporate Manager – Finance	
E-mail: phoebe.barnes@brentwood.gov.uk	
Name: Jacqueline Van Mellaerts – Corporate Director	
(Finance & Resources)	
E-mail: jacqueline.vanmellaerts@brentwood.gov.uk	
a jacqueeae.ae.de @arentineoaigerran	

Summary

The Council's External Auditors, Ernst & Young LLP (EY) have substantially completed their audit of the Council's Statement of Accounts for 2020/21. This report presents their conclusions and draft letter of representation.

External Audit propose to issue an unqualified audit opinion for the Statement of Accounts 2020/21. They are satisfied that they give a true and fair view and are free from misstatement whether due to fraud or error, subject to audit adjustments highlighted in section 4 of their Audit Results Report.

External Audit have also reviewed the Council's Value for Money Assessment and are satisfied the Council has proper arrangements in place they would expect to see.

Conclusion of the audit is still in progress and delegated authority is requested to approve the statements, should no material differences arise upon completion.

Recommendation(s)

Members are asked to:

- **R1.** Consider the Audit Results Report 2020/21 in Appendix A and note the conclusions contained in it.
- **R2.** Consider the Draft Letter of Representation in Appendix A (page 52) and delegate authority to the Section 151 Officer in consultation with the Chair of Audit & Scrutiny to approve and sign the letter upon conclusion of the Audit.
- **R3.** Delegate to the Section 151 Officer in consultation with the Chair of Audit & Scrutiny to approve and sign the Statement of Accounts for 2020/21, on completion of the final elements of the audit.

Main Report

Introduction and Background

- In March 2021 MHCLG published The Accounts and Audit (Coronavirus) (Amendment) Regulations 2021 (SI 2021/263). These extended the statutory audit deadline for 2020/21 for all local public authorities in England, police and fire bodies.
- 2. The Council's unaudited Statement of Accounts were presented to this committee on 6th July 2021, one month ahead of the revised statutory deadline of 1st August 2021. The Accounts include the Council's Group Accounts, reporting the consolidated position of the Council with Seven Arches Investments Ltd (SAIL).
- 3. The draft accounts publication deadline was extended from 1st June to 1st August. Public Inspection notices and the Unaudited Statement of Account 2020/21 along with the Annual Governance Statement were published on the Council's website on 29th July 2021 in advance of the inspection period 2nd August to 10th September 2021. No notices of objections were received.
- 4. For local authorities the publication deadline for audited accounts for 2020/21 was moved from 31 July 2021 to 30 September 2021. The Committee was previously advised our audit has been postponed due to insufficient audit resources and to preserve the quality of the audit it will not commence until after the publication deadline.
- 5. A notice of explanation was been published alongside the Council's unaudited accounts on our website from 30th September to meet appropriate legislation.
- 6. The External Auditors commenced their audit engagement on 1st November 2021. The audit has progressed well, with weekly catch up meetings between EY and the Corporate Finance team enabling work to be focused and facilitating prompt response between the teams. All audit queries have been collated through one point of contact in the Corporate Finance Team which has enabled finance and operational council staff to focus on other work streams and the co-ordination of responses to EY to be effective.
- 7. Although the statutory deadline for the Audited statement was 30th September 2021, and the commencement of the audit did not start until 1st November, there has unfortunately continued to be ongoing challenges around auditor resources which has delayed the work programme.

- 8. The auditors have now substantially completed their work, and have issued their Audit results reports 2020/21, attached in Appendix A and any outstanding areas for review are detailed in within.
- 9. Neil Harris, Associate Partner for EY will present the report of audit findings.

Issue, Options and Analysis of Options

Audit Results Report

- 10. The conclusions from the audit engagement are contained in the Audit Results Report, issued on 27th June 2022, which is attached as Appendix A.
- 11. Members are asked to consider the Audit Results Report and note its contents. The report has been reviewed by senior management who are in agreement with its contents at this stage.
- 12. Subject to outstanding matters reported within Appendix B of the Audit Results Report (Appendix A). Their report confirms that External Audit expect to issue an unqualified audit opinion on the financial statements. They are satisfied that the statements give a true and fair view and are free from misstatement whether due to fraud or error, subject to audit adjustments highlighted in section 4 of their Audit Results Report.
- 13. The results report also assesses the Council's Value for Money (VFM) arrangements and they are satisfied the Council's has proper arrangements in place they would expect to see. No new risks have been identified of significant weakness and that to date they have no matters to report by exception in the auditor's report. The VFM commentary will be issued shortly after the audit opinion is issued as part of the Auditors annual report.
- 14. The Draft Audit Opinion is reported on page 23 of Appendix A. Auditors can not formally conclude the audit and issue an audit certificate until they have completed the work necessary to issue their assurance. However, it is expected no material adjustments will be required at this stage and therefore delegated authority is requested by the Section 151 Officer in consultation with the chair to approve and sign the statement of accounts 2020/21 following the conclusion of the audit in due course. Any material adjustments will need to be reported to the next Audit and Scrutiny Committee before the financial statements are authorised for issue.

<u>Letter of Representation</u>

8. The Letter of Representation is a document issued by the Council to the External Auditor, in which the Council's management declare that the financial statements

- and other presentations to the auditor are sufficient and appropriate and without omission of material facts to the financial statements.
- Members are asked to consider the Draft Management representation letter included within Audit Results Report (page 52 of Appendix A) and award delegated authority to the Section 151 Officer to approve the letter upon conclusion of the audit.

Statement of Accounts and Annual Governance Statement

- 10. The audited Statement of Accounts 2020/21 will be updated following the final completion of the audit and published on the Council's website. This includes any recommendations management has agreed with the auditors and the adjusted differences referred to in section 4 Audit Differences (Page 30 of Appendix A)
- 11. The auditors have identified no unadjusted differences where management have declined to adjust at this stage.
- 12. The Annual Governance Statement (AGS), which sets out the governance framework in place within the Council to ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, accounted for and used properly was approved by this committee on 6th July 2021 and was signed by the Leader of the Council and the Chief Executive. The audit has confirmed the AGS is consistent with other information from their audit of the financial statements and have no other matters to report. The AGS will be published alongside the Statement of Accounts 2020/21.

Reasons for Recommendation

10. To enable the Council to conclude the Statement of Accounts process for 2020/21, which had a statutory deadline of 30th September 2021.

Consultation

11. None.

References to Corporate Plan

12. Good financial management underpins all priorities within the Corporate Plan.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Director of Corporate Resources Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

- 13. Financial implications are set out within the report and throughout Appendix A.
- 14. None of the adjusted differences highlighted in section 4 of Appendix A, have impacted the General Fund or Housing Revenue Account Outturn for 2020/21 or working balances/earmarked reserves at this stage of the Audit.
- 15. As part of the Audit Results Report (Appendix A), Ernst & Young have reported the Fee analysis (page 43 of Appendix A). Management will make appropriate representations to PSAA following the conclusion of the audit and discussions with Ernst Young LLP.
- 16. Whilst the draft Statement of Accounts 2021-22 have been prepared for the July 2022 deadline, the finance team have taken on board any audit changes and recommendations, as well as any technical accounting updates throughout the audit of 2020-21.

Legal Implications

Name & Title: Amanda Julian, Director of Law and Governance & Monitoring

Officer

Tel & Email: 01277 312500/Amanda.julian@brentwood.gov.uk

17. All relevant legal considerations have been taken fully into account in compiling this report.

Economic Implications

Name/Title: Phil Drane, Director of Planning and Economy Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

18. There are no direct economic implications from this report.

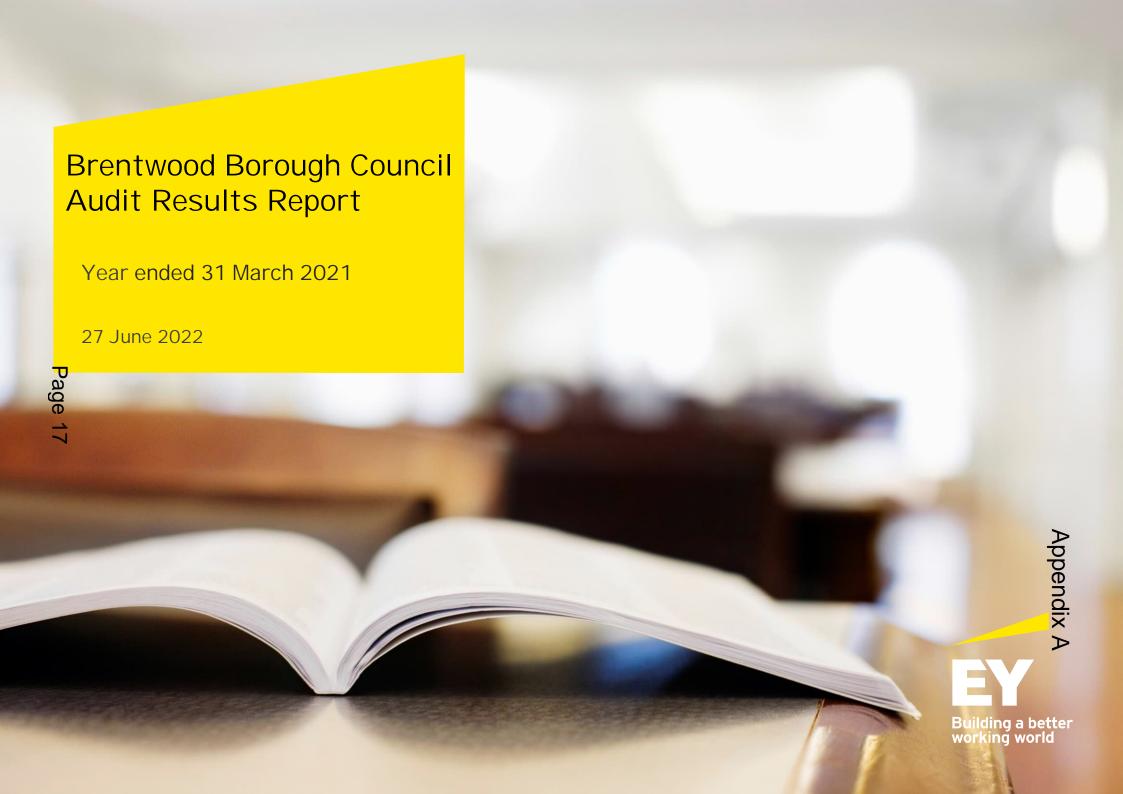
Background Papers

None

Appendices to this report

Appendix A: Audit Results Report 2020/21







Brentwood Borough Council

Dear Audit and Scrutiny Committee Members

We are pleased to attach our audit results report in relation to the audit of Brentwood Borough Council for 2020/2021 for presentation at the Audit and Scrutiny Committee on the 5th July 2022.

The audit is designed to express an opinion on the 2020/21 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Brentwood Borough Council's accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process.

Our audit of the Council's 2020/2021 financial statements and assessment of value for money arrangements is substantially completed. Appendix B of our reports sets out the outstanding matters we are required to complete prior to issuing our statutory audit report. These include but are not limited to professional practice consultations on the appropriateness of the Council's going concern management assessment and disclosures and the level of audit materiality we have applied to our audit procedures to date. This is important because of the presence of a material uncertainty on the continuity of service provision in the audited 2019-2020 financial statements. There is also a national issue impacting on Local Government financial statements associated with the accounting for infrastructure assets. Details are set out on page 21 of this report. We need to obtain sufficient and appropriate evidence to conclude that the gross and net book value of the Council's infrastructure assets cannot be materially misstated. Until our audit is complete, there may be further matters arising and adjustments to the financial statements

However we are content that the Audit and Scrutiny Committee members at its meeting could approve a recommendation to delegate approval of the audited financial statements for issue to the Chief Financial Officer in consultation with the Chair of the Audit and Scrutiny Committee provided no other matters that arise from the 5th July 2022 are material in nature. Should there be further material adjustments to the financial statements or modification to our audit report, we will need to report the final results of our audit to the Audit and Scrutiny Committee before the financial statements are authorised for issue.

We would like to take this opportunity to thank the Council and finance team for their co-operation in challenging circumstances and highlight the positive working relationships that have been developed. We also want to highlight the positive progress made by Council over the past year which is evidenced by our draft audit opinion in section 03 which does not include any modification in respect of value for money or going concern.

This report is intended solely for the information and use of the Audit and Scrutiny Committee, other members of the Council and senior management. It is not intended to be and should not be used by anyone other than these specified parties.

Yours faithfully

Neil Harris, Associate Partner

For and on behalf of Ernst & Young LLP

Contents



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (https://www.psaa.co.uk/audit-quality/statement-of-responsibilities/). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the General Purposes and Audit Committee and management of the Brentwood Borough Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the General Purposes and Audit Committee and management of the Brentwood Borough Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the General Purposes and Audit Committee and management of the Brentwood Borough Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.





Scope update

In our audit planning report dated 25th November 2021, we provided you with an overview of our audit scope and approach for the audit of the financial statements and value for money assessment. We carried out our audit in accordance with this plan, with the following exception:

Additional audit procedures as a result of Covid-19

Other changes in the entity and regulatory environment as a result of Covid-19 that have not resulted in an additional risk, but result in the following impacts on our audit strategy were as follows:

Information Produced by the Entity (IPE): We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Council's systems. We undertook the following to address this risk:

• Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and Agreed IPE to scanned documents or other system screenshots.

Status of the audit

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Our audit work in respect of the Council opinion is in progress. Procedures required to complete before we can issue our opinion are listed in Appendix B.

In addition to the outstanding work in Appendix B, we will need to carry out the following closing procedures:

- Agreement of the final set of financial statements;
- Subsequent events review;
- · Receipt of signed management representation letter; and
- Final Engagement Partner quality review procedures.



Auditor responsibilities under the new Code of Audit Practice 2020

Under the Code of Audit Practice 2020 we are still required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources. The 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- Financial sustainability

 How the Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance How the Council ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

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Status of the audit - Value for Money

The Audit Plan dated 25 November 2021, we reported that we had yet to complete our value for money (VFM) risk assessment but that we had identified two risks of significant weakness in respect of the VFM criteria and communicated our planned procedures to you.

We have completed our VFM risk assessment and the planned procedures for the two risks of significant weakness identified and are satisfied that the Council does have the arrangements in place we would expect to see. We have also revisited our risk assessment on completion of the audit of the financial statements and have not identified any new risks of significant weakness in VFM arrangements. At the date of this report we have no matters to report by exception in the auditor's report (see Section 03). We plan to issue the VFM commentary shortly after issuing our audit opinion as part of issuing the Auditor's Annual Report.

Audit differences

We have identified a number of audit differences throughout our audit work and details of these adjustments can be found in Section 04 of this report.

We have identified a limited number of minor audit disclosure differences in the financial statements, which have been adjusted by management.



Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Council. We have no matters to report as a result of this work.

We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as at the date of this report the NAO have not issued their guidance to auditors. We expect the guidance from the NAO to confirm that the Council are below the expenditure threshold requiring detailed audit procedures.

Control observations

At this stage, we have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements and which is unknown to you. However, our work is still in progress and we will update you if we find any weaknesses in finalising the testing. We do note from our work to date that there have been more significant adjustments arising from our audit as set out in section 04 of our report as set out on pages 30 to 31 of this report. This is particularly prevalent in our audit of the Council's asset valuations and associated disclosures. The Council should consider whether there are any rot causes that have led to these adjustments and any enhancements that would be required to the control environment for preparing the 2021-2022 accounts for disclosures.

dependence

We have no issues to report.

Please refer to Section 08 for our update on independence.



Areas of audit focus

In our Audit Plan we identified a number of key areas of focus for our audit of the financial report of Brentwood Borough Council. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is summarised within the "Areas of Audit Focus" section of this report.

Significant Risk		Findings & Conclusions	
	Management Override: Misstatements due to fraud or error	Our audit work in respect of journal entries is currently being reviewed. Our audit work in respect of accounting estimates is still in progress as the PPE valuation work has not yet been concluded.	
	Incorrect classification of revenue spend classified as capital	Our work is in progress and we will update the committee verbally with the results of our sample testing.	
2	Minimum revenue provision	Our MRP specialist has reviewed the Council's calculations and has raised queries with officers about the decisions taken in line with the guidance. We will update the committee verbally with the findings from the audit work.	
	Fraud in Revenue Recognition – rental income from commercial properties	The Council earned £0.8m rental income from investment properties in 2020/21. Our testing of this income is in progress.	
	Land & Building and Investment Property Valuation	We have engaged our EY Real Estate (EYRE) Specialists to review a sample of asset valuations as well as undertaking testing by the audit team. There is one asset that we are still discussing with the Council and their valuer as the asset is outside of the valuation range determined by EYRE. As a result of the work performed to date, we have identified a number of amendments required to the financial statements. These are set out in section 04.	



Areas of audit focus

	Area of Audit Focus	Findings and Conclusions
	Pensions Liability Valuation	We have completed our work in relation to the Local Government Pension Scheme. This work is currently in Partner review.
Page 25		Under the revised ISA540 on estimates we are required to evidence that the actuary's model for calculating the estimate is correct and data has been entered correctly. Considering the nature of this requirement, we engaged our EY Pensions Specialists to recalculate the liability based on the assumptions and data in the IAS 19 report to confirm accuracy. No misstatements were identified as a result of this work.
		For the Local Government Pension Scheme we also liaise with the auditors of the Essex Pension Fund, the LGPS administering authority, to obtain assurances over the information supplied to the actuary in relation to the Brentwood Borough Council. The pension fund auditor did not report any differences that would impact on your financial statements.
	Going Concern	Our review and challenge of management's going concern assessment is in progress as we are required to consult with our Professional Practice Department given the presence of a material uncertainty in the 2019-2020 financial statements.
	Group Accounts	Our group accounts assessment is in progress. The assets have been reviewed by our EY real estate specialists (EYRE) as part of the PPE valuation testing and amendments have been made to the financial statements. We are currently waiting for a response from the auditor of SAIL.
		Our testing to date has identified amendments required to the financial statements to remove intra-group transactions.
	Accounting for covid 19 grants	Our work is in progress and we will update the committee verbally with the results of our sample testing.
	Accounting for Property Acquisitions and leisure centres	Our audit testing is complete and currently in Partner review. We have reviewed and challenged the accounting treatment proposed by management in the draft financial statements. This has resulted in an amendment of £89.1 million to the financial statements to reclassify the assets from Surplus Assets to Other Land and Buildings. The amendment is set out in section 04.
		This also resulted in a change of valuation basis and the Council obtained a new valuation for these assets which has been audited and challenged by EYRE. This work is in progress as one asset is outside of the EYRE range and we have requested a meeting with the valuer to understand the valuation basis.



Areas of audit focus

Area of Audit Focus	Findings and Conclusions
Valuation of Non Domestic Rates Appeals Provision	Our audit testing is complete and currently in Partner review. No misstatements were identified as a result of this work.

We ask you to review these and any other matters in this report to ensure:

• There are no other considerations or matters that could have an impact on these issues

You agree with the resolution of the issue

There are no other significant issues to be considered.

Ince our audit planning report, we have revisited our audit materiality based on the 2020-2021 financial statements. Our audit materiality is £1.034million, Frormance materiality level is £775,000 and our trivial level for reporting unadjusted audit difference is £51,000.

There are no matters, apart from those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit and Scrutiny Committee.





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Areas of Audit Focus

Significant risk * Denotes fraud risk

Risk of misstatement due to fraud or error*

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.



at judgements are we focused on?

MP focused on aspects of the financial statements where management could inappropriately inflate income or understate expenditure, primarily:

- Material accounting estimates;
- Journal entries:
- Unusual transactions; and
- Arrangements in place at the Council.

What did we do?

- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements;
- Inquired of management about risks of fraud and the controls put in place to address those risks;
- Understood the oversight given by those charged with governance of management's processes over fraud:
- Considered the effectiveness of management's controls designed to address the risk of fraud;
- We reviewed accounting estimates for evidence of management bias; and
- We evaluated the business rationale for any significant unusual transactions.

What are our conclusions?

Our audit testing is in progress. However, in our audit work to date:

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied through our work on journal entries.

We did not identify any other transactions during our audit which appeared unusual or outside of the Council's normal course of business.



Areas of Audit Focus

Significant risk

Incorrect classification of revenue spend as capital*



What is the risk?

In considering how the risk of management override may present itself, we conclude that this is primarily through management taking action to override controls and manipulate in year financial transactions that impact the medium to longer term financial position. A key way of improving the revenue position is through the inappropriate capitalisation of revenue expenditure.

Brentwood Borough Council has a significant fixed asset base and as a result has a significant level of capital additions totalling £6.2m for 2020/21. Therefore we have concluded there is a potential risk that revenue expenditure could be incorrectly classified as capital.

hat judgements are we focused on?

We focused on additions to Property, Plant and Equipment, ensuring that all additions had been ©pitalised in accordance with IAS 16: Property, Plant and Equipment and CIPFA Code of Practice on Local Authority Accounting 2020/21,

What are our conclusions?

Our work in this area is in progress.

We selected a sample of additions transactions responsive to our significant risk. We will update the Committee verbally on our progress with this work.

What did we do?

- Obtained a general ledger (GL) breakdown of capital additions in the year, reconciling to the Fixed Assets Register (FAR), and reviewed the GL descriptions to identify whether there are any potential transactional items that could be revenue in nature;
- Tested capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised and additions are supported by source evidence; and
- Tested manual journals posted to capital additions from expenditure codes for all months.



Pag

Areas of Audit Focus

Significant risk

Risk of Fraud in Revenue Recognition*



Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. For the year ended 31st March 21 the audit team has assessed that the risk of improper revenue recognition may manifest through the following income streams:

- Rental income from commercial properties

For the year ended 31st March 21 income from commercial properties totalled £0.8m and we consider there to be opportunity and incentive for improper revenue recognition that could be material to the financial statements.



hat judgements are we focused on?

• We focused on income recognised in the year and obtained supporting evidence to assess whether the service provided occurred in 2020/21 and therefore meets the revenue recognition criteria.

What are our conclusions?

Our testing of the commercial rental income is in progress and we will verbally update the committee.

In our journals work to date, we did not identify any misstatements as a result of our unusual item review of iournals.

What did we do?

- We selected a sample of rental income transactions from commercial properties and tested through to supporting evidence to confirm that the income had been recognised in the correct period.
- We obtained an understanding the Council's revenue recognition policy.
- We performed substantive analytical procedures, with a lower testing.
- As part of our journals testing we reviewed unusual manual journals that credited income throughout the year.



Areas of Audit Focus

Significant risk

Minimum Revenue Provision



What is the risk?

As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.

We identify and respond to this risk on every audit engagement. This risk manifests itself in areas where management makes significant judgements that impact charges to the general fund balance. Local authorities are required to charge MRP to the General Fund in each financial year. The calculation of this charge is based on the Capital Financing Requirement. Local authorities have flexibility in how they calculate MRP, providing the calculation is 'prudent'. In calculating a prudent provision, local authorities are required to have regard to statutory guidance.

With significant increase in financing, there is a risk that provision is not prudent. As such we associate this risk with Minimum Revenue Provision.

hat did we do?

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Re engaged with our specialist to review the Council's MRP culation to determine that it had been appropriately calculated using the methods outlined in the revised statutory quidance.

We reviewed that the calculation of the Capital Financing Requirement was appropriate and consistent with other notes in the financial statements.

What are our conclusions?

Our MRP specialist has reviewed the Council's calculations and has raised queries with officers about the decisions taken in line with the guidance. We will update the committee verbally with the findings from the audit work as at this stage we do not anticipate that the resolution in queries will result in a material adjustment to the Council's financial statements. In our Annual Audit Report, we will include our final findings and any further recommendations on the Council's accounting and policy for its Minimum Revenue Provision.



Areas of Audit Focus

Significant risk

Land & Building and **Investment Property Valuation**



The Council's asset base is large when compared to local government bodies similar in size from a revenue budget perspective, with Other land and buildings (£38m), surplus assets (£92m) and investment properties (£70m) all being multiple times our materiality.

These assets represent a significant balance in the Council's accounts and are subject to valuation changes, impairment reviews and depreciation charges. Material judgemental inputs and estimation techniques are required to calculate the year-end fixed assets balances held in the balance sheet.

Vhot did we do?

Our approach focussed on:

- considerations of the work performed by the external valuers, including the adequacy of the scope of work performed, professional capabilities and the results of their work:
- Using our own experts to:
 - Review the methodology and assumptions used by the valuer;
 - Sample test key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
 - Investigate any significant variations.
- Consideration of the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for Property, Plant and Equipment, and annually for Investment Property.
- Assessing the classification of asset and, the valuation basis that is assigned as a result and any material increases or impairments that arise during the year;
- Reviewing assets that are not subject to valuation in 2020/21 to confirm the remaining asset base is not materially misstated;
- Testing accounting entries, ensuring these have been correctly processed in the financial statements; and
- Reviewing appropriateness of the relevant accounting policies.

What are our conclusions?

We have engaged our EY Real Estate (EYRE) Specialists to review a sample of asset valuations as well as undertaking testing by the audit team. There is one asset that we are still discussing with the Council and their valuer as the asset is outside of the valuation range determined by EYRE. This is the Childerditch Industrial Park acquired in February 2021 for £57.25million. During the course of the audit, the valuation of the industrial park has already seen a reduction in its fair value from £76.410million to £62.957 million. We have remaining questions on the assumptions for net yield and allowance for purchasers costs, and because of this the current valuation expressed by management's expert is still outside of our current acceptable range of between £57-£61million.

As a result of the work performed to date, we have identified a number of other amendments required to the financial statements for asset valuations. These are set out in section 04.

Audit risks

Other areas of audit focus

What is the area of focus?

Pension Liability Valuation

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.

The Council's current pension fund deficit is a highly material and sensitive item and the Code requires that this liability be disclosed on the Council's balance sheet.

to the administering body.

with other Councils, accounting for this scheme involves significant estimation and judgement and due to the nature, volume and size of the transactions we consider this to be a higher inherent risk.

What did we do?

- Assessed the conclusions drawn on the work of the actuary, Barnett Waddingham, by the Consulting Actuary, PWC, who are commissioned by the National Audit Office, including the use of our own specialists;
- Reviewed and testing the accounting entries and disclosures made within the Council's financial statements in relation to IAS 19; and
- Liaised with the auditors of Essex
 Pension Fund, the LGPS administering
 authority, to obtain assurances over the
 information supplied to the actuary in
 relation to the Council.

What are our conclusion?

We have completed our review of the actuary, accounting entries and disclosures and have not identified any issues. This work is currently in Partner review.

Under the revised ISA540 on estimates we are required to evidence that the actuary's model for calculating the estimate is correct and data has been entered correctly. Considering the nature of this requirement, we have engaged our EY Pensions Specialists to recalculate the liability based on the assumptions and data in the IAS 19 report to confirm accuracy. Using this model we have been able to independently reconcile our roll forward with the figures produced by the actuary as at the disclosure date to a difference of less than 1% of the figure for the liabilities. Having implemented the above checks, it is our view that the figures for the Scheme's liability for the disclosures as at 31 March 2021 are acceptable.

For the Local Government Pension Scheme we also liaise with the auditors of the Essex Pension Fund, the LGPS administering authority, to obtain assurances over the information supplied to the actuary in relation to the Brentwood Borough Council. The pension fund auditor did not report any differences that would impact on your financial statements.

Our approach focussed on:

- Consideration of the Council's judgement on transactions and ensuring it complies with the accounting standards.
 - For the properties purchased during the year, we linked to our significant risk on the valuation and VFM risks related to decision making process.

Our audit testing is complete and currently in Partner review. We have reviewed and challenged the accounting treatment proposed by management in the draft financial statements. This has resulted in an amendment of £89.1 million to the financial statements to reclassify the assets from Surplus Assets to Other Land and Buildings. The amendment is set out in section 04.

This also resulted in a change of valuation basis and the Council obtained a new valuation for these assets which has been audited and challenged by EYRE. This work is in progress as one asset is outside of the EYRE range and we have requested a meeting with the valuer to understand the valuation basis. Further details of the valuation of the Childerditch Industrial Park are set on page 16.

Accounting for property acquisitions and leisure centres

We have identified following material transactions which involves judgement and accounting treatment could be challenging.

- Brentwood Leisure Trust, which operated the Council's leisure centre, went into liquidation. This resulted in the Council bringing the operation of the centre back in house during November 2020.
- The Council purchased £89.1m properties which are classified as surplus assets.

Audit risks

Other areas of audit focus

What is the area of focus?

Accounting for Covid-19 related grant funding

The Council has received a significant level of government funding in relation to Covid-19. Whilst there is no change in the CIPFA Code or accounting standard (IFRS 15) in respect of accounting for grant funding, the emergency nature of some of the grants received and in some cases the lack of clarity on any associated restrictions and conditions, means that the Council will need to apply a greater degree of assessment and judgement to determine the appropriate accounting treatment in the 2020/21 statements.

Group accounts

Seven Arches Investment Limited (SAIL), wholly owned investment company, has a significant investment properties base. Material judgemental inputs and estimation techniques are required to calculate the year-end Group investment properties balances held in the balance sheet. As the Group Investment properties base is significant, and the outputs from the valuer are subject to estimation, there is a higher inherent risk assets may be under/overstated or the associated accounting entries incorrectly posted. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of experts and assumptions underlying fair value estimates.

What did we do?

Our approach focussed on:

- Considering the Council's judgement on material grants received in relation to whether it is acting as:
 - An Agent, where it has determined that it is acting as an intermediary; or
 - A Principal, where the Council has determined that it is acting on its own behalf.
- Encouraging the finance team to provide its assessment of grant accounting well before it prepares the statements so that we can provide an early view on its proposed accounting treatment.

What are our conclusion?

Our work is in progress and we will update the committee verbally with the results of our sample testing.

Our approach focussed on:

- Considering the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Engaging EY Real Estates to review the valuations of these specific assets;
- Sample testing key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
 Considering if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
 Testing accounting entries have been correctly processed in the financial statements; and
 Request the component auditor, M J Bushell Ltd, to perform certain procedures on the subsidiary, SAIL.

Our group accounts assessment is in progress.

One of the assets have been reviewed by EYRE as part of the PPE valuation testing and their review identified that the asset valuation by the Council's external valuer was £50k higher at £5.32 million than the top end of the EYRE range of £4.95 - £5.27 million. This difference is below our trivial reporting level and therefore no further work is required.

We are currently waiting for a response from the auditor of SAIL.

Our testing of the group accounts to date has identified amendments required to the financial statements to remove intra-group transactions.

Audit risks

Other areas of audit focus

What is the area of focus?

Going Concern

There is a presumption that the Council will continue as a going concern for the foreseeable future. However, the Council is required to carry our a going concern assessment that is proportionate to the risks it faces. In light of the continued impact of Covid-19 on the Council's day to day finances, its annual budget, its cashflow and its medium term financial strategy, there is a need for the Council to ensure it's going concern assessment is thorough and appropriately comprehensive.

The Council is then required to ensure that its going concern disclosure within the statement of accounts adequately reflects its going concern assessment and in particular highlights any uncertainties it has bentified.

A addition, the auditing standard in relation to going concern (ISA570) shows been revised with effect for the 2020/21 accounts audit.

In 2019/20 we included a material uncertainty paragraph in our audit report highlighting the disclosure made by the Council in its financial statements on the basis of preparation of the accounts and the impact of C-19 on Council finance and its ability to continue as a going concern. This was not a modification to the audit report but reflected that a material uncertainty existed that may cast significant doubt on the Council's ability to continue providing the current level of services without an increase in planned income. The financial landscape for the Council remains highly challenging and it will again need to undertake a going concern assessment covering a period up to 12 months from the expected date of final authorisation.

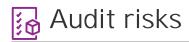
What did we do?

Our approach focussed on:

- Challenging management's identification of events or conditions impacting going concern;
- Testing management's resulting assessment of going concern by evaluating supporting evidence.
- Reviewing the Council's cashflow forecast covering the foreseeable future, to ensure that it has sufficient liquidity to continue to operate as a going concern; and
- Challenging the disclosure made in the accounts in respect of going concern and any material uncertainties.
- Ensuring the Council's management assessment and disclosure is prepared at a group level to take account of the budget and cashflow assumptions from its ownership of SAIL.

What are our conclusion?

Our review and challenge of management's going concern assessment is in progress as we are required to consult with our Professional Practice Department given the presence of a material uncertainty in the 2019/2020 financial statements.



Other areas of audit focus

What is the area of focus?	What did we do?	What are our conclusion?
Valuation of Non Domestic Rates Appeals Provision As at 31 March 2021, the Council's Non Domestic Rates Appeals Provision is valued at £1.2m. This is a high value estimate driven by external calculations and judgement.	 Our approach focussed on: Agreeing data used to calculate the provision to reports received from the Valuations Office Agency; Confirming the appeals percentage provided for is reasonable, considering the government's baseline data for predicting business rates appeals; Re-performing calculations to confirm arithmetical correctness; and Comparing the level of appeals at 31 March 2021 and 31 March 2020 to assess the reasonableness of amounts provided for at year end. 	Our audit testing is complete and currently in Partner review. No misstatements were identified as a result of this work.
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Audit risks

Infrastructure Assets - What is the issue

An issue has been raised via the NAO's Local Government Technical Group that some Local Authorities are not writing out the gross cost and accumulated depreciation on Infrastructure Assets when a major part/component has been replaced or decommissioned. As a result Infrastructure Assets are materially overstated in the Balance Sheet at the 31 March 2021.

Asset registers do not tend to record infrastructure capital expenditure with sufficient detail and geographical specifics to enable the identification of prior cost of replaced parts/components and related accumulated depreciation. Therefore, it can be challenging to identify the cost and accumulated depreciation balances that need to be derecognised.

If parts/components have not been derecognised when replaced or decommissioned:

a. For assets that have been fully depreciated, the gross cost of the asset and accumulated depreciation will be overstated in the Property, Plant and Equipment note to the Balance Sheet. This will be a matching error, so no impact on the Net Book Value reported on the balance sheet.

For assets replaced or decommissioned ahead of their useful economic life (UEL), i.e. the asset is not fully depreciated and has a positive Net Book Value (NBV) at year end, the error will also impact the Balance Sheet, where asset values will be overstated.

(NBV) at year end, the error will also impact the Balance Sheet, where asset values will be overstated.

The Gross Book Value (GBV) of Infrastructure Assets reported within the draft financial statements at the 31 March 2021 is £2.1 million with a Net Book Value of £1.7 million – both above our reported materiality level.

This matter is currently under consideration by CIPFA who have set up a Task & Finish Group to escalate a resolution following a consultation with the sector. However, the timeline to resolution is unknown currently.

Potential Ways Forward:

- 1. The Council is able to evidence full compliance with the CIPFA Code of Practice requirements for all additions to Infrastructure Assets and the appropriate de-recognition of the original asset or component of that asset alongside the derecognition of the associated accumulated depreciation. We have asked management for this assessment which will require full supporting evidence. At the current time, this assessment and evidence base would need to go back to the inception of International Financial Reporting Standards which was in the 2010/11 financial year. This will allow us to determine that there cannot be a material error, both quantitatively and qualitatively, in the GBV and NBV of the reported Infrastructure Asset balance at the 31 March 2021.
- 2. The Council wait for the outcome of the CIPFA Task & Finish Group work and any resultant updates to the CIPFA Code of Practice reporting requirements. The Council would then have to evidence compliance with any revised reporting requirements bought in by any such amendments.
 - We will not be able to issue our audit opinion until either of the above options is concluded.



Draft audit report – subject to outstanding matters at Appendix B

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRENTWOOD **BOROUGH COUNCIL**

Opinion

We have audited the financial statements Brentwood Borough Council for the year ended 31 March 2021 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Authority and Group Movement in Reserves Statement;
- Authority and Group Comprehensive Income and Expenditure Statement;
- Authority and Group Comprehensive
 Authority and Group Balance Sheet;
- Authority and Group Cash Flow Statement:
 - the related Authority notes 1 to 41 and the related Group notes 1 to 4:
 - Housing Revenue Accounts Income and Expenditure Statement;
 - Movement on the Housing Revenue Account and related notes 1 to 7;
 - Collection Fund and the related notes 1 to 4: and
 - Group disclosures.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Brentwood Borough Council as at 31 March 2021 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Corporate Director (Finance & Resources) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority's ability to continue as a going concern for a period to the 31st July 2023.

Our responsibilities and the responsibilities of the Corporate Director (Finance & Resources) with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority's ability to continue as a going concern.



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Audit Report

Draft audit report

Our opinion on the financial statements

Other information

The other information comprises the information included in the Statement of Accounts 2020/21, other than the financial statements and our auditor's report thereon. The Corporate Director (Finance & Resources) is responsible for the other information contained within the narrative report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Council;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014;
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014;
- we are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in these respects.



Draft audit report

Our opinion on the financial statements

Responsibility of the Corporate Director (Finance & Resources)

As explained more fully in the Statement of Corporate Director (Finance & Resources)' Responsibilities set out on page 14, the Corporate Director (Finance & Resources) is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud for error

In preparing the financial statements, the Corporate Director (Finance & Resources) is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to cease operations, or have no realistic alternative but to do so.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.



Our opinion on the financial statements

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Council determined that the most significant are:

- Local Government Act 1972,
- School Standards and Framework Act 1998,
- Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992),
- Transport Act 2000,
- Education Act 2002 and school Standards and Framework Act
- Local Government Act 2003,
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
- National Health Service Act 2006,
- Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (SI 2010/948),
- Business Rate Supplements Act 2009,
- The Local Government Finance Act 2012;
- The Local Audit and Accountability Act 2014, and
- The Accounts and Audit Regulations 2015.

In addition, the Council has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, general power of competence, procurement and health & safety.

• We understood how Brentwood Borough Council is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit, those charged with governance any the monitoring officer and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Council's committee minutes, and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

- We assessed the susceptibility of the Council's financial statements to
 material misstatement, including how fraud might occur by understanding
 the potential incentives and pressures for management to manipulate the
 financial statements, and performed procedures to understand the areas in
 which this would most likely arise. Based on our risk assessment
 procedures, we identified manipulation of reported financial performance
 (through improper recognition of revenue), inappropriate capitalisation of
 revenue expenditure, minimum revenue provision and management override
 of controls to be our fraud risks.
- To address our fraud risk around the manipulation of reported financial performance through improper recognition of revenue, we sample tested rental income from commercial property, challenged assumptions and corroborated the income to appropriate evidence. We also reviewed unusual manual journals that credited income throughout the year.
- To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Council's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.
- To address our fraud risk of understatement of minimum revenue provision we engaged our specialist to review the Council's minimum revenue provision against the updated guidance.
- To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.



Draft audit report

Our opinion on the financial statements

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General (C&AG) in April 2021, as to whether the [name of body] had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Brentwood Borough Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Brentwood Borough Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

Delay in certification of completion of the audit We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Authority's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our value for money conclusion.

Until we have completed these procedures we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Draft audit report

Our opinion on the financial statements

Use of our report

This report is made solely to the members of Brentwood Borough Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Brentwood Borough Council and the Brentwood Borough Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Harris (Key Audit Partner) Ernst & Young LLP (Local Auditor) Luton XXX 2022

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Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as "known" or "judgemental". Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

To date, we highlight the following misstatements greater than £51k which have been corrected by management that were identified during the course of our audit. These were either matters arising from our audit procedures or where management identified amendments to the financial statements between the unaudited version in July 2021 and when the audit commenced in November 2021.

- Correction of intra-group adjustments reclassification of £1.2m
- In our testing we identified that the signage of intra-group adjustments which resulted in an amendment of £1.2m in the Group CIES:
 - Commercial activity £1.2m
 - Protecting our environment £0.056m
 - Delivering An Efficient & Effective Council £1.16m
- also identified that intra-group transactions totalling £0.885m affecting the Group Cashflow debtors/creditors were incorrectly included.
- © Surplus assets resclassification of £89.1m
- We challenged managements judgement about the classification of the surplus assets in the 20/21 financial statements. In our view, these assets do not meet the **®**finition of surplus assets and have been reclassified as Other Land and Buildings.
- In addition, as part of the reclassification, management obtained a revised valuation for these assets to value them on an EUV basis as required by the CIPFA Code. This led to an increase in valuation for these assets of £1.065m as at 31 March 2021.
- Valuation of car park understatement of £2.44m
- Our testing of the valuation of William Hunter Way car park identified that the accounts were understated by £2.44m. Investment Properties and Revaluation Reserve have been amended to reflect the £2.44m value.
- Accounting treatment for Jubilee House deposit in the group accounts Our testing identified that the Jubilee House deposit of £1.4m was incorrectly accounted for in the Group Cashflow as this should have been shown as an investment property and not debtor.
- Transposition error of £1.2m between Provisions and Receipts in Advance Our testing identified a transposition error of £1.2m in the Group Balance Sheet. The provisions balance was understated and the receipts in advance balance was overstated by this amount.
- Bad debt provision of £0.148m double counted in the Group Cashflow The bad debt provision of £0.148m was double counted and had to be removed from the debtors and other non-cash movements balances.
- National Non-Domestic Rates Income prior year income disclosure of £13.1m Our testing identified that the Central Government income value for 2019/20 was missing from the disclosure note. The amount that should have been disclosed is £13.1m.



Audit Differences (continued)

Summary of adjusted differences

- Capital Expenditure and Financing (note 10) disclosure error of £0.118m Our testing identified that £0.118m of \$106 grants were missing from the Sources of Finance section of the note - Government Grants and Other Contributions line was understated by this amount.
- · Capital Adjustment Account (CAA) understatement of £6m for Brentwood leisure centre

Our review of Brentwood leisure centre acquisition in the year identified that the donated asset total of £6m was missing from the CAA. This understated the balance on the CAA by that amount at 31 March 2021. The Council discussed with us the appropriate accounting recognition for the Leisure Centre when it was brought back inhouse from November 2020. A revaluation increase of £6million was recognised in the unaudited 2020-2021 financial statements. This has subsequently been reversed to recognise a donated/transferred asset entry of £6million.

• Collection Fund – disclosure error of £14.255m

Our testing of the Collection Fund identified that three amounts totalling £14.255m were incorrectly recorded in the Council Tax column of the Distribution of NDR come section of the Statement. This was a disclosure error only.

Our audit also identified a limited number of minor disclosure misstatements which our team have highlighted to management for amendment. These have been corrected during the course of the audit and relate to disclosure and presentational matters in the accounts.

Summary of unadjusted differences

Our audit work to date has not identified any amendments that management has declined to adjust.



Value for money

The Council's responsibilities for value for money (VFM)

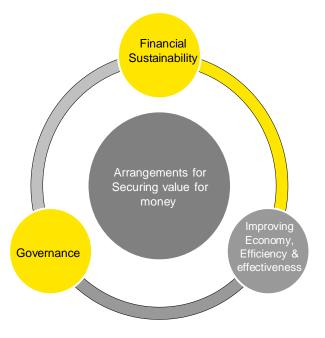
The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the Cipfa code of practice on local authority accounting. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment

We have previously reported, in our Audit Plan Addendum, the outcome of our assessment of the risk of eignificant weaknesses in the Council's VFM arrangements - that we had identified two significant risk in Pelation to financial resilience and the oversight and governance arrangements over the Council's bisidiary company, Severn Arches Investment Limited. We have revisited our risk assessment and have not identified any additional risks.

We have completed our planned procedures and are satisfied that the Council does have the arrangements in place we would expect to see. We have also revisited our risk assessment on completion of the audit of the financial statements and have not identified any new risks of significant weakness in VFM arrangements. We have no matters to report by exception in the auditor's report (see Section 03). We plan to issue the VFM commentary shortly after our audit opinion as part of issuing the Auditor's Annual Report.



Value for Money

Responding to a risk of significant weakness in VFM arrangements

What is the risk of significant weakness?

Financial Resilience

In 2019/20 we included a material uncertainty paragraph in our audit report highlighting the disclosure made by the Council in its financial statements on the basis of preparation of the accounts and the impact of C19 on Council finance and its ability to continue as a going concern. This was not a modification to the audit report but reflected that a material uncertainty existed that may cast significant doubt on the Council's ability to continue providing the current level of services without an increase in planned income.

The financial landscape for the Council remains highly challenging and it will again need to undertake a going concern assessment covering a period up to 12 months from the expected date of final thorisation. It will also need to make an appropriate disclosure in the financial statements.

As at 31 March 2021, the councils short and long term position increased significantly compared to prior year. The council also granted £60m loan to its subsidiary (SAIL), made decisions to bring leisure centre in house and invested in property worth £89m.

What arrangements did this impact?

 Financial Sustainability – How the body identifies and manages risk to financial resilience.

What did we do?

A review was carried out by our Corporate Finance team to assess the robustness of budget setting process, stress testing key assumptions underpinning the budget and reviewing the savings plans of the Council. The team also looked at the Council's ability to refinance its debt and its exposure to the high levels of borrowing.

Findings

As part of our final Annual Auditor's Report, we will provide officers and the Audit and Scrutiny Committee with the detailed findings from our assessment of the Council's financial resilience. We have reviewed the Council's arrangements for setting its base budget and medium term financial plan, and run stress tested scenarios using industry, socio-demographic and macro-economic indicators. We have assessed the Council's level of financial resilience risk against each of these indicators. In addition, we have also assessed the Council's arrangements for borrowing and debt repayment against its nearest neighbours. Finally we have considered the Council's management assessment for going concern (continuity of service provision) alongside its budget and cashflow forecasting until August 2023 should this work have pointed to any weaknesses in the Council's arrangements during the 2020-2021 financial year. We found that the Council's:

- Budget and medium term financial planning (its base case) is appropriate and reasonable to its circumstances.
- Borrowing and debt profile has been restructured to address the higher risks present during the 2020-2021 financial year on the proportion of short term borrowing it was exposed to.
- Ability to maintain continuity of service provision and minimum level of general fund reserves and balances is appropriate, in spite of having a medium term financial gap and do not pose a significant risk to the Council's financial resilience.

Our resilience indicator assessment identified two areas of higher financial resilience risk which the Council should continue to actively monitor and put in place further mitigating actions. The first is the risk that appears to be particularly concentrated towards contract Inflation, with a high portion of the Councils expenditure indicated to sit against 'running expenses.' Second and finally. the Council's debt and principle payments despite being restructured and actively managed still appear relatively high compared with national averages.

Value for Money

Responding to a risk of significant weakness in VFM arrangements

What arrangements What is the risk of significant weakness? did this impact? What did we do? Exposure to commercial investments In order to address this risk we carried out a range of Financial Sustainability procedures including: The council is investing significantly in commercial activities through its wholly owned Improving Economy, Efficiency • Forming an assessment of key financial challenges subsidiary - SAIL. As at 31 March 2021, the council provided £60m of loans to SAIL and received rent of £168k through properties owned by the subsidiary. and issues relevant to the subsidiaries: • Reviewing current subsidiary governance The council also formed partnership, called Brentwood Development Partnership. This is approaches; and joint venture arrangement councils wholly owned subsidiary (SAIL) and Morgan Sindall. The exposure to SAIL and other commercial investment has a significant impact on the • Forming an assessment of the impact of socioeconomic forecasts on subsidiary performance; and council's future, as this is a key part of the council delivering balanced budgets going forward. There is a risk of significant weakness in the way the Council exercises • Testing sensitivities driving income and expenditure. appropriate governance and financial probity to understand and mitigate against the ks it could be exposed to from its increased commercial investments.

Findings

S

As part of our final Annual Auditor's Report, we will provide officers and the Audit and Scrutiny Committee with the detailed findings from our assessment of the Council's arrangements for assessing its exposure to its commercial activities through SAIL. We have undertaken a detailed review of the how Council exercises appropriate oversight of the finances, governance and operations of SAIL and how it mitigates any risks and exposure this has on its financial resilience, governance and risk management arrangements. We have found that the Council:

- Exhibit may aspects of good practice in its governance arrangements with SAIL, including clear and distinct roles, responsibilities and alignment with strategic and business plans, goals. This also extends to joint venture governance through Brentwood Development Partnership.
- Have established processes which enable senior officers at the Council to exercise appropriate oversight of SAILs operational delivery programme.
- Have worked with SAIL to ensure there is diversification in the asset portfolio to respond to volatility seen in retail and leisure sectors before and following the Covid-19 pandemic.
- Understands the short, medium and long term risks to its exposure to SAIL and is reflected in its financial and risk management plans. Given the development lifecycle of SAILs project and delivery programme, the Council needs to strengthen how it monitors and regularly reviews the financial risks, opportunities from these initiatives alongside scenario planning on the choices and alternatives it has to preserve its financial resilience. In FY20 and FY21, SAIL have reported operating losses and negative equity. Although this has been as a result of increased liabilities (via Council borrowing and lending to SAIL) for acquisitions and fair value adjustments to asset valuations, the current macro-economic environment necessitates a higher risk via inflationary pressures, supply chain constraints, delays and increased interest rates. As SAIL is changing it's business focus to in-borough opportunities that are centred around development and regeneration, it may spend a high proportion of costs on construction labour and materials. In addition, the current SAIL portfolio returns that are reflected in its ten-year model assume full occupancy, with only a 1% contingency built-in. The Council should consider whether this contingency appropriately reflects the Coronavirus Act requirements which has suspended a landlord's ability to take forfeiture action for business tenancies in England and Wales.



Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Statement of Accounts 2020/21 with the audited financial statements.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Statement of Accounts 2020/21 and published with the financial statements was consistent with the audited financial statements.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts

Pag

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as at the date of this report the NAO have not issued their guidance to auditors.

We are expecting, based on prior year guidance, that the Council will not be above the reporting threshold set by NAO for gross expenditure and expect to have very limited procedures to perform over the Council's Whole of Government Accounts submission.

Other reporting issues

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they give significant to your oversight of the Council's financial reporting process. They include the following:

Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
Any significant difficulties encountered during the audit;

Any significant matters arising from the audit that were discussed with management;

- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Findings and issues around the opening balance on initial audits (if applicable);
- Related parties;
- External confirmations;
- Going concern;
- Consideration of laws and regulations; and
- Group audits

We have reported in respect of going concern earlier in this report in Section 02. To date, we have no other matters to report.





Assessment of Control Environment

Financial controls

It is the responsibility of the Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control. To date, we have not identified any significant matters to report to you. As we conclude our audit, we will reflect on the final accounting adjustments (current list are set out in section 04) and determine if there are any additional matters to report, particularly if we determine there are areas where the Council could strengthen its systems of internal control to support the preparation of the 2021-2022 financial statements for audit. Page



Independence

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your company, and its directors and senior management and its affiliates, including all services provided by us and our network to your company, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats. There are no relationships from 1st April 2020 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

The following slide includes a summary of the fees that you have paid to us in the year ended 31st March 21 in line with the disclosures set out in FRC Ethical Standard and in statute. We confirm that none of the services listed below has been provided on a contingent fee basis. As at the date of this raport, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted. Ø

Transparency Report 2021

Exist & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2021:

EY UK 2021 Transparency Report | EY UK



Relationships, services and related threats and safeguards

Services provided by Ernst & Young

	Proposed final fee 2020/21	Planned Fee 2020/21	Final Fee 2019/20
Description	£	£	£
Total Fee - Code work	52,365	52,365	52,365
Changes in work required to address professional and regulatory requirements and scope associated with risk (see Note 1 on page 44)	-	-	2,800
Revised proposed scale fee			
Response to significant fraud risks, inherent risks and audit efferences set out in section 04 (e.g. MRP, accounting for surplus assets, commercial income, incorrect capitalisation of revenue spend, Covid-19 grants)	TBC		
Property valuations significant risk including review of SAIL assets (including response to audit adjustments)	9,000 – 12,000	-	4,785
Covid-19 additional procedures, related material uncertainty	TBC	-	6,000
Group consolidation and audit procedures	2,000 - 3,500	-	1,932
VFM new arrangements	6,000 – 11,000	-	
Going concern assessment and disclosure	3,500		
Review of VFM risk by EY corporate finance/ VFM conclusion risks	16,000 – 18,000		3,000
Additional work on pensions liability (ISA240)	2,500	-	2,100
Total indicative Council audit fee	TBC		
Non-Audit fees - Certification work	0	0	0
Total Fees	TBC		72,982
			All fees exclude VAT



Relationships, services and related threats and safeguards

Services provided by Ernst & Young

Note 1: The final fee for 2019/20 has been determined by PSAA. PSAA determined a fee variation of £20,617 which has been invoiced and settled by the Council. This approved fee variation represents 60% of the amount we submitted to PSAA for consideration (£34,575).

Note 2: For 2020/21 the scale fee has been re-assessed to take into account a number of risk factors which includes procedures performed to address the risk profile of commercial activity and new assets acquired by the Council in the year and additional work to address increase in Regulatory standards. Prior to the conclusion of our audit, we will discuss our proposed fee variation with management and our final submission will be subject to approval by PSAA Ltd. We will update the Audit and Scrutiny Committee of the final fee submission to PSAA Ltd and the amount which is subsequently determined. PSAA have also issued to Local Government bodies minimum additional fees that they would expect for changes to auditor's work on Value for Money arrangements and auditing accounting estimates. These minimum ranges have been shown on page 43.

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Required communications with the Audit & Scrutiny Committee

There are certain communications that we must provide to the Audit Committees of UK clients. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the Audit and Scrutiny Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit planning report
Significant findings from the audit	 Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures Significant difficulties, if any, encountered during the audit Significant matters, if any, arising from the audit that were discussed with management Written representations that we are seeking Expected modifications to the audit report Other matters if any, significant to the oversight of the financial reporting process 	Audit results report



		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	 Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: Whether the events or conditions constitute a material uncertainty Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements The adequacy of related disclosures in the financial statements 	Audit results report
Misstatements Pay G O	 Uncorrected misstatements and their effect on our audit opinion The effect of uncorrected misstatements related to prior periods A request that any uncorrected misstatement be corrected Material misstatements corrected by management 	Audit results report
Subsequent events	• Enquiry of the Audit and Scrutiny Committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements.	Audit results report
Fraud	 Enquiries of the Audit and Scrutiny Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Council Any fraud that we have identified or information we have obtained that indicates that a fraud may exist Unless all of those charged with governance are involved in managing the Authority, any identified or suspected fraud involving: a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected Any other matters related to fraud, relevant to Audit and Scrutiny Committee responsibility. 	Audit results report



		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	Significant matters arising during the audit in connection with the Council's related parties including, when applicable: Non-disclosure by management Inappropriate authorisation and approval of transactions Disagreement over disclosures Non-compliance with laws and regulations Difficulty in identifying the party that ultimately controls the Council.	Audit results report
Independence Page 64	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: The principal threats Safeguards adopted and their effectiveness An overall assessment of threats and safeguards Information about the general policies and process within the firm to maintain objectivity and independence Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place. Relationships between EY, the company and senior management, its affiliates and its connected parties Services provided by EY that may reasonably bear on the auditors' objectivity and independence Related safeguards Fees charged by EY analysed into appropriate categories such as statutory audit fees, tax advisory fees, other non-audit service fees A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit	Audit planning report Audit results report



		Our Reporting to you
Required communications	What is reported?	When and where
	 Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy Details of any contingent fee arrangements for non-audit services Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard The General Purposes and Audit Committee should also be provided an opportunity to discuss matters affecting auditor independence 	
External confirmations	 Management's refusal for us to request confirmations Inability to obtain relevant and reliable audit evidence from other procedures. 	We have received all requested confirmations
nsideration of laws and regulations	 Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	We have asked management and those charged with governance. We have not identified any material instances or noncompliance with laws and regulations
Significant deficiencies in internal controls identified during the audit	Significant deficiencies in internal controls identified during the audit.	Audit results report



		Our Reporting to you
Required communications	What is reported?	When and where
Group Audits Page	 An overview of the type of work to be performed on the financial information of the components An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements. 	Audit planning report
mitten representations are requesting from management and/or those charged with governance	Written representations we are requesting from management and/or those charged with governance	Audit results report
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report
Auditors report	Any circumstances identified that affect the form and content of our auditor's report	Audit results report
Fee Reporting	 Breakdown of fee information when the audit planning report is agreed Breakdown of fee information at the completion of the audit Any non-audit work 	Audit planning report Audit results report



Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Completion of audit procedures (including resolution of audit queries, finalisation sample testing, finalisation of audit documentation and review procedures) Page	List of audit procedures to conclude include: 1. PPE valuations, depreciation and linked reserves notes 2. Minimum revenue provision 3. Long term debtors impairment 4. Remaining elements of sample testing – PPE additions, grant income, expenditure, cash cut off, council tax & NDR debtors, unrecorded liabilities, short term creditors, HRA income. 5. Infrastructure assets 6. Financing and investment income 7. Other disclosure notes 8. Narrative Report 9. Group accounts	EY and Management
completion of professional practice consultations	Given the presence of a going concern material uncertainty in the 2019-2020 financial statements, we need to conclude professional practice consultations on the appropriateness of the Council's management assessment and disclosures on going concern, audit materiality applied to our audit procedures. We also may need to consult our professional practice team on the audit procedures we have undertaken on the Council's accounting for infrastructure assets.	EY
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and Management
Management Representation Letter	Receipt of signed management representation letter.	Management
Agreement of Final set of Accounts	Agree all changes made to draft accounts are updated in the final set of accounts.	EY and Management
Final Review Procedures	Final quality review procedures of areas listed above by Engagement Partner.	EY

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge (including amendments to the financial statements) or we may not agree on final detailed disclosures in the financial statements. At this point no issues have emerged that would cause us to modify our opinion. A draft of the current opinion is included in Section 03.

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Draft Management representation letter

Management Rep Letter

[To be prepared on the entity's letterhead] [Date]

Ernst & Young [Address]

This letter of representations is provided in connection with your audit of the consolidated and Council financial statements of Brentwood Borough Council ("the Group and Council") for the year ended 31 March 2021. We recognise that obtaining representations from us concerning the U information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and Council] financial statements give a true and fair view of the Group and Council financial position of Brentwood Borough Council as of 31 March 2021 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Group CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21. We understand that the purpose of your audit of our consolidated and Council financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

- A. Financial Statements and Financial Records
- 1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21
- 2. We acknowledge, as members of management of the Group and Council, our responsibility for the fair presentation of the consolidated and Council financial statements. We believe the consolidated and Council financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and are free of material misstatements, including omissions. We have approved the consolidated and Council financial statements.
- 3. The significant accounting policies adopted in the preparation of the Group and Council financial statements are appropriately described in the Group and Council financial statements.
- 4. As members of management of the Group and Council, we believe that the Group and Council have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.



Draft Management representation letter

Management Rep Letter

- 5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated and [council] financial statements taken as a whole. We have not corrected these differences identified and brought to our attention by the auditor because [specify]
- 6. We confirm the Group and Council does not have securities (debt or equity) listed on a recognized exchange.
- B. Non-compliance with law and regulations, including fraud
- We acknowledge that we are responsible for determining that the Group and Council's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.
- 2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
- 3. We have disclosed to you the results of our assessment of the risk that the consolidated and Council financial statements may be materially misstated as a result of fraud.

- 4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Group or Council (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
 - involving financial statements;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated or Council's financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Group or Council's activities, its ability to continue to operate, or to avoid material penalties;
 - involving management, or employees who have significant roles in internal controls, or others; or
 - in relation to any allegations of fraud, suspected fraud or other noncompliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.
- c. Information Provided and Completeness of Information and Transactions

1We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.



Draft Management representation letter

Management Rep Letter

- 2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the consolidated and Council] financial statements, including those related to the COVID-19 pandemic. We have made available to you all minutes of the meetings of the Group, and committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: [list date]
- 3. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and Council financial statements.
 - 4. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
 - 5. We have disclosed to you, and the Group and Council has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and Council financial statements in the event of noncompliance, including all covenants, conditions or other requirements of all outstanding debt.

- 6. From the date of our last management representation letter, being XX May 2021, through the date of this letter we have disclosed to you any unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate.
- D. Liabilities and Contingencies
- 1.All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and Council financial statements.
- 2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
- 3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note XX to the consolidated and Council financial statements all guarantees that we have given to third parties.

E. Going Concern

1. Note XX to the consolidated and Council financial statements discloses all the matters of which we are aware that are relevant to the Group and Council's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.



Draft Management representation letter

Management Rep Letter

F. Subsequent Events

1. As described in Note 6 to the consolidated and Council financial statements, there have been no events, including events related to the COVID-19 pandemic, subsequent to year end which require adjustment of or disclosure in the consolidated and Council] financial statements or notes thereto.

G. Group audits

1. There are no significant restrictions on our ability to distribute the retained profits of the Group because of statutory, contractual, exchange control or other restrictions other than those indicated in the Group financial statements.

2. Necessary adjustments have been made to eliminate all material intragroup unrealised profits on transactions amongst Council], subsidiary undertakings and associated undertakings.

. Other information

- 1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the narrative statement and the annual governance statement.
- 2. We confirm that the content contained within the other information is consistent with the financial statements.

Ownership of Assets

- 1. Except for assets capitalised under finance leases the Group and Council has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Group and Council's assets, nor has any asset been pledged as collateral. All assets to which the Group and Council has satisfactory title appear in the balance sheet(s).
- 2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the consolidated and Council financial statements.

Reserves

1. We have properly recorded or disclosed in the consolidated and Council] financial statements the useable and unusable reserves.

Contingent Liabilities

- 1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated and Council financial statements or as the basis of recording a contingent loss.
- 2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, except as follows:
- Matters of routine, normal, recurring nature (e.g., examinations by bank and insurance examiners, examinations by taxing authorities, none of which involves any allegations of noncompliance with laws or regulations that should be considered for disclosure in the consolidated and Council financial statements or as a basis for recording a loss contingency.



Draft Management representation letter

Management Rep Letter

Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the measurement and valuation of Property, defined benefit pension scheme and financial instruments and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and Council financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

Estimates

Page

Property Valuation

- 1.We confirm that the significant judgments made in making property valuations] have taken into account all relevant information and the effects of the COVID-19 pandemic on asset values of which we are aware.
- 2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making property valuations.
- 3. We confirm that the significant assumptions used in making property valuations appropriately reflect our intent and ability to carry out *services* on behalf of the entity.
- 4. We confirm that the disclosures made in the consolidated and Council financial statements with respect to the accounting estimate(s), including those describing estimation uncertainty and the effects of the COVID-19 pandemic on , are complete and are reasonable in the context of CIPFA LASAAC Code of Practice on

- 5. We confirm that appropriate specialized skills or expertise has been applied in making property valuations.
- 6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the consolidated and Council financial statements, including due to the COVID-19 pandemic.

Pension Liability

- 1. We confirm that the significant judgments made in making the pension valuation have taken into account all relevant information of which we are aware.
- 2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in estimating the pension liability.
- 3. We confirm that the significant assumptions used in determining the pension liability appropriately reflect our intent and ability to carry out *services* on behalf of the entity.
- 4. We confirm that the disclosures made in the consolidated and Council financial statements with respect to the accounting estimate(s), including those describing estimation uncertainty and the effects of the COVID-19 pandemic on , are complete and are reasonable in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21
- 5. We confirm that appropriate specialized skills or expertise has been applied in making property valuations.
- 6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the consolidated and Council financial statements, including due to the COVID-19 pandemic.



Appendix C

Draft Management representation letter

Management Rep Letter

Minimum Revenue Provision)

- 1. We confirm that the significant judgments made in estimating MRP have taken into account all relevant information of which we are aware.
- 2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in estimating MRP.
- 3. We confirm that the significant assumptions used in determining provisions and MRP appropriately reflect our intent and ability to carry out services on behalf of the entity.
- 4. We confirm that the disclosures made in the consolidated and Council financial statements with respect to MRP, including those describing estimation uncertainty and the effects of the COVID-19 pandemic on, are complete and are reasonable in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
 - 5. We confirm that no adjustments are required to MRP and disclosures in the consolidated and Council financial statements, including due to the COVID-19 pandemic.

rours rannuny,
Chief Financial Officer/Corporate Director (Finance & Resources))
Chair of the Audit and Scrutiny Committee)



Implementation of IFRS 16 Leases

In previous reports to the General Purposes & Audit Committee, we have highlighted the issue of new accounting standards and regulatory developments. IFRS 16 introduces a number of significant changes which go beyond accounting technicalities. For example, the changes have the potential to impact on procurement processes as more information becomes available on the real cost of leases. The key accounting impact is that assets and liabilities in relation to significant lease arrangements previously accounted for as operating leases will need to be recognised on the balance sheet. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset. The following table summarises some key areas officers should be progressing.

IFRS 16 theme	Summary of key measures
Data collection	 Management should: Put in place a robust process to identify all arrangements that convey the right to control the use of an identified asset for a period of time. The adequacy of this process should be discussed with auditors. Classify all such leases into low value; short-term; peppercorn; portfolio and individual leases Identify, collect, log and check all significant data points that affect lease accounting including: the term of the lease; reasonably certain judgements on extension or termination; dates of rent reviews; variable payments; grandfathered decisions; non-lease components; and discount rate to be applied.
icy Choices 6 74	 The Council needs to agree on certain policy choices. In particular: Whether to adopt a portfolio approach What low value threshold to set and agree with auditors Which asset classes, if any, are management adopting the practical expedient in relation to non-lease components What is managements policy in relation to discount rates to be used?
Code adaptations for the public sector	Finance teams should understand the Code adaptations for the public sector. The Code contains general adaptations, (e.g. the definition of a lease); transitional interpretations (e.g. no restatement of prior periods) and adaptations that apply post transition (e.g. use of short-term lease exemption).
Transitional accounting arrangements	Finance teams should understand the accounting required on first implementation of IFRS 16. The main impact is on former operating leases where the authority is lessee. However, there can be implications for some finance leases where the Council is lessee; and potentially for sub-leases, where the Council is a lessor, that were operating leases under the old standard.
Ongoing accounting arrangements	Finance teams need to develop models to be able to properly account for initial recognition and subsequent measurement of right of use assets and associated liabilities. This is more complex than the previous standard due to more regular remeasurements and possible modifications after certain trigger events.
Remeasurements and modifications	Finance teams need to familiarise themselves with when the 'remeasurement' or 'modification' of a lease is required and what to do under each circumstance. A modification can lead to an additional lease being recognised. It is also important to know when remeasurements require a new discount rate is to be applied to the lease.

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ED None

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Agenda Item 4

Committee: Audit and Scrutiny	Date: 5 July 2022
Subject: Internal Audit Progress Report 2021/22	Wards Affected: All
Report of: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) and Section 151 Officer	Public
Report Author/s: Jacqueline Van Mellaerts, Corporate Director (Finance and Resources) and Section 151 Officer Telephone: 01277 312500 E-mail: Jacqueline.vanmellaerts@brentwood.gov.uk	For Information
Janine Combrinck	

Summary

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2021/22 internal audit plan.

The following reports have been finalised since the last Committee:

- Capital projects (Substantial/Moderate)
- Financial planning and monitoring (Substantial/Substantial)
- Main financial systems (Moderate/ Substantial)
- Risk management (Substantial/Moderate)
- Partnerships (Substantial/Moderate)

Main Report

Introduction and Background

- 1. This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2021/22 internal audit plan. It summarises the work internal audit have done, together with their assessment of the systems reviewed and the recommendations they have raised.
- 2. Their work complies with Public Sector Internal Audit Standards. As part of their audit approach, they have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable them to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

3. The Audit Committee approved the 2021/22 annual audit plan in March 2021. The progress against plan is reported at every Audit and Scrutiny Committee during 2021/22.

Issue, Options and Analysis of Options

- 4. The following reports have been finalised since the last Committee:
 - Capital projects (Substantial/Moderate)
 - Financial planning and monitoring (Substantial/Substantial)
 - Main financial systems (Moderate/ Substantial)
 - Risk management (Substantial/Moderate)
 - Partnerships (Substantial/Moderate)

The conclusion of the audits are as follows:

Capital projects (Substantial/Moderate)

5. From our review of the Council's capital project arrangements, it is clear there are sound controls in place in relation to procurement and monitoring of approved capital projects, both in terms of progress and financially, and support is provided by qualified project management staff. There is a significant underspend on the capital programme for the year due to slippage in schemes, the reasons for which are understood by officers. Improvement is required in relation to the documentation of growth bids to evidence review and approval of all capital bids and supporting options appraisals by senior officers at the budget setting stage.

Overall, we provide substantial assurance on design and moderate assurance on the effectiveness of the key controls. We have raised one medium priority recommendation.

Financial planning and monitoring (Substantial/Substantial)

6. Whilst the Council's financial position remains challenging over the medium term, there are robust processes in place for budget setting and budget monitoring. We provide substantial assurance on design and substantial assurance on the effectiveness of the key controls.

There are no recommendations arising from this audit

Main financial systems (Moderate/ Substantial)

7. Our audit has found a number of effective controls within the Council's main financial systems. These include control account reconciliations, posting of journals, verification checks on new suppliers, authorisation of expenditure and payment runs, and the preparation of VAT returns. However, there is scope for improvement in the design of controls in respect of evidencing risk and affordability assessments on borrowing and cash flow reporting. We have

therefore provided moderate assurance over the control design and substantial assurance over operational effectiveness.

We have raised two medium and three low priority recommendations.

Risk management (Substantial/Moderate)

8. Overall, we provide substantial assurance on design and moderate assurance on the effectiveness of the key controls. The Council has an adequate risk management framework and we have noted areas of good practice in the Council's risk management arrangements.

We have raised three medium priority recommendations in relation to risk management training for staff, the articulation of risks in the risk registers, and documentation of actions taken to support all reductions in risk scores.

Partnerships (Substantial/Moderate)

9. There is comprehensive policy in place that sets out the processes to follow for assessment, establishment and monitoring of partnership arrangements, which is supported by checklists and a partnerships register. However, improvement is required in ensuring that the policy is fully complied with in terms of completing the partnerships checklist, establishing the risk level, evidencing approval and carrying out annual performance assessments for all partnerships.

We have therefore provided substantial assurance over the control design and moderate assurance over operational effectiveness. We have raised two medium priority recommendations.

- A Summary of outstanding Recommendations from previous audits are included in Appendix B – Follow up report.
- 11. This is regularly monitored by Senior Officers and will be followed up again ahead of the next Audit and Scrutiny Committee, along with other recommendations due.

Consultation

Not applicable.

References to Corporate Strategy

To ensure the Council is effective and efficient by delivering services that are value for money and meet the needs of our residents.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources)

and Section 151 Officer.

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

There are no direct financial implications arising from this report.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and

Monitoring Officer

Tel & Email: 01277 312500 / amanda.julian@brentwood.gov.uk

There are no legal implications arising from this report.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning & Economy)

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

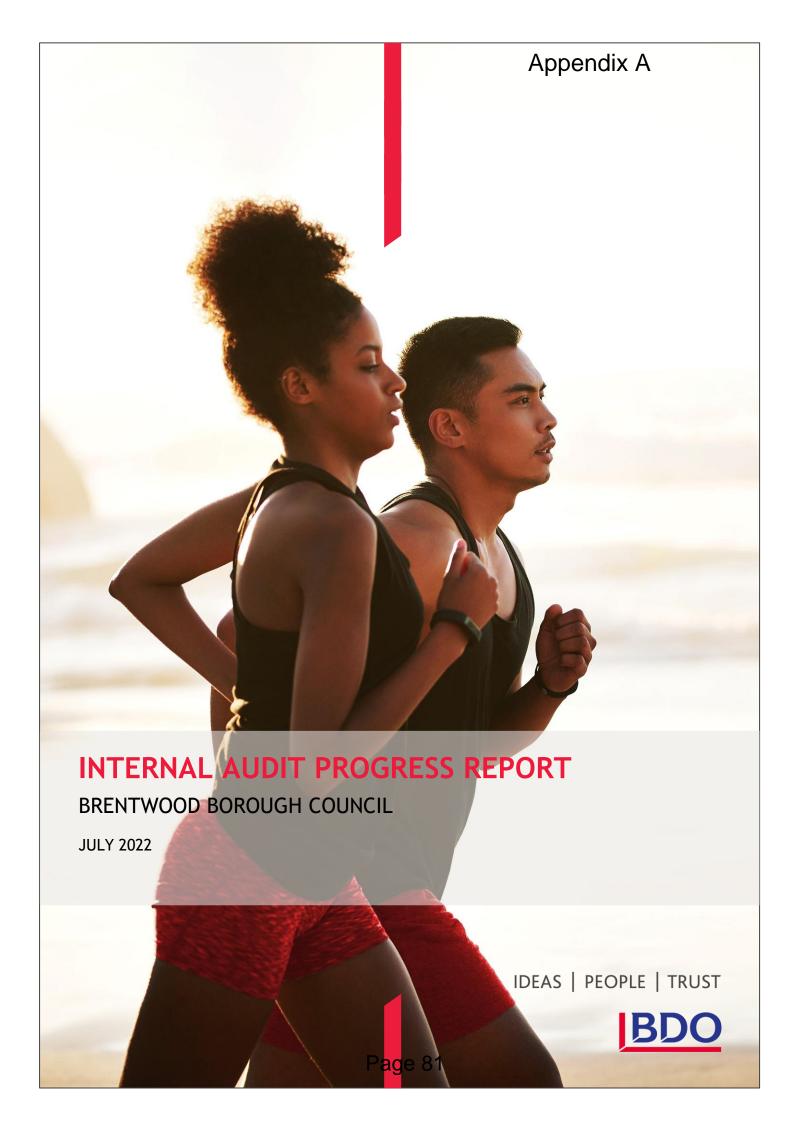
There are no direct economic implications arising from this report.

Background Papers

None

Appendices to this report

Appendix A: Internal Audit Progress Report Appendix B: Internal Audit Follow Up Report



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SUMMARY OF 2021/22 WORK

Internal Audit

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2021/22 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised.

Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

Internal Audit Methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report, and are based on us giving either "substantial", "moderate", "limited" or "no". The four assurance levels are designed to ensure that the opinion given does not gravitate to a "satisfactory" or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

For audits with a substantial or moderate assurance opinions, the executive summaries from the final report are included in the Internal Audit Progress Report. For audits with a limited or no assurance opinion, the full report will be included with the papers.

2021/22 Internal Audit Plan

The followings reports have been finalised since our last progress report to the Audit and Scrutiny Committee, in March 2022 and the executive summaries are included in this report:

- Capital projects
- Financial planning and monitoring
- Main financial systems
- Risk management
- Partnerships

The following report has been issued in draft and we are awaiting comments from the Council:

• Section 106 agreements (including affordable housing)

Work on the Democratic Services audit is in progress, and we are awaiting information from the Council to complete our fieldwork. We have agreed with officers that we will carry the completion of this audit over into our 2022/23 Audit Plan.

Changes to the Plan

We agreed changes to the timings of the audit below, at the request of officers:

- Covid-19 Grants Expenditure moved from Q1 to Q2 completed
- Planning moved from Q2 to Q3 completed
- Building control moved from Q2 to Q4 completed
- Affordable Housing moved from Q2 to Q4 completed
- Democratic services moved from Q2 to Q4 and into 2022/23

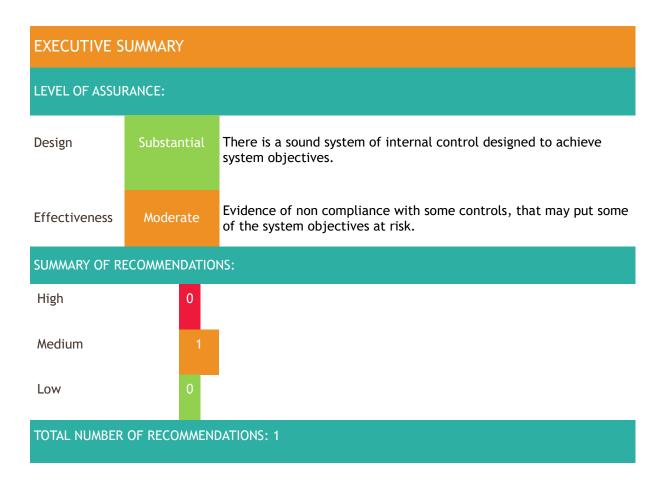
2022/23 Internal Audit Plan

We are currently waiting for the Council to engage us for the 2022/23 audit year and, subject to a contract being agreed, expect to be able to provide an Audit Plan for the next meeting.

REVIEW OF 2021/22 WORK

Audit	Exec Lead	Start Date	Planning	Fieldwork	Reporting	Design	Effectiveness
Affordable Housing (carried forward from 2020/21)	Tracey Lilley	Q4	~	~	✓ Draft		
Risk Management	Jacqui Van Mellaerts	Q4	~	•	✓ Final		
Main Financial Systems	Jacqui Van Mellaerts	Q4	~	~	✓ Final		
Covid-19 Grants Expenditure	Jacqui Van Mellaerts	Q1	~	~	✓ Final		
Financial Planning and Monitoring	Jacqui Van Mellaerts	Q4	~	V	✓ Final		
Capital projects	Jacqui Van Mellaerts	Q3	~	~	✓ Final		
Partnerships	Greg Campbell	Q3	✓	•	✓ Final		
Local Development Plan	Phil Drane	Q2	~	~	✓ Final		
IT Data Breaches	Sarah Bennett	Q2	~	~	✓ Final		
Building Control	Phil Drane	Q4	~	~	✓ Final		
Planning	Phil Drane	Q2	•	~	✓ Final		
Housing - Homelessness	Tracey Lilley	Q3	~	~	✓ Final		
Democratic Services	Amanda Julian	Q4	~	In progress			
Follow Up	Jacqui Van Mellaerts	Ongoing		Separate fo	ollow up repor	ts	

EXECUTIVE SUMMARY - CAPITAL PROJECTS



BACKGROUND:

Bids for capital projects are considered in the Council's budget setting process each year. Where a capital need has been identified, budget managers are required to liaise with their link accountant to complete a growth bid template and an options appraisal that demonstrates value for money. These are required to be submitted between September and October each year, in line with the Council's budget setting timetable, and scrutinised by the Section 151 Officer before being presented to the Senior Leadership Team (SLT) for approval. Larger schemes require further scrutiny by the Policy, Resources and Economic Development (PRED) Committee before being approved by Ordinary Council.

The approved capital programme is monitored on a monthly basis by both budget managers and link accountants, using the Collaborative Planning system. Monitoring of the capital programme is also done by the SLT, with oversight by the PRED Committee.

The Council's capital programme for 2021/22 includes several schemes totalling £20.8 million, with each scheme aligned to the Council's Corporate Strategy. The programme is being funded by capital funding from both the General Fund (£8.5 million) and the HRA (£12.3 million). In addition, there are schemes totalling £12.4 million brought forward from prior years, resulting in a total of 33 capital projects at a budgeted cost of £33.2 million.

For 2021/22, the following capital schemes were budgeted for:

 Protecting our Environment - Vehicle fleet management, open spaces infrastructure, low emissions infrastructure and car parking improvement

- Developing our Communities Play area refurbishment, King George's Pavilion refurbishment
- Improving Housing Home repair assistance grants, disabled facilities grants, HRA decent homes programme and strategic housing delivery programme
- Delivering an Efficient and Effective Council Asset management strategy, asset development, ICT strategy, ICT hardware, software infrastructure, and strategic property acquisitions.

As at February 2022, officers forecast an underspend of £15 million against the £33.2 million budgeted spend, of which £13.5 million is attributed to slippage in schemes. The Capital and Investment Strategy 2022/23 presented to Ordinary Council in February 2022, set out the key areas of slippage and some of the reasons for the slippage, such as delays to works starting, delays to contracts being agreed, projects being affected by resources and weather, and projects requiring re-profiling.

Our audit involved testing a sample of ten capital projects in place as at October 2021 for evidence of growth bid templates, funding approvals and procurement processes. We also reviewed overall arrangements for monitoring the capital programme progress and expenditure.

GOOD PRACTICE:

Our audit identified the following good practice areas:

- Capital procurement: Our testing of a sample of ten capital projects found that appropriate procurement processes were followed in the selection of contractors for six of the projects, and the tender documentation provided confirmed the contract was awarded to the highest scoring supplier for five of the projects (the Council was in the process of evaluating the bids for the other project at the time of the audit). For the remaining four cases, no formal tendering exercise was carried out due to the capital project either being several small orders or simply a budget allocation.
- Capital budget monitoring: Progress on the Council's Capital Programme is reported regularly to PRED as part of the Budget Monitoring Update report presented by the Corporate Director (Finance & Resources). The Capital Financial Dashboards included in the reports provide a breakdown of spend by directorate and list the top five capital projects by their allocated budget. Our discussions with officers and review of reports indicate that the reasons for variances, including slippage on schemes, are understood.
- Capital project performance monitoring: Programme Board Summary Reports are presented to SLT on a monthly basis, in which projects are RAG rated and clearly highlight those requiring more attention.
- **Programme & Projects Team:** The team, which acts as an intermediary between Finance and SLT in monitoring projects, consists of three project managers who each have PRINCE2 Project Management certification and are well placed to support budget managers on the capital programme projects.

KEY FINDINGS:

Our audit identified the following finding:

• **Growth bid templates:** Our testing of a sample of schemes in the capital programme found that growth bid templates are not in place for all capital schemes tested, and therefore it is not clear that options appraisals have been carried out for all schemes and that there is evidence that bids have been adequately reviewed by the section 151 officer, SLT and PRED (where necessary) at the budget setting stage, which could undermine the effectiveness of the capital programme. (Finding 1 - Medium)

CONCLUSION:

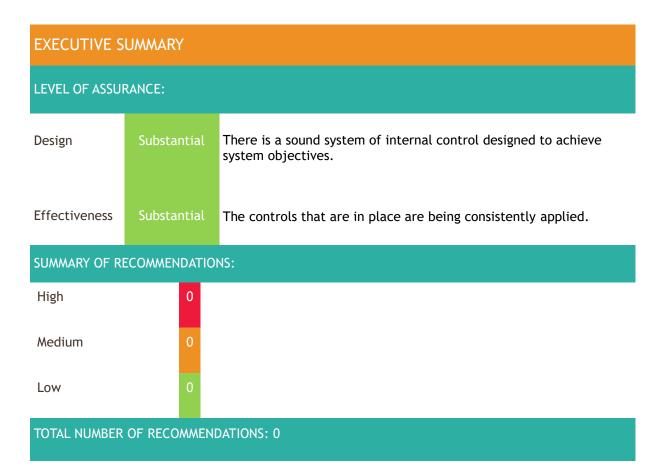
From our review of the Council's capital project arrangements, it is clear there are sound controls in place in relation to procurement and monitoring of approved capital projects, both in terms of progress and financially, and support is provided by qualified project management staff. There is a significant underspend on the capital programme for the year due to slippage in schemes, the reasons for which are understood by officers. Improvement is required in relation to the documentation of growth bids to evidence review and approval of all capital bids and supporting options appraisals by senior officers at the budget setting stage.

Overall, we provide substantial assurance on design and moderate assurance on the effectiveness of the key controls. We have raised one medium priority recommendation.

MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
i) The Council should ensure that all capital schemes are supported by growth bid templates, which have been reviewed by the Section 151 Officer and Programme & Projects Team before being approved by PRED (where applicable). These growth bid templates should be held centrally. ii) Link accountants should periodically remind budget holders to complete a growth bid template when submitting a capital project for approval.	Medium	Officers acknowledge that there needs to be further buy in from Budget holders regarding the importance of submitting a growth bid template regarding capital projects. As part of the budget setting timetable for 2023/24, more emphasis will be communicated with Budget holders and portfolio holders on the importance of understanding the financial assumptions regarding a new capital project. Finance Officers will look to work with the Programme & Projects Team to improve financial reporting required when submitting information to the Programme Board. This should result in budget holders not feeling like they are having to duplicate work by filling in two forms.	Sam Wood (Senior Accountant) 31 December 2022

EXECUTIVE SUMMARY – FINANCIAL PLANNING AND MONITORING



BACKGROUND:

The budget for the 2021/22 financial year was presented to the Policy, Resources and Economic Development (PRED) Committee on 3 February 2021 and approved by the Ordinary Council on 24 February 2021.

During the past year, the Covid-19 pandemic has had a significant financial impact on the Council, which includes the direct costs of managing Covid-19 related activities such as supporting businesses as well as protecting the vulnerable, which included co-ordinating a community and business response, grant payments, business reliefs and supporting testing and vaccinations.

As a result of the pandemic, the Council also had to suspend a number of revenue-generating services, such as leisure facilities. Additionally, lockdown restrictions and new ways of working during the year have resulted in reduced income in areas such as trade waste, parking and building control.

The negative budgetary impact of the pandemic is partly offset by Government grants and an income compensation scheme for lost income. After taking account of underspends in other areas and actions taken to reduce budgetary pressure, officers are provisionally reporting an overall balanced outturn for 2021/22, maintaining the general fund at the same level as the prior year, being £2.874 million. Year-end general fund earmarked reserves are forecast at £12.099 million, an increase of £1.518 million over the year although this is less than the budgeted increase of £3.525 million.

The Council's 2022/23 budget and Medium-Term Financial Strategy (MTFS) to 2024/25 were approved at the Ordinary Council meeting in February 2022. The 2022/23 budget generates a deficit of £122,000, which is planned to be covered by earmarked reserves and not impact the general fund balance. However, more significant deficits are forecast for 2023/24 and 2024/25, which will utilise the Council's general fund balance if further savings, efficiencies and income generation ideas are not sought.

One of the key objectives within the Council's Corporate Strategic Plan 2020-2025 is to sustain £1 million revenue via commercial activities to reduce the Council's revenue budget gap. To assist with this objective and meet the targets set out in the MTFS, a member cross working party, the Financial Initiatives Group (FIG), was set up during 2021/22 to review and develop financial initiatives for consideration by PRED.

The Council uses eFinancial for its General Ledger, and Collaborative Planning software for financial planning, budgeting and forecasting. Budget Managers and Link Accountants have access to the Collaborative Planning application and use this as part of the regular budget monitoring process.

Our audit of financial planning and monitoring in the prior year included a review of the budget setting process for 2021/22, therefore this year's audit focused on the arrangements during 2021/22 for monitoring the budget and setting the 2022/23 budget and MTFS.

GOOD PRACTICE:

Our audit identified the following good practice areas:

- Managers' Guidelines for budget setting 2022/23- 2023/24 were issued prior to the start of the 2022/23 budget setting process. The guidance details the process for budget managers to follow in setting their budgets, the timetable and deadlines, and expected outcomes.
- Budget managers were required to complete growth bid templates, for any growth required to existing budgets for 2022/23 onwards, and recharges templates. These were discussed with the relevant Link Accountant and Director of Service before being submitted to the Senior Leadership Team (SLT) for approval.
- The Council held two budget challenge days in November and December 2021 which were attended by budget managers, Link Accountants and senior management to scrutinise and discuss assumptions, savings, budget growth requests, budget gaps and income generation opportunities, before sign-off of individual budgets by budget holders and senior management.
- A number of budget briefing sessions were provided to SLT, Committee Chairs and the Leader throughout the budget setting process. Members were also briefed on the proposed budget in January 2022, prior to formally approving the budget in February 2022.
- Our review of a sample of five budgets set for 2022/23 found that discussions between budget managers and Link Accountants took place to discuss proposed budgets and growth bids.
- We were informed that budget managers receive training on the financial system and budget monitoring from Link Accountants, although there is no documentary evidence of this. There is an annual security review of system access and restrictions, at which budget managers are encouraged to highlight any further training needs.
- Our review of a sample of five budgets for 2021/22 found that budgetary variances are analysed and investigated, through regular meetings between budget holders and Link Accountants. Minutes are taken of these meetings or notes are added directly to the system and are accessible to all system users to view. Any required corrective actions are also discussed at the meetings and an action owner is assigned and recorded.
- Budget reports were produced and presented to the Senior Leadership Team (SLT) on a
 monthly basis throughout the year (excluding December 2021), with quarterly review by
 PRED. The reports covered progress against budget, forecasts, and mitigating actions.

 Assumptions underpinning the MTFS are well documented within the Council's General Fund Budget 2022-23 which was approved by the Ordinary Council in February 2022, and the impact of Covid-19 is highlighted throughout the document.

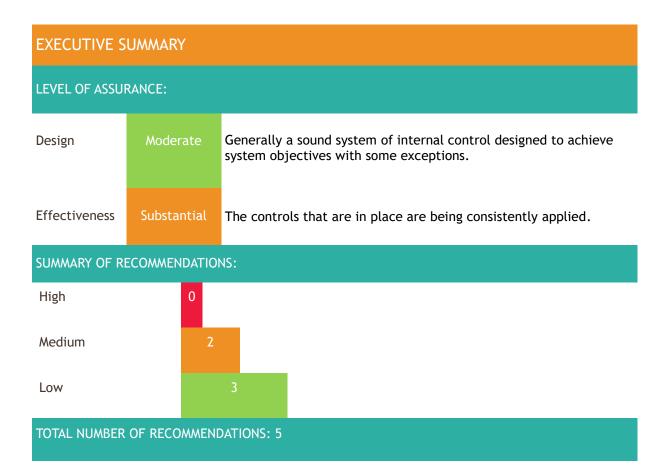
KEY FINDINGS:

Our audit did not identify any key findings.

CONCLUSION:

Whilst the Council's financial position remains challenging over the medium term, there are robust processes in place for budget setting and budget monitoring. We provide substantial assurance on design and substantial assurance on the effectiveness of the key controls. There are no recommendations arising from this audit.

EXECUTIVE SUMMARY – MAIN FINANCIAL SYSTEMS



BACKGROUND:

The Council is required to have sound controls in place in its financial systems, in order to prevent and detect error and fraud. The central finance team, led by the Director of Corporate Resources and the Corporate Finance Manager, is responsible for the financial management controls and processes, including shared service arrangements and external payroll processing. The finance team also provides leadership on good financial practice to the services across the Council and has an overseeing role to ensure procedures are correctly followed.

From 1 April 2021, the Council's payroll functions transferred to a new payroll provider, Braintree District Council.

A further key change that the Council has implemented is a policy regarding No PO (Purchase Order) No Pay. This change was communicated to staff in September 2021 and is being phased in across directorates during 2021/22, with full implementation across the Council by 1 April 2022.

Each year the audit of the main financial systems covers the General Ledger, including reconciliations for system interfaces and journals. Cyclical reviews are carried out on the other main financial systems.

Last year we covered Accounts Receivable (including housing rent arrears) and Payroll. In addition, we reviewed controls where weaknesses were identified in the prior year HR recruitment audit and the Treasury Management audit.

In our 2021/22 audit plan we proposed to review accounts payable, council tax, business rates and housing benefits. However, given certain pressures on the Revenues and Benefits shared service, we agreed with officers to focus our cyclical element of the audit on accounts payable (including some data analytics), VAT returns, and treasury management functions for cash flow forecasting and borrowing approvals.

We also planned to carry out data analytics on the payroll data to identify any fraud red flags, however we were unable to obtain a download of the payroll to enable us to carry out this procedure. We will continue to request a download of the payroll and will carry forward this element of our work to our 2022/23 audit plan.

GOOD PRACTICE:

Our audit identified the following good practice areas:

- Logs of user access rights to the general ledger are reviewed annually for appropriateness and access is updated or removed when necessary.
- The Corporate Finance Manager maintains a reconciliation monitor which tracks the reconciliation completed that month, who completed and reviewed the reconciliation, and how often it should be done. Our testing of two balance sheet control accounts found that they were appropriately reconciled and reviewed by an independent officer.
- Our testing of a sample of 20 journals raised during 2021/22 found that there was sufficient documentation to support the transaction and that they were appropriately authorised independently of the preparer.
- Our testing of a sample of ten new suppliers created on the system found that due
 diligence checks were carried out and the new supplier independently authorised, where
 appropriate.
- Our testing of a sample of five supplier bank account changes found that there was appropriate supporting evidence on file from the supplier and that the information was verified by the officer and independently reviewed by another officer.
- Our testing of a sample of 20 purchase order expenditure transactions from April 2021 to January 2022 found that the purchase orders were appropriately approved prior to the budget being utilised, goods receipt notes (GRNs) were signed by the recipient of the good/service being procured (where applicable) and invoices were matched to purchase orders and GRNs prior to payment.
- Our testing of a sample of 20 non-purchase order expenditure transactions found that invoices were appropriately approved prior to payments being made.
- Our testing of a sample of five payment runs found that the payment listings were appropriately reviewed by a senior member of staff prior to the payment release.
- VAT returns are submitted on a monthly basis and our sample testing of two returns confirmed that they are appropriately completed from information in the general ledger, independently reviewed and submitted on a timely basis.

KEY FINDINGS:

Our audit identified the following findings:

- Whilst our sample testing found that loans taken out are independently approved by senior management, there was no documented evidence that the risks and affordability of the sampled loans had been assessed against the Council's Treasury Management Strategy. (Finding 1 - Medium)
- Cash flow forecasts are not reviewed and approved by an independent officer to ensure they contain reasonable and sound assumptions. (Finding 2 Low)
- Sensitivity analysis is not performed on the annual cash flow forecast to determine and plan for potential impacts of changes to key assumptions made. (Finding 3 Low)
- There is insufficient management and Committee level oversight of the Council's cash flow forecasts and projected liquidity position. (Finding 4 - Medium)
- There is scope to improve the evidencing of due diligence checks carried out on new suppliers through the adoption of a consistent approach for recording these checks. (Finding 5 - Low)

CONCLUSION:

Our audit has found a number of effective controls within the Council's main financial systems. These include control account reconciliations, posting of journals, verification checks on new suppliers, authorisation of expenditure and payment runs, and the preparation of VAT returns.

However, there is scope for improvement in the design of controls in respect of evidencing risk and affordability assessments on borrowing and cash flow reporting.

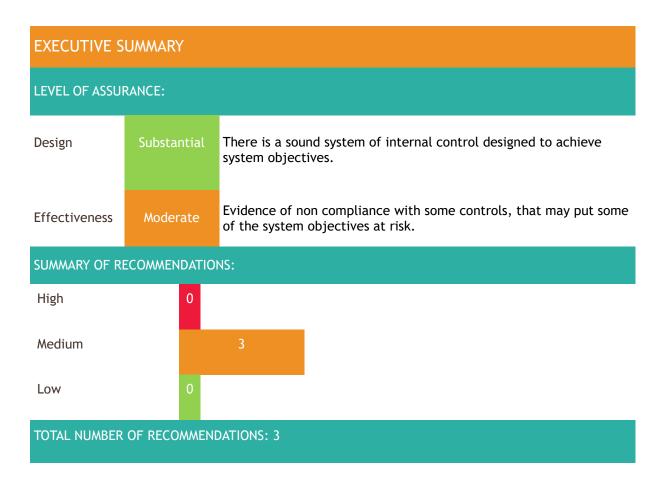
We have therefore provided moderate assurance over the control design and substantial assurance over operational effectiveness. We have raised two medium and three low priority recommendations.

MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
Assessment of borrowing risk and affordability When requesting approval of loans, the e-mail request should explicitly set out all the key facts about each loan that demonstrates that it meets the requirements of the Treasury Management Strategy in terms of risks and affordability.	Medium	Some loans are entered to support the Council's underlying need to borrow, some loans are entered into to support the Council's cashflow purposes and are done on a short-term basis. The current recommendation will put further strain on resources within the team as loans for cashflow purposes are adhoc. Therefore, management propose that on a quarterly basis the Treasury Officer and	Alistair Greer (Principal Accountant - Financial reporting) 30 September 2022

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
		Corporate Finance Manager will look ahead to the next quarter to consider the borrowing need required and decide on the best loans that meet the TMS in terms of risk and affordability. This gives the Treasury Officer flexibility to decide as and when required in that quarter. This will be documented through either minutes of the meeting or an email following the meeting.	
Reporting of cash flow forecasts A summarised version of the Treasury function's detailed cash flow forecast, which displays the projected position and key assumptions, should be presented to the Senior Leadership Team (SLT) and the Policy, Resources and Economic Development (PRED) Committee on a quarterly basis, to enable sufficient oversight of the Council's liquidity position.	Medium	The cashflow forecast document is an operational document and therefore would not be reported to committee in the public domain. However, PRED Committee will get an update on the Council's cash and borrowing position when reporting through budget update reports within the treasury management section. A summary of the Council's cash position will be reported to SLT through the budget meetings held during the financial year.	Phoebe Barnes (Corporate Manager - Finance) June 2022 (PRED update) September 2022 (SLT Update)

EXECUTIVE SUMMARY – RISK MANAGEMENT



BACKGROUND:

Risk management is the process of identifying and mitigating risks to the achievement of Council objectives. The "Three lines of defence" model for risk management has become a generally accepted industry framework for managing risk at the strategic, tactical and operational levels. It organises essential roles and duties into the following three levels or lines of defence:

- First line of defence: Day to day risk management and internal controls
- Second line of defence: Risk control and compliance oversight functions by management
- Third line of defence: Independent assurance, including internal audit reviews.

The Council has a Risk Management Strategy, which includes a risk appetite statement and risk tolerance levels that define the frequency of review required for different levels of risk.

The Council's strategic and operational risk registers are held on Microsoft SharePoint and the Risk and Insurance Officer within the Financial Services team facilitates the maintenance of these registers, develops the Council's approach and guides staff in its implementation. During 2021/22, the risk registers were enhanced to include risk categorisation and target scores.

The Audit and Scrutiny Committee is charged with monitoring the effective development and operation of risk management and corporate governance in the Council and reviews the strategic and high-level operational risks on a quarterly basis.

The Council's arrangements for risk management were last audited in April 2021, which resulted in a Substantial rating in respect of the design of processes and a Moderate rating in respect of the

operational effectiveness of controls. Our audit for 2021/22 has included follow-up on the medium priority recommendations raised in the last audit.

GOOD PRACTICE:

Our audit identified the following good practice areas:

- Our review of the minutes of the meetings of Audit and Scrutiny Committee, senior leadership team (SLT) and Extended Leadership Team (ELT) found that risks identified in officer and member meetings are captured by the Council's risk management processes.
- We found that emerging risks such as cyber security threats, new partnerships, climate change, the government's sanctions against Russia and Belarus and associated potential impacts on the Council's supply chain, are discussed at SLT meetings, and go through the Council's risk management processes where necessary.
- Sample testing of 15 risks from the strategic and operational risk registers found that there
 is sufficient mapping of controls and assurances to mitigate risks, and the three lines of
 defence are in operation (the first line being the risk owners, then reviewed by the Risk
 Officers and Senior Management, and then regular audit assurances completed and further
 scrutiny by the Audit and Scrutiny Committee).
- Risks recorded in the risk registers are reviewed and updated in accordance with the risk tolerance timescales in the Council's Risk Management Strategy, with risks being reviewed and updated on average every two months.

KEY FINDINGS:

Our audit identified the following findings:

- Risk management training is not currently provided to Council staff. (Finding 1 Medium)
- Our sample testing found that risks are not always adequately articulated in the risk registers (see Appendix III), which could result in insufficient assessment of the risk and how it should be managed. (Finding 2 Medium)
- Our sample testing found that there was insufficient documentation in the risk register on the action taken to reduce the risk score for the delivery of the Leisure Strategy risk, from a score rating of very high to low. (Finding 2 Medium)

CONCLUSION:

Overall, we provide substantial assurance on design and moderate assurance on the effectiveness of the key controls.

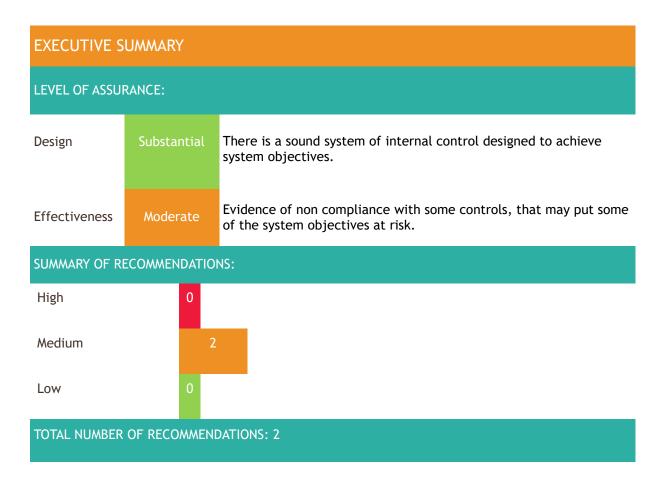
The Council has an adequate risk management framework and we have noted areas of good practice in the Council's risk management arrangements.

We have raised three medium priority recommendations in relation to risk management training for staff, the articulation of risks in the risk registers, and documentation of actions taken to support all reductions in risk scores.

MANAGEMENT ACTION PLAN:

Recommendation		Priority	Management Response	Responsible Officer and Implementation Date
Risk	management training	Medium	The e-learning module	Sue White
a)	 Management should review the content of the previous risk management training provided (in person and online), decide the best format for the training going forward and determine which staff need to receive the training. 		will be reviewed, together with a review of staff that require training	(Risk & Insurance Officer) December 2022
b)	Training completion rates should be monitored closely and reported to senior management on a periodic basis to ensure any low levels of completion are addressed.			
Doc	umentation of risks	Medium	Discussed at ELT	Sue White
Risk Officers and senior Management should review how risks are recorded in the risk registers to ensure they adequately define the cause, uncertain event (the risk) and consequence of each risk. Where risks recorded by a particular risk owner are identified as inadequately documented then further training should be provided to them.			meeting on 13th June and details of the risks without sufficient documentation has been sent to Risk Owners. These will then be discussed with relevant risk owners.	(Risk & Insurance Officer) December 2022
Doc	umentation of action	Medium	A guide to Risk Controls	Sue White
a) The risk officer and senior management should monitor actions taken against risks and ensure that risk owners clearly document what actions have been taken to support reductions in risk scores.			and Treatments has been sent out to Risk Owners and further training will be provided.	(Risk & Insurance Officer) December 2022
b)	Staff should be sufficiently trained to understand how strengthening internal controls can have a direct impact on mitigating risks.			

EXECUTIVE SUMMARY – PARTNERSHIPS



BACKGROUND:

Partnerships are increasingly seen as a key approach to working and a means of delivering improved outcomes and efficient, effective services through collaboration with different organisations. Partnerships may also provide leverage to source additional funding or reduce risks. Effective governance arrangements, clarity of the purpose of the partnerships, and review against delivery objectives are key to ensuring Corporate Objectives and Priorities are delivered.

The term 'Partnership' is broad, covering a wide range of delivery formats including networks and steering groups, shared services, and contractual arrangements. The Council's partnerships include the Community Safety Partnership, Brentwood Health and Wellbeing, Youth Strategy Group (Youth Council), Start Well and the Parish Council. The Council also has commercial partnerships in place, for example with Morgan Sindall.

Where individuals at Senior Manager level or above want to engage in a partnership, a checklist is required to be completed, which determines whether the partnership can support the Council in meeting its corporate objectives. The checklist takes account of various factors such as performance management, risk management, business continuity, equality and diversity. The checklist is reviewed by the Corporate Manager of Communities, Leisure and Health before presented to the Policy, Resources and Economic Development (PRED) Committee for further scrutiny and approval.

The Corporate Manager of Communities, Leisure and Health maintains a central record of all existing partnerships, however each partnership lead is responsible for maintaining regular

communication and monitoring performance, in addition to informing the Partnership, Leisure and Funding Manager of any new partnerships or partnerships which are coming to an end.

Our audit covered the availability of protocols for establishing partnerships, compliance with those protocols, the maintenance of a partnerships register and approval processes for partnerships on the register (follow up of previous recommendation). We tested four out of the six partnerships in place at the time of fieldwork (Health and Wellbeing Board, Active Brentwood, Brentwood Business Partnership and Community Safety Partnership).

Our audit fieldwork commenced before the Council entered into the formal strategic partnership with Rochford District Council. We have agreed with officers that we will include a review of those arrangements in our 2022/23 audit plan.

GOOD PRACTICE:

Our audit identified the following good practice areas:

- The Council has a Partnerships Policy, which sets out the criteria which should be met before the Council may enter into a partnership agreement, and the processes to follow when seeking, authorising, joining, recording, monitoring and withdrawing from a partnership.
- There are up to date Terms of Reference in place for each of the four partnerships we tested, clearly setting out the roles and responsibilities of each party.
- The minutes of the meetings of the four partnerships we tested indicate that there is regular liaison and scrutiny.

KEY FINDINGS:

Our audit identified the following findings:

- There is no Partnerships Checklist in place for one of the partnerships tested (the Community Safety Partnership) and the Partnerships Register does not record the risk level or who approved the partnership for two of the partnerships tested (the Community Safety Partnership and Brentwood Business Partnership). (Finding 1 Medium)
- There is no evidence of an Annual Performance Assessment for two of the partnerships tested (Health and Wellbeing Board and Brentwood Business Partnership). (Finding 2 -Medium)

CONCLUSION:

There is comprehensive policy in place that sets out the processes to follow for assessment, establishment and monitoring of partnership arrangements, which is supported by checklists and a partnerships register. However, improvement is required in ensuring that the policy is fully complied with in terms of completing the partnerships checklist, establishing the risk level, evidencing approval and carrying out annual performance assessments for all partnerships.

We have therefore provided substantial assurance over the control design and moderate assurance over operational effectiveness. We have raised two medium priority recommendations.

MANAGEMENT ACTION PLAN:

Recommendation		Priority	Management Response	Responsible Officer and Implementation Date
<u>Par</u>	tnerships checklist and approvals	Medium	The Corporate Manager for Communities, Leisure and Health will	Kim Anderson (Corporate Manager
a)	The Council should ensure that the Partnership Checklist is completed in all cases and held centrally. Consideration should be given to retrospectively completing the checklist for the Community Safety Partnership.		liaise with the Partnership Lead for the Community Safety Partnership to complete the Partnership Checklist. The Officer will also ensure the risk	Communities, Leisure and Health)
b)	The Partnerships Register should clearly indicate the risk level for all partnerships listed and the gaps in the register should be completed retrospectively.		level for all partnerships is included in the Partnership Register and a hyperlink is included to the completed Partnership Checklist.	
c)	The Council's Partnership Register should include a hyperlink to the completed Partnership Checklist.			
<u>Anr</u>	nual performance assessment	Medium	The Corporate Manager for Communities,	Kim Anderson (Corporate
The Senior Leadership Team should ensure that an Annual Performance Assessment is completed by the partnership leads for all partnerships. Reminders should be put in place before the annual deadline to ensure this is completed in a timely manner.			Leisure and Health will liaise with the Senior Leadership Team to agree the date for the Annual Performance Assessment to be undertaken and agree dates for each partnership lead to complete the annual assessment programme.	Manager Communities, Leisure and Health)

KEY PERFORMANCE INDICATORS 2021/22

Quality Assurance as per the Internal Audit Charter	KPI Results	RAG Rating
1. Annual Audit Plan delivered in line with timetable.	A few audits have been deferred, as detailed on page 3.	
2. Actual days are in accordance with Annual Audit Plan.	This KPI has been met.	
3. Customer satisfaction reports - overall score at least 70% for surveys issued at the end of each audit.	Survey responses received to date have been very positive.	
4. Annual survey to Audit Committee to achieve score of at least 70%.	2021/22 survey to be issued.	
5. At least 60% input from qualified staff.	This KPI has been met.	
6. Issue of draft report within 3 weeks of fieldwork 'closing' meeting.	This KPI has been met for 6 out of 12 audits (see table below).	
7. Finalise internal audit report 1 week after management responses to report are received.	This KPI has been met for 11 out of 11 audits (see table below).	
8. Positive result from any external review.	No external audit reviews have been carried out to date.	
9. Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt.	The KPI regarding Council agreement of the terms of reference has been met for 11 out of 13 audits (see table below). The KPI regarding draft report has been met for 7 out of 11 audits (see table below).	
10. Audit sponsor to implement audit recommendations within the agreed timeframe.	Of the 22 recommendations raised in 2021/22, 6 have been completed, 6 are in progress and 10 are not yet due.	
11. Internal audit to confirm to each meeting of the Audit and Scrutiny Committee whether appropriate cooperation has been provided by management and staff.	We can confirm that for the audit work undertaken to date, management and staff have supported our work and their co-operation has enabled us to carry out our work in line with the terms of reference through access to records, systems and staff as necessary.	

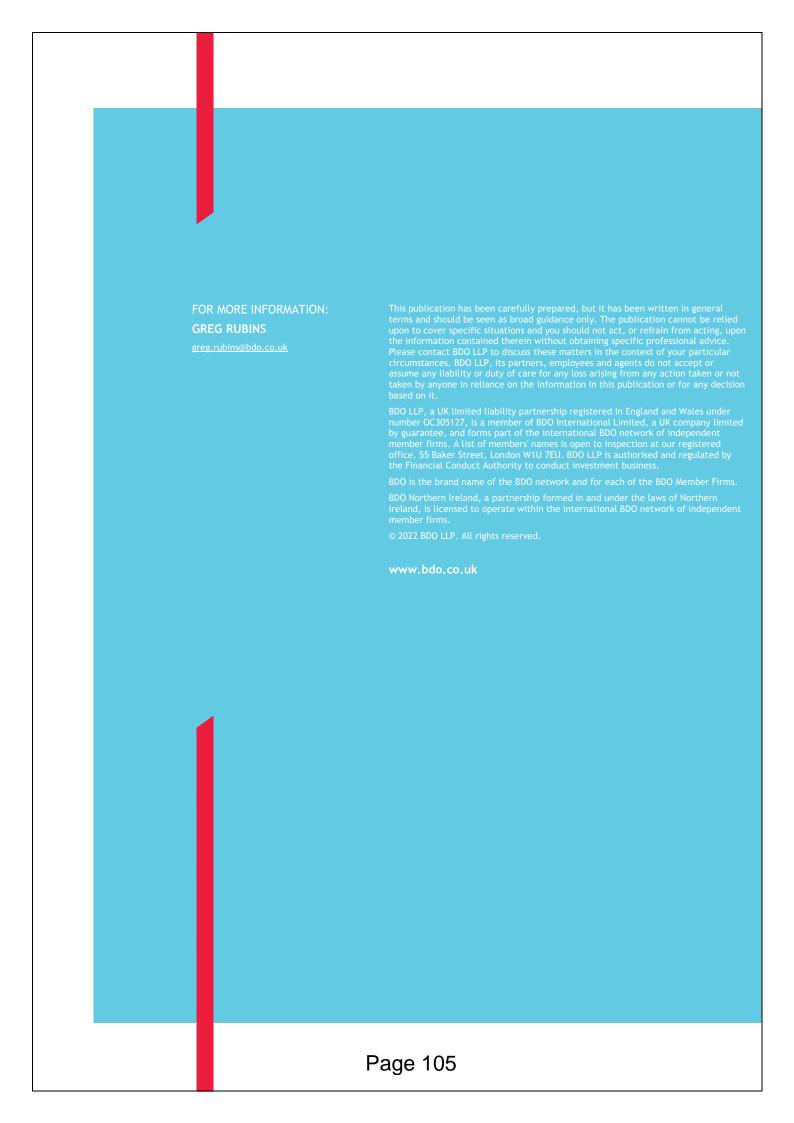
Audit	Draft TOR issued	Management response to TOR received	Closing meeting	Draft report issued	Management response to draft report	Final report issued
					received	
Affordable	20/01/22	24/01/22	14/02/22	12/05/22		
Housing		(KPI 9 met)		(KPI 6 not met)		
Risk	25/03/22	28/03/22	11/05/22	10/06/22	27/06/22	27/06/22
Management		(KPI 9 met)		(KPI 6 not met)	(KPI 9 not met)	(KPI 7 met)
Main	02/02/22	02/02/22	22/04/22	06/06/22	21/06/22	27/06/22
Financial Systems		(KPI 9 met)		(KPI 6 not met)	(KPI 9 not met)	(KPI 7 met)
Covid-19	28/07/21	02/08/21	02/09/21	10/09/21	15/09/21	20/09/21
Grants Expenditure		(KPI 9 met)		(KPI 6 met)	(KPI 9 met)	(KPI 7 met)
Financial	28/03/22	29/03/22	22/04/22	06/06/22	07/06/22	07/06/22
Planning and Monitoring		(KPI 9 met)		(KPI 6 not met)	(KPI 9 met)	(KPI 7 met)
	04/11/21	08/11/21	10/03/22	19/05/22	07/06/22	07/06/22
Capital projects		(KPI 9 met)		(KPI 6 not met)	(KPI 9 not met)	(KPI 7 met)
	29/10/21	03/11/21	19/01/22	23/06/22	24/06/22	26/06/22
Partnerships		(KPI 9 met)		(KPI 6 not met)	(KPI 9 met)	(KPI 7 met)
Local	13/08/21	18/08/21	31/08/21	10/09/21	13/09/21	20/09/2
Development Plan		(KPI 9 met)		(KPI 6 met)	(KPI 9 met)	(KPI 7 met)
IT Date	11/08/21	17/08/21	24/08/21	03/09/21	15/09/21	20/09/2
IT Data Breaches		(KPI 9 met)		(KPI 6 met)	(KPI 9 met)	(KPI 7 met)
م منام اند م	24/01/22	1/02/22	07/02/22	21/02/22	28/02/22	28/02/22
Building Control		(KPI 9 met)		(KPI 6 met)	(KPI 9 met)	(KPI 7 met)
	04/11/21	15/11/21 (oral	22/11/21	25/11/21	26/11/21	29/11/21
Planning		but not received in writing) (KPI 9 not met)		(KPI 6 met)	(KPI 9 met)	(KPI 7 met)
	25/11/21	30/11/2021	22/12/21	22/12/21	23/12/21	04/01/22
Housing -		(KPI 9 met)		(KPI 6	updated	KPI 7
Homelessness				met)	04/01/22 (KPI 9 met)	met)
Democratic Services	25/03/22	08/04/22 (KPI 9 not met)			(MT7 IIIet)	

KEY FOR RAG RATING: = met target = not met target = not applicable

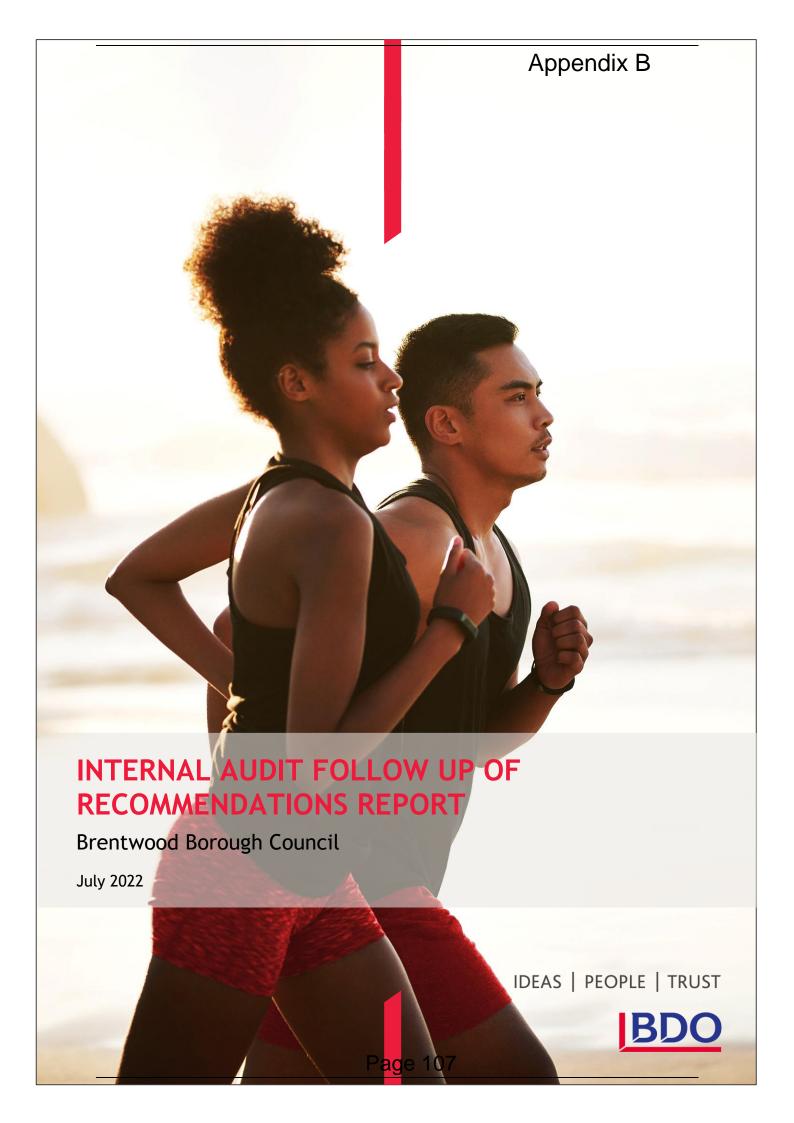
APPENDIX 1

OPINION SIGNIFICANCE DEFINITION

Level of Assurance	Design Opinion	Findings from review	Effectiveness Opinion	Findings from review
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address inyear.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address inyear.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address inyear affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.







Summary

We have followed up on the status of those High (H) and Medium (M) recommendations due for implementation by 30 June 2022. The position as at 27 June 2022 is summarised below:

Partnerships		Total Complete		In Progress		Overdue		Superseded Not Due)ue	% H & M Recs Completed / Superseded	
Partnerships		Recs	Н	М	Н	M	Н	М	Н	M	Н	М	Jupe: Jedeu
Risk management	2021/22												
Main financial systems 2													0%
Financial planning and monitoring		-	-	-	-	-	-	-	-	-	-		0%
monitoring		2									-	2	0%
Monitoring		_	-	_	_	-	_	_	_	-	_	_	n/a
Building control 2		4											
Homelesness 3			ł				.		-		-		
Planning	Ţ.		ļ		-						-		
IT Data Breaches			-		-		-	-	-		-	-	
Local Development Plan	ū		<u> </u>		-		 -		-		<u> </u>		
C-19 Grants Expenditure				-									n/a
Disaster Recovery 8 Business Continuity Derformance Management Disaster Recovery 8 Business Continuity Derformation Systems Disaster Recovery 8 Disaster Recovery 9 Disaster Recover						-	 -	-			-	-	100%
Risk Management 2 - 2 -		 		- -									
Main Financial Systems		2	-	2	-	-	 -	-	-	-	-	-	100%
Licensing			-		-	-	-	-	-	-	-	-	100%
Management		6	-	-	-	-	-	-	-	-	2	4	0%
Cyber security		4	-	3	-	1	-	-	-	-	-	-	75%
BE Enforcement 0 - - 1 2 1 - - 2 99 Disaster Recovery & Business Continuity 1 -	Cyber security	3	-	2	-	-	-	1	-	-	-	-	67%
Business Continuity	& Enforcement	6	-	-	1	2	1	-	-	-	-	2	0%
& Formal Complaints 1	Business Continuity	1	-	-	-	1	-	-	-	-	-	-	0%
Corporate Strategy	Performance Management & Formal Complaints	1	-	1	-	-	-	-	-	-	-	-	100%
Fraud risk assessment 13			1		-	-	-	-	-	-	-	-	100%
Risk Management		_			-	-	-	1	-	-	-	-	67%
Risk Management 3 - 3 -		13	1	12	-	-	-	-	-	-	-	-	100%
Main Financial Systems 3 - 3 -													
Treasury Management 2 - 2 -							-	-		-	-		100%
Housing Repairs and Maintenance			1				ļ						
Leisure Services 2 - 2 -	Housing Repairs and										-		100%
Housing Benefits		2		2							-		100%
Food Safety 1 - 1 - <td< td=""><td></td><td></td><td> </td><td></td><td></td><td></td><td> </td><td>-</td><td> </td><td></td><td> </td><td>+ -</td><td>100%</td></td<>			 				 	-	 		 	+ -	100%
Trade Waste 1 - - - - - - 09 HR Recruitment 1 - 1 - <td></td> <td></td> <td>-</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td> <td>-</td> <td>-</td> <td>100%</td>			-		-	-	-	-	-		-	-	100%
HR Recruitment 1 - 1 -			-		-	-	-	1	-	-	-	-	0%
Workforce Strategy 2 - 2 -		1	-	1	-	-	-	-	-	-	-	-	100%
Housing Department 2													
Housing Department 2		2	-	2	-	-	-	-	-	-	-	-	100%
Main Financial Systems 6 - 6 -	Housing Department	2	1		-	-	-	-	-	-	-	-	100%
GDPR Compliance 1 - 1 -	Main Financial Systems	6				-							100%
Disaster Recovery and Business Continuity 3 - 3 -			1		-	-	-	-	-	-	-	-	100%
Business Continuity 3 -		1	-	1	-	-	-	-	-	-	-	-	100%
Corporate Projects 3 - 3 100	Business Continuity					-	-			-	-	-	100%
													100%
							1						100%
			1	3	-	-	_	1	-	-	-	-	80%
2017/18 and c/f from 2016/17							4000/						
All audits 80 14 66 100	All audits									-			100%

Total BDO Recommendations

Of the total 194 recommendations (relating to 2017/18 to 2021/22), 176 were due to be implemented by 30 June 2022. We have confirmed with reference to evidence that 160 have been completed/closed. Two high priority recommendations are outstanding (1 overdue and 1 progress) and there are 2 not yet due.

2021/22 Recommendations

Of the 22 recommendations raised in 2021/22, 6 have been completed, 6 are in progress and 10 are not yet due.

2020/21 Recommendations

Of the 49 recommendations raised in 2020/21, 33 have been completed, 5 are in progress, 3 are overdue and 8 are not yet due. The not yet due recommendations include 6 Licensing recommendations (2 of which are high priority) which will be followed up by a further audit of the area (including sample testing) as part of the 2022/23 internal audit plan.

2019/20 Recommendations

Of the 17 recommendations raised in 2019/20, 16 have been completed and 1 is overdue.

2018/19 Recommendations

Of the 26 recommendations raised in 2018/19, 25 have been completed and 1 is overdue.

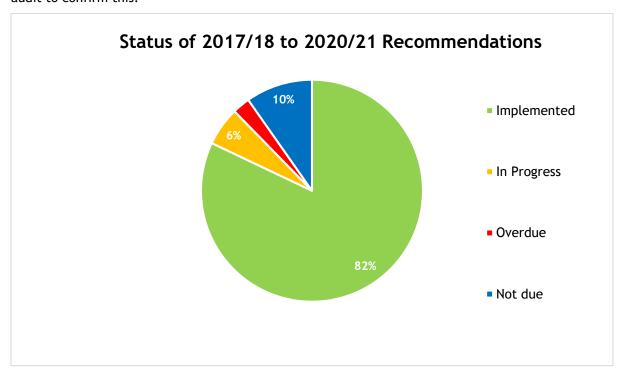
2016/17 and 2017/18 Recommendations

Of the 80 recommendations raised in 2016/17 and 2017/18, all have been closed.

Those which are overdue have surpassed both the original implementation date and the revised implementation dates more than once or no update has been received from officers.

Recommendations not completed will be followed up again ahead of the next Audit and Scrutiny Committee, along with other recommendations due.

Where recommendations are in progress, more information on the current status is provided in the pages that follow. This includes those recommendations where management has advised us that the recommendation has been implemented but evidence has yet to be received to enable internal audit to confirm this.



Recommendations: Overdue

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2018/19 - PCI/DSS Compliance				
 18/19 PCI/DSS rec 5: A policy should be developed, which sets out how the Council will manage PCI DSS compliance activities and the policy should be reviewed on a regular basis. The policy should include but not be limited to: Assignment of roles and responsibilities for ensuring that the Council is PCI DSS complaint have been assigned Procedures for staff that are responsible for taking card payments The Council's security strategy in relation to the storage, processing and transmission of credit card data A set of instructions for detecting, responding to and limiting the effects of an information security event. The Council should develop and disseminate suitable procedure notes for staff, to ensure that working practices are compliant. Appropriate training should be provided on PCI DSS requirements to all members of staff dealing with card payments. 	Medium	Tim Huggins (ICT Manager)	September 2019 June 2020 September 2020 October 2020 December 2020 March 2021 August 2021 October 2021 September 2022 September 2022	Management update: The policy has been developed. Storage of data in within the information security policies and management of data is part of the GDPR training. The Council is trying to find correct training material for this training. Internal audit comment: Internal Audit was previously satisfied from review of the policy dated November 2019 that these elements have been included. However, recommendation kept open until training has been provided.
 19/20 TW rec 1: a) Actively search and identify possible opportunities/events available to promote the trade waste service, ensuring that the market audience is understood prior to attending events to ensure they are aligned with the service's target market. b) Liaise with the business rates team to ensure that trade waste leaflets with fee information are distributed as part of the annual business rates information packs. 	Medium	Mike Dun (Trade Waste Officer)	a) March 2020 March 2021 September 2022 b) October 2019 February 2020 Closed c) October 2019	Previous management update: Parts a) and d): Although these would have been something we would have liked to undertake, since the pandemic we have had to focus on keeping our existing customers' needs met. We have had to adjust contracts continually as businesses have closed and opened on various occasions. This has consumed a large amount of admin time. We will be looking to promote additional contracts but this

Recommendations: Overdue

Recommendation m	nade	Priority	Manager	Due Date	Current Progress
c) Liaise with the f team to identify businesses that i trade waste serv	new may require vices.	Level	Responsible	February 2020 Closed d) Ongoing	is on hold until we manage to get our current data base correct for the April 2022 renewal.
d) Undertake cold- local businesses borough to attra customers.	in the			31 March 2021 March 2022 September 2022	b) A leaflet was drawn up that promotes the services of the Business Waste Team and was delivered in March along with the NDR demand to all businesses in Brentwood.
					c) Staff issues and the adverse impact of Corona Virus making this activity difficult at the moment. All efforts going on existing client base to protect it.
					Internal audit comment:
					Part b was previously closed following receipt of the leaflet.
					Part c was previously closed following confirmation received from the service.
					Parts (a) and (d) remain open.
2020/21- Cyber Sec	urity				
20/21 CSec rec 1:		Medium	Tim Huggins	July 2021	Management update:
a) The Council show cyber security a	wareness		(ICT Manager)	October 2021	The Council has partnered with Evalian and is
programme for a implement the a				April 2022	implementing their elearning portal for
				June 2022	
is planned to rai				June 2022	GDPR/DPA/Info Security
is planned to rai for Members and management.				September 2022	training. The Council has signed up to a Phishing
for Members and	tion should be there should ll the training			September	training. The Council has
for Members and management. b) Training comple monitored and to be a record of a that has been possible.	tion should be there should ll the training			September	training. The Council has signed up to a Phishing Exercises service and will be launching exercises. The Council has also partnered with CM Alliance for further cyber awareness training. SLT and ELT have completed
for Members and management. b) Training comple monitored and to be a record of a that has been possible.	tion should be there should ll the training			September	training. The Council has signed up to a Phishing Exercises service and will be launching exercises. The Council has also partnered with CM Alliance for further cyber awareness training. SLT and ELT have completed awareness training. Member training will be carried out in September after Summer recess. The training material and trainer have already been

Recommendations: Overdue Recommendation made **Due Date Current Progress** above awareness activity completion can be evidenced and awareness training for members completed. 20/21 CS rec 3: Medium Management update: December a) Management should ensure a) The two service plans Jacqui Van that the service plans for 2020 have now been drafted Mellaerts Corporate Finance, Risk & and are awaiting final (Director of August Insurance and Corporate business plan priorities 2021 Communications are to be agreed and Resources)& completed and made approval by the next IG **October** Steve available to staff. Group meeting. 2021 Summers (Chief **February** Operating 2022 officer) April 2022 September 2022 b) The task of matching Tim Huggins b) The focus areas and annual **January** projects and service (ICT targets in service plans should plans was undertaken. A Manager) 2021 clearly identify and reference new Business plan has to each of the strategic **August** been developed and a objectives for the year, as 2021 projects and relevant to each service. programmes board October formally set up. 2021 Complete Internal audit comment: Part (b) previously closed by Internal Audit. Part (a) remains open until we obtain evidence that all service plans have been completed. 20/21 ENV rec 6: High Daniel October Management response: 2021 Cannon The Environmental Health Since the audit was (Community and Enforcement Team **February** undertaken the Council has Safety & 2022 should develop detailed entered into partnership with NES (National protocols or procedures, CCTV June 2022 Enforcement Solutions) who providing guidance on their Manager) activities and current working are now dealing with all September practices. The protocols flytipping enforcement 2022 should include their current cases in the Borough. working arrangements Internal Audit comment:

Recommendation remains

open until evidence is

received that the new

including documentation, response targets and actions,

profiling, conflict resolution,

follow up actions, risk

Recommendations: Overdue

Re	commendation made	Priority Level	Manager Responsible	Due Date	Current Progress
	the FPN issuing process and cancellations, investigations, evidence retention and training.				arrangement covers the recommended action.
b)	The Environmental Health and Enforcement Team should develop a detailed and combined database incorporating all the incidents raised by the SCT and complaints received from the wider community to ensure all investigations are carried out correctly and to eliminate the possibility of duplication or non-identification. The database should also include complaint resolution dates and action dates to compare performance against the informal five day response targets and 28 days target for cases to be resolved.				

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2020/21 - Procurement and Contract	t Manageme	ent		
20/21 P&CM rec 3: Evidence to support contract extensions should be organised and stored appropriately so that they are easily retrievable for future use. A senior member of the procurement team should review the documentation for adequacy and completeness.	Medium	Jane Mitchell (Senior Procurement Officer)	January 2022 September 2022	Management update: When reviewing the Contracts Register and asked to extend a contract, the Procurement Officer to ask for evidence for the extension. This action is ongoing. Internal Audit comment: Recommendation remains open.
2021/22 - Homelessness				
The Council should review the KPIs that it reports to SLT as well as the Environment, Enforcement and Housing Committee in respect of homelessness, rough sleeping and temporary accommodation. Consideration should be given to inclusion of the following KPIs: The number of homelessness cases received as a cumulative total in the year and for the month The number of homelessness cases by case type i.e. prevention, relief, triage and decision The number of open and closed homelessness cases % of cases where the 56 day rule has been met Number of rough sleepers in the borough Number of referrals made via StreetLink.	Medium	Angela Abbott (Corporate Manager - Housing Needs and Delivery)	January 2022 June 2022 September 2022	Previous management update: A suite of proposed KPIs and Service Standards has been prepared, which includes the recommended KPIs referred to in this report. Internal audit comment: Recommendation kept open until the KPIs are reported to SLT and Members.

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2021/22 - Planning				
21/22 PLN rec 1 The Council should ensure that it has clear staff guidance for reviewing and assessing planning applications and that it carries out periodic reviews of the guidance (e.g. annually) to ensure that it remains up to date and reflects the latest requirements. An updated Handbook should continue to cover at a minimum: The role of Councillors and Officers Planning advice Declaration of interests in planning applications Officer reports to Committee Committee site visits Lobbying Public speaking at Committees Decisions contrary to Officer recommendation/Development Plan Regular review of planning decisions Complaints.	Medium	Caroline Corrigan (Corporate Manager Planning Development Management)	May 2022 September 2022	Previous management response: A handbook would support and guide officers on the procedures that are statutory along with an outline of roles and responsibilities. This would guide new members of staff and serve as a point of reference for when processes change or are updated. Overall this would provide a best practice manual. A number of the items listed above include roles and responsibilities or decisions that are not within the gift of Planning Officers, such as Lobbying or Public Speaking at Committees. For example, as a handbook, guidance on making a decision contrary to officer recommendation or the development plan is a matter for the Committee. Formal complaints are dealt with by a separate Corporate team. This will be noted in the handbook.
The Planning team should put in place a Declaration of Interests register to log any conflicts of interest where a Planning Officer has been assigned a planning application from an applicant they have a connection with.	Medium	Caroline Corrigan (Corporate Manager Planning Development Management)	May 2022 September 2022	Previous management response: In principle this is agreed. This will be included in the handbook, and officers will be provided with guidelines on when they should declare an interest.
21/22 PLN rec 3 The Council should ensure that the Delegated Decision Report template includes prompts for further detail and clarity with regards to the consultation process, including when site notices and letters were issued, the number of letters issued and subsequent responses.	Medium	Anthony Fletcher (Development Management Admin Manager)	March 2022 September 2022	Management response: The information on the number and date of letters issued / site notice printed (but not displayed) can be extracted from the database, as well as the number of contributors. A summary of the objections / representations is

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
				manually added by the officer.
				We are confirming if this is now set up to pull through automatically from Uniform.
				Internal audit comment:
				Recommendation kept open until completion can be evidenced.
2020/21 - Street cleaning, Fly Tippir	ng & Enforc	ement		
20/21 ENV rec 1:	High	Darren Laver	December	Management update:
Performance standards and KPIs should be agreed as part of the service review and reviewed annually to ensure they reflect any changing business and service needs. The KPIs should be monitored on a monthly basis to ensure the Council is operating in compliance with the requirements of the revised CoP service standards and response times. Performance against the KPIs should be regularly reported to the Environmental, Enforcement and Housing Committee.		(Operations Manager)	June 2022 September 2022	Monitoring is currently undertaken on an infrequent basis. The Service however recognises the need to measure its performance. It has employed two supervisors, who are undertaking site visits on a daily basis. The document on a basic form who and where they visit but at this stage they are not undertaking KPI inspections and recording. Internal audit comment: Recommendation remains open until KPI reporting is
20/21 ENV rec 2:	Medium	Darren Laver	December	in place. Management update:
The SCT should complete the N195 categorisation exercise identifying all the land they manage and reclassify them in the intensity of use zones as required by the revised CoP. Supporting the database, a detailed annual work plan should be developed identifying all the land reclassified in the CoP zones, related cleansing activities and appropriate frequencies and timeframes should be allocated, depending on the response times required by the CoP and the	medium	(Operations Manager)	2021 June 2022 September 2022	The grounds cutting routes have been changed to follow a ward cycle for cutting. Litter picking is still to be completed. These new routes are to be implemented by the end of June 2022 and should reduce the cutting cycle to 3 weeks, which would be a great improvement to current levels. When these have bedded in, the Council will
resources available to the SCT.				in, the Council will introduce the litter picking schedules with COP zoning to allow inspections and

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
				monitoring to be implemented.
				Internal audit comment:
				Recommendation remains open until the process is complete.
20/21 ENV rec 4: A formal tracker should be	Medium	David Wellings (Corporate	December 2021	Previous management update:
maintained, including all mitigating actions raised as part of risk assessments, actions risk rated, allocated owners and fixed timeframes for implementation. Actions should be subsequently monitored with their status recorded to confirm implementation and sufficient formal supporting evidence retained. An explanation should be documented for any delays to the implementation timeframes. Formal reports should be presented at Depot Health and Safety meetings to state the number of actions due, broken down into those outstanding and those that have been implemented within the required period.		Health & Safety Advisor)	September 2022	Actions have been progressed to identify why mitigating actions, (known on the Council's H&S risk assessments as 'State the additional control measures') were being raised in the first place and as part of this audit action. It was found to be a partial misunderstanding by certain managers misinterpreting the reason for inserting the 'mitigating action' in the wrong column, rather than the correct column of 'Existing Controls' (what we are currently doing to manage the risk).
required period.				In addressing this audit action and taking into consideration the points raised about monitoring the actions, a revised risk assessment template has been produced to address these points. This is currently being populated with the first revised risk assessment which involves working with managers to ensure the actions are allocated in the correct columns, as well as identifying any 'additional control measures' / mitigating actions, that need to be addressed and the timeframe for this and the person responsible for this action. Further work is also being undertaken to record the further actions/ mitigating
				further actions/ mitigating actions, as an action tracker, and their implementation through

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
				an excel spreadsheet which needs to be set up to monitor the further actions and their completion. This will be completed and shared with the Depot H&S meetings and respective managers as the service moves forward with the revised use and implementation of the new risk assessment format.
				Internal audit comment:
				First part of the recommendation previously closed by Internal Audit following receipt of an example of how the revised risk assessment tool is being completed. The recommendation will be closed in full once reporting to the Depot Health and Safety meetings take place.
2020/21 - Disaster Recovery and Bus	siness Conti	nuity		
20/21 DRBC rec 1:	Medium	Sue White, (Risk and	October 2021	Management update:
Management should perform a training needs analysis to identify		Insurance Officer)	June 2022	The training was provided in May 2022.
and assess the level and type of training required by all members of			September 2022	Internal audit comment:
staff with regards to business continuity and disaster recovery and should develop a mandatory training programme that is based upon these requirements. Training delivery methods could include, but not be limited to, the exercise types suggested in Appendix I in our report. Attendance should be recorded and monitored and training records should be maintained for audit purposes.				First part of the recommendation closed by Internal audit following receipt of evidence of the training provided. However, second part of recommendation regarding a test of business continuity arrangements remains open.
Furthermore, Management should conduct a formally documented test of its business continuity and disaster recovery arrangements and should put arrangements in place to test them on a routine basis or following a significant change to the Council's operations. The results of the tests should be				

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
reported to Senior Management and any issues identified should be resolved in a timely manner.				
2021/22 - IT Data Breaches				
a) Management should review and update the Council's Data Protection policy and Data Breach policy to ensure that it remains in compliance with the UK GDPR requirements and they are relevant to the Council's needs and in line with the Council's needs and in line with the Council's strategic objectives. b) The Data Breach policy should include detailed procedures for reporting a data breach. This should include but not be limited to: Defining roles and responsibilities Description of type of personal data breach Steps taken in case of a breach Risk assessments and escalations Contact details of the DPO, or other point of contact Measures taken to evaluate and mitigate any possible breaches Breach notifications to the ICO Training and awareness Monitoring and reporting compliance The revised policies should be approved and communicated to members of staff and arrangements should be put in place for reviewing the policies on an annual basis.	Medium	Tim Huggins (ICT Manager)	January 2022 June 2022 September 2022	Brentwood Council has gone into partnership with Evalian to support the Council's statutory requirements for Data Protection. As part of this a full gap analysis will be conducted for Data Protection including but not limited to Policies, Processes for Data Protection and Data Breaches. Following this a formal remediation action plan will be developed and actions implemented. This work will support the newly formed Information Governance (IG) Group in their role around information Governance, and the contract will be monitored by the Corporate Manager - IT & Service Improvement. The current Data Breach Policy is available. There is outstanding work to review and update. Due to a large number of subject access requests (SARs), the resources that were arranged for this work have been needed to carry out statutory obligations around the SARs. The Council is looking at how this work can be funded. a) Reviewing of Information Governance policies is part of the role for the IG group and therefore this action will be co-ordinated by the group working with appropriate officers and partners. b) In addition to above - the group will review the recommendations as part

Red	commendation made	Priority Level	Manager Responsible	Due Date	Current Progress
					of its action plan. Once the suggestions have been reviewed the agreed ones will be included.
					c) Agreed this is normal practice and will be published in document library and formal communication will be shared with all staff, and also including other IG activities such as training and awareness. Regular reviewing of IG policies is part of the roles and responsibilities of the newly formed IG group and will be undertaken.
					Internal audit comment:
					Recommendation remains open.
21/	22 ITDB rec 4:	Medium	Tim Huggins	December	Management update:
a)	The Council should develop an IG training programme, which includes basic IG training for everyone, including new starters, annual refresher training and additional training for key staff groups or roles. Furthermore, training completion should be monitored and there should be a record of all the training that has been provided and completed.		(ICT Manager)	June 2022 September 2022	a) The Council already has embedded processes for new starters to carry out information governance training before they start. The elearning platform course was developed with another local authority and requires the passing of a short test. If this is not passed access to systems are stopped.
b)	A comprehensive training needs analysis should be completed and approved by IGG. The training needs analysis should then be annually reviewed and updated against the continuously evolving industry regulations and best practices to ascertain if staff have been appropriately trained.				The training portal with Evalian has now been commissioned and the Service Improvement is carrying out the first run on the training and quizzes. Once complete on 1 July 2022, if there are no issues, it will be rolled out across the organisation and moved to Business as Usual. The learning portal is Evalian Online Learning.
					b) Brentwood has gone into partnership with Evalian to support the statutory requirements for Data Protection. Part of this is regular training. Evalian provides a training portal to allow Brentwood

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
				to train, monitor and analyse. and the IG Group will work with Evalian to continue to update the training in line with industry regulations.
				Internal audit comment:
				Recommendation remains open.
2021/22 - Homelessness				
21/22 HLN rec 4:	Medium	Angela Abbott	January	Previous management
The Council should review the KPIs that it reports to SLT as well as the		(Corporate Manager -	June 2022	update: A suite of proposed KPIs
Environment, Enforcement and Housing Committee in respect of homelessness, rough sleeping and temporary accommodation.		Housing Needs and Delivery)	September 2022	and Service Standards has been prepared, which includes the recommended KPIs referred to in this
Consideration should be given to inclusion of the following KPIs:				report. <u>Internal audit comment:</u>
The number of homelessness cases received as a cumulative total in the year and for the month				Recommendation kept open until the KPIs are reported to SLT and Members.
The number of homelessness cases by case type i.e. prevention, relief, triage and decision				
The number of open and closed homelessness cases				
% of cases where the 56 day rule has been met				
Number of rough sleepers in the borough				
Number of referrals made via StreetLink.				

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
20/21 RMT rec 1 The Council should review the risk	Medium	Sue White (Risk and	December 2021 Closed	Previous management response:
management e-learning training completion listing to identify those staff and members who are more closely involved in risk management based on their roles, and ensure that		Insurance Officer)		Agreed recommendation can be carried out and more targeted training will be a useful approach.
the mandatory online training is at least completed by those individuals				Internal audit comment:
where not already done.				This recommendation is replaced by a new recommendation arising from the 2021/22 audit.
20/21 RMT rec 3	Medium	Sue White (Risk and	December 2021	Previous management response:
a) The Risk and Insurance Officer should monitor the use of the new		Insurance Officer)	Closed	a) Agreed.
format risk register to ensure that all risks are adequately defined and that updates against each risk are sufficiently detailed, with justifications provided for scores that have not changed (as well as those that have changed).		Jacqueline Van Mellaerts (Director of Corporate Resources)		b) Risk working group now meets on a bimonthly basis, which reports to Senior Leadership Team. Agreed that officers will continue to challenge
b) Where risk scores have remained at very high or high for several months, officers should consider and challenge the effectiveness of the mitigating actions put in place. The Risk and Insurance Officer should monitor the use of the new format risk register to ensure that all risks are adequately defined and that updates against each risk are sufficiently detailed, with justifications provided for scores that have not changed (as well as those that have changed).				using this process. Internal audit comment: This recommendation is replaced by a new recommendation arising from the 2021/22 audit.
2020/21 - Procurement and Contract A	Managemen	t		
20/21 P&CM rec 1:	Medium	Jane Mitchell	June 2021	Management update:
A training need analysis should be carried out and a training programme for contract management and procurement devised.		(Senior Procurement Officer)	September 2021 March 2022	Training on contract management and procurement was discussed at a Senior Leadership Team
b) Training in this area should be delivered to relevant members of staff according to their needs and completion of training should be overseen by the Senior Leadership Team.			Closed	meeting in February 2021. Actions agreed were to repeat a diagnostic of the Council's contract management capability,

Rec	commendation made	Priority Level	Manager Responsible	Due Date	Current Progress
					and then to arrange further training.
					Contract & Relationship Management Training carried out 11th May and 18th May 2022. Both sessions introduced by Steve Summers, Strategic Director.
					Internal audit comment
					Part (a) previously closed by Internal audit following receipt of the diagnostic results. Part (b) closed by Internal Audit following receipt of confirmation that the training has now been provided.
20/	'21 P&CM rec 2:	Medium	Jane Mitchell (Senior	June 2021	Management update:
a)	A senior member of the procurement team should review contract waiver documentation for current waivers to ensure that correct procedures are being followed and that information contained within the documents is consistent.		Procurement Officer)	September 2021 March 2022 Closed	a) Waiver threshold reviewed. All Staff email sent noting change in statutory guidance on fairness and transparency in publishing tenders, change in threshold from £10,000 to £25,000 at which a waiver is required, and that all contracts over £25,000 now need to be published on Contracts Finder effectively making them open tenders.
	Evidence to support procurement activity should be organised and stored appropriately. A senior member of the procurement team should review procurement files to ensure accuracy and completeness. E Council's procurement policies uld be followed for all purchases				b) Training provided to members of staff to improve documentation. The training included version control for contracts and types of records to be kept.
ove whi	er £10,000 (the minimum level at ich quotations and tender exercises required).				c) Training provided to members of staff to improve procurement processes and included discussions

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
		·		around new thresholds.
				Internal Audit comment:
				Part (a) previously closed by Internal audit following receipt of amended process note to staff. Part (b) closed by Internal Audit following receipt of confirmation that the training has now been provided.
20/21 P&CM rec 4:	Medium	Jane Mitchell (Senior	September 2021	Management update:
a) Officers should be reminded of the		Procurement Officer)	March 2022	
need to send instructions for drawing up contracts on a timely basis and the importance of obtaining signed contracts. b) The finance team should be advised not to release payments to suppliers where a valid contract is not in place.			Closed	a) Training provided which included whole procurement cycle, the need to include drafts Ts & Cs in tender and the need for completed contracts.
				b) The recommendation was not accepted. Contracts do not have to be signed to be legal and do not agree that this would expose the Council to legal proceedings. However, the introduction of no Purchase-no Payment system will ensure that purchase orders are issued to suppliers under BBC terms and conditions.
				<u>Internal Audit comment:</u>
				Part (a) closed by Internal Audit following receipt of confirmation that the training has now been provided. Part (b) previously closed by Internal audit following receipt of evidence that No Purchase Order No Pay process has been implemented, as purchase orders carry

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
				the Council's terms and conditions.
2020/21 - Cyber Security				
20/21 CSec rec 2: The draft Cyber Incident Response Plan should be finalised and approved and made available to all relevant members of staff.	Medium	Tim Huggins (ICT Manager)	May 2021 August 2021 October 2021 June 2022 Closed	Management update: A Cyber Incident Response Plan has been developed with some of the supporting documentation - i.e. confidential security playbooks and Threat Actor Library. Hytec are contracted for the Council's Managed Security Service and run the SoC. The OODA (Observe, orient, Decide, Act) loop shows how it integrates with the Council's cyber response. These are dynamic documents that will continue to change to reflect the ever changing landscape. Internal audit comment: Recommendation closed after receipt of the live Cyber, Threat Actor Library and OODA loop.
2021/22 - Homelessness				, , , ,
21/22 HLN rec 2: Where cases are approaching the 56 day limit, the Council should review such cases as a priority to determine the cause of the delay and whether further information is required from the applicant, such that a decision can be made before the 56 day limit. Where cases have not met the 56 day rule, clear notes should be held on file explaining why.	Medium	Marie Gentgall (Housing Options Team Leader)	January 2022 June 2022 Closed	Management update: Reports are run via locata on a weekly basis for the Team Leader to manage more easily. The Report shows what date prevention/relief started and how many days left to run before a decision should be made. This report is to highlight cases which are near 56 days as a priority to determine the cause of the delay and whether further information is required from the applicant, and a case review will be undertaken by the Team

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
				Leader so that a decision can be made before the 56 day limit.
				Where cases have not met the 56-day rule, clear notes should be held on file explaining why.
				The data is formatted to automatically show duration and flag up any issues.
				Internal audit comment:
				Recommendation closed by Internal Audit following receipt of a screenshot of the template created for weekly Relief and Prevention Audits and an example of the checks carried.

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Agenda Item 5

Committee: Audit and Scrutiny Committee	Date: 05 July 2022
Subject: Risk Management	Wards Affected: All
Report of: Jacqueline Van Mellaerts, Corporate	Public
Director – Finance & Resources	
Report Author/s:	For Information
Name: Sue White, Risk & Insurance Officer	
Telephone: 01277 312500	
E-mail: sue.white@brentwood.gov.uk	

Summary

The report updates members of the Audit & Scrutiny Committee on the status of the Council's 2022/2023 Strategic Risk Register and high-level operational risks.

As a result of the current risk review three risks have reduced. The other risk scores have remained the same from the recent Committee in March.

Of the high-level operational risks, one risk score has been reduced, and the other risks scores have remained the same.

Main Report

Introduction and Background

- 1. The governance arrangements set out in the 'Insurance & Risk Management Strategy' and terms of reference of committees from our constitution require the Audit and Scrutiny Committee to review the strategic and operational risks every quarter.
- 2. The strategic and operational risk registers are monitored by Senior Leadership Team (SLT) and the Extended Leadership Team (ELT) who consider the risks, the mitigations and agrees the content. It is the responsibility of the Audit & Scrutiny Committee to review the strategic risks and confirm they are confident that the risks associated within this register are those which are strategic and relevant to the organisation at this point in time and the considered future.
- 3. Work continues to embed Risk Management within the Council. It is important that all staff become involved in the risk management process and become aware of their responsibilities in identifying and managing risk. A Risk Management Fund of £5k was allocated within the insurance tender, which is deducted from the annual premium, for use on Risk Management improvements for the Council. £2,400 of the fund for 2021-22 was allocated to Business Continuity Awareness training which was carried out on 11 May 2022 for the

Extended Leadership Team. The purpose of this training was to provide an overview of the key elements of business continuity planning to supplement officer knowledge to review their Business Continuity plans and help prepare should a business interruption event occur within Brentwood Borough Council.

4. The remainder of the fund for 2021-2022, together with £3,400 for 2022-2023 was allocated to a Motor Fleet Risk Assessment, which was carried out on 16 May 2022. This was an analysis of the inherent exposures faced by the Council's fleet operation against the policies and procedures in place to manage these risks. Key personnel were interviewed and a written report summarising the findings and providing any required risk reduction and loss control recommendations, including guidance on how the recommendations can be implemented will be provided in due course.

Issue, Options and Analysis of Options

- 5. A new template to record risks has been developed and enhanced to now include risk categorisation and target scores. These scores are based on the successful completion of actions in the 'Further Actions/Comments' column as seen in Appendix A. The tables demonstrate the movement of risk scores from Original to Current and also detail the anticipated Target score, with any outstanding or further actions for each risk.
- 6. Risk Management continues to be imbedded quarterly within the Senior Leadership Team reports, where Service Heads discuss the top-level risks for their service areas to ensure that the risks are updated to reflect the ongoing changes.
- 7. The Risk and Insurance Officer will continue to work with risk managers to maintain the good progress to date and further develop a consistent application of risk management considerations across all operations of the Council.

Strategic Risks

- 8. In accordance with the Council's Insurance and Risk Management Strategy, risk owners have reviewed their risks and updated them.
- 9. Attached to this report at Appendix A is a summary showing the current status of each risk.
- 10. As a result of the current risk review three scores have reduced and the remaining scores have remained unchanged.

- 11. The risks where the risk score has reduced is as follows:
 - Red Risk RSK1 Failure to adopt a Local Plan in line with national policy (row 8) L1 xl5 = Med 5

The risk score has been decreased as Inspectors Final Report published on 23 February 2022, concluding that the plan was sound with recommended modifications following examination. The plan was adopted with modifications at Extraordinary Council on 23 March 2022.

 Amber Risk RSK11 – We may not be compliant with data protection legislation (row 58) L2 xl3 = Med 6

The risk score has been decreased as the Council have a full DPO service that alongside the Information Governance framework implementation will ensure the Council is complaint with its statutory duties.

 Red Risk RSK10 – Unable to meet Income projections for the Council (row 53) L3xl5 = V.High 15

The risk score has been decreased as Income projections for the new budget cycle have been rebased. Income will be monitored against the 2022/23 budgets and forecasted throughout the year.

Risk Matrix

12. The thirteen risks are plotted on the risk matrix in Table 1. The current assessment identifies that three risks are categorised as very high in the red area of the risk matrix.

Table 1 – Risk Matrix

		Low (5)	Medium (10)	High (15)	V. High (20)	V. High (25)
	Definite					
		Low (4)	Medium (8)	High (12)	V. High (16)	V. High (20)
ability	Very Likely					
Likelihood / Probability	Likely	Low (3)	Medium (6)	Medium (9)	High (12) RSK9	V. High (15) RSK7 RSK10 RSK13
Likeli	Unlikely	Low (2)	Low (4) RSK5 RSK6	Medium (6) RSK8 RSK11	Medium (8) RSK3 RSK12	High (10)
	Highly Unlikely	Low (1)	Low (2)	Low (3) RSK2	Medium (4) RSK4	Medium (5) RSK1
		Negligible	Minor	Moderate	Significant	Major
		Negative Impa	act / Severity			

Likelihood x Impact = Risk Score

No.	Risk	No.	Risk
1	Failure to adopt a local plan in line with national policy	8	Unable to react to major incident
2	Failure to develop an environmental strategy and action plan	9	Lack of Organisational Capacity
3	Failure to deliver a clear Leisure Strategy	10	Unable to meet income projections
4	Failure to deliver Strategic Housing Development Plan	11	Not compliant with data protection legislation
5	Lack of Strategic Direction	12	Contract/Partnership Failure within organisation
6	Failure to deliver objectives within Corporate Strategy	13	Risk from a critical cyber threat
7	General Fund budgets could fall below the minimum level of reserves		

Operational Risks

- 13. Operational risk management is concerned with reviewing those risks that are faced in the day-to-day delivery of services, particularly where effective management of those risks could result in a reduction in insurance claims and related costs.
- 14. The Operational Risks have been reviewed by risk owners and updated and amended where necessary to reflect the actions taken to manage the risks.
- 15. Attached to this report at Appendix B is the operational risk summary sheet showing the very high and high-level risks. The risk references are shown in brackets in the table below which match to Appendix B.
- 16. At the review in May risk H&C2 was reduced, with the other risks scores remaining the same from the last Committee meeting in January.
- 17. The table below shows the total number of risks identified in operational risk registers across the Council

Directorate	Open risks on register	Very High Risk	High Risk	Medium Risk	Low Risk
Environment &	12		3 E&C1,	4	5
Communities			E&C2, E&C5	-	
Planning &	3			3	
Economy	5			5	
Housing &					_
Community	10		2 H&C2, H&C3	7	1
Safety			11803		
Finance &	9		1 F&R3	5	3
Resources	9		I FARS	3	
Law &	11			9	2
Governance	11			9	_
Digital &	4	1 D&C2	3 D&C1,		
Customer	+	1 D&C2	D&C3, D&C4		

Consultation

18. None

References to Corporate Strategy

19. Effective risk management arrangements will enable the Council to achieve its corporate priorities. The process will allow identification of risks and issues, enabling informed decision making to remove or reduce them, in order for the priorities to be achieved.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources)

and Section 151 Officer

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

20. None arising specifically from this report, but control measures identified in risk registers could have financial or resource implications.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and

Monitoring Officer

Tel & Email: 01277 312500/amanda.julian@brentwood.gov.uk

 Effective risk management provides a means of identifying, managing and reducing the likelihood of legal claims or regulatory challenges against the Council.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning & Economy)

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

22. Economic implications are contained within the report and identified in risk registers.

Background Papers

Insurance & Risk Management Strategy

Appendices to this report

Appendix A: Strategic Risk Register

Appendix B: Operational Risk Register

Appendix C: Risk Ranking Table

			-					JUNE 2022								
Risk No.	Risk Details	Risk Owner	Risk Categorisation		riginal Sco		Mitigations to date	Cu	irrent Scoi May	res	Direction of travel from	Further Actions / Comments	Planned Completion Date(s)	(followin	arget Scor g complet ther actio	tion of all
				L	ı	s		L	1	s	previous quarter			L	1	s
Corpo	Cause: Unable to identify risk and liabilities for Brentwood Centre, Copmunity Halls and Hartswood Golf Course, Play Areas and recommend options for the future Uncertain Event (Risk): Failure to deliver a clear Leisure Strategy for the future of leisure	nities - Safe and str	Effects on Service	e residents	live happ	y, healthy a	nd independent lives Leisure Strategy reviewed and updated Feasibility/business plan in progress for King					Leisure Strategy reviewed and updated Feasibility/business plan in progress for King George's Playing Fields.				
	Consequence(s): Peduced leisure provision within the Borough, health and well being of residents affected, less desirable	Director (Environment & Communities)	Reputation	3	4	High 12	George's Playing Fields. Budget agreed for KGPF and 5-year Play Area Improvement programme Workstream established for transition of Brentwood Centre to Council.	2	4	Med 8	Stayed the same	Budget agreed for KGPF and 5-year Play Area Improvement programme Workstream established for transition of Brentwood Centre to Council. Halls working towards new leases Brentwood Centre under management contract	Ongoing	2	3	Med 6
Corpo	orate Strategy: Improving Housing - Acc	ess to a range of d	ecent homes that meet	local need	s											
	Resources not adequetly in place to deliver plan		Effects on Service									Progress against the plan now a quarterly standing item on new Housing Commitee. First			ı	
Risk 4	Uncertain Event (Risk): Failure to deliver the Council's Strategic Housing Development Plan	Director (Housing & Community Safety)	Reputation	3	5	V High 15	Strategic Housing Delivery Plan 21-26 now developed to meet objectives within the Housing Strategy HRA busines plan	1	4	Med 4	Stayed the same	update 27th June 2022. Delivery remains on target although cost risks are emerging as build cost inflation rises and becomes more uncertain. The programme will be 'flexed' as scheme viability for each site is completed and	programme of new		ı	Low 1
	Consequence(s): Fewer new homes are built within the borough		Legal/Compliance									any adjustment to programme reported to Housing Commitee.			L	

DILLIT	WOOD BOROUGH COUNCIL STRA	ATEGIC RISK REGI	31EK					JUNE 2	022									
Risk No.	Risk Details	Risk Owner	Risk Categorisation		Original Score any mit		Mitigations to date	Cu	irrent Sco May	res	Direction of travel from	Further Actions / Comments	Planned Completion Date(s)	(followin	arget Scongle of comple	tion of all		
				L	1	s		L	1	s	previous quarter			L	1	s		
Corpora	ate Strategy: Delivering an efficient a	and effective counc	il - An ambitious and inn	ovative co	uncil that	delivers qu	ality services											
	Cause: No Strategic direction provided		Effects on Service				Corporate Strategy											
Risk 5	Uncertain Event (Risk): Lack of <u>Strategic Direction</u>	Chief Executive	Reputation	3	3	Med 9	Training and Development for Officers and Members Code of Conduct. Consultation / surveys. Project and performance Management Framework.	2	2	Low 4	Stayed the same	Restructure of Tier 2 and Tier 3 for both councils underway and due to be reported in July 22. Corporate priorities for 2022/23 being developed.	Jul-22	1	2	Low 2		
	Consequence(s): Projects and programmes not delivered Community benefits not delivered		Effect on Project objectives				Project and performance Management Framework. Business recovery plans in place and monitored with senior management & members.											
Cornor	Corgorate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services																	
rage	Cause: Unable to deliver projects as set out in the Corporate Plan.	ind effective counc	Effect on Project objectives	Ovacive co		delivers qu	PRED Committee appointed as Programme Board. Continued communication on Corporate Strategy											
	Uncertain Event (Risk): Failure to deliver objectives within the <u>Corporate Strategy</u>	Strategic Director	Effects on Service	4	5	V High 20	within organisation Ownership of delivery of projects identified at all levels within the Council. Business Plan is monitored by the Senior Leadership Team and the Leader regularly through project	2	2	Low 4	Stayed the same	A few projects currently require action but conisdered minor against the ranking table.	Ongoing	1	1	Low 1		
	Consequence(s): Community benefits not delivered		Reputation				management techniques i.e RAG ratings											
Corpora	ate Strategy: Delivering an efficient a	and effective counc	il - An ambitious and inn	ovative co	uncil that	delivers qu	ality services											
	Cause: Finances are not adequately managed		Financial & Resources				Medium Term Financial Strategic (MTFS) is undertaken on an annual basis, with monthly budget monitoring and half year reports to											
Risk 7	Uncertain Event (Risk): <u>General Fund budget</u> forecasts could fall below the Minimum Level of Reserves	Director (Finance & Resources)	Reputation	5	5	V High 25	Committee. Budget Challenge meeting are in place for Senior Officers to review and challenge Budget Managers as well as regular reporting to SLT and Committee chairs A Funding Volatility Reserve has been created to specifically address the uncertainty of Government	3	5	V High 15	Stayed the same	Balanced Budget for 2022/23 was reported at Full Council on 23rd February, however still showing future financial uncertainity of £1.4m budget gaps for 2023/24 and beyond bringing reserves down to below minimum levels, unless earmarked reserves are utilsied.	Ongoing	1	5	Med 5		
	Consequence(s): Council will be unable to deliver statutory services.						specifically address the uncertainty of Government funding levels. Risk Assessment of Minimum level of reserves is carried out yearly.											

	WOOD BOROUGH COONCIL 31RA							JUNE 2	022							
Risk No.	Risk Details	Risk Owner	Risk Categorisation	Original Scores (before any mitigations)			Mitigations to date		Current Scores May		Direction of travel from	Further Actions / Comments	Planned Completion Date(s)	(followin	rget Scor g comple ther actio	tion of all
				L	1	s		L	1	s	previous quarter			ı	1	s
Corpora	ate Strategy: Delivering an efficient a	nd effective counci	il - An ambitious and inn	ovative co	uncil that	delivers qua	ılity services									
	Cause: If we don't have in place adequate plans and procedures, understood, tested and reviewed Uncertain Event (Risk): We will be unable to react to a		People				All services areas have Business Continuity Plans in									
Risk 8	major incident leading to a breach of our statutory duties under the Civil Contingencies Act	Director (Finance & Resources)	Effects on Service	4	5	V High 20	place. Support and ongoing embedding of Emergency Planning & Business Continuity Plans within service departments Training to Extended leadership teams undertaken	2	3	Med 6	Stayed the same	Business continuity awareness training was provided to leadershiip teams in May 2022.	Ongoing	2	3	Med 6
Jag	Consequence(s): Ineffective response to an incident Leading to greater inconvenience and hardship and a longer timescale for return to normal		Reputation												ſ	
Corpora	te Strategy: Delivering an efficient a	nd effective counci	il - An ambitious and inn	ovative co	uncil that	delivers qua	lity services									
JÖ	cause: If recruitment processes are not effective and resources are adequately in place.		Effects on Service				Monitor vacancy factor within Medium Term Financial Strategy (MTFS)					Workforce Strategy requires review				
Risk 9	Uncertain Event (Risk): Lack of capacity to effectively govern the organisation will result in delay in delivery of business objectives Consequence(s):	Director (Finance & Resources)	Reputation	3	4	High 12	Communications Protocol & Strategy Workforce Strategy Regular meetings between senior members & officers. Review options for alternative service delivery model Recruitment service brought in house	3	4	High 12	Stayed the same	Some services are struggling to recruit to specfic posts due to national shortages. Targetted recruitment plans underway Restructure of Tier 2 and Tier 3 for both councils underway and due to be reported in July 22.	Ongoing	1	4	Low 4
	Key projects not delivered. Reputation severely damaged Services not delivered		Effect on Project objectives				Establishment Review Group between Finance & HR									

DREIVI	WOOD BOROUGH COUNCIL STRA	ATEGIC RISK REGI	SIER					JUNE 2022								
Risk No.	Risk Details	Risk Owner	Risk Categorisation	Original Scores (before any mitigations)			Mitigations to date		Current Scores May		Direction of travel from	Further Actions / Comments	Planned Completion Date(s)	(followin	res etion of all ons)	
				L	ı	S		L	- 1	S	previous quarter			L	- 1	S
Corpora	te Strategy: Delivering an efficient a	nd effective counc	il - An ambitious and inno	ovative co	uncil that	delivers qua	lity services									
Risk 10	Cause: If the commercial income target from the Joint Venture and other activities are not achieved Uncertain Event (Risk): We may be unable to meet the income projections for the Council	Director (Finance & Resources)	Financial & Resources	4	4	V High 16	Consultants have been engaged to advise and assist in delivery of projects Appropriate governance arrangements have been set up for the Council's Wholley owned company - Seven Arches Investment Ltd Progress reports to Committee. Robust business modeling and financial projections.	3	5	V High 15	decreased	Balanced budget reported to Full Council on 23rd February and Income projections have been rebased for 2022/23. Risk score slightly reduced to monitor against the new year forecasting cycle.	Mar-22	1	5	Med 5
	Consequence(s): Council unable to meet budget requirements Spending/service cutbacks Greater use of reserves						Monthly SLT & Leader meetings to monitor finances Financial Initiatives working group established									
Corpo	e Strategy: Delivering an efficient a Cause:	nd effective counc	il - An ambitious and inno	ovative co	uncil that	delivers qua	llity services		ı							
	If we do not have good information governance strategies and controls		Legal/Compliance				Information Governance Group set up to ensure									
Rick(Uncertain Event (Risk): We may not be compliant with lata protection legislation	Director (Law & Governance)	Reputation	5	4	V High 20	Information Governance Group set up to ensure that the Council has the correct controls in place to ensure good governance in all decision making Data Protection Policies Training Data Protection Officer in post	2	3	Med 6	decreased	We have a contract for a full DPO service that alongside the information Governance framework implementation will ensure the Council is complaint with its statutory duties. The risk has decreased from	Ongoing	2	3	Med 6
	Consequence(s): Fine from the Information Commissioner's Office (ICO) Risk of litigation challenges to decisions made		Financial & Resources				·					L3 x I4 = High 12.				

BRENT WOOD BOROUGH COUNCIL STRATEGIC RISK REGISTER										JUNE 2022									
Risk No.	Risk Details	Risk Owner	Risk Categorisation	Original Scores (before any mitigations)			Mitigations to date	Current Scores May			Direction of travel from	Further Actions / Comments	Planned Completion Date(s)	Target Scores (following completion of a further actions)					
				L	ı	s		L	- 1	S	previous quarter			L	1	S			
Corpora	Corporate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services																		
Risk 12	Cause: Contract and procurement management not in place Uncertain Event (Risk): Contract/Partnership failure within organisation Consequence(s): Negative impact on Council finances Reduction in Community benefits	Director (Law & Governance)	Legal/Compliance	3	4	High 12	Service Level Agreements embedded within contract and penalties in place for non performance. Regular reporting on contract performance. Escalation and governance in place Contract management diagnostic survey underway Procurement and contract manager meetings in place. Procurement strategy been adopted by the Council. Contract management training	2	4	Med 8	Stayed the same	Contract management training has been provided and follow up training identified.	Mar-22	2	4	Med 8			
Corpor	te Strategy: Delivering an efficient a	nd effective counc	il - An ambitious and inne	ovative co	uncil that	delivers qua	llity services												
Je 14	Cause: Increased risk of ransomware		Effects on Service				We have a Managed Security Service that has been running for second year, part of this service uses a Security Operations Centre to monitor cyber												
Risk 13	Uncertain Event (Risk): The Council is at risk from a critical cyber threat that would affect all areas of business	Director (Digital & Customer Engagement)	Financial & Resources	5	5	V High 25	threats. Immediate response plans are in place for critical threats, and regular investigation review are held, along with Account contract meetings. Along with the cyber security baked into Azure,	3	5	V High 15		Continuing to work with partners to drive down the impact of any likely attack.	Ongoing	3	4	High 12			
	Consequence(s): All digital services would be down. Failure of providing services to customers and vulnerable people		Reputation				threats and unusual behaviour are gathered and Al tools look for complex patterns to look for further threats across our digital platforms												

Risk No.	Risk Details	Risk Owner	Risk Categorisation	Original Scores (before any mitigations)		Mitigations to date		ırrent Sco May 2022		Direction of travel from	Further Actions / Comments	Planned Completion	Target Scores (following completion further actions		etion of al
				L	ı		L	I	S	previous quarter		Date(s)	L	ı	S
orporate	e Strategy: Protecting our Environmen	t - Developing a cle	ean and green environn	nent for eve	eryone to en	оу									
Risk E&C1	Cause: If we fail to protect our employees and other persons to whom we owe a duty of care Uncertain Event (Risk): The safety, health, welfare and wellbeing of individuals may be compromised Consequence(s): Injury or harm to employees, tenants or visitors. Fines from the HSE. Insurance claims. Reputational impact to the Council	Health & Safety Officer	Legal/Compliance People Financial & Resources	5	5 V F	respectively. The council's has wheresite provides	3	4	High 12	Stayed the	Proactive projects are being planned and programmed in to reduce the Council's risks over a period of time. In Housing the extent of the significant number of projects to manage compliance will by their nature and extent and current resources, take time over several financial years. Corporate projects to reduce risks are also being proactively planned and programmed in as well as being implemented, but will also reduce risk over a period of years.		2	4	Med 8
Risk E&C2	Cause: Lack of inspection and maintenance regime to manage trees Uncertain Event (Risk): Risk of unmaintained trees wholly or partly falling on persons/property and other infrastructure Consequence(s): Increased likelihood of prosecution by HSE and claims against the Council	Arboricultural Officer	People Reputation Financial & Resources	4	5 V F	Woodland management plans that have been negotiated over the last 4 years have now been approved and are beginning to be implemented to manage woodland edge trees over a 10-year period. However, a risk remains for non-woodland trees for which there is no proactive system	3	4	High 12	Stayed the same	Pear solutions have offered a system to reduce inspection times with a handheld device, training to be undertaken for Alan Marsh and another officer June 2022		2	4	Med 8
Risk E&C5	Cause: National shortage of drivers and ageing workforce Uncertain Event (Risk): Unable to recruit LGV waste drivers Consequence(s): Unable to deliver Waste and recycling collections	Waste and recyling Manager	Reputation Financial & Resources	3	4 Hi	retirement age or leaving for higher paid jobs.	3	4	High 12	-	New contract with Opus agency staff. Early signs showing that staff are still difficult to employ		2	4	Med 8

Risk No.	Risk Details	Risk Owner	Risk Categorisation	Original Scor (before any mitiga				Current Scores May 2022			Further Actions / Comments	Planned Completion Date(s)	Target Scores (following completion of all further actions)			
				L	ı	S	L	ı	S	previous quarter		Date(s)	L	ı	S	
	Strategy: Improving Housing - Access to the risk is that the Council will not a				reas and t	he delivery of the compliance project plan.										
Risk H&C2	Cause: Not achieving the plans to improve compliance by the required timescale. Uncertain Event (Risk): The management of compliance is not effective. Consequence(s): Compliance is not achieved by March 2022.	Compliance Manager	Legal/Compliance Reputation Effects on Service	5	5	A specific compliance risk register has been produced with detail on the risks. A new performance reporting template has been produced which identifies the areas of noncompliance and the gap to compliance. Actions are in place to reduce the gaps in the known compliance issues. Regular meetings are in place to address the concerns.	3	4	High 12	decreased	Good progress is being made in all areas of compliance however, there are a significant amount of projects which will take time to be completed and therefore this demonstrates the risk level. A central overview of all compliance performance reported to SLT monthly. Keystone KRM is in the final stage of going live. The Foundation module is ready to carry out FRAs and upload actions automatically. Final testing on the Foundation module due for mid-June to ensure all data is being captured correctly and actions can be completed on Keystone. Growth bids in Capital have been accepted and works in all compliance streams are underway. These will take the rest of the FY to complete and prepare for next FY works. Risk reduced from L4 x I5 = V.High 20	Mar-25	1	5	Med 5	
Decisions	on HRA stock - the risk is that the Coun	cil does not make	timely decisions on the r	etention a	and invest	ment in the HRA stock.		ı		 			ı			
Risk	Cause: Decisions on the HRA stock not taken, leading to additional expenditure. Uncertain Event (Risk): The assets have not been reviewed to identify long-term use of the sites.	Corporate	Financial & Resources Effects on Service	4	3	High Sheltered housing review has started, with a review of the garage sites and the sites for	4	3	High	•	The 7 year small sites programme is in place and is progressing well. Review of additional sites is ongoing to		1	4	Med	
н&сз	Consequence(s): That resources are used on properties that the Council does not wish to retain in the long-term.	Manager ence(s): ources are used on es that the Council does not	Reputation			potential regeneration to be identified.			12	same	determine further the long term investment required to support the HRA business plan				4	

Risk No.	Risk Details	Risk Owner	Risk Categorisation	Original Scores (before any mitigations)			Mitigations to date		Current Scores May 2022			f Further Actions / Comments	Planned Completion Date(s)	Target Scores (following completion of all further actions)			
				L	ı	S		L	ı	s	previous quarter		Date(s)	ι	I	S	
Risk F&R3	Cause: Lack of robust and resourced regime for addressing failures in Corporate property compliance Uncertain Event (Risk): Risks to the Council, its staff and its residents where key compliance checks have not been satisfactorily completed for corporate buildings, etc. and any issues address (e.g. fire, water, gas, etc) Consequences: Risk of closure of buildings, damage to buildings, reputation risk to Councill, loss of earnings and life and prosecution from HSE	Facilities Manager	Financial & Resources Legal/Compliance People	zative cou	5	V High 25	Undertaking routine compliance and remedial actions when identified. Retain appropriate documentation for evidence	4	3	High 12	came	Develop document retention process, explore utilisation of assets database, commence programme of property inspections to ensure compliance is being maintatined.		2	3	Med 6	
Risk D&C1	Cause: If we do not have the appropriate cyber security or cyber incident response plan Uncertain Event (Risk): The Council may be at risk of loss of data or service delivery through cyber attack Consequence(s): Loss of key systems/inability to provide key services Loss or corruption of data Financial Loss Cost/time spent to recover	I.C.T. Manager	Effects on Service Financial & Resources Reputation	4	5	V High 20	Manages Security Service has been running for second year, now with an introduction of a monthly review. Azure Security services are being expanded. IT staff attended Cyber Incident Response Planning Course.	2	5	High 10	Stayed the same	Continue to work with our security partner and other Essex LA technical teams through the Essex Digital Parnership, to share good practice knowledge and cost efficiences. The threat landscape is continuously evolving and we are also working with potential new partners to bring new technologies to help with our resilience against cyber threats.	Ongoing	2	5	High 10	

Risk N	Risk Details	Risk Owner	Risk Categorisation	Original Scores (before any mitigations)			Mitigations to date		Current Scores May 2022			Further Actions / Comments	Planned Completion Date(s)	Target Scores (following completion of further actions)						
				L	ı	S		L	1	S	previous quarter		Date(s)	L	ı	S				
Risk D&C2	Cause: If we don't have the level of resourcing to provide an effective service or deliver Corporate Objectives and the Digital Strategy Uncertain Event (Risk): The Council may be at risk of delivering an effective service	I.C.T Manager	I.C.T Manager	I.C.T Manager	I.C.T Manager	I.C.T Manager	Effects on Service Reputation	4	5	V High 20	We have several vacant posts across IT, Digital and projects and if we loose any further resources or have any sickness we will struggle to provide an effective service. We have relationships to	3	5	V High 15	Stayed the	We have extended our recruitment time and will be shortlisting end of June. The likelihood has increased and the public sector is struggling to recruit into technical positions which has increased the impact. If we are unable to recruit successfully this severity with gradually increase	22-Sep	2	5	High 10
	Consequence(s): It will result in service delivery failure affecting many services across the council		Legal/Compliance				leverage to help provide services and potential use of agencies if required. Permanant staff is a preferred option					overtime. We will continue to work with Rochford colleagues to workout how we can align and build resillience.								
Risk D&C3	Cause: Loss of availability of Business applications and access data Uncertain Event (Risk):	I.C.T. Manager		Effects on Service	Effects on Service				Using the principle "High Availability by design" we have invested in technology and built a digital					Work continues with modernising and improving systems, there has been some delays due to resourcing and changes in project priorites that has impacted project timelines. We will continue to work with Programme						
	The Council may be at risk of delivering an effective service Consequence(s): Failure of providing services to customers and vulnerable people		r Reputation 3 Legal/Compliance	5	V High 15	plaftform for officers - the "Cloud Desktop". This has taken advantage of cloud technologies this has made the availability of business applications and access to data.	3	4	High 12	Stayed the same	Work has been priorities for Officers End User Devices to support the changing working environment and to provide stble endpoints so that access to Systems and business data is robust.	Ongoing	2	4	Med 8					
	Cause: Loss of Customer facing digital platforms		Effects on Service																	
Risk D&C4	Uncertain Event (Risk): The Council may be at risk of delivering an ineffective service	I.C.T. Manager	nager Reputation 3 5 V High	_	Similar to Risk 3 using the principle "High Availability by design" we have invested in cloud technology to build customer facing digital plaftforms to our customers.	2	5	High 10	Stayed the same	We continue to work with service providers to ensure high availability of digital platforms for customers Where required new partners are appointed to help maintain this. This will continue to help us manage the	on-going	2	5	High 10						
	Consequence(s): Failure of providing services to customers and vulnerable people		Legal/Compliance									likelihood.								

Appendix C

Risk Ranking Table

Brentwood Council has introduced a best practice five stage approach to Risk Management.

	(5)	Definite/very high	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
po	(4)	Very likely	Low (4)	Medium (8)	High (12)	Very High (16)	Very High (20)
Likelihood	(3)	Likely	Low (3)	Medium (6)	Medium (9)	High (12)	Very High (15)
ij	(2)	Unlikely	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
	(1)	Highly unlikely	Low (1)	Low (2)	Low (3)	Medium (4)	Medium (5)
			Negligible	Minor	Moderate	Significant	Major
			(1)	(2)	(3)	(4)	(5)
					Impact		

Likelihood x Impact = Risk Score

Level of Risk	Level of Concern	Recommended review pattern			
Very High 15-25	Very concerned	1-2 months			
High Risk 10-15	Concerned	2-3 months			
Medium Risk 4-10	Quite Concerned Risk can be tolerated at this time	3-4 months			
Low Risk 1-5	Not concerned Risk accepted at this time	4-6 months			

Score	Likelihood	Description
1	Highly Unlikely/	5% likely to happen or hasn't happened within the
	rarely happens	last 5 years
2	Unlikely/moderate	20% likely to happen or has happened once or
		twice in the last 5 years
3	Likely/possible	50% likely to happen or has happened once or
		twice in the last 24 months
4	Very likely/high	75% likely to happen or has happened at least once
		or twice in the last 12 months
5	Definite/very high	99% likely to happen or has happened on a regular
		basis over the last 12 months

Score	Impact	Effect on Service	Financial & Resources	Reputation	Legal	People	Effect on project objectives
1	Negligible	 Small impact on customer service which may result in complaints Nuisance 	 Small financial loss; less than £10K Negligible property damage 	No adverse effect on perception	No legal implication	No injury	Minimal impact to project Minor slippage
2	Minor	 Small setback Disruptive impact on service Localised disgruntlement 	 Noticeable financial loss; £10-£100K Slight damage to one property 	Minimal effect to perception (e.g. minor criticism of the Council)	Breach of statutory process, duty or law resulting in possibility of legal action	Minor Injury	 Adverse effect to project. Slippage requires review finances / short term programme
3	Moderate	 Widespread disgruntlement Disrupted service delivery from one service area for up to 3 days Can handle but with difficulty 	 Moderate financial loss £100-300K Inability to deliver popular policies due to budgetary constrictions Substantial damage to one part of a building 	Negative effect on perception, e.g. Criticism of the council Local bad press	Breach of major statutory duty or law resulting in probably legal action	RIDDOR (Reporting of Injuries, Diseases & Dangerous Occurrences Regulations (1995) Reportable major injury to an individual	Important impact on project or most of expected benefits. Considerable slippage Possible impact on overall finances / programme
4	Significant	 Intervention in a key service Disruption to service delivery for one or more service areas for 3-5 days Failure of an operational partnership 	Sizeable financial loss up to 50% of budget or between £300K-1M Extensive damage to a critical building or considerable damage to several properties from one source	 Criticism of key process Large scandal High level of complaints at corporate level across several service areas Adverse national media coverage 	Breach of law resulting in legal action against the Council which would be difficult to defend	Reportable major injuries to several people or death of an individual	Extreme delay

Score	Impact	Effect of Service	Financial & Resources	Reputation	Legal	People	Effect on project objectives
5	Major	Complete breakdown in service delivery with severe, prolonged impact on customer service affecting the whole organisation Failure of a strategic partnership	 A substantial failure in accountability or integrity A large financial loss over 50% of budget or greater than £1M Total loss of a critical building 	 A vote of no confidence in one service area Officer(s) &/or Members forced to resign &/or Audit Commission enquiry Substantial adverse & persistent national media coverage 	Breach of law resulting in legal action against the Council which would be very difficult / impossible to defend	Death of several people	Complete failure of project

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Agenda Item 6

Committee(s): Audit & Scrutiny	Date: 5 th July 2022
Subject: Community Safety Partnership Annual Report	Wards Affected: All
2021/22	
Report of: Jonathan Woodhams	Public
Report Author/s:	For
Name: Jonathan Woodhams	Information
Telephone: 01277312500	
E-mail: jonathan.woodhams@brentwood.gov.uk	

Summary

The Community Safety Partnership (CSP) is made up of Responsible Authorities as outlined in the Crime & Disorder Act 1988 which includes the Council as a key partner.

Each year the partnership has a statutory duty to carry out a Strategic intelligence assessment which reviews existing priorities and identifies any new or emerging priorities that the partnership should focus on.

All partners agree the Strategic Priorities and sets out in their Partnership Plan (see Appendix A) how the partnership will work together over the next twelve months to tackle crime and disorder and achieve its priorities.

The CSPs Strategic Priorities for 2021/22 are:

- Safer Community
- Safer Future

A set of action plans were developed which underpins delivery of the above priorities. and sets out how the partnership will work together to stimulate activity across the Borough, focusing on those activities that add value because of being delivered in partnership.

Section 19 of the Police and Justice Act 2006 requires every Local Authority to have a Crime and Disorder Committee with the power to review, scrutinise, and make reports and recommendations regarding the functioning of the CSP. Under the scrutiny arrangements in place the Committee are asked to consider the work of the CSP as outlined in the annual report attached at Appendix A and refer any comments or concerns to the partnership.

Main Report

Introduction and Background

 The requirement for local authorities to have a committee which carries out a scrutiny role was enacted by the Crime and Disorder (Overview and Scrutiny) Regulations 2009 that came into force for local authorities in England on 30th April 2009.

- 2. The Act and the Regulations do not require Council's to alter existing committee structures but specify that there must be a formal place where community safety matters can be discussed.
- 3. At the Policy Board meeting on 17 June 2009 (minute 78 refers) it was agreed that the Overview and Scrutiny Panel will carry out the function of Crime and Disorder Committee.
- 4. Each year the CSP provides an annual report to the Committee (see Appendix A).

Issue, Options and Analysis of Options

5. As outlined in section 1. the Committee are asked to perform the scrutiny function for the CSP. The Committee is asked to consider the work of the CSP as summarised in the attached annual report and to refer any comments or concerns to the partnership. This provides a scrutiny and monitoring function of the Council's partnership role in improving community safety.

Consultation

6. None

References to Corporate Plan

- Protecting our environment by working collaboratively with partners to reduce environmental crime, focusing on hotspot areas, particularly the rural communities.
- **Developing our communities** by protecting those most vulnerable through innovative initiatives tackling a range of key issues such as reduce domestic abuse, exploitation and the misuse of drugs. Working closely with schools to promote, educate and engage young people.
 - To develop and deliver a range of engagement events throughout the year to provide advice and support on issues such as road safety, theft, burglary, personal safety, anti-social behaviour, fly tipping, and environmental crime.
- Improving housing to ensure our housing estates are safe and issues are addressed effectively and proactively through the community safety team and wider partners.

 Delivering an efficient and effective council through strong partnerships and collaboration providing a proactive and effective response to community safety issues affecting local communities.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources)

and S151 Officer

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

The CSP is a third-party organisation and is not accounted for within the Council's finances. Brentwood Council provides resources to administer the partnership and holds their finances on behalf of the partnership, so it can be managed by Brentwood Council employees. Brentwood's current level of support for the CSP is met within the Council's Medium Term Financial Plan 2020/21.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and

Monitoring Officer

Tel & Email: 01277 312500/amanda.julian@brentwood.gov.uk

There are no direct legal implications from the report.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning and Economy)

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

There are no direct economic implications arising from this report, although ensuring that the borough is safe will have indirect economic benefits.

Equality and Diversity Implications

Name/Title: Kim Anderson, Partnerships, Leisure & Funding Manager

Tel/Email: 01277 312634/kim.anderson@brentwood.gov.uk

The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

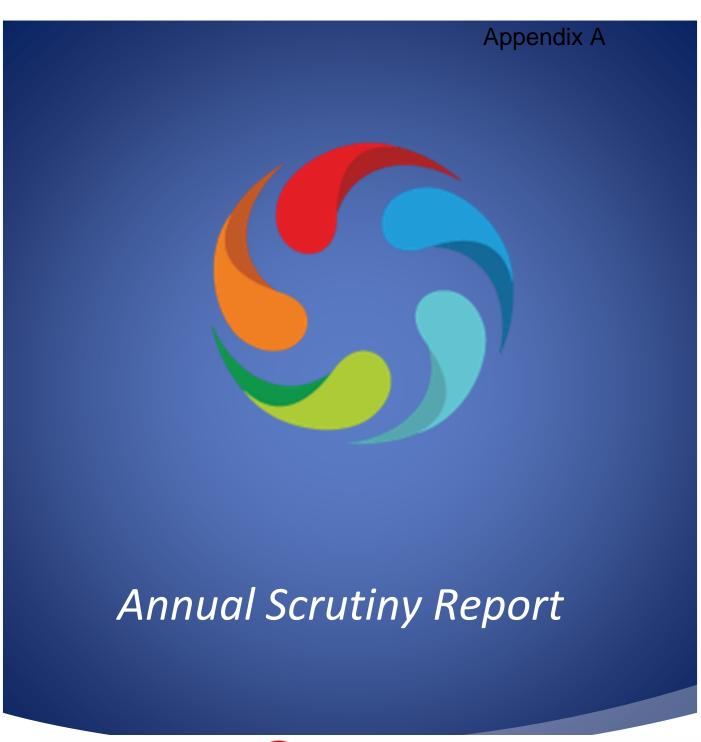
The proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

Background Papers

Appendices to this report

Appendix A: CSP Annual Report 2021/22





April 2022

Introduction

Brentwood Community Safety Partnership is the local statutory Community Safety Partnership (CSP) for Brentwood. The purpose of the Partnership is to provide a strategic and collaborative approach to addressing local crime and disorder within the Borough by reducing the levels of disorder including crime, anti-social behaviour, the misuse of drugs and reducing re-offending. However, the partnership is committed to delivering beyond our statutory obligations and understand the importance of wider community safety issues to local communities such as Neighbourhood Watch (NHW), Speedwatch activity and continuing to develop home safety activity with our partners such as Essex Police and Essex County Fire & Rescue Service (ECFRS).

The partnership is made up of both Statutory and Community organisations as detailed below.



The CSP is currently chaired by Cllr Keith Barber and Essex Police, Chief Inspector Paul Ballard is Vice Chair. Each year the CSP are required to prepare a Strategic Intelligence Assessment to review existing priorities and identify any new or emerging priorities that the partnership should focus on.

Following this analysis and identification of the strategic priorities a Partnership Plan is produced detailing the partnerships activities for the forthcoming year to address the issues raised in the Strategic Intelligence Assessment.

The Partnership Plan is a public facing document which details the priorities identified by residents and data from the Strategic Intelligence Assessment. The document includes detailed action plans for each priority area and sets out how the partnership will work together over the next twelve months to tackle crime and disorder and achieve its priorities.

This plan also has regard to the police and crime objectives set out in the Police, Fire and Crime Commissioners (PFCC) Police and Crime Plan.

The priorities identified from the 2021/2022 Strategic Assessment were:





Policing Structure and Resources

Brentwood Borough forms part of Essex Police West Local Policing Area (LPA), which also includes the districts of Epping Forest, Harlow and Thurrock. The Borough accounts for 22% of the area and 17% of the population of the LPA.

Community Policing Team (CPT) delivers community policing within the borough and comprises of:

- 1 Inspector, covering Epping Forest and Brentwood
- 1 Sergeant covering Brentwood
- 8 Constables, covering Brentwood (Including 2 Town Centre Team)
- 2 Police Community Support Officers (PCSOs) for Brentwood.
- 1 Rural Community Officer who is shared with Epping Forest
- 1 Children and Young Persons Officer.
- 1 Community Safety & Engagement Officer

The Community Policing Team now work out of the The Baker Partnership HUB at Brentwood Town Hall which was opened by the Mayor of Brentwood and Chief Constable for Essex in March 2022

The HUB has been named the Baker Partnership HUB in memory of Police Officer Tris Baker, who was sadly died last year and was the Children & Young Persons Officer for Brentwood. Funding for the HUB was received from the Community Safety Partnership and Police Fire & Crime Commissioner to see the HUB ambition being realised which will mean that Essex Police will now be working alongside Council's community safety team and wider community safety partners such as Essex County Fire & Rescue Service, Essex Probation, NHW, Crime Stoppers, SEPP, and Youth Services as well as many more.

The HUB will seek to improve communication, collaboration and intelligence sharing for the benefit of the borough's residents, businesses, and visitors.





Crime Figures - Below are tables relating to crime statistics Force Wide across Essex. Overall Brentwood sits on the lower end of the crime statistics across Essex. These figures are from April 1st 2021- 31st March 2022.

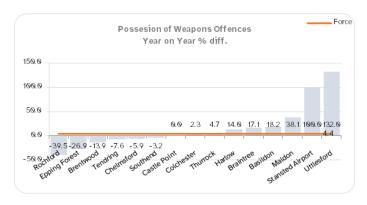


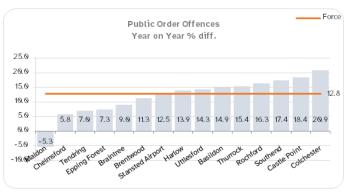
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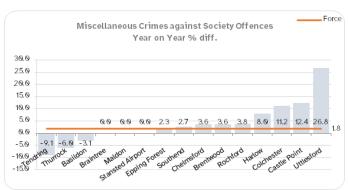
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Brentwood

Rolling 12 Months to March

Top Level			Offences				Solved Outcomes				Solved Rates 8		
Crime Type	% DA 2022	2021	2022	# diff.	% diff.	2021	2022	# diff.	% diff.	2021	2022	% pt. diff.	
Anti-Social Behaviour (incidents)		2489	1139	-1350	-54.2								
All Crime (excl. Action (NFIB) Fraud)	15.9	5466	5645	179	3.3	629	625	4	-0.6	115	111	-0.4	
- State Based Crime	5.9	914	974	60	6.6	268	283	15	5.6	29.3	29.1	-0.3	
- Victim Based Crime	18.0	4552	4671	119	2.6	361	342	-19	-5.3	7.9	7.3	-0.6	
Victim Based Crime			Off	ences			Solve	d Outco	omes	So	lved R	ates %	
Crime Type	% DA 2022	2021	2022	#diff.	% diff.	2021	2022	# diff.	% diff.	2021	2022	% pt. diff.	
Violence Against the Person	34.2	1867	2027	160	8.6	199	175	-24	-12.1	10.7	8.6	-2.0	
- Homicide	0.0	0	2	2		1	2	1	100.0	-	100.0	-	
- Violence with Injury	41.2	371	447	76	20.5	53	63	10	18.9	14.3	14.1	-0.2	
- Death or Serious Injury caused by unlawful driving	-	1	0	-1	-100.0	0	1	1	-	0.0	-	-	
- Violence without Injury	35.9	792	782	-10	-1.3	105	79	-26	-24.8	13.3	10.1	-3.2	
- Stalking and Harassment	28.8	703	796	93	13.2	40	30	-10	-25.0	5.7	3.8	-1.9	
Sexual Offences	24.6	112	211	99	88.4	16	11	-5	-31.3	14.3	5.2	-9.1	
- Rape		40	82	42		10	1	1	-31-3	0.0	1.2	1.2	
- Rape - Under 16 yrs	48.8	40 13		-1	105.0 -7.7	0	1		-		8.3	8.3	
	0.0		12				····	1	-	0.0			
- Rape - Over 16 yrs	57.1	27	70	43	159.3	0	0	0	-	0.0	0.0	0.0	
- Other Sexual Offences	9.3	72	129	57	79.2	16	10	-6	-37.5	22.2	7.8	-14.5	
Robbery	2.6	35	38	3	8.6	7	4	-3	-42.9	20.0	10.5	-9.5	
- Robbery of business property	0.0	2	4	2	100.0	2	0	-2	-100.0	100.0	0.0	-100.0	
- Robbery of Personal Property	2.9	33	34	1	3.0	5	4	-1	-20.0	15.2	11.8	-3.4	
Theft Offences	2.1	2095	1956	-139	-6.6	109	105	-4	-3.7	5.2	5.4	0.2	
- Burglary	2.4	343	331	-12	-3.5	28	21	-7	-25.0	8.2	6.3	-1.8	
- Burglary Residential	3.5	235	227	-8	-3.4	18	16	-2	-11.1	7.7	7.0	-0.6	
- Burglary Business & Community	0.0	108	104	-4	-3.7	10	5	-5	-50.0	9.3	4.8	-4.5	
- Burglary Dwelling (pre-Apr 17 definition)	5.7	150	140	-10	-6.7	17	14	-3	-17.6	11.3	10.0	-1.3	
- Burglary Other (pre-Apr 17 definition)	0.0	193	191	-2	-1.0	11	7	-4	-36.4	5.7	3.7	-2.0	
- Vehicle Offences (incl. Interference)	1.0	802	703	-99	-12.3	19	10	-9	-47.4	2.4	1.4	-0.9	
- Theft from a Vehicle	0.0	405	326	-79	-19.5	8	0	-8	-100.0	2.0	0.0	-2.0	
- Theft of a Vehicle	2.5	280	275	-5	-1.8	8	9	1	12.5	2.9	3.3	0.4	
- Vehicle Interference	0.0	117	102	-15	-12.8	3	1	-2	-66.7	2.6	1.0	-1.6	
- Theft	2.8	950	922	-28	-2.9	62	74	12	19.4	6.5	8.0	1.5	
- Theft from the Person	0.0	22	59	37	168.2	0	0	0		0.0	0.0	0.0	
- Theft of Pedal Cycle	0.0	62	43	-19	-30.6	0	1	1		0.0	2.3	2.3	
- Shopliftina	0.0	329	259	-70	-21.3	38	50	12	31.6	11.6	19.3	7.8	
- Shopiifting - Other Theft				24	4.5	24		-1	-4.2	4.5	4.1	-0.4	
Criminal Damage inc. Arson	4.6	537 443	561 439	-4	-0.9	30	23 47	-1 17	-4.2 56.7	6.8	10.7	3.9	
- Criminal Damage	12.4	397	403	6	1.5	29	43	14	48.3	7.3	10.7	3.4	
- Arson	8.3	46	36	-10	-21.7	1	4	3	300.0	2.2	11.1	8.9	
Racial/Religiously Aggravated Offences	3.8	66	53	-13	-19.7	11	11	0	0.0	16.7	20.8	4.1	
Hate Crime HO Definition	3.4	129	149	20	15.5	14	20	6	42.9	10.9	13.4	2.6	
Domestic Abuse	100.0	895	898	3	0.3	87	82	-5	-5.7	9.7	9.1	-0.6	
- High Risk Domestic Abuse	100.0	68	114	46	67.6	17	15	-2	-11.8	25.0	13.2	-11.8	
- Medium Risk Domestic Abuse	100.0	135	120	-15	-11.1	20	16	4	-20.0	14.8	13.3	-1.5	
- Standard Risk Domestic Abuse	100.0	655	630	-25	-3.8	46	51	5	10.9	7.0	8.1	1.1	
- No Risk Assessment	100.0	37	34	-3	-8.1	4	0	-4	-100.0	10.8	0.0	-10.8	
State Based Crime			Off	ences			Solve	d Outco	omes	So	lved R	ates %	
Crime Type	% DA 2022	2021	2022	# diff.	% diff.	2021	2022	# diff.	% diff.	2021	2022	% pt. diff.	
Drug Offences	0.0	202	199	-3	-1.5	162	189	27	16.7	80.2	95.0	14.8	
- Trafficking of Drugs	0.0	36	33	-3	-8.3	17	24	7	41.2	47.2	72.7	25.5	
- Possession of Drugs	0.0	166	166	0	0.0	145	165	20	13.8	87.3	99.4	12.0	
Possession of Weapons	3.2	36	31	-5	-13.9	18	13	-5	-27.8	50.0	41.9	-8.1	
Public Order	7.0	566	630	64	11.3	68	63	-5	-7.4	12.0	10.0	-2.0	
Miscellaneous Crimes against Society	10.5	110	114	4	3.6	20	18	-2	-10.0	18.2	15.8	-2.4	
miscendifeous crimes against society	10.5	110	114	4	3.0	20	10		-20.0	10.2	13.8	-2.4	

- Anti-Social Behaviour has decreased by 54.2% This is due to National lockdown/ COVID regulations being eased and finally removed. Previously all COVID breaches were recorded as ASB.
- Burglary has decreased by 3.5%. This decrease is in line with other areas and the Community Safety Team, Essex Police and Neighbourhood Watch will continue to engage with the public and promote home safety as and when safe to do so.
- Hate Crime offences have increased by 15.5% (25 more offences). There has been further joint work in promoting the reporting of Hate Crime, there is also some relation to some ASB Cases.
- Drugs Offences, Possession of Weapons, Shoplifting, Public Order and Vehicle
 Theft have all decreased.

Partnership Activity and Achievements

The **Councils CCTV Team**, who now sit with the Community Safety Team, have continued to work extremely hard to support activity undertaken by the Council and Essex Police. A Police Airwave Radio is permanently located in the CCTV control room so that operators have direct access to Essex Police. Community Safety are conducting an audit and review of the CCTV service including connectivity, cameras, camera positioning, software and protocols and policies to ensure that Brentwood CCTV is both legislatively compliant with the new legislation for surveillance for local authorities and is an effective surveillance system/ service to better serve and protect our community. As part of this review/ audit we will also be consulting with our partners in police and Housing as well as other agencies to make the CCTV service an effective tool for the whole partnership. Data is also shared with partners in relation to the use of CCTV in the interest of Community Safety.

The Community Safety & CCTV Manager is continuing to work closely with Parish Councils and local communities to continue to upgrade CCTV in the harder to reach areas, whilst reviewing our current camera positioning to ensure that they are in the best operable positions for the prevention and detection of crime and ASB.

Community Engagement - The partnership has continued to deliver as many community engagement events across the borough and wider Essex where possible. Pre pandemic this was around 70+ engagement events per annum. However, with the restrictions imposed upon us drastically reduced the events we were able to deliver. Nevertheless, despite the lockdowns and restrictions imposed, since April 2021 36 events have been delivered. Another area of focus for the partnership is linking in with local, regional, and national campaigns including:

- Ending Violence Against Women
- National Road Safety Week
- Project Edward European Day without a road death







Neighbourhood Watch (NHW) - Brentwood is extremely privileged to have such a dedicated volunteer, Peter Salmon who co-ordinates NHW across the Borough. He is extremely proactive driving the scheme across Brentwood and further afield.

The NHW co-ordinator attends the CSP Strategy Panel meetings and represents Brentwood at County-wide meetings. It is recognised by the partnership that without the support of our local co-ordinator we would not be able to deliver such a comprehensive engagement programme.

As well as promoting NHW across the borough he has also distributed information leaflets/booklet and crime prevention items such as:

- Window Alarms
- ID Magnifier
- Personal Alarms
- Purse Bells
- Purse Cables
- Property Marker Pens
- Timer Switches
- Sat Nav Cloths
- Key Ring Torches
- Door Chains
- Leaflets including: Lock Em Out, scam booklet, community safety booklet, junior highway code booklet, and much more

The NHW volunteer co-ordinator also produces a monthly 'be wary' information leaflet with key current community safety topics that is displayed in many key locations across the borough and is also shared with Parish Councils and wider partners.

Crimestoppers, an independent charity giving people the power to speak up about crime anonymously, is an integral member of Brentwood Community Safety Partnership and fully supports the work of the partnership.

The charity has continued to maintain links with other community safety groups in the district, such as the Brentwood and Epping Forest IAG group, on a virtual basis.

Social media campaigns throughout 2021/22 include: Domestic abuse, rural crime, hare coursing and heritage crime.

Fearless, the Crimestoppers web-based brand for young people, has been involved in ECC schools' activities using Fearless A7, Z-fold crime-awareness cards distributed in the Brentwood district. These cards have and are being used during targeted activities such as school drama productions.

Brentwood schools and youth groups were also contacted during 2021 about Crimestoppers' Project Fearless campaign to raise awareness of fearless.org and to help educate young people away from crime. Schools were sent an information pack of resources, which were also available digitally. Youth groups were contacted by the ECVYS. The campaign was also run-on social media.

Statistics

End of year results April 2021 to March 2022

End of year results for Essex Crimestoppers show there were 6,301 crime reports sent to Essex police for the year to the end of March, compared with 5,940 at year end last year, a 5.7% increase.

These reports came from 4,605 contacts – contacts can contain more than one crime report – which is a 3% increase on the previous year (4,478)

Data from Essex Police shows that of the crime reports, 6,130 were considered actionable, and 1,245 gave information which was of positive use in investigations. Police state that the intelligence has so far led to 130 arrests and charges. The conversion rate to date from police data, that is actional reports converted into an arrest, charge or positive action, is 22 per cent. It should noted that police data may not reflect the full year.

As always, reports about drugs during the year accounted for the highest number of reports at 2,900 with drink driving offences the next highest at 883. (See reports table below)

Nationally there were 185,500 contacts, a 5 per cent increase year on year.

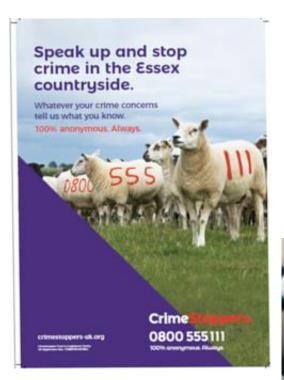
CrimeStoppers. 0800 555111

100% anonymous. Always. crimestoppers-uk.org

Brentwood area Crimestoppers data

Crimestoppers reports are now available for specific areas. For the Brentwood area from Jan 1 to March 28 there were a total of 34 contacts with intel about 49 alleged crimes.

Assault Harassment 5 Criminal damage 1 Disqual / uninsured driver 2 Domestic abuse 2 Drink / Drug driving 8 Drug Manu 2 Drug Traffic 11 Fraud / Forgery 4 Immigration offence 1 Murder 1 Other Crimes 3 Other road traffic offences 1 Drug Possession / other crime 1 Possession of firearms 2 Possession of weapons 1 Rape / sexual offences 2 (1 over 16 1 under 16) Wanted Person 2







Essex Crimestoppers – end-of-year crime reports

	Apr	Мау	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
Arson	1	1	1	0	0	0	0	1	1	1	1	0	7
Assault and Harassment	6	18	30	23	24	26	30	22	19	22	19	16	255
Border Offences	0	0	1	0	0	1	0	1	0	1	2	3	9
Burglary	1	0	0	2	1	1	2	1	2	2	4	1	17
Business Crime	1	0	0	0	0	0	1	0	3	0	0	0	5
Criminal Damage	2	1	1	1	1	0	2	1	1	2	0	1	13
Cyber/E-Crime	0	0	0	0	0	0	0	0	0	0	0	0	0
Disqual & Uninsured Drivers	24	21	15	24	21	23	22	15	12	19	17	26	239
Domestic Abuse	7	16	21	20	23	25	24	21	18	14	17	13	219
Drink Driving	53	70	68	84	86	99	69	73	70	66	66	79	883
Drug Manufacture & Cultiv.	43	40	45	50	52	49	42	35	32	40	41	28	497
Drug Trafficking & Supply	226	215	211	242	182	209	190	179	151	188	188	222	2,403
Environmental Crime	2	5	5	4	1	4	2	5	2	4	4	2	40
Fraud and Forgery	4	4	6	5	10	5	5	6	2	3	8	8	66
Hate Crime	0	0	0	0	2	0	0	1	0	0	0	0	3
HMRC Offences	5	6	5	5	7	1	5	8	3	8	3	6	62
Immigration Offences	3	2	2	3	9	6	4	0	3	5	3	2	42
Modern Slavery	1	0	0	2	2	1	0	1	0	0	0	3	10
Murder (& Other Killings)	1	7	4	6	7	8	6	11	3	3	3	4	63
Other Crimes	26	25	33	39	33	36	29	28	28	25	27	25	354
Other Road Traffic Offences	18	14	12	15	14	8	6	5	2	5	7	15	121
Other Violent Crime	0	5	4	2	2	0	3	5	3	2	4	2	32
Possession and Other Drug Crime	3	3	1	10	6	6	2	2	1	3	5	5	47
Possession of Firearms	17	17	13	16	20	7	16	23	15	17	20	23	204
Possession of Knives/Other Weapons	26	18	24	23	23	19	21	29	19	23	29	27	281
Public Order Offences	0	1	0	1	0	0	0	0	0	0	0	0	2
Rape and Sexual Offences (over 16)	5	2	2	1	2	0	6	4	3	3	4	6	38
Rape and Sexual Offences (under 16)	4	4	6	3	4	4	4	4	6	5	8	4	56
Robbery	0	0	2	0	0	0	0	2	0	1	1	4	10
Rural Crime	0	1	0	0	0	0	0	0	0	0	0	0	1
Terrorism Related Offences	0	0	1	0	0	0	0	1	0	0	0	0	2
Theft	9	9	13	10	17	15	12	18	7	14	15	7	146
Trading Standards Offences	2	2	1	1	5	0	4	2	1	1	4	2	25
Vehicle Crime	0	0	0	0	0	0	0	0	0	0	0	0	0
Wanted Persons & Fugitives	11	12	6	14	10	17	10	11	12	19	16	11	149
Total	501	519	533	606	564	570	517	515	419	496	516	545	6,301

Local Independent Advisory Group - The partnership has continued to support the joint LIAG with Essex Police and Epping Forest District Council. The aim of the group is to

review police working practices, to assist Essex Police better understand how its

processes and policies can affect our local communities and to give communities a voice

on key issues. The group meet quarterly.

Social Media is key to communicate strongly with communities is key. There is a very

active social media programme including the use of Twitter with over 700 followers, a

dedicated website and quarterly CSP Newsletter which is posted on our website and is

also distributed to Members, Parish Councils, local businesses through the Federation of

Small Business (FSB), local community groups, schools who then forward the newsletter

on to parents, and more. It is estimated that the newsletter reaches over 3000 readers.

Twitter: @saferbrentwood

Anti-Social Behaviour - Since April 2021 the following has been achieved:

233 reports of Anti-Social Behaviour with 28 open cases under investigation.

5 Notices of Seeking Possession have been served for a variety of different

reasons

16 Community Protection Warning served

1 Community Protection Notice served

1 FPN for breach of Community Protection Notice

5 Mediation referrals completed

Just to caveat these figures, they are quite different from last year but due to the knockon impacts of covid (court backlogs) we have had to take different approaches to cases.

Also, we are no longer serving CPWs for covid breaches in council properties.

Community Safety Projects - The CSP has remained committed to tackling such a key

issue for local communities. This year has been a different year compared to others and

a lot of projects have had to be delivered online or deferred to the following year. These

projects are aimed at a vast cross section from nursery age, young people to the

vulnerable and elderly.

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Projects delivered since April 2021 are:

Mentoring Sessions for young people to help with communication, personal development and to work on behaviours, vulnerabilities, consequences and self esteem

Outreach work in hotspot areas to engage with young people

N-Act Theatre performances for all schools. 'Friend' is a play about gangs, county lines, knife crime and consequences

'Unacceptable' performance on peer-on-peer behaviour and awareness around sexism, sexual harassment and sexual violence isn't acceptable

Crime awareness sessions delivered in schools around drugs, gangs and knife crime

Boxing project established in the Brentwood Centre for young people

Speedwatch has continued to grow despite being forced to hold off on activity during certain parts of the year. A dedicated Speedwatch email is in place for Speedwatch groups to utilise and a speed gun is available for groups to use which is located at the Town Hall and co-ordinated by the Community Safety team & volunteers. Whilst this scheme is primarily to target speeding drivers it is also a very visible presence in a locality which can only help to assist with discouraging burglars.

The Essex Restorative and Mediation Service holds offenders to account and helps them take responsibility for the harm they have caused. Both parties discuss next steps and the perpetrators can then make amends.

Victims are given the chance to explain the impact the crime or conflict has had on them, ask questions of the perpetrator and seek an apology. It enables offenders to be held to account for what they have done but also take responsibility for the harm they have caused. If a face to face meeting is not appropriate, they can do so indirectly via letters or messages.

Representatives from the Restorative Justice (RJ) Hub attend local monthly meetings to discuss cases and consider whether an RJ referral would be appropriate.

Since January 2016 a total of 1864 referrals have been made to the RJ Hub in Essex 1177 coming from Essex Police.

Seasonal Burglary Operation The partnership has been involved in targeting and preventing the seasonal increase in burglaries that occurs across the whole county over the Winter months. The force wide operation was Operation Mercury and highlighted the clocks going back and darker nights.

Essex Police have performed extra patrols (both visible and uniform) between November and February. They have deployed Automatic number plate readers (ANPR) resulting in number of arrests linked to burglary and other offences.

The Casualty reduction bureau has also assisted by deploying road safety checks/speed checks in areas of high burglaries so as well as road safety they are also using their technology to look for Burglars and travelling criminals using ANPR.

A number of other units within Essex police also provided assistance:

- Serious Crime Directorate was sought for advice.
- The Operational Support Group assisted in arresting suspects.
- The Special constabulary assisted in all aspects and particularly in preventative patrols.
- Active Citizens were also used to distribute crime prevention leaflets and advice
- The dog section attended and exercised their dogs in burglary hot spot areas.
- Cross border work with British Transport Police (BTP) and the Metropolitan Police Service (MPS) have carried out which resulted in the identification of a suspect who was subsequently arrested.

Operation Insight consists of a system of analysis and the deployment of resources into 'hot spots' likely to suffer burglaries, reducing the chance of them occurring. This policing operation enables the police to use resources more efficiently and maximises the

opportunity to prevent crime. Intelligence is produced weekly to highlight areas for more intensive patrolling based on their vulnerability to offences.

This is shared with partners and the Council's Community Safety team then disseminate to other departments within the Council to make sure staff are aware and can factor this information into their regular patrols, visits and work schedule etc.

Operation Insight also includes 'Cocooning' which involves crime prevention work carried out by the community policing team specifically targeting premises in the immediate vicinity of a burglary. Residents are visited and given crime prevention advice to ensure security measures are in place to reduce the risk of them becoming victims.

Local police officers are supported by County resources and have performed intelligenceled police work and high-volume deployments which have resulted in some key arrests, crime prevention and intelligence gathering. This activity maintains pressure on known offenders and aims to reduce crime.

As the report shows 2021/22 has been a very busy year for the partnership with many initiatives and projects being commissioned and delivered in order to deliver against our priorities and joint objectives.

Relationships have been developed and strengthened and the partnership is striving to deliver our partnership promise.

The Partnership Promise

We are committed to delivering local solutions to local problems that have been identified by local people.



Agenda Item 7

Committee(s): Audit & Scrutiny Committee	Date: 5 th July 2022
Subject: LGA Model Code of Conduct	Wards Affected: All
Report of: Amanda Julian Corporate Director (Law & Governance) and Monitoring Officer	Public
Report Author/s:	For: Decision
Name: Amanda Julian	
Telephone:01277 312500	
E-mail: amanda.julian@brentwood.gov.uk	

Summary

The Council adopted a Member's Code of Conduct in 2012 following changes to the Standards regime. The current Code of Conduct is in Part 5 of the Constitution, the current code was developed in conjunction with other Essex authorities to try and ensure a consistent approach to dealing with Member's conduct matters.

Since then, the Committee in Public Life published a report on standards in local government in 2019. As a response the LGA produced the Model Code of Conduct, at appendix A to this report, to regulate the behaviours of councillors.

Council is asked to adopt the Code of Conduct replacing the current code in Part 5 of the Constitution.

Recommendation(s)

Members are asked to:

- **R1.** That the Council adopt the LGA Model Code of Conduct with effect from the 1 July 2022, as set out in Appendix A.
- **R2.** Delegated authority be given to the Monitoring Officer to make the changes necessary to Part 5 of the Constitution.

Main Report

Introduction and Background

- In January 2019 the Committee on Standards in Public Life published a report which recommended that the Local Government Association (LGA) in consultation with Councillors and officers from all tiers of local government, should produce a new Model Code of Conduct.
- 2. The Model of Code Conduct was first approved by the LGA on 3 December 2020 at this point clarity was still being sought of the rules about declaring interests. The final version was produced in May 21. The revised version addressed the main concerns Monitoring Officers in Essex had. There was a survey of Monitoring Officers in Essex which concluded that most authorities were working to adopt the Model Code of Conduct in the new municipal year.
- 3. The main aim of the Model Code of Conduct is to create and maintain public trust and confidence in the role of Councillor and local government. The Model Code of Conduct sets out:
 - The general principles of conduct expected of all Councillors and specific obligations in relation to the standard of behaviour expected.
 - The type of conduct that could lead to action being taken.
- 4. The Model Code of Conduct covers the following areas:
 - Respect.
 - Bullying, harassment and discrimination.
 - Impartiality of officers of the Council.
 - Confidentiality and access to information.
 - Disrepute.
 - Use of Position.
 - Use of Local Authority resources and facilities.
 - Complying with the Code of Conduct.
 - Protecting your reputation and the reputation of the Local Authority.
 - Interests.
 - Gifts and Hospitality.
- 5. Some of the key features:
 - It has been written in the first person.
 - It contains provisions on the use of social media, including confidentiality.
 - In relation to declarations of interest there are three categories:
 - (i) Disclosable Pecuniary Interests.
 - (ii) Other Registerable Interests; and
 - (iii) Non-Registerable Interests.

There is a duty to comply with any sanction imposed.
 This strengthens those areas of declaration that have seemed weak in the past.

The Model Code of Conduct is explicit about declarations of interests that not only affect spouses, civil partners or co-habitees, but also relatives or close associates.

Current Code of Conduct	LGA new Model Code
Disclosable Pecuniary	Disclosable Pecuniary
Interests (DPIs)	Interests (DPIs)
Any contract for goods, services	Any contract made
or works which has not been fully	between the councillor or
discharged between you or a	his/her spouse or civil
Relevant Person and the	partner or the person with
	whom the councillor is
Authority or a body in which you	living as if they were
or they have a beneficial interest;	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.
A beneficial interest in any land in	Any beneficial interest in land
the Authority's area	which is within the area of the
	council.
	<u>'Land' excludes an easement,</u>
	servitude, interest or right in or
	over land which does not give the
	councillor or his/her spouse or
	civil partner or the person with
	whom the
	councillor is living as if they were
	spouses/civil partners (alone or
	jointly with another) a right to
	occupy or to receive income.
	SOURCE TO TOUCHTO INCOME.

Other Registrable Interests, formerly OPIs, have been amended as follows:

Current Code of Conduct	LGA new Model Code
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Other Pecuniary Interests

You have a pecuniary interest in any business of the Authority where it relates to, or is likely to affect:-

- (a) any person or body who employs or has appointed you; or
- (b) a decision in relation to any business of the Authority that might reasonably be regarded as affecting your financial position or the financial position of a related person to a greater extent than the majority of other Council Taxpayers, rate payers or inhabitants of your Authority's area.

Other Registrable interests (ORI).

- 1 <u>You must register as an</u> Other Registerable Interest:
- a) any unpaid directorships
- b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority
- c) any body
- (i) exercising functions of a public nature
- 4 (ii) 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)
- 5 of which you are a member or in a position of general control or management
- 6. The rules about registering interests, fewer interests are required to be registered under the new Model Code of Conduct
- 7. The threshold for registering gifts and hospitality would be increased to £50, under £50 would not need to be registered. Gifts over £50 that have been refused will be registerable.
- 8. Disclosable Pecuniary Interests the current rules are set by law and will not change as a result of adopting the new Model Code of Conduct.
- 9. The LGA has also produced:
 - Supporting guidance at appendix B
 - Training resource pack

Issue, Options and Analysis of Options

The Council can either adopt the new Model Code of Conduct or not. To not do so would mean the Council would not have the same standards as the rest of Essex.

This would make it difficult for those members that sit as Parish and County Council level as they would be subject to at least two different Model Code of Conducts.

Having a common code offers significant advantage to Councillors who will be subject to the same requirements and standards.

The supporting Guidance will all assist all Councillors and Monitoring Officers to interpret the Model Code of Conduct consistently.

A number of Council's across Essex are in the process of adopting the Model Code of Conduct.

Reasons for Recommendation

To ensure consistency in application of standards.

Consultation

The LGA have undertaken consultation.

References to Corporate Plan

To deliver an effective and efficient council to ensure transparency in decision making.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources)

and Section 151 Officer

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

There are no direct financial implications arising from this report

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and

Monitoring Officer

Tel & Email: 01277 312500/amanda.julian@brentwood.gov.uk

The Council has a duty to maintain and promote high standards of conduct by Members and co-opted Members of the Council pursuant to s27(1) Localism Act 2011. All Councils are required to have a Code of Conduct.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning and Economy)

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

There are no direct economic implications arising from this report

Equality and Diversity Implications

Name/Title: Kim Anderson, Corporate Manager (Communities, Leisure & Health)

Tel/Email: 01277 312500/kim.anderson@brentwood.gov.uk

The Model Code of Conduct and Guidance emphasis the need for Councillors to ensure those with protected characteristics are protected against discrimination.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

Background Papers

The existing Model Code of Conduct in Part 5 of the Constitution.

Appendices to this report

Appendix A: LGA Model Code of Conduct Appendix B: LGA Supporting Guidance.

Appendix A



<u>Local Government Association</u> <u>Model Councillor Code of Conduct 2020</u>

Joint statement

The role of councillor across all tiers of local government is a vital part of our country's system of democracy. It is important that as councillors we can be held accountable and all adopt the behaviors and responsibilities associated with the role. Our conduct as an individual councillor affects the reputation of all councillors. We want the role of councillor to be one that people aspire to. We also want individuals from a range of backgrounds and circumstances to be putting themselves forward to become councillors.

As councillors, we represent local residents, work to develop better services and deliver local change. The public have high expectations of us and entrust us to represent our local area, taking decisions fairly, openly, and transparently. We have both an individual and collective responsibility to meet these expectations by maintaining high standards and demonstrating good conduct, and by challenging behaviour which falls below expectations.

Importantly, we should be able to undertake our role as a councillor without being intimidated, abused, bullied, or threatened by anyone, including the general public.

This Code has been designed to protect our democratic role, encourage good conduct and safeguard the public's trust in local government.

Introduction

The Local Government Association (LGA) has developed this Model Councillor Code of Conduct, in association with key partners and after extensive consultation with the sector, as part of its work on supporting all tiers of local government to continue to aspire to high standards of leadership and performance. It is a template for councils to adopt in whole and/or with local amendments.

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

The LGA will undertake an annual review of this Code to ensure it continues to be fit-for-purpose, incorporating advances in technology, social media and changes in legislation. The LGA can also offer support, training and mediation to councils and councillors on the application of the Code and the National Association of Local Councils (NALC) and the county associations of local councils can offer advice and support to town and parish councils.

Definitions

For the purposes of this Code of Conduct, a "councillor" means a member or co-opted member of a local authority or a directly elected mayor. 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".

For the purposes of this Code of Conduct, "local authority" includes county councils, district councils, London borough councils, parish councils, town councils, fire and rescue authorities, police authorities, joint authorities, economic prosperity boards, combined authorities and National Park authorities.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a councillor, 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 councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and your specific obligations in relation to standards of conduct. The LGA encourages the use of support, training and mediation prior to action being taken using the Code. The fundamental aim of the Code is to create and maintain public confidence in the role of councillor and local government.

General principles of councillor conduct

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, councillors and local authority officers; should uphold the <u>Seven Principles of Public Life</u>, also known as the Nolan Principles.

Building on these principles, the following general principles have been developed specifically for the role of councillor.

In accordance with the public trust placed in me, on all occasions:

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

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest
- · I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.

Application of the Code of Conduct

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

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

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

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

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

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

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

Standards of councillor conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a councillor. Should your conduct fall short of these standards, 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 councillor:

- 1.1 I treat other councillors and members of the public with respect.
- 1.2 I treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority 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 councillor, 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 councillors.

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 report them to the local authority, the relevant social media provider or the police. This also applies to fellow councillors, where action could then be taken under the Councillor Code of Conduct, and local authority employees, where concerns should be raised in line with the local authority's councillor-officer protocol.

2. Bullying, harassment and discrimination

As a councillor:

- 2.1 I do not bully any person.
- 2.2 I do not harass any person.
- 2.3 I 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. Councillors have a central role to play in ensuring that equality issues are integral to the local authority'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 councillor:

3.1 I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.

Officers work for the local authority 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 councillor:

- 4.1 I do 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 local authority; and
 - 3. I have consulted the Monitoring Officer prior to its release.
- 4.2 I do not improperly use knowledge gained solely as a result of my role as a councillor for the advancement of myself, my friends, my family members, my employer or my business interests.
- 4.3 I do 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 local authority must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute

As a councillor:

5.1 I do not bring my role or local authority into disrepute.

As a Councillor, 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 councillors and/or your local authority and may lower the public's confidence in your or your local authority's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring your local authority into disrepute.

You are able to hold the local authority and fellow councillors 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 councillor:

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

Your position as a member of the local authority 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.

7. Use of local authority resources and facilities

As a councillor:

- 7.1 I do not misuse council resources.
- 7.2 I will, when using the resources of the local authority or authorising their use by
 - others:
 - a. act in accordance with the local authority'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 local authority or of the office to which I have been elected or appointed.

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

Examples include:

- office support
- stationery
- equipment such as phones, and computers
- transport

access and use of local authority buildings and rooms.

These are given to you to help you carry out your role as a councillor 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 local authority's own policies regarding their use.

8. Complying with the Code of Conduct

As a Councillor:

- 8.1 I undertake Code of Conduct training provided by my local authority.
- 8.2 I cooperate with any Code of Conduct investigation and/or determination.
- 8.3 I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.
- 8.4 I 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 councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer.

Protecting your reputation and the reputation of the local authority

9. Interests

As a councillor:

9.1 I register and disclose my interests.

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, local authority employees and fellow councillors 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 councillors 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 set out in **Table 1**, is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your Monitoring Officer.

10. Gifts and hospitality

As a councillor:

- 10.1 I do 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 local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage.
- 10.2 I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.
- 10.3 I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.

In order to protect your position and the reputation of the local authority, 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 councillor. 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 councillor, 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 councillor. If you are unsure, do contact your Monitoring Officer for guidance.

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 Registering interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1** (**Disclosable Pecuniary Interests**) which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2** (**Other Registerable Interests**).

"Disclosable Pecuniary Interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"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.

- 1. 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.
- 2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
- 3. 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.

Non participation in case of disclosable pecuniary interest

- 4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.
- 5. [Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it]

Disclosure of Other Registerable Interests

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

Disclosure of Non-Registerable Interests

- 7. Where a matter arises at a meeting which *directly relates* to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.
- 8. Where a matter arises at a meeting which affects
 - a. your own financial interest or well-being;
 - b. a financial interest or well-being of a relative or close associate; or
 - c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in **Table 2**

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

- 9. Where a matter (referred to in paragraph 8 above) affects the financial interest or well-being:
 - a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
 - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

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

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

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

Table 1: Disclosable Pecuniary Interests

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

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the

	councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	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 councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.
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 councillor's knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the councillor'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 (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were

spouses/civil partners have a beneficial
interest exceeds one hundredth of the
total issued share capital of that class.

^{* &#}x27;director' includes a member of the committee of management of an industrial and provident society.

Table 2: Other Registrable Interests

You must register as an Other Registerable Interest:

- a) any unpaid directorships
- b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority
- c) any body
 - (i) exercising functions of a public nature
 - (ii) directed to charitable purposes or
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

of which you are a member or in a position of general control or management

^{* &#}x27;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.

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 <u>Local Government Ethical Standards</u>. 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 councillors to comply with any formal standards investigation and prohibiting trivial or malicious allegations by councillors.

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 councillors 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 councillor 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 the Code on an annual basis to ensure it is still fit for purpose.

Appendix B

 $\underline{https://www.local.gov.uk/publications/guidance-local-government-association-model-councillor-\underline{code-conduct}}$



Agenda Item 8

Committee(s): Audit & Scrutiny	Date: 5 July 2022
Subject: #OneTeam Transformation Programme	Wards Affected: all
Report of: Jonathan Stephenson	Public
Report Author/s:	For
Name: Steve Summers	Decision
Telephone: 01277 312500	
E-mail: steve.summers@brentwood.gov.uk	

Summary

The purpose of this report is to provide an update to the Committee on the progress of the #OneTeam Transformation Programme.

The Committee is invited to pre-scrutinise the s113 Agreement and propose recommendations to Policy, Resources & Economic Development Committee (PRED) before its formal execution. The purpose of pre-scrutiny is to provide robust and constructive challenge and make any comment or suggestion which will improve the quality of the s113 Agreement before it is executed.

Recommendation(s)

Members are asked to:

- **R1. Note the progress of the #OneTeam Transformation Programme.**
- R2. Consider the draft s113 Agreement and to provide robust and constructive challenge and make recommendations to Policy, Resources & Economic Development Committee as it sees fit.
- R3. To recommend that Policy, Resources & Economic Development Committee, subject to recommendation 2, approves the draft s113 Agreement.

Main Report

Introduction and Background

On 26 January 2022 (the "January Meeting") the Council resolved to agree the Strategic Partnership between the Council and Rochford District Council (RDC) and appointed Jonathan Stephenson as the Joint Chief Executive for both councils. In addition, Council delegated authority to the Joint Chief Executive to undertake a restructure of Tiers 2 and 3 of the councils in consultation with the Leader of each council.

- 2. At the January Meeting, the Council further approved the Heads of Terms which underpin the Strategic Partnership and delegated authority to the Joint Chief Executive and the Monitoring Officer in consultation with the Leader to enter into a Memorandum of Understanding ("MOU") and s113 Agreement to give effect to the Strategic Partnership. The Committee will recall that the Heads of Terms set out the key points and principles which underpin the Strategic Partnership. From these the two councils have agreed the MOU which will set out in more detail how the partnership will work going forward. The MOU is not a contractual document but the obligations contained within it set a precedent for how the two councils intend to work together and so it is dependent on the trust and confidence which has been built through the process. The s113 Agreement is a more formal legal agreement created pursuant to s113 Local Government Act 1972 to make the councils' respective workforces available to one another and to adopt harmonised terms and conditions; in the first instance for Tiers 1, 2 and 3 but going forward, subject to Business Cases, for the rest of the workforce.
- 3. Following pre-scrutiny of the arrangements by the overview and scrutiny committees of both councils prior to the January Meeting, the Council accepted their recommendations and at the January Meeting, the Council further resolved as follows:
 - that the MOU and s113 Agreement should make provision for robust Exit Arrangements and a Member-led Conflict Resolution Process
 - that the s113 Agreement comes to this committee for scrutiny before it is executed
 - that feedback from residents as to the impact of the partnership on services is regularly sought and reported upon.
 - That there be an early review of technology in Phase 2 of the Transformation Programme to identify threats and/or opportunities.
 - That the MOU and/or other document that underpins the Strategic Partnership makes clear that whilst the division of the savings achieved as part of the transformation process is to be agreed between the two councils, that the starting point for that discussion should be 50/50.
- 4. Since the January Meeting, there has been a significant amount of work to bring the vision of the Strategic Partnership to life. Creation of a single unified officer team as #OneTeam is at the heart of that vision and so the project has been titled the #OneTeam Transformation Programme.
- 5. It was noted at the January Meeting that the #OneTeam Transformation Programme will report annually to each council and to the Policy, Resources and Economic Development Committee ("PRED") for the Council and

quarterly to the Executive for RDC. In advance of these meetings, reports will be presented to each council's Scrutiny Committee in order that questions can be asked and performance scrutinised and recommendations made. This report is the first of those planned reports.

Issue, Options and Analysis of Options

PROGRESS TO DATE Pay structure harmonisation

6. The creation of a single unified officer team requires both councils' pay policies to align and accordingly, a report was brought to a meeting of the Council on 22 June 2022 where a new Pay Policy Statement was adopted. A report in near identical terms was taken to RDC on 15 June 2022 and the same resolution was made.

Senior Leadership Restructure - Tier 2

- 7. The first activity for the #OneTeam Transformation Programme has been the review of the senior leadership structure at Tier 2 (Strategic Director) and Tier 3 (Assistant Director/Corporate Director) levels. East of England Local Government Association (EELGA) has been supporting the Joint Chief Executive and both Leaders in this process.
- 8. The new Tier 2 structure has been in place since 28 March 2022. This was a reduction in FTE from 4 posts to 3 posts across both councils. Advice from EELGA was that although the roles had increased in volume (i.e. working across 2 councils) the job descriptions had not substantially changed and so were capable of assimilation without the requirement for a further appointment process. Accordingly, the working arrangements were achieved via a secondment arrangement in the short term as formal appointment could only be made once the new unified pay policy had been agreed by both councils.
- 9. The intention behind the new Tier 2 roles is that each Strategic Director will have a lead responsibility for a designated place/locality across both geographies. They will the key point of contact for all strategic issues affecting that locality to ensure a customer focussed and inclusive community response. This will build strong, effective networks at local, county, regional and national levels to ensure that both councils' voices are heard, and views represented on matters that are important to the community. Each Strategic Director will also have responsibility for overarching programmes of work and will lead, champion and ensure delivery identifying and managing resources and stakeholders to ensure

success. All Strategic Directors will deputise for the Joint Chief Executive as directed. This may mean on key functional activity, consultations, or representing the councils at key events. A Strategic Director will be the designated Deputy Chief Executive to be the first point of call for strategic issues in the absence of the Joint Chief Executive.

- 10. The new Tier 2 roles are as follows:
 - Strategic Director (Deputy CEO) with particular corporate strategic responsibility for the customer experience, external partnerships, HR and governance and is the SRO (Senior Responsible Owner) for #OneTeam Transformation Programme who is the place lead for Rochford town and Shenfield. The role is out to recruitment following the resignation of the incumbent.
 - Strategic Director with particular corporate strategic responsibility for housing and development, assets, communities and health who is the place lead for Rayleigh and Ingatestone. The appointee to this role is Ian Winslet.
 - Strategic Director- with particular corporate strategic responsibility for finance, environment, planning and economic development who is the place lead for Hockley and Brentwood. The appointee to this role is Steve Summers.
- 11. It is proposed that the Council will formally appoint these Chief Officers in due course.
- 12. As set out at the January Meeting, it is proposed that a further saving of 1 post at Tier 2 will be created after the #OneTeam Transformation Programme is completed

Senior Leadership Restructure – Tier 3

- 13. A restructure of Tier 3, which is the Council's Assistant Director tier (Corporate Director tier at BBC) began on 11 April 2022. Following consultation, there is a reduction from the current 12 posts to 9. A structure chart is attached as Appendix A.
- 14. These new Tier 3 roles are intended to work across both councils but represent a step change in responsibility and skills from the current roles as well as a reduction in number. Accordingly, it is necessary to run a formal HR appointment process. EELGA has been supporting the Joint Chief Executive and both Leaders in this process.
- 15. As part of that formal appointment process the RDC Chief Officer
 Appointments Committee of the Council and the BBC Staff Appointments
 Committee were convened to participate in the selection process. On 1 June

- 2022 both committees met and resolved to each create a sub-committee to operate as a member interview panel.
- 16. Training for members of each sub-committee was provided on 13 and 14 June 2022.
- 17. On 15 and 16 June 2022 both sub-committees comprised the member interview panel and participated in the selection process for the Tier 3 roles. Both sub-committees were required to agree on the proposed candidate which they believed should be appointed. Each sub-committee then recommended that candidate to their originating committee. The RDC Chief Officer Appointments Committee and the BBC Staff Appointments Committee each met on 16 June 2022 to formally appoint the relevant candidates.

Creation of the Transformation Unit

- 18. In order to run the #OneTeam Transformation Programme, a Transformation Unit has been created. The Transformation Unit comprises the following:
 - SRO (Tier 2 Strategic Director)
 - Programme Manager
 - Service Delivery lead (Tier 3 Director to be confirmed)
 - Workforce Development lead
 - Comms & Engagement Workstream lead
- 19. A robust programme management methodology which supports delivery, reporting and management of risk has been set up. An external Programme Manager has been appointed and they have created a suite of tools:
 - Project plan
 - Risk register along with issues log and mitigations
 - Accumulative benefits tracker
 - Highlight reports
 - Programme resource tracker
 - Business case template and user manual
- 20. A temporary external appointment was made to the role of workstream lead for the Comms & Engagement Workstream pending re-structure of both councils' communications teams. The appointment has now come to an end. The external adviser had subject matter expertise in communications in a joint council setting and has produced a business case for change which will be taken through the programme governance in due course. The workstream lead has also curated an internal communications newsletter for

- staff which provides information for all employees as to the progress of the #OneTeam Transformation Programme.
- 21. The workstream lead for the Workforce Development Workstream is an internal secondment following the re-structure of both councils' HR teams (see below).

Creation of Programme Governance

- 22. As part of the Transformation Unit, a formal Project Team has been established, comprising the Programme Manager, the SRO, the Joint Chief Executive and the workstream leads for Workforce Development and Comms & Engagement. It is intended that the workstream lead for Service Delivery will be within a Tier 3 role once the Tier 3 restructure has been completed. The Project Team meets monthly and its Terms of Reference are set out in Appendix B.
- 23. A Programme Board has been established, comprising the SRO, the Joint Chief Executive and both Leaders. The Programme Board meets at least quarterly and its Terms of Reference are set out in Appendix C. Notes of the Programme Board will be made available to members.
- 24. The main purpose of the Project Team is to ensure that business cases for change to services ("Business Cases") are presented to the Programme Board for agreement as part of Phase 2 of the #OneTeam Transformation Programme. Phase 2 is the alignment of service delivery and creation of joint working opportunities and is scheduled to take place from September 2022 to September 2024. Phase 2 contemplates that services delivered by both Councils will be transformed to optimise opportunities for improved delivery across both councils in order to achieve the vision and ambitions of the Strategic Partnership. Proposals for transformation of services will be subject to a robust service review methodology and captured in Business Cases.
- 25. To date, the Programme Board has agreed a Business Case for a single unified HR service which will operate across both councils. As there is no additional corporate governance required to give effect to that restructure, the implementation of the new team is moving ahead. The new structure comprises the joint appointment of HR Partnership Manager who will work across both organisations and be the Workforce Development Workstream Lead for the #OneTeam Transformation Programme. They also have line management responsibilities for 4 officers undertaking operational HR delivery in both councils (2 in each council).

26. A Business Case has also been produced for a unified Communications service which will operate across both councils. Due to risks associated with early implementation of this Business Case, Project Team has been delayed implementation to Phase 2 of the #OneTeam Transformation Programme to align with the review of Tier 4 and associated service reviews which is due to take place from September 2022 onwards (see below).

Roadmap

27. Phase 2 of the #OneTeam Transformation Programme will be delivered via a series of service review projects the order of which will be finalised once the Tier 3 restructure is complete. The integration of back-office services – the business of doing the business - will be a priority. This is because it will be important to stabilise the core of the councils' business and the new single officer leadership team to preserve service delivery and continuity. It will also be a priority to focus on improvements to the customer experience so that the benefits of the Strategic Partnership can be demonstrated to residents as soon as possible.

Key Change Champions

28. Those members of staff who are the Key Change Champions have been defined and a training programme to help them prepare for the role has begun. Key Change Champions are a fundamental component of the change management of the #OneTeam Transformation Programme. Key Change Champions represent the voice of the workforce and bring with them first-hand experience of operational delivery, ideas for how the business can be improved and the changes needed to make that improvement happen. They have drive and ambition to bring that to fruition; they are respected by their peers, and they have the ability to bring a strong staff "voice" to the project. More than 20 Key Change Champions from across both councils have been appointed to the group.

Creation of MOU and s113 Agreement

- 29. The draft s113 Agreement is set out at Appendix D. It has been drafted by external lawyers. In accordance with the recommendations of the January Meeting, the s113 Agreement comes to this committee for pre-scrutiny before it is executed. The draft is in the late stages of development but will require further amendments before it is ready for execution.
- 30. The recommendations of both councils' scrutiny committees have been captured within the draft:
 - Exit Arrangements this is set out in clause 24;
 - Member-led Conflict Resolution Process this is set out in clause 23; and

- Whilst the division of the savings achieved as part of the transformation process is to be agreed between the two councils, that the starting point for that discussion should be 50/50 this is set out in the Financial Protocol.
- 31. The main features of the draft s113 Agreement are set out below
 - <u>Background</u> This sets out the Parties aspirations to realise economies and efficiencies by working closely together through the strategic partnerships and by each authority placing staff at the disposal of the other.
 - <u>Clause 1 and 2 Definitions and Interpretation</u> Sets out the definitions used in the agreement and shall interpreted in accordance with the MOU contained in Schedule 1.
 - <u>Clause 3 Duration of the Agreement</u> The agreement shall remain in force until terminated under the terminations provision.
 - <u>Clause 4 Collaborative Working</u> This, together with the MOU contained in Schedule 1, establishes the aims, benefits and intended outcomes of the agreement and the high-level principles which underpin it.
 - <u>Clause 5 Delegation of Functions</u> This makes it clear that the
 arrangements do not transfer statutory functions from one Council to
 another and that shared officers discharge the functions of the authority they
 are acting for at the time as an officer of that authority. Should the Councils
 wish to delegate any functions to one another in the future then this must be
 accomplished through a separate agreement
 - <u>Clause 6 Sharing Employees</u> This, together with Schedule 5, establishes
 the arrangements for sharing staff by listing the posts being integrated and
 combined. It also provides a framework for the management, appraisal and
 supervision of the shared executive director together with a mechanism for
 the parties to raise any concerns in relation to their performance.
 - <u>Clause 7 Transformation Programmes and Projects</u> This establishes the principles and collaboration between the Parties for the #OneTeam Transformation programme and projects.
 - <u>Clause 8 Accountability</u> This sets out the accountability of post holders and requires the development of detailed arrangements as to the responsibility of post holders
 - Clause 9 Governance This makes clear that each Party has its own governance and decision-making structures independent of this Agreement and the Parties agree the Sovereignty Principles. The joint Chief Executive and the Programme Board shall administer the operation of this Agreement. There is a requirement for the Chief Executive, Monitoring Officer and the Section 151 officer to carry out an annual review of the arrangements to evaluate performance, effectiveness and outcomes and recommendations be referred to the Programme Board and Overview and Scrutiny Committee.
 - <u>Clause 10 Financial arrangements for Postholders -</u> This makes the employing authority solely responsible for payments due under contracts of

- employment. The non-employing council is responsible for expenses incurred in carrying out duties for them provided they are of a nature payable under the employer's expenses policy. The non-employing councils are also responsible for any training they require a postholder to undertake in relation to s.113 duties carried out for that council. The sharing of savings is dealt with below.
- <u>Clause 11 Financial Protocol</u> This provides for the financial protocol at Schedule 3 which sets out the financial relationship between the parties and includes provisions relating to financial planning, management, reporting, risk management, audit and the sharing of savings. The financial protocol will ensure that the authorities discharge their fiduciary duties to their Council Tax payers as far as the arrangements are concerned.
- <u>Clause 12 Human Resources Protocol</u> This sets out, in schedule 3 the protocol for dealing with HR issues. It is not a substitute for the parties' existing HR policies and procedures.
- Clause 13 Indemnities and Liabilities Each party indemnifies the other against damage caused by that party's negligence, (excluding the contributory negligence of the other parties). As far as post-holders are concerned the non-employing party is responsible for the acts/omissions of a postholder when performing s.113 duties for that party and the employing party is responsible when they are performing duties for the employer. This puts the parties in the same position as if they were not sharing officers. TUPE is not expected to apply but if it is subsequently found to apply (TUPE is a question of fact and law rather than intention) then the transferor indemnifies the transferee in respect of liabilities which arise due to their act or omissions and the transferee indemnifies the transferor in respect of those which arise due to their acts or omissions. Liabilities incurred as a result of the acts or omissions of more than one party shall be apportioned reasonably. Parties are under a duty to mitigate losses.
- <u>Clause 14 Insurance</u> The parties shall maintain insurance in respect of
 potential liabilities arising from the arrangements. Where they do so they
 must ensure that they cover liabilities incurred through their own staff
 performing employee duties and the staff of other parties performing s.113
 duties.
- Clause 15 Standards of Conduct This requires the parties to ensure that
 the arrangements comply with statutory requirements and guidance in
 respect of conduct, probity and good corporate governance. The parties will
 review and where appropriate amend their constitutions as necessary to
 comply with the agreement and enable the arrangements to run as smoothly
 as possible. This does not require a party to make alterations which it
 reasonably considers would be inconsistent with the Sovereignty Principles.
- <u>Clause 16 Conflict of Interest</u> This sets out the procedure for dealing with conflicts of interest arising from the arrangements. It identifies two types,

- private interest conflicts and combined working conflicts. The former may arises where an employee discharging s.113 duties has a private conflict with the non-employing party. In such circumstances the conflict is notified to and recorded by the employing party in accordance with their own procedures.
- <u>Clause 17 Complaints</u> Third party complaints are dealt with using the complaints procedure of the appropriate party. The parties may agree a combined complaints procedure in writing.
- <u>Clause 18 Ombudsman and Proceedings</u> The parties shall co-operate with one another as required in relation to Ombudsman investigations.
- <u>Clause 19 Intellectual Property</u> The parties grant one another a licence/rights to use each other's intellectual property rights for the purposes of the agreement. The parties shall agree their respective rights in relation to any IPR jointly created through the arrangements.
- Clause 20 Confidentiality & Data Protection This requires the parties to treat confidential information appropriately and sets out limited circumstances in which it may be disclosed. It provides, in Schedule 7, a Data Sharing Protocol which must be complied with and requires the parties to comply with the Data Protection Act 1998.
- <u>Clause 21 Freedom of Information</u> The parties shall co-operate with one another to enable them to fulfil their obligations under FOIA and shall consult one another before disclosing information relating to the arrangements.
- Clause 22 Default This provides a mechanism to deal with breaches of the agreement which are capable of remedy. The parties shall meet and agree a remedial action plan giving the defaulting party a reasonable period to remedy the breach. If a party is not satisfied that the defaulting party has complied with the plan it may initiate the dispute resolution procedure (clause 23) or terminate the agreement (clause 24).
- <u>Clause 23 Disputes</u> This provides a tiered mechanism for the resolution of disputes. The first stage is a meeting between the parties' representatives who will endeavour to resolve the dispute. Escalation is to the Leaders of each council.
- Clause 24 Termination This sets out the circumstances in which the agreement may be terminated. It may be terminated at any time by agreement and upon 12 months' notice by any party. Individual post holders are removed from the agreement if they cease to be employed by an employing party. The agreement may be terminated on 20 working days' notice by an innocent party where another party commits a material breach incapable of remedy or one which is capable of remedy but has not been remedied in accordance with Clause 23. The agreement may also be terminated after a reasonable period where it is no longer possible to fulfil it due to a change in law or guidance from the Secretary of State and the

- parties are unable to agree a suitable variation to enable the obligations to be fulfilled. In the event of termination, the parties shall use all reasonable endeavours to minimise disruption to the continued delivery of services and staff and agree an Exit Plan in accordance with Schedule 9.
- <u>Clause 25 Changes and Variations</u> This allows the parties to propose and agree variations to the agreement.
- <u>Clauses 26-33</u> These are standard provisions relating to the service of notices, waiver, severance and transfer etc.

Reasons for Recommendation

32. The s113 Agreement is legally required to give effect to the Strategic Partnership between the Council and RDC and is necessary to underpin the appointments at Tiers 1, 2 and 3 plus other workforce alignment as progressed pursuant to Business Cases.

Consultation

33. There has been no public consultation required to date. Statutory employee consultation has been undertaken as required by HR processes.

References to Corporate Plan

- 34. The Partnership will identify further opportunities for beneficial shared service arrangements with other local authorities. In addition, the Partnership's strategic priorities of:
 - Deliver financially sustainable, high-quality services that are valued by our community;
 - Lead the way to improve our environment by acting locally, contributing globally;
 - Provide high quality, sustainable housing to meet the needs of our community;
 - Improve the quality of life, health and wellbeing of our residents; and
 - Create opportunities for economic growth and improved connectivity in which businesses can flourish;

broadly reflect the Council's priorities of :

- Growing the economy;
- Protecting the environment;
- Developing communities;
- Improving housing; and
- Delivering an effective and efficient council.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

- 35. A total project budget of £600k was agreed for the duration of the #OneTeam Transformation Programme, to be split equally between RDC and BBC. Of this it was anticipated £230k would be spent in the first year of the programme. To date £119k has been spent or committed against this budget, leaving £111k available for the remainder of the year.
- 36. The anticipated profile of the programme savings was set out in detail in the report agreed by Council at the January Meeting. This showed a joint total savings ambition across both RDC and BBC of between £595k and £853k per annum by the end of the programme in 2025/26. This was broken down into three phases; with Phase 1 being based on the creation of a single unified leadership team by September 2022.
- 37. Estimated savings were shown as a range, following indicative benchmarked salary forecasts at the early stage of analysis. The lower number of the range was based on proposed headcount appointed at the mid-point of a revised salary scale (as per the EELGA Benchmarking Report) and the higher number of the range was based on proposed headcount appointed at the bottom of that scale. A new Pay Policy Statement for Tiers 1-3 was subsequently approved by Council on 22 June 2022 (15 June for RDC) and the anticipated savings will be updated to reflect that decision, and the outcome of the Tier 3 appointment process.
- 38. Displacement of employees following the Tier 3 appointments process may give rise to redundancy and/or pay protection which will have further financial implications.
- 39. Phase 2 savings are more difficult to quantify with accuracy at this stage as the changes required to deliver a unified workforce at Tiers 4 and below will be inherently linked to the service re-design process. Re-designed services will be agreed via individual Business Cases which will be subject to internal programme governance before formal approval by each council if required in line with corporate governance.
- 40. The financial position of the programme will continue to be closely monitored as it progresses, and will be regularly reported to Audit & Scrutiny Committee and PRED as well as Ordinary Council.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and

Monitoring Officer

Tel & Email: 01277 312500/amanda.julian@brentwood.gov.uk

- 41. At the January Meeting, the Monitoring Officer was given delegated authority in consultation with the Constitution Working Group to make any required changes to the Constitution to give effect to the recommendations agreed.
- 42. Failure to adopt a s113 Agreement will prevent sharing of staff between the two councils and frustrate the #OneTeam Transformation Programme and the ambitions of the Strategic Partnership.
- 43. Further work will continue to be undertaken to complete the drafting for the s113 Agreement before it is executed.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning and Economy)

Tel/Email: 01277 312610/philip.drane@brentwood.gov.uk

44. The establishment of a Strategic Partnership between Rochford District Council and Brentwood Borough Council enables two relatively small district councils to gain a stronger and more influential regional voice. This will assist in securing additional opportunities for public and commercial sector inward investment into both council geographic areas.

Equality and Diversity Implications

Name/Title: Kim Anderson, Partnerships, Leisure & Funding Manager Tel/Email: 01277 312634/kim.anderson@brentwood.gov.uk

45. None.

Other Implications

- 46. Project risk management is the process of identifying, assessing and responding to any risk that arises over the lifecycle of a project, to ensure the project remains on track and meet its objectives. As part of the central #OneTeam Transformation Programme central documentation, a risk register has been created.
- 47. In line with the agreed Terms of Reference, this register is reviewed and discussed at the #OneTeam Project Team meetings and shared with the #OneTeam Programme Board by way of exception reporting. At the time of writing this report, the top initial programme risks are outlined in Appendix E also showing the adjusted rating on taking mitigating actions.

Background Papers

None.

Appendices to this report

Appendix A: Structure chart

Appendix B: Project Team - Terms of Reference Appendix C: Programme Board – Terms of Reference Appendix D: Draft s113 Agreement

Appendix E: Initial programme risks

HOUSING



Housing Options

Homeless-ness

HRA Stock Management

Housing Strategy & Partnerships

Strategic

Housing Delivery
Programme

ASELA & LDP CROSS OVER ASSETS & INVEST-MENT



Asset Management

Facilities Management

Parking

Health & Safety

Council Companies

Capital Programme & Regeneration

Asset Delivery Programme

Oversee leisure contract management

ASELA

COMMUNITIES & HEALTH



Communities & Partnerships

ASELA & LDP CROSS OVER

> Leisure (sports and health improvements /initiatives), Culture and Health

Public Health

Community Safety

Licensing

Safeguarding

Environmental Health

Emergency planning & business continuity

RIPA

CUSTOMER & DATA INSIGHT



Customer Services

Performance & Data Insight

ICT & Data Protection

Connect Programme

ASELA

Policy & Delivery



Policy Development & Innovation

Grants and funding

Research & Service Design

#OneTeam Transformation

Communications & Digital Engagement

ASELA

PEOPLE & GOVERNANCE



Democratic Services

Civics

Elections

Legal Services

People Services (HR&OD)

DPA/FOI

Post room & secretarial support

ASELA

RESOURCES



Finance & Accounting

Payments & Income

Procurement

Revenues & Benefits

Audit & Fraud

ASELA

ENVIRONMENT



Waste & Recycling

Public Realm, Open Spaces

Country Parks

ASELA & LDP CROSS OVER

Building Control

Climate Change

PLACE



Economic
Development &
Inward

Tourism & Visitor Economy

ASELA & LDP CROSS OVER

Planning (DM & Enforcement)

Planning Policy & Strategy

Appendix A







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#OneTeam Transformation Programme

Programme Governance #OneTeam Transformation Project Team Terms of Reference v2. (April 2022)

1. PURPOSE

1.1 The #OneTeam Project Team is ultimately responsible for supporting the delivery of all aspects of the #OneTeam Transformation Programme

2. RESPONSIBILITIES

- 2.1 Implementing the Programme vision;
- 2.2 Creating the Programme project plan and delivering against agreed key milestones and actions;
- 2.3 Ensuring the Programme is sufficiently resourced;
- 2.4 Developing supporting processes, procedures and templates to enable the delivery of the Programme;
- 2.5 Workstream leads to deliver against their key milestones -
 - 2.5.1 Communicating information about the Programme to staff, Members, external customers and stakeholders and facilitating engagement via the Communication and Engagement Workstream lead
 - 2.5.2 Ensuring staff are supported and developed to possess the right skills and knowledge via the HR and Workforce Development Workstream lead
 - 2.5.3 Progressing and monitoring agreed projects, following approval of #OneTeam business cases via the Service Delivery Workstream lead to deliver benefits
- 2.6 Mitigation of risks associated with the Programme and those escalated from the provider of Programme Management Services/Programme Manager;
- 2.7 Reviewing service reviews and supporting #OneTeam business cases to check alignment with the principles and objectives of the Programme, before they are considered by the Programme Board;
- 2.8 Agreeing escalated items to the Programme Board and/or Programme Sponsor; and
- 2.9 Reviewing reports and reporting to management and/or Council meetings

3. CHAIR, SECRETARIAT & MEETING FREQUENCY

- 3.1 Meetings will be chaired by the Programme Senior Responsible Officer (SRO);
- 3.2 Notes of meetings will be taken by Corporate Services and circulated within ten (10) Working Days after the meeting, with the first day being the day after the meeting (this will be reviewed as the programme progresses);
- 3.3 When the Chair has approved the notes, they will be circulated by Corporate Services to all members of the #OneTeam Programme Board for information
- 3.4 An agenda will be produced by the provider of Programme Management Services/Programme Manager (in consultation with the Programme SRO as required) and circulated to all members of the Project Team no later than five (5) Working Days before the scheduled date of the meeting;
- 3.5 Unless the Project Team members otherwise agree, the Project Team shall hold at least one meeting every month;
- 3.6 Meetings to take place by video conference

4. REPORTING

4.1 The Project Team shall receive agreed reports from the the provider of Programme Management Services/Programme Manager, identified by the Programme's SRO as being appropriate to bring to the Project Team;





- 4.2 Highlight Reporting will include the following, detailing any anticipated exceptions and emerging risks/issues and mitigation:
 - 4.2.1 Programme and Service Delivery Workstream
 - 4.2.2 Comms & Engagement Workstream
 - 4.2.3 HR & Workforce Development Workstream
- 4.3 Information from highlight reports will be reflected on the latest version of the #OneTeam Transformation Project Plan and this will be the document that outlines progress against key milestones and deliverables

5 MEMBERSHIP & EXPECTATIONS OF MEMBERS

- 5.1 The Programme SRO shall appoint up to six core Project Team Members
- 5.2 Guests may be invited to meetings of the Project Team where relevant on an ad hoc basis and with the prior consent of the Programme SRO, to include Service Leads when presenting relevant business cases

6 QUORACY

- 6.1 Meetings would require at least the following Project Team members to be in attendance:
 - Programme Sponsor
 - Programme SRO
 - Programme Manager or a Workstream Lead

7 REMOVAL OF #OneTeam PROJECT TEAM MEMBERS

- 7.1 The Programme SRO shall be entitled to remove and replace the Project Team Members (or any of them) appointed by it. Any removal of a Project Team Member shall be effected by notice in writing and shall take effect when served (subject to any contrary intention expressed in the notice);
- 7.2 Notwithstanding any other term of this Agreement, the Programme SRO shall forthwith remove a Project Team Member (in accordance with paragraph 7.1) where:
 - The Project Team Member is convicted of any offence of fraud or dishonesty; or
 - The Project Team Member ceases to be employed by the Council or an elected member of the Council;
 or
 - The Project Team Member ceases to be formally engaged or commissioned by the Council
- 7.3 If a member of the Project Team Member is removed for any of the above reasons, the Programme SRO shall appoint the successor to sit on the Project Team as a replacement member of the Team

8 REVIEW OF TERMS OF REFERENCE

8.1 The Terms of Reference for the Project Team shall be reviewed by the Programme SRO on a six monthly basis

MEMBERSHIP

Member	Role in organisation	Role on Programme
Jonathan Stephenson	Chief Executive Officer	#OneTeam Transforamtion Programme Sponsor
Angela Hutchings	Strategic Director	#OneTeam Transformation Programme SRO
Nichola Mann	HR Manager	#OneTeam Transformation Programme HR & Workforce Development Workstream Lead TBC
Angela Hogg	n/a – commissioned provider of	#OneTeam Transformation Programme
	Programme Management services	Manager
Dominic Chessum (to	n/a – commissioned provider of	#OneTeam Transformation Programme Comms
end July 2022)	Communication and Engagement	& Engagement Workstream Lead
	services	
TBC	Tier 3 Service Director TBC	#OneTeam Transformation Programme Service
	Dogg 04	Pelivery Workstream Lead

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#OneTeam Transformation Programme

Programme Governance #OneTeam Transformation Programme Board Terms of Reference (April 2022)

1. PURPOSE

1.1 The #OneTeam Transformation Programme Board is ultimately responsible for the delivery of all aspects of the #OneTeam Transformation Programme and its governance

2. RESPONSIBILITIES

- 2.1 Promote, endorse and support the Programme and its objectives;
- 2.2 Communicate information about the Programme to agreed stakeholders;
- 2.3 Review and consider presented #OneTeam business cases within the Programme;
- 2.4 Decision making (#OneTeam business cases) -
 - 2.4.1 Approve business case(s) to move to implementation, should no further programme governance be required (see 2.4.3)
 - 2.4.2 Request business case(s) be returned to Tier 3 lead for further work/more information and return to the Board
 - 2.4.3 Approve business case(s) for consideration and any further governance, to include Exec/PRED and Full Council as determined by the Programme Senior Responsible Officer (SRO)

3. CHAIR, SECRETARIAT & MEETING FREQUENCY

- 3.1 Meetings will be chaired by the Programme Sponsor;
- 3.2 Notes of meetings will be taken by Corporate Services and circulated within ten (10) Working Days of the meeting to all Board members and those attending the relevant meeting(s) as a guest;
- 3.3 An agenda will be produced by the Programme's SRO (in consultation with the Programme Manager) and circulated to all members of the Programme Board no later than five (5) Working Days before the scheduled date of the meeting;
- 3.4 Unless the Programme Board Members otherwise agree, the Programme Board shall hold at least one meeting in each quarter;
- 3.5 Meetings to take place in person and default to video conference should circumstances require;
- 3.6 Additional meetings may be arranged should there be a need;

4. REPORTING

- 4.1 The Programme Board shall receive reports and/or verbal updates identified by the Programme SRO (prepared in consultation with the Programme Manager and Programme Workstream leads);
- 4.2 Core reports/verbal updates to include the following, detailing any anticipated exceptions and emerging risks and their mitigation:
 - 4.1.1 Programme and Service Delivery Workstream
 - 4.1.2 Comms & Engagement Workstream

5. MEMBERSHIP & EXPECTATIONS OF MEMBERS

- 5.1 The Programme SRO shall appoint up to six Programme Board Members, in addition to those listed within the Membership table below (Section 9);
- 5.2 Additional members and/or guests may be invited to meetings of the Programme Board on either a regular or ad hoc basis and with the prior consent of the Programme's SRO

6. QUORACY

- 6.1 Meetings would require at least the following Programme Board members to be in attendance:
 - Programme Sponsor
 - Programme SRO
 - Programme Member Sponsor (Rochford District Council)
 - Programme Member Sponsor (Brentwood Borough Council)

7. REMOVAL OF #OneTeam TRANSFORMATION PROGRAMME BOARD MEMBERS

- 7.1 The Programme SRO shall be entitled to remove and replace the Programme Board Members (or any of them) appointed by it. Any removal of a Programme Board Member shall be effected by notice in writing and shall take effect when served (subject to any contrary intention expressed in the notice);
- 7.2 Notwithstanding any other term of this Agreement, the Programme SRO shall forthwith remove a Programme Board Member (in accordance with paragraph 7.1) where:
 - The Programme Board Member is convicted of any offence of fraud or dishonesty; or
 - The Programme Board Member ceases to be employed by the Council or an elected member of the Council; or
 - The Programme Board Member ceases to be formally engaged or commissioned by the Council
- 7.3 If a member of the Programme Board is removed for any of the above reasons, the Programme SRO shall appoint the successor to sit on the Programme Board as a replacement member of the board

8. REVIEW OF TERMS OF REFERENCE

8.1 The Terms of Reference for the Programme Board shall be reviewed by the Programme SRO on a six monthly basis

9. MEMBERSHIP

Member	Role in Organisation	Role on Programme
Jonathan Stephenson	Chief Executive Officer	#OneTeam Programme Sponsor & Programme Board
		Chair
Angela Hutchings	Strategic Director	#OneTeam Programme SRO
Cllr Simon Wootton	Leader of Rochford	#OneTeam Programme Member Sponsor
	District Council	
Cllr Chris Hossack	Leader of Brentwood	#OneTeam Programme Member Sponsor
	Borough Council	

DATED 2022

(1) BRENTWOOD BOROUGH COUNCIL

AND

(2) ROCHFORD DISTRICT COUNCIL

INTER-AUTHORITY JOINT WORKING
AGREEMENT UNDER S.113 LOCAL GOVERNMENT ACT 1972



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PARTIES

- (1) **BRENTWOOD BOROUGH COUNCIL** of Town Hall, Ingrave Road, Brentwood, CM15 8AY (**BBC**); and
- (2) **ROCHFORD DISTRICT COUNCIL** of the Council Offices, South Street, Rochford SS4 1BW (**RDC**).

BACKGROUND

- (A) Following a decision by Rochford District Council (RDC) on 20 July 2021 and a reciprocal decision by Brentwood Borough Council (BBC) on 28 July 2021 a Joint Chief Executive/Managing Director was appointed for both Parties. At their respective Council meetings in January 2022, the Councils resolved to enter into an agreement setting out how the Parties will work together.
- (B) To provide more cost effective services and to ensure that the Parties have access to the widest possible expertise, the Parties have agreed to enter into a strategic working arrangement as set out in this Agreement (**Arrangements**).
- (C) The Parties have created a shared understanding of what they want to achieve together and how they want to achieve it. The Parties wish to realise efficiencies of its service provision by working closely together and by each authority placing staff at the disposal of the other.
- (D) This Agreement includes the exercise of powers contained in Section 112 and 113 of the 1972 Act, together with the general power within section 2 of the Local Government Act 2000 ("LGA 2000") and section 1 of the Localism Act 2011 ("LA 2011"), and section 3 of the Local Government Act 1999 (duty to secure best value).
- (E) The Parties agree pursuant to s113 of the 1972 Act that officers of each authority are made available to the other for the purposes of performing functions as an officer of the other authority in order to further integrate the future delivery of the services of the Councils under the terms of this Agreement.

(F) The Arrangements may be further developed by the parties and supplemented and further schedules will be inserted into this Agreement.

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, except where the context otherwise implies or allows, the following words shall have the meanings given to them:

1312 ACC LIFE LOCAL COVERNMENT ACCUSA	1972 Act	the Local Government Act 1972;
---------------------------------------	----------	--------------------------------

Agreed A Business Case shall for the purposes of this Agreement be Business Case agreed by the Parties and come into effect when it has been

approved by each party in accordance with its own internal

governance processes and signed by both Parties;

Agreement this agreement and the Schedules annexed to it as may be

varied from time to time;

Apportionment The various apportionments set out in the Financial Protocol;

Apportionment The sum payable in respect of an Apportionment **Payment**

Arrangements the arrangements made by the Parties through the

Transformation Programme for Shared Services pursuant to this Agreement, including the arrangements listed in clause 4;

Board The One Team Transformation Strategic Partnership Board as

described in Schedule 1;

Business Case The business case for change as detailed in the Methodology

including the matter set out at Schedule 5 as amended from

time to time;

CEDR Centre for Effective Dispute Resolution;

Commercially Sensitive Information

the information listed identified in an Agreed Business Case or otherwise in writing from one Party to the other comprising the information of a commercially sensitive nature including financial information, intellectual property rights of operations which one party has indicated to the other that, if disclosed would cause that party significant commercial disadvantage or material financial loss.—;

Commencement Date

the date at the beginning of this Agreement;

Confidential Information

all confidential information (however recorded or preserved) disclosed by a party or its Representatives to the other party and that party's Representatives in connection with this Agreement, including but not limited to:

- (a) any information that would be regarded as confidential by a reasonable business person relating to: (i) the business, affairs, customers, suppliers or plans of the disclosing party; and (ii) the operations, processes, product information, knowhow, designs, trade secrets or software of the disclosing party;
- (b) any information developed by the parties in the course of carrying out this agreement;
- (c) Personal Data;

and

(d) any Commercially Sensitive Information -;

Conflicts Schedule Schedule 11;

Costs Review

The costs review set out in Schedule 5;

Data Protection Legislation the UK GDPR and all other legislation and regulatory requirements in force from time to time which apply to a Party relating to the use of Personal Data (including, without limitation, the privacy of electronic communications);.

Deputy

Such appropriate strategic director or director as will deputise for the Joint Chief Executive from time to time-:

Dispute the procedure set out in Clause 24;

Resolution Procedure

individuals employed by either party in accordance with their **Employees**

Employment Contract;

Employee the duties which a Post Holder performs on behalf of the **Duties**

Employing Party as determined in accordance with their

Employment Contract;

Employee liabilities

all claims, actions, proceedings, orders, demands, complaints, investigations (save for any claims for personal injury which are covered by insurance) and any award, compensation, damages, tribunal awards, fine, loss, order, penalty, disbursement, payment made by way of settlement and costs, expenses and legal costs reasonably incurred in connection with a claim or investigation related to employment including in relation to the following:

- redundancy payments including contractual or enhanced redundancy costs, termination costs and notice payments;
- unfair, wrongful or constructive dismissal compensation;
- compensation for discrimination on grounds of sex, race, disability, age, religion or belief, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation or claims for equal pay;
- compensation for less favourable treatment of part-time workers or fixed term employees;
- outstanding employment debts and unlawful deduction of wages including any PAYE and national insurance contributions;

employment claims whether in tort, contract or statute or otherwise; andany investigation relating to employment matters by the Equality and Human Rights Commission or other enforcement, regulatory or supervisory body and of implementing any requirements which may arise from such investigation.

Employing Party

in respect of each individual Post Holder the Party that employs that Post Holder. Subject to the subsequent operation of TUPE, the Parties shall agree which Party shall be the Employing Party in accordance with the HR Protocol;

Employment the contract of employment between the Post Holder and the

Contract Employing Party;

Exit Plan the exit plan at schedule 9:

Financial the financial protocol included at Schedule 4 as amended or

Protocol replaced by the Parties from time to time;

FOIA the Freedom of Information Act 2000;

HR human resources;

HR Protocol the document entitled "HR and Management Protocol for

Establishing and Working in Combined Teams" included at Schedule 3 as amended or replaced by the Parties from time

to time;

Indirect Loss loss of profits, loss of use, loss of production, increased

operating costs, loss of business, loss of business opportunity, loss of reputation or goodwill or any other consequential or indirect loss of any nature, whether arising in tort or any other

basis;

Information [definition required]

Sharing Protocol

Input

the services, resources, Employees or other tangibles or intangibles that a party provides in accordance with this Agreement in relation to the Transformation Programme and/or

a Transformation Project

Intellectual Property Rights

or IPR all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world;

Internal
Governance
Documents

each Party's internal governance documents which includes its constitution, maintained pursuant to s.37 of the Local Government Act 2000, standing orders and procedure rules;

Joint Chief Executive Officer

the Parties' joint Head of Paid Services designated pursuant to s.4 of the Local Government & Housing Act 1989;

Law

- (1) the laws of England and Wales and any other law or regulations, regulatory policies, guidelines or industry codes of practice which apply to the Arrangements;
- (3) any applicable guidance, direction or determination with which the Parties are bound to comply to the extent that the same are published and publicly available or the existence or contents of them have been notified to it by the other Party; and
- (4) any applicable judgement of a relevant court of law which is a binding precedent in England;

in each case in force in England.

Leader

the individual appointed as such for each Party;

Loss

all damage, loss, liabilities, claims, actions, costs, expenses (including reasonable costs of legal or professional services), proceedings, demands and charges whether arising under statute, contract or at common law;

Methodology

The method by which the Transformation Programme will be achieved as agreed by the parties from time to time including the preparation of Business Cases;

Monitoring Officer

The officer appoint by each party respectively under section 5 Local Government and Housing Act 1989-:

Non-Employing Party

in respect of each individual Post Holder the Party that is not the Employing Party;

Ombudsman

the Local Government Commissioner for England (or any successor to their functions);

Operational Matters

Matters arising out of or in connection with the day to day operation of a Shared Service;

Party each of the parties to the Agreement;

Payment Mechanism The payment mechanism set out in Schedule 5;

Personal Data as defined in the Data Protection Legislation;

Post Holders individuals made available by the Parties for a Combined Team

in accordance with the HR Protocol;

Programme Documentation

The documentation agreed by the parties in respect of the Transformation Programme, including the Methodology, and

the ToR

Project Team A team of Employees known as the one team project team

which is a forum integral to the Transformation Programme

which oversees the delivery of the work underpinning it;;

Relevant

a transfer of employment to which TUPE applies;;

Transfer

Relevant in relation to a Relevant Transfer, the date upon which the

Transfer Date Relevant Transfer takes place;

Representatives means, in relation to a party, its employees, officers,

contractors, subcontractors, representatives and advisors.;;

Service A service area of each party as identified and defined by each

Party respectively from time to time.

Shared Service a joint working arrangement in respect of a Service of each

Party in accordance with an Agreed Business Case.

Shared Service Commencement

Date

The dated identified as the date upon which the Shared Service shall commence as identified in the Agreed Business

Case;

S113 Duties those duties which a Post Holder will perform for and on behalf

of the Non-Employing Party being the duties identified in the documentation establishing the Combined Team under the HR Protocol (subject to such variations as may be agreed between the Parties (and, where appropriate, the Post Holder) from time

to time);

S151 Officer Officer appointed by each party respectively under s151 Local

Government Act 1972;

Sovereignty Principles

the principles agreed by the Parties as set out in Part 2 of

Schedule 1;

Term the duration of the Agreement in accordance with Clause 3;

Termination Date

the date on which the Parties agree to cease combining and integrating the Services pursuant to the terms of this

Agreement;

ToR the terms of reference respectively for the Project Board at

Schedule 2 and the Project Team set out at Schedule 7;

TUPE the Transfer of Undertakings (Protection of Employment)

Regulations 2006 (SI 2006 No. 246) as amended or replaced or any other regulations implementing the Acquired Rights

Directive;

Transferee Party the Party to whom, subject to Regulations 4 (7) and 4 (9) of

TUPE, a Post Holder's employment contract transfers, or a Post Holder contends that their employment contract transfers,

due to a Relevant Transfer;

Transferor Party the Party who immediately before the Relevant Transfer was

the employer of a Post Holder whose contract of employment, subject to Regulations 4 (7) and 4 (9) of TUPE, is subject to a Relevant Transfer or of a Post Holder who contends that, subject to Regulations 4 (7) and 4 (9) of TUPE, their contract

of employment is subject to a Relevant Transfer;

Transformation

Project

a project in respect of a Service to deliver part of the Transformation Programme in accordance with the

Methodology and including the delivery of a Business Case to

create a Shared Service;

Transformation

Programme

the programme of transformation to facilitate combined working across the Parties known as the #OneTeam

Transformation Programme and which includes a number of workstreams delivered through a number of Transformation

Projects;

Transition Plan a plan in an Agreed Business Case which set out the

arrangements for transitioning a Service to a Shared Service;

SRO The Transformation Programme Senior Responsible Officer

being the senior officer designated by one or both of the parties

in respect of the Transformation Programme;

UK GDPR Has the meaning given to it in s 3(1)(as supplemented by

section 205(4) of the Data Protection Act 2018

Working Day any day except Saturday, Sunday, Christmas Day, Good

Friday or a day which is a bank holiday (in England) under the

Banking & Financial Dealings Act 1971.

- 1.2 In this Agreement, except where the context otherwise implies or allows:
 - 1.2.1 References to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted (whether before or after the Commencement Date) from time to time.
 - 1.2.2 The headings of the Clauses in this Agreement are for reference purposes only and shall not be construed as part of this Agreement or deemed to indicate the meaning of the relevant clauses to which they relate.
 - 1.2.3 References to Clauses, Sections and Schedules are references to the clauses, sections and schedules to this Agreement respectively and a reference to a Paragraph is a reference to the paragraph in the Schedule containing such reference.
 - 1.2.4 References to a person or body shall not be restricted to natural persons and shall include a company corporation or organisation.
 - 1.2.5 Words importing the one gender only shall include the other genders and words importing the singular number only shall include the plural.
 - 1.2.6 References to the Parties shall include any statutory successors to those local authorities.

2. NOT USED

3. DURATION OF THE AGREEMENT

This Agreement shall commence on the Commencement Date and shall continue in force until it is terminated in accordance with Clause 26.

4. COLLABORATIVE WORKING

- 4.1 The Parties agree that Schedule 1 sets out the:
 - 4.1.1 aims, benefits and intended outcomes of the Parties in entering into the Arrangements;
 - 4.1.2 overarching principles to which the Parties agree to work to in the performance of their obligations under this Agreement; and
 - 4.1.3 the Parties agree that Schedule 1 is not intended to give rise to legally binding rights and obligations between the Parties.
- 4.2 Subject to and in accordance with the terms of this Agreement and with effect from the Commencement Date, the Parties have agreed to implement the Arrangements, including but not limited to the arrangements set out in clauses 6 11.
- 4.3 The parties may implement the Transformation Programme and Transformation Projects.
- 4.4 Each Party warrants to the other that it has the power and authority to enter into, observe and perform the terms and obligations on its part to be observed and performed by it under this Agreement and has taken all necessary action and has obtained all relevant consents and approvals (statutory or otherwise) to authorise the execution and delivery of this Agreement.

5. DELEGATION OF FUNCTIONS

- Nothing in this Agreement has (or is intended to have) the effect of transferring statutory functions from one Party to another. This means that the performance by a Post Holder of their S113 Duties is done in their capacity as an officer of the Non-Employing Party. That Post Holder is not exercising functions delegated by the Non-Employing Party to the Employing Party.
- 5.2 The Parties may only delegate their statutory functions to each other in exercise of the powers contained in S101 of the Local Government Act 1972 and S17 of the Local Government Act 2000. In the event that the Parties agree to enter into such an arrangement it will be recorded in a separate agreement.

6. SHARING EMPLOYEES

- 6.1 With effect from the Commencement Date, it is agreed that, in exercise of the powers contained in Section 113 of the 1972 Act and in accordance with the HR Protocol the Parties will seek through the Transformation Programme including Transformation Projects to make the Post Holders identified in each and any Agreed Business Case, available to the other Party for the purposes of enabling each Post Holder to provide S113 Duties for the benefit of the other Party, in accordance with their individual agreement, and their S113 Duties.
- The Parties acknowledge and accept that, in order to bring into effect the process of sharing and combining S113 Duties, including in respect of the Transformation Programme, a process of consultation with Employees in accordance with the relevant Law will be required in order to seek the Employees' agreement to vary their Employment Contract enabling them to act as a Post Holder.
- 6.3 The Parties agree that they shall use their best endeavours to ensure that Post Holders shall comply with arrangements set out in the Agreed Business Case.

7. TRANSFORMATION PROGRAMME AND PROJECTS

- 7.1 The Parties agree to collaborate and shall co-operate in relation to this Agreement and in relation to the Transformation Programme and any Transformation Projects, and the Parties:
 - 7.1.1 shall comply with the ToR including the Board ToR and the Project Team ToR;
 - 7.1.2 engage the other in planning discussions in relation to the Transformation Programme and Transformation Projects from time to time; and
 - 7.1.3 facilitate regular discussions between Employees and/or Post Holders in relation to the Transformation Programme and each Transformation Project

7.2 Each Party shall:

7.2.1 supply to the other Party any information documentation and assistance reasonably requested by in relation to the Transformation Programme and Transformation Projects to enable the Parties to perform their own obligations in relation to the Transformation Programme and Transformation Projects;

- 7.2.2 review documentation, including Business Cases or other technical documentation, for use when performing its obligations in relation to the Transformation Programme or Transformation Project, as soon as reasonably practicable
- 7.2.3 supply to the other such support services and access to such accommodation and assets and on such terms as may be agreed and identified from time to time by the parties including in the Methodology and the Business Plan; and
- 7.2.4 ensure that approved Programme Documents are stored centrally with access for all Parties.
- 7.3 The Parties shall have a joint obligation to deliver the Transformation Programme, including Transformation Projects and shall:
 - 7.3.1 perform such obligations, including by providing the Inputs in accordance with timeframes or milestones (if any) specified in the Programme Documents:
 - 7.3.2 ensure that the Inputs it provides conform with descriptions and specifications (if any) set out in the Methodology or as otherwise agreed by the Parties;
 - 7.3.3 collaborate in implementing any Methodology for delivering Transformation Projects devised by the Parties from time to time;
 - 7.3.4 comply with the Methodology;
 - 7.3.5 prepare and ensure that each Business Case is prepared in accordance with the Methodology and the terms of this Agreement and such Business Case shall unless otherwise agreed by the Parties:
 - 7.3.5.1 contain at a minimum the information set out in Schedule 5; and
 - 7.3.5.2 comply with the Financial Protocol;
 - 7.3.6 comply with the terms of each Agreed Business Case as amended from time to time:
- 7.4 The Parties Shall:
 - 7.4.1 use reasonable care and skill in performing such obligations;

- 7.4.2 comply with good industry practice;
- 7.4.3 comply with all Laws applicable to it;
- 7.4.4 obtain and maintain consents, licences and permissions (statutory, regulatory, contractual or otherwise) that are necessary to enable it to comply with such obligations; and
- 7.4.5 if on the other party's premises, comply with that party's health and safety and site regulations made known to it.

8. ACCOUNTABILITY

- 8.1 For the purposes of these Arrangements, the Post Holder will be accountable to:
 - 8.1.1 the Non-Employing Party for the performance of their S113 Duties; and
 - 8.1.2 the Employing Party for the performance of their Employee Duties

9. GOVERNANCE

- 9.1 The Parties acknowledge that each Party has its own governance and decision making structures independent of this Agreement and the Sovereignty Principles are set out at Schedule 1.
- 9.2 Each Party will be responsible for ensuring that the Arrangements comply with all statutory requirements, national and local and other guidance and probity and good corporate governance.

The Board

- 9.3 The Parties agree that for the purposes of this Agreement the Joint Chief Executive and the Board shall administer the operation of this Agreement.
- 9.4 The ToR for the Board are at Schedule 2 and the ToR shall be reviewed at least annually by the Strategic Partnership Board.
- 9.5 The Board shall meet at least quarterly and meetings may take place by video conference.
- 9.6 In respect of each meeting of the Board:
 - 9.6.1 an agenda will be produced by the Joint Chief Executive Officer (in consultation with the-SRO and circulated to all members of the Board no later than five (5) working days before the scheduled date of the meeting;

- 9.6.2 meetings shall be chaired by the Joint Chief Executive Officer and in their absence a Deputy; and
- 9.6.3 minutes of such meetings will be taken and circulated within ten (10) workings days after the date of such meeting.

Transformation Project Team

- 9.7 The ToR for the Project Team are at Schedule 7.
- 9.8 The Parties shall each designate Employees to the Project Team as agreed from time to time. The Project Team shall facilitate the Transformation Programme and Transformation Projects in accordance with the terms of this Agreement and the Project Board ToR or as otherwise agreed by the parties in writing from time to time.
- 9.9 The Parties agree the Employees designated to the initial Project Team as identified in the Methodology.
- 9.10 The Project Team shall report to the Board at such times and with such frequency as directed by the Board.

Reporting

Each Council shall be responsible for ensuring that regular reporting as to the operation of this Agreement is integrated into its own corporate governance processes. The Parties agree that the Board will facilitate regular reporting on the progress of this Agreement, the Transformation Programme and any Transformation Project into each Council's respective governance processes.

Annual Review

- 9.11 The Joint Chief Executive, Monitoring Officer and Section 151 Officer shall carry out an annual review of the Arrangements for the purpose of evaluating:
 - 9.11.1 performance of the Arrangements against the targets, priorities and outcomes specified in this Agreement (or such other targets, priorities and outcomes as may be agreed between the Parties in writing from time to time); and
 - 9.11.2 the operation and effectiveness of the Arrangements and any recommendations for improvement.
- 9.12 Following a review held in accordance with Clause 9.11, any recommendations in respect of this Agreement shall be referred to the Board and then to the Overview and Scrutiny committee of each Party for further recommendations.

9.13 The Parties will consider the recommendations made pursuant to Clause 9.12 and any variations to this agreement shall be made in accordance with clause 27.

10. FINANCIAL ARRANGEMENTS FOR SHARED SERVICES

- 10.1 As part of the Parties' wider commitment to the Transformation Programme, the Parties have developed a Financial Protocol set out in Schedule 3 that establishes the principles of their financial relationship in respect of the Transformation Programme and ongoing Joint Working with effect from the Commencement Date.
- The Parties agree to be bound by the terms of the Financial Protocol and to fulfil their respective obligations thereunder.
- 10.3 The Parties may agree to vary the Financial Protocol from time to time in accordance with Clause 24.
- 10.4 In respect of each Post Holder, the Employing Party shall be responsible for the payment (subject to the Financial Protocol) of all sums due and payable to that Post Holder in accordance with their Employment Contract, including (without limitation) all tax, national insurance and pension contributions.
- 10.5 The costs associated with and in respect of the Transformation Programme and the Shared Services shall be determined in accordance with the Financial Protocol.
- 10.6 Any Apportionment Payment shall be calculated in accordance with the Financial Protocol and when any Apportionment Payment fall due and payable from one Party to the other under the Payment Mechanism the paying Party shall make such payment within 28 days of its falling due.
- 10.7 The Parties shall conduct the Costs Review at least 6 monthly in accordance with the Financial Protocol.
- 10.8 The Parties acknowledge and agree that neither Party is permitted by this Agreement to subsidise the activities of the other.

11. HUMAN RESOURCES (HR) PROTOCOL

11.1 The Parties have jointly developed the HR Protocol set out in Schedule 4 for the Transformation Programme and the ongoing management of the Shared Services arising out of or in relation to the Transformation Programme and the Arrangements. This protocol is designed to support the Arrangements and to set out some overarching guidelines but is not intended to be (and, unless the Parties expressly agree otherwise in writing, will not have the effect of being) a substitute for a Party's

- existing HR policies and procedures and neither is it intended to create legally binding rights, obligations and/or entitlements between the Parties and their Post Holders.
- 11.2 The Parties agree to be bound by the terms of the HR Protocol and to fulfil their respective obligations there under.
 - 11.3 The Parties may agree to vary the HR Protocol in accordance with Clause 24.

12. INDEMNITIES, LIABILITIES AND INSURANCE

- 12.1 Each Party shall indemnify the other Party against any Loss (excluding Indirect Loss) suffered or incurred by the indemnified arising out of or in connection with:
 - 12.1.1 the indemnifying Party's negligence or breach of contract; and
 - 12.1.2 any claim made by a third party arising out of or in connection with the indemnifying Party's negligence or breach of contract,

in each case in connection with the performance or failure of performance of the indemnifying Party's obligations under this Agreement, except to the extent that such Loss has been caused by any negligence, act or omission by, or on the part of, or in accordance with the instructions of the other Party.

- 12.2 Subject to clause 12.3 the Parties agree that they will be responsible for the activities of a Post Holder as follows:
 - the Non-Employing Party will be responsible for the acts or omissions of any Post Holder when performing their S113 Duties or otherwise acting in their capacity as an officer of the Non-Employing Party; and
 - the Employing Party will be responsible for the acts or omissions of any Post Holder when performing their Employee Duties or otherwise acting in their capacity as an officer of the Employing Party.
- 12.3 Subject to Clauses 12.4 to 12.6, any Loss incurred in relation to or arising from a Post Holder's employment whether or not following termination of employment of a Post Holder or termination of this Agreement including any award by a court or tribunal shall be the responsibility of the Employing Party. As between the Parties to this Agreement, the Non-Employing Party shall have no liability in respect of such Loss and the Employing Party agrees to indemnify the Non-Employing Party against any such Loss.
- 12.4 Where any Employee Liabilities arise partly as a result of any act or omission of the Transferee Party and partly as a result of any act or omission of the Transferor Party whether before on or after the date of the Relevant Transfer, the Parties shall

indemnify each other against only such part of the Employee Liabilities sustained by the other Party as is reasonably attributable to the act or omission of that Party.

- 12.5 It is the Parties' view that TUPE is not anticipated to apply either on the commencement of this Agreement, during the course of the Agreement and/or on the expiry or termination of this Agreement (or any part of it). However, the Parties acknowledge that it may be that, the commencement of the Agreement, the way in which the Services are provided during the course of the Agreement and/or the termination of this Agreement (or any part of it) may result in a Relevant Transfer. The provisions relating to this potential transfer or these potential transfers are set out in Schedule 8 to this Agreement.
- 12.6 In relation to the indemnities of this Clause12 and to those set out in Schedule 8 to this Agreement, the Parties agree to co- operate with each other and take all reasonable steps to mitigate any costs and expenses and any adverse effect on industrial or employee relations.

13. INSURANCE

- 13.1 Each Party shall obtain and maintain throughout the Term sufficient policies of insurance in respect of all potential liabilities arising from these Arrangements (as outlined in the Financial Protocol). A decision not to insure does not relieve a Party of its responsibilities under this Agreement.
- 13.2 Each Party agrees to ensure that:
 - where they are the Non-Employing Party, the insurance policies maintained pursuant to Clause 13.1 cover liabilities that may be incurred through the performance, by a Post Holder-, of their S113 Duties;
 - where they are the Employing Party, the insurance policies maintained pursuant to Clause 13.1 cover liabilities that may be incurred through the performance, by a Post Holder, of their Employee Duties.
- 13.3 The insurance policies maintained pursuant to clause 13.1 shall include at a minimum:
 - 13.3.1 Public Liability insurance cover of [£]
 - 13.3.2 Employer liability Insurance of [£]; and
 - 13.3.3 Professional indemnity insurance of [£].

14. STANDARDS OF CONDUCT

- 14.1 The Parties will comply and will ensure the Arrangements comply with all statutory requirements national and local and other guidance on conduct and probity and good corporate governance (including the Parties' respective Constitutions and Standing Orders).
- 14.2 The Parties will review and, where permitted and appropriate, amend their Constitution including but not limited to Standing Orders, Financial Standing Orders Schemes of Delegation, Banking Mandates and other relevant documents as necessary to ensure compliance with their obligations under this Agreement and to enable the Arrangement to operate as smoothly and efficiently as practicable. Nothing in this clause shall require a Party to make amendments which in its reasonable belief would be inconsistent with the Sovereignty Principles.

15. CONFLICT OF INTEREST

- 15.1 The Parties shall agree the Conflicts Schedule within the period of 6 months commencing on the Commencement Date.
- 15.2 The Parties agree to comply with the Conflicts Schedule as amended from time to time.

16. COMPLAINTS

- 16.1 Subject to Clause 15, complaints by third parties arising out of or in connection with these Arrangements will be dealt with in accordance with the complaints policy of the appropriate Party in force from time to time.
- 16.2 Subject to all relevant Law and guidance, the Parties reserve the right to agree a combined complaints procedure(s). Any such procedure(s) shall be documented in writing and signed by the Parties.
- 16.3 The Parties will co-operate with each other in respect of the investigation, resolution and handling of complaints in relation to this Agreement including the Arrangements.

17. OMBUDSMAN AND PROCEEDINGS AND AUDIT

- 17.1 The Parties will co-operate with investigations undertaken by the Ombudsman.
- 17.2 Each Party shall co-operate fully with the other in respect of all hearings, proceedings, enquiries and investigations relating to the Arrangements and shall permit access to

the records of the other for this purpose. Each Party shall permit and ensure the full co-operation of its Employees in any hearing, proceedings, enquiry or investigation.

17.3 The Councils shall co-operate fully with:

- 17.3.1 any investigation by a Local Commissioner following a complaint by or on behalf of a member of the public in accordance with the provisions of s.26 Local Government Act 1974, and
- 17.3.2 all enquiries and investigations initiated by the other Party's internal or external auditors.

18. INTELLECTUAL PROPERTY

- 18.1 The Parties shall to the extent permissible by law grant to each other a licence to use the other Party's relevant IPR solely and exclusively for the purposes of and in connection with this Agreement and the Arrangements.
- 18.2 Subject to Clauses 18.1 and 18.3, neither Party shall acquire from the other Party any rights to that other Party's IPR.
- 18.3 If any IPR is created, brought into existence or acquired in relation to anything jointly developed by the Parties in relation to the Agreement, the Parties shall negotiate in good faith and use all reasonable endeavours to agree the rights that each Party shall have in relation to such IPR. Following any such agreement the Parties shall to the extent permissible by law do all things and execute all documents necessary to give full effect to the agreement. If the Parties are unable to reach agreement the matter shall be referred to the Dispute Resolution Procedure.

19. CONFIDENTIALITY & DATA PROTECTION

- 19.1 The Parties shall at all times each comply with the Data Protection Legislation and shall in connection with this Agreement enter into a Data Protection Agreement.
- 19.2 Subject to clause 19.3, each Party shall keep the other Party's Confidential Information confidential and shall not:
 - 19.2.1 use such Confidential Information except for the purpose of performing its rights and obligations under or in connection with this agreement; or
 - 19.2.2 disclose such Confidential Information in whole or in part to any third Party, except as expressly permitted by this clause 19.
- 19.3 The obligation to maintain confidentiality of Confidential Information does not apply to any Confidential information:

- 19.3.1 which the other Party confirms in writing is not required to be treated as Confidential Information;
- 19.3.2 which is obtained from a third party who is lawfully authorised to disclose such information without any obligation of confidentiality;
- 19.3.3 which a Party is required to disclose by judicial, administrative, governmental or regulatory process in connection with any action, suit, proceedings or claim or otherwise by Applicable Law, including the FOIA or the EIRs;
- 19.3.4 which is in or enters the public domain other than through any disclosure prohibited by this Agreement;
- 19.3.5 which a Party can demonstrate was lawfully in its possession prior to receipt from the other Party; or
- 19.3.6 which is disclosed by the Parties on a confidential basis to any central government or regulatory body.
- 19.4 A Party may disclose the other Party's Confidential Information to those of its Representatives who need to know such Confidential Information for the purposes of performing or advising on the Party's obligations under this agreement, provided that:
 - 19.4.1 it informs such Representatives of the confidential nature of the Confidential Information before disclosure:
 - 19.4.2 it procures that its Representatives shall, in relation to any Confidential Information disclosed to them, comply with the obligations set out in this clause as if they were a Party to this Agreement; and
 - and at all times, it is liable for the failure of any Representatives to comply with the obligations set out in this clause 19.4.
- 19.5 The provisions of this clause 21 shall apply during the continuance of the Agreement and indefinitely after its expiry or termination.
- 19.6 Neither Party shall enter into issue any media release publicity concerning or affecting matters under this Agreement unless previously agreed in advance with the other at Strategic Director level or above.
- 19.7 Subject to clause 19.8 any formal statements or communications to Employees and/or members of the Parties concerning matters under this Agreement shall be agreed between the Parties in advance.

19.8 Clause 19.7 does not apply to the circulation of minutes, the routine reporting of decisions or requests for information or action to be taken.

20. FREEDOM OF INFORMATION

- 20.1 The Parties will each comply with their respective obligations pursuant to the FOIA but, without prejudice to this general obligation, will consult the other Parties prior to the disclosure of any information relating to these Arrangements.
- 20.2 Each Party will co-operate fully with the other Party for the purposes of enabling that other Party to properly fulfil its obligations under the FOIA.
- 20.3 The Parties acknowledge that they may be obliged, on request, to provide or consider the provision of information to third parties where that information constitutes or may constitute Confidential Information.
- Where a Party receives a request for information under either the FOIA or the EIR in relation to information which it is holding on behalf of the other in relation to matters under this Agreement, it shall;
 - 20.4.1 transfer the request for information to the other Party as soon as practicable after receipt and in any event within two Working Days of receiving a request for information;
 - 20.4.2 provide the other Party with a copy of all information in its possession or power in the form that the other Party requires within ten Working Days (or such longer period as the other Party may specify); and
 - 20.4.3 provide all necessary assistance as reasonably requested by the other Party to enable that Party to respond to a request for information within the time for compliance set out in the FOIA or the EIR.
- Where a Party receives a request under FOIA or EIR which relates to matters under this Agreement (the "Receiving Party") it shall notify the other Party ("the Assisting Party") and afford them an opportunity to make any comments or representations in respect of the information sought. The Assisting Party shall respond within five working days or receipt of this notification, and the Receiving Party shall in good faith consider the comments or representations made by the Assisting Party. The Receiving Party's decision as to the disclosure of otherwise of any information under the FOIA or EIR under this clause 20.5 shall be final and binding on the Parties.

21. DEFAULT

- In the event of a Party (the **Defaulting Party**) being, in the reasonable opinion of the either or both Parties (the **Other Party**), in breach of its obligations under this Agreement and such breach being capable of remedy, the following procedure will apply:
 - 21.1.1 the Other Party may request a meeting with the Defaulting Party by giving five (5) Working Day's written notice to that effect. The meeting will include the [OFFICER] of each Party;
 - following such a meeting, the Parties will discuss and agree an action plan under which the Defaulting Party will be given a reasonable period of time to remedy the default to the satisfaction of the other Party (the **Remedial Action Plan**):
 - 21.1.3 Where an Other Party is not reasonably satisfied that the Defaulting Party has complied with the Remedial Action Plan, the Other Party will have the right, at its discretion, either to initiate the Dispute Resolution Procedure in clause 22 or to exercise its right to terminate this Agreement in accordance with Clause 23.6.

22. DISPUTES

Operational matters

- In the event of a dispute concerning the construction or effect of this Agreement or that a Local Authority has failed to comply with any obligation under this Agreement the matter will be raised with the Monitoring Officer unless the matter concerns the Monitoring Officer in which case the matter will be raised with the Chief Executive.
- If the matter cannot be resolved to the satisfaction of the Local Authorities by the Monitoring Officer (or Chief Executive) within 14 days the matter will be referred to an independent arbitrator from a professional body appropriate to the matter in dispute.
- The arbitrator shall be appointed with the agreement of the Local Authorities or in the event that agreement cannot be reached, by the President or chief officer of the appropriate profession.
- For the avoidance of doubt this Clause remains in place after the termination of this Agreement to confer powers on the Local Authorities to resolve matters in dispute.

23. RESOLUTION OF BREACHES AND DISPUTES

- 23.1 In the event of a dispute concerning the construction or effect of this Agreement or that an Authority has failed to comply with any obligation under this Agreement the matter will be raised with the relevant Strategic Director unless the matter concerns the Strategic Director in which case the matter will be raised with the Chief Executive.
- 23.2 If the matter cannot be resolved to the satisfaction of the Local Authorities by the Strategic Director (or Chief Executive) within 14 days the matter will be referred to the Chief Executive.
- 23.3 If the Chief Executive cannot resolve the matter to the satisfaction of the Local Authorities within 14 days the matter will be referred to the next Board meeting (which must take place within 28 days).
- 23.4 If the Board is able to resolve the matter it will be referred to the Scrutiny/A&S Committee for formal agreement.
- 23.5 If the matter cannot be resolved by the Board to the satisfaction of the Local Authorities the matter will be referred to an independent arbitrator from a professional body appropriate to the matter in dispute.
- 23.6 The arbitrator shall be appointed with the agreement of the Local Authorities or in the event that agreement cannot be reached, by the President or chief officer of the appropriate profession.
- 23.7 For the avoidance of doubt this clause remains in effect after the termination of this Agreement to confer powers on the Local Authorities to resolve matters in dispute

24. TERMINATION

General

- 24.1 This Agreement may be terminated (in whole or in part) at any time by either Party giving to the other a minimum of twelve (12) calendar month's prior written notice.
- 24.2 This Agreement may be terminated (in whole or in part) at any time by written agreement between the Parties.
- 24.3 This Agreement may be terminated immediately at any time in respect of any or all of the Post Holders by written agreement between the Parties.
- 24.4 This Agreement, in respect of any individual Post Holder, will terminate forthwith in respect of that particular Post Holder upon the dismissal or resignation of the Post Holder from their Employing Party or upon the Post Holder withdrawing their consent to being made available pursuant to these Arrangements where applicable.

- 24.5 This Agreement will terminate in respect of any individual Post Holder upon any reorganisation or reconstruction affecting any Party whereby the Post Holder no longer holds office with their Employing Party.
- 24.6 A Party may at any time by notice in writing to another Party terminate this Agreement upon service of 20 Working Days written notice if:
 - 24.6.1 the other Party commits a material breach of any of its obligations hereunder which is not capable of remedy; or
 - 24.6.2 the other Party commits a material breach of any of its obligations hereunder which is capable of remedy but has not been remedied in accordance with Clause 22. .
- 24.7 A Party may by written notice to another Party in accordance with Clause 23.8 terminate this Agreement if:
 - 24.7.1 as a result of any change in law or legislation it is unable to fulfil its obligations under this Agreement;
 - 24.7.2 its fulfilment of its obligations hereunder would be in contravention of any guidance from any Secretary of State issued after the Commencement Date:
 - 24.7.3 its fulfilment of its obligations would be ultra vires or otherwise unlawful, and the Parties shall be unable to agree a modification or variation to this Agreement (which may include termination in part only) so as to enable the Parties to fulfil its obligations in accordance with law and guidance.
- 24.8 In the case of notice pursuant to Clause 23.7.1 or 23.7.2, the Agreement shall terminate after such reasonable period as shall be specified in the notice having regard to the nature of the change referred to in Clause 23.7.1 or the guidance referred to in Clause 23.7.2 as the case may be. In the case of notice pursuant to Clause 23.7.3, the Agreement shall terminate with immediate effect.
- 24.9 Notices served pursuant to Clause 23.6 or 23.7 will result in termination of the whole of the Agreement unless the Parties agree otherwise in writing.
 - Consequences of Termination and Exit
- 24.10 The Parties shall agree an Exit Plan in accordance with Schedule 9 within 6 months of the Commencement Date. The Parties shall thereafter review the Exit Plan annually during the Term. Where the Parties agree amendments to the Exit Plan then such amended Exit Plan shall be the Exit Plan for the purposes of this Agreement when it is signed by both of the Parties.

- 24.11 Termination of this Agreement in whole or in part (whether by effluxion of time or otherwise) shall be without prejudice to the Parties' rights in respect of any antecedent breach and the provisions of this Clause 23 and Clause 1(interpretation), Clause 12 (indemnities), Clause 13 (Insurance), Clause 20 (FOI), Clause 17 (Ombudsman, Proceedings and Audit), Clause 19 (confidentiality and Data), shall continue in full force and effect.
- 24.12 In the event of termination of this whole Agreement (whether by effluxion of time or otherwise) the Parties shall following the Exit Plan.
- 24.13 In the event that this Agreement is terminated in part only, the Parties will agree appropriate variations to the Agreement. Such variations will be documented in writing and signed by all Parties.
- 24.14 Where the Agreement is terminated in part, then except for that part of the Agreement that has been terminated, this Agreement shall continue in full force and effect.

25. CHANGE AND VARIATIONS

25.1 The Parties may agree to vary the Agreement including for the avoidance of doubt its Schedules from time to time in accordance with this Clause 24.

General

- 25.2 Either Party may propose a variation to this Agreement and the Parties shall use reasonable endeavours to agree the variation. In the event of any disagreement in relation to the variation any Party may refer the matter to the Dispute Resolution Procedure.
- 25.3 Any variation of the Agreement including its Schedules, must be in writing and signed by, or on behalf of, each of the Parties.

Changes to Shared Services and Business Cases

- 25.4 Each Shared Service shall be delivered in accordance with an Agreed Business Case. Either or both parties may request a change to an Agreed Business Case or part thereof in writing to the other, and if a change is requested the Parties shall together prepare a revised Business Case in accordance with the Financial Protocol.
- 25.5 Each Party shall be responsible for obtaining consent to a revised Business Case in accordance with its own internal governance structures.
- 25.6 A change to an Agreed Business Case shall be effective from the date that a revised Agreed Business Case is signed or executed as a deed (as necessary) by both Parties.

25.7 Where a change to an Approved Business Case must necessarily be made by deed to take legal effect, each Party shall use its best endeavours to prepare, agree and execute such deed to effect the change.

25.8 An Agreed Business Case may set out a change procedure for the Parties to follow in respect of a Change to part only of that Agreed Business Case (Agreed Change) in which case where the terms of the Agreed Business Case and this terms of this Agreement are in conflict:

25.8.1 the terms of the Agreed Business Case shall prevail in respect of the Agreed Change; and

25.8.2 the parties shall follow any procedure set out in the Agreed Business Case in respect of that Agreed Change

26. NOTICES

26.1 Any notice of communication shall be in writing.

Any notice or communication to the relevant Party shall be deemed effectively served if sent by registered post or delivered by hand at an address set out in Clause -25.4.1 and marked for the Representative or to such other addressee and address notified from time to time to the other Parties.

Any notice served by hand delivery shall be deemed to have been served on the date it is delivered to the addressee if delivered before 15.00hrs on a Working Day. Hand delivery after 15.00 and or on a weekend or English public holiday shall be deemed served on the next Working Day. Where notice is posted it shall be sufficient to prove that the notice was properly addressed and posted and the addressee shall be deemed to have been served with the notice 48 hours after the time it was posted.

26.3 For the purposes of this Clause 25.4, the addresses at which notice must be served are, unless either Party is notified otherwise in writing as follows:

26.3.1 CEO and DIRECTOR OF PEOPLE AND GOVERNANCE

Brentwood Borough Council

Town Hall

Ingrave Road

Brentwood

CM15 8AY

26.3.2 CEO and DIRECTOR OF PEOPLE AND GOVERNANCE

Rochford District Council

Council Offices

South Street

Rochford

SS4 1BW

27. WAIVERS

- 27.1 The failure of any Party to enforce at any time or for any period of time any of the provisions of this Agreement shall not be construed to be a waiver of any such provision and shall not in any way affect the right of that Party thereafter to enforce such provision.
- 27.2 No waiver in any one or more instances of a breach of any provision hereof shall be deemed to be a further or continuing waiver of such provision in other instances.

28. SEVERANCE

If any provision of this Agreement becomes or is declared by any court of competent jurisdiction to be invalid or unenforceable in any way, such unenforceability shall in no way impair or affect any other provision of this Agreement all of which will remain in full force and effect.

29. TRANSFERS

A Party may not assign, mortgage, transfer, sub-contract or dispose of this Agreement or any benefits and obligations hereunder without the prior written consent of the other Parties except to any statutory successor in title to the appropriate statutory functions.

30. NO PARTNERSHIP

- 30.1 Nothing in this Agreement shall create or be deemed to create a legal Partnership or the relationship of employer and employee between the Parties or render any Party directly liable to any third party for the debts, liabilities or obligations of another party.
- 30.2 Save as specifically authorised under the terms of this Agreement no Party shall hold itself out as the agent of another party.

31. ENTIRE AGREEMENT

- 31.1 The terms contained in this Agreement together with the contents of the Schedules and Appendices constitute the complete agreement between the Parties with respect to the Arrangements and supersede all previous communications, representations, understandings and agreement and any representation, promise or condition not incorporated herein shall not be binding on any Party.
- 31.2 No agreement or understanding varying or extending any of the terms or provisions hereof shall be binding upon a Party unless in writing and signed by a duly authorised officer or representative of each Party.

32. THE CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Unless the right of enforcement is expressly provided, no third party shall have the right to pursue any right under this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999.

33. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with English law and, without prejudice to Clause 32 shall be subject to the exclusive jurisdiction of the English courts.

IN WITNESS whereof this Agreement has been executed by the Parties on the date of this Agreement

SCHEDULE 1

AIMS, INTENDED OUTCOMES AND PRINCIPLES

[SIGNED MOU TO BE APPENDED BEFORE COMPLETION]

PART 2 - SOVEREIGNTY PRINCIPLES

Both Parties are committed to continuing to represent the needs, priorities and ambitions of local people in their neighbourhoods. They are exploring reducing costs by working together.

Commissioning or delivering services together is not designed to change how residents experience services but is done to increase efficiency and capacity.

To safeguard local autonomy the Parties confirm:

- Local residents will continue to elect the same number of councillors to each Council.
- 2. Each Council will retain its own constitution, setting out how it makes decisions, organises scrutiny and delegates authority.
- 3. Each Council will continue to set its own council tax and publish its own budget and accounts.
- 4. Each Council will continue to be able to set out its own spending priorities.
- 5. No Council can be required by the other to adopt a policy, accept a cost or change a priority that its decision makers are not willing to support.
- 6. There will be no change in the name of any either Council.
- 7. The costs of changes and the benefits achieved from change will be fairly attributed and shared to the satisfaction of both Council's, if necessary using mediation.
- 8. No Council will be obliged to break an existing contract.
- 9. The boundaries of the areas for which each Council is responsible will not change. Each Council will continue to speak up for its own residents, even where there is an apparent conflict of interest between the boroughs.
- 10. Each Council will be able to set its own policy for how services are delivered.
- 11. The Councils can commission service from contractors, voluntary bodies and others together, but can also decide to commission, or grant aid, on their own.
- 12. Nothing in these proposals is intended to stop Councils developing local ideas about how to support their local communities.

A commitment to shared learning, innovation and value for money

- 13. The Councils will share what works in service delivery and encourage their neighbours to learn from successful innovation.
- 14. The Councils will adopt common specifications where these are compatible with each Council's policy objectives and budget preferences and where these are likely to give best value to taxpayers.
- 15. The Councils commit to a continuing process of exploring how working together might lower costs; be a better platform for developed responsibilities from Government and/or improve the quality of service delivery.
- 16. The Councils will commit to exploring how by working together, councillors can enhance the ways in which their Councils deliver their responsibilities.
- 17. The Councils will expect to keep these arrangements under review, in order to ensure they remain fit for purpose.
- 18. Any of the arrangements that constitute agreements between the Councils can be ended on notice, though any Council withdrawing will be responsible for its own consequent costs. Any joint external contracts will be covered by the same legal considerations as now.
- 19. Where shared services arrangements are brought to an end then the notice period will be twelve months, unless a shorter period is expressly agreed by the other parties and the costs arising from termination will be fairly shared between the Councils in a pre-agreed manner.

SCHEDULE 2 BOARD ToR





#OneTeam Transformation Programme;

Programme Governance #OneTeam Transformation Programme; Board Terms of Reference (April 2022)

1. PURPOSE

1.1 The #OneTeam Transformation Programme Board is ultimately responsible for the delivery of all aspects of the #OneTeam Transformation Programme and its governance

2. RESPONSIBILITIES

- 2.1 Promote, endorse and support the Programme and its objectives;
- 2.2 Communicate information about the Programme to agreed stakeholders;
- 2.3 Review and consider presented #OneTeam business cases within the Programme;
- 2.4 Decision making (#OneTeam business cases) -
 - 2.4.1 Approve business case(s) to move to implementation, should no further programme governance be required (see 2.4.3)
 - 2.4.2 Request business case(s) be returned to Tier 3 lead for further work/more information and return to the Board
 - 2.4.3 Approve business case(s) for consideration and any further governance, to include Exec/PRED and Full Council as determined by the Programme Senior Responsible Officer (SRO)

3. CHAIR, SECRETARIAT & MEETING FREQUENCY

- 3.1 Meetings will be chaired by the Programme Sponsor;
- 3.2 Notes of meetings will be taken by Corporate Services and circulated within ten (10) Working Days of the meeting- to all Board members and those attending the relevant meeting(s) as a guest;
- 3.3 An agenda will be produced by the Programme's SRO (in consultation with the Programme Manager) and circulated to all members of the Programme Board no later than five (5) Working Days before the scheduled date of the meeting.
- 3.4 Unless the Programme Board Members otherwise agree, the Programme Board shall hold at least one meeting in each quarter;
- 3.5 Meetings to take place in person and default to video conference- should circumstances require:

3.6 Additional meetings may be arranged should there be a need;

4. REPORTING

- 4.1 The Programme Board shall receive reports and/or verbal updates identified by the Programme SRO (prepared in consultation with the Programme Manager and Programme Workstream leads);
- 4.2 Core reports/verbal updates to include the following, detailing any anticipated exceptions and emerging risks and their mitigation:
 - 4.1.1 Programme and Service Delivery Workstream
 - 4.1.2 Comms & Engagement Workstream
 - 4.1.3 HR & Workforce Development Workstream

5. MEMBERSHIP & EXPECTATIONS OF MEMBERS

- 5.1 The Programme SRO shall appoint up to six Programme Board Members, in addition to those listed within the Membership table below (Section 9);
- 5.2 Additional members and/or guests may be invited to meetings of the Programme Board on either a regular or ad hoc basis and with the prior consent of the Programme's SRO

6. QUORACY

- 6.1 Meetings would require at least the following Programme Board members to be in attendance:
 - Programme Sponsor
 - Programme SRO
 - Programme Member Sponsor (Rochford District Council)
 - Programme Member Sponsor (Brentwood Borough Council)

7. REMOVAL OF #OneTeam TRANSFORMATION PROGRAMME BOARD MEMBERS

- 7.1 The Programme SRO shall be entitled to remove and replace the Programme Board Members (or any of them) appointed by it. Any removal of a Programme Board Member shall be effected by notice in writing and shall take effect when served (subject to any contrary intention expressed in the notice);
- 7.2 Notwithstanding any other term of this Agreement, the Programme SRO shall forthwith remove a Programme Board Member (in accordance with paragraph 7.1) where:
 - The Programme Board Member is convicted of any offence of fraud or dishonesty; or
 - The Programme Board Member ceases to be employed by the Council or an elected member of the Council; or
 - The Programme Board Member ceases to be formally engaged or commissioned by the Council
- 7.3 If a member of the Programme Board is removed for any of the above reasons, the Programme SRO shall appoint the successor to sit on the Programme Board as a replacement member of the board

REVIEW OF TERMS OF REFERENCE

The Terms of Reference for the Programme Board shall be reviewed by the Programme SRO on a six monthly basis 8.1

MEMBERSHIP 9.

Member	Role in Organisation	Role on Programme
Jonathan	Chief Executive	#OneTeam Programme Sponsor & Programme
Stephenson	Officer	Board Chair
Angela Hutchings	Strategic Director	#OneTeam Programme SRO
Cllr Simon Wootton	Leader of Rochford	#OneTeam Programme Member Sponsor
	District Council	
Cllr Chris Hossack	Leader of Brentwood	#OneTeam Programme Member Sponsor
	Borough Council	

SCHEDULE 3 HR Protocol





HR Protocol for Establishing and Working in Integrated Teams

In terms of employment legislation the procedure is for guidance only and does not form part of an employee's contractual rights.

The contents may be subject to revision as required.

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1. PURPOSE OF THE PROTOCOL

- 1.1 Guiding principles are:
 - To protect the rights and duties of our staff under their contract of employment
 - To ensure staff within integrated teams are treated fairly and equitably
 - To resolve any difficulties and other issues as far as is practicable at local management level
 - To develop a shared set of working standards
- To ensure managers receive clear guidance and advice from the respective Human Resource Departments on how to apply HR policies and procedures appropriately.

2. CLARITY IN THE CONTRACTUAL RELATIONSHIP

- 2.1 The HR policies, procedures and terms and conditions of staff and the statutory obligations of the partner organisations are unchanged by this protocol. Staff employed in integrated teams will continue to be contracted to their current employer on the same terms and conditions provided under the respective individual and organisations contract of employment. Plus:
 - The employing organisation remains responsible for exercising the rights and duties of the employer;
 - The HR Protocol requires parties to liaise with each other regarding the contracts of employment of those they manage and to take advice from HR staff of the employing organisation where interpretation or formal action under the contract of employment is required; and
 - Existing and established posts that have become part of an integrated team arrangement should normally be filled on the same and continuing basis unless otherwise agreed between the partners.

3. THE STATUS OF THE PROTOCOL

3.1 This protocol:

 will complement, but not replace, the HR Policies and Procedures of the partner organisations. However, where any conflict/disagreement occurs between the protocol and any HR Policies/Procedures, then the HR Policy/Procedure will take precedence;

- In no way affects the statutory obligations of the Partner organisations;
- In no way affects the contracts of employment or terms and conditions of the staff of the Partner organisations; and
- Is designed to support those working in joint or integrated teams.

4. WHAT IS AN INTEGRATED TEAM?

- 4.1 For the purposes of building a partnership between the Councils, an integrated team will usually be based on a mix of Councils' staff who:
 - Will retain their employment role and status with no material changes to their terms and conditions, which means that employees of BBC and RDC will work alongside each other on the different terms and conditions of each organisation;
 - Will be managed by the [], whom is employed by [];
 - May be co-located with the rest of the team;
 - May include colleagues from other partnership organisations;
 - Will be part of an identified Team who report through to a designated
 Director, Executive Director or Chief Executive;
 - Will share team goals and objectives but will continue to be subject to the staff / individual performance review process relating to the organisation that employs them;
 - Work within a team that can be integrated as part of an organisational restructuring; and
 - Can be part of organisation under a joint budgeting agreement.
 - Will work under a S113 arrangement agreed between the Councils
- 4.2 An integrated team at this point in time will not usually be:
 - A team where all members are employed by the same organisation;
 - A team involving TUPE processes: roles/employment will not be transferred: and
 - A team made up solely of secondees.

5. RECORDING AGREEMENT TO CREATE AN INTEGRATED TEAM

- 5.1 When agreement has been reached to create an integrated team, the details of such team, must be recorded using the template.
- 5.2 The template should be signed by the appropriate lead Directors of the Councils and the completed copy will be kept by the HR Departments on behalf of both Councils.
- 5.3 Any subsequent changes to the financial arrangements must be updated on the template.

6. RECRUITMENT TO AN INTEGRATED TEAM

- 6.1 In all cases, whether for new posts, reorganisations or replacements the Councils agree that the terms of the employing organisation will prevail and the integrity of the terms and conditions and job evaluation processes to determine those terms will be upheld. No individual shall be subject to a hybrid set of terms and conditions.
- Regardless of the sources of funding for posts within the team, all staff will be treated fairly and equitably and in accordance with the policies of BBC and RDC:
 - In relation to the appointment of a new member of staff, managers should refer to local policies on recruitment and should work with the appropriate Human Resources team who will advise on applying the following criteria: How the vacancy is to be managed and the nature of the replacement post;
 - Job descriptions should reflect the integrated nature of the structure, the role and duties expected of the post-holder in accordance with integrated team and service requirements;
 - The evaluated salary range;
 - The process of advertising; and
 - Recruitment costs.
- 6.3 There might be a joint appointment. Where the post is a joint appointment, the contract of employment will reside with one of the Councils and should detail the role and accountabilities reflecting the integrated nature of the joint appointment.
- The recruitment process will be in accordance with the employing Council's policies and procedures and will conform to the principles for safer recruitment.

- 6.5 The manager designated to lead the recruitment process will ensure appropriate use of employer brand, logo and internal / external vacancy circulation appropriate to the posts being advertised. Recruitment literature to reflect the joint nature of the service.
- There are separate job evaluation schemes in place in the Councils. The employing Council will evaluate the post where appropriate.

7. MANAGEMENT ARRANGEMENTS

- 7.1 This protocol sets out the line management arrangements for an integrated team. The manager of an integrated team:
 - Shall have the right to give any reasonable instructions to staff of theCouncils, who are members of the team
 - Will manage staff in accordance with the expectations of the Councils (reflecting the relevant policies and procedures) in matters relating to a range of areas, including but not exclusively relating to:
 - Health and safety;
 - Training and Development;
 - Code(s) of Conduct;
 - Conflict of Interests/Confidentiality;
 - Communications;
 - Performance Management & Appraisal;
 - Recruitment and selection;
 - Sickness Management;
 - Annual leave;
 - Grievance and discipline;
 - Whistle-blowing;
 - Bullying and harassment;
 - Work life balance/Improving Working Lives policies;
 - Equal opportunities; and

- Staff and Trade Union Consultation.
- It must be acknowledged that the management of integrated teams, particularly those that are not co-located, will place additional demands upon the manager of the team. Knowledge of many aspects of the Councils' HR policies and procedures will be a pre-requisite to applying staff management processes across the team. This will require training and support, with guidance from HR and line management, encouraging the development of managerial confidence and skill
- The team manager must clarify roles and set clear outcomes for the team as a whole and ensure that there are regular meetings balanced with one to ones in order to develop team skills and coherence
- Clear lines of accountability must be established, including responsibilities and reporting requirements.

8. TRAINING AND DEVELOPMENT

The manager of the integrated team should be able to access development opportunities for staff they manage across the Councils unless exceptional circumstances prevail where funding is identified (ring fenced) for specific service areas and/or staff groups.

9. INDUCTION

- 9.1 Consistent induction should be developed across integrated teams.
- 9.2 Newly appointed team members should participate in a full induction, within their employing organisation, which will be tailored to individual need, to ensure they can operate effectively within the integrated environment.
- 9.3 Managers of integrated teams must ensure that they undertake a familiarisation session with each team member based on filling in the gaps regarding the knowledge needed to function effectively in the host organisation.
- 9.4 Managers will receive appropriate induction/management development in accordance with their individual need. All existing, as well as new managers, who are managers of staff from both the Parties, must familiarise themselves with the key policies and procedures of both Parties.

10. PERFORMANCE APPRAISAL PROCESS

- 10.1 Staff will be performance managed in accordance with their employing Council's contractual policies and procedures.
- 10.2 All of the staff across the Councils are subject to the annual appraisal process which should also include, at least, a mid-year review.
- 10.3 Key objectives will be set which support the aims of the team, the organisational priorities and the integrated arrangement. Individual training and development needs will be identified through the process. The Councils will provide appropriate training to supervisors to enable them to effectively undertake the relevant appraisal processes for their staff.
- 10.4 To ensure all staff are appraised according to their employing organisations' procedures, all managers of integrated teams, regardless of their own employment status, must ensure that they have good working knowledge of the appraisal procedures applicable for staff at all levels in both of the Councils..
- 10.5 This means that the manager of the integrated service/team must clarify his/her responsibilities under their own Council's appraisal scheme as well as those in the other Council. Support should be accessed through the local HR team do we mean local or employing.

11. POOR PERFORMANCE

- 11.1 The capability procedure for the relevant employing Council should be used to manage any problems that arise, irrespective of the employing organisation of the line manager concerned.
- 11.2 Managers contemplating taking formal poor performance action will take advice from the employee's HR service to ensure adherence to contractual procedures.
- 11.3 Any decision to dismiss can only be taken by a senior manager, as identified within the employing organisation's HR policy, based on the recommendation and case presented by the manager of the integrated team, allow the concerned the opportunity to full representation.

12. GRIEVANCE

12.1 Any grievance issues will be dealt with under the appropriate employing Council's grievance procedure.

- 12.2 It is essential that managers of integrated teams make themselves aware of the timescales under the procedure.
- 12.3 HR advice will be provided, from within the employing organisation on the application of the grievance procedure.
- 12.4 Where one Council employee in an integrated team submits a grievance about an employee in the other Council, HR in the two Councils will identify how the investigation and resolution process should be managed; practically applying the relevant grievance procedure
- 12.5 Collective grievances or disputes can only be raised by trade unions.
- 12.6 Pay and Terms & Conditions remains the province of the relevant Council, therefore there can be no shared dispute on these grounds.

13. DISCIPLINARY

- 13.1 Any formal action against an employee will be taken under their employing Councils Disciplinary Policies and Procedures. Where these procedures state the immediate line manager, this will mean the employee's line manager, regardless of the line manager's employing organisation.
- 13.2 Appropriate HR advice from the employing organisation must be sought, but always in the following instances:
 - in all cases of potential gross misconduct;
 - when there is police, fraud or safeguarding involvement;
 - where a trade union representative is involved; and
 - where there is an allegation of bullying or harassment made by an employee of one organisation against an employee of another organisation.

14. JOB EVALUATION

- 14.1 The Councils use the GLPC job evaluation schemes at various levels in the separate organisations.
- 14.2 Market supplements may be paid across both Councils in line with the employing boroughs policy.

14.3 These arrangements will continue, as at present, and will therefore apply to each team member of an integrated team, as appropriate and in line with the policy of their employing organisation.

15. SICKNESS/ABSENCE MANAGEMENT

- 15.1 Any issues arising from the sickness and/or absence of members of staff within the integrated team will be managed in accordance with the employing organisation's policies and procedures and contract of employment.
- 15.2 Managers will need to be mindful of the relevant trigger points for consideration, under the relevant sickness procedure, in line with the HR and Occupational Health advice available. Appropriate direction will be provided through the relevant HR function.
- 15.3 Line managers will have access to advice from the relevant HR Team/Occupational Health service representing the employing organisation on issues of long-term sickness line.

16. SMOKING AND THE CONSUMPTION OF ALCOHOL OR DRUGS

- 16.1 The rules of the employing organisation must be followed with regard to the consumption of alcohol during working hours.
- 16.2 Smoking whilst on duty is allowed only in accordance with the employing organisation's policies and procedures and also in accordance with the policies and procedures of the organisation in whose premises staff are working.

17. LEAVE

- 17.1 The policies of the employing organisation apply.
- 17.2 The immediate line manager, regardless of employing organisation, can authorise flexi/annual leave for staff. It is the immediate line manager's responsibility to ensure that this is done in a planned manner according to the exigencies of the service. It is the line manager's responsibility to keep a record of staff leave and to ensure that this information is forwarded as required to the relevant payrolls and/or HR Teams.
- 17.3 The immediate line manager, regardless of employing organisation, should in the first instance refer to the appropriate policy and ultimately seek guidance, from the HR team of the employing organisation, regarding Special Leave, Compassionate Leave, Maternity Leave, Paternity Leave and other forms of paid and unpaid leave.
- 17.4 For matters of Maternity and Paternity Leave, the integrated team manager must seek advice as soon as possible. This should be from the relevant HR section of the employer of the member of staff concerned.

17.5 For matters concerning Sabbaticals or employment breaks, the integrated team manager must seek advice from the relevant HR section according to the employing organisation of the member of staff concerned.

18. SHARED POLICIES AND PROCEDURES

In adopting the principle of best practice in an integrated service, it is determined that some policies, procedures and protocols may be adopted jointly, regardless of their employing organisation. Individual policies and procedures will make it clear if this applies. Opportunities to integrate and harmonise policies and procedures will be maximised, as will partner organisations commitment to respond joint to new legislation and initiatives.

19. WHISTLEBLOWING

The policy of the organisation employing the whistle-blower will apply. However, it is accepted that if the member of staff reveals concerns that are related to one or both of theCouncils, these will be shared on a confidential 'need to know'/'need to act' basis and managed in accordance with best practice.

20. CODE OF CONDUCT

- 20.1 The code of conduct of the employing organisation will apply to its own staff regardless of their place of work and their team/managerial arrangements.
- 20.2 Any local protocols as part of the integrated teams will apply.

21. EQUAL OPPORTUNITIES/ EQUALITIES AND DIVERSITY

Staff will adhere to the relevant organisation's policy and comply with the requirements regarding Race/Equality Impact Assessments.

22. BULLYING AND HARASSMENT

The Bullying and Harassment Policies of the relevant organisations will be used and applied in relation to the staff concerned in any bullying/harassment allegations and/or situations.

23. STAFF CONSULTATION

Staff consultation processes within each organisation will continue, namely informal sessions, and formal meetings. Joint meetings will also be arranged as the HR and Integrated Managers determine, in consultation with the trade unions.

24. SHARING OF INFORMATION

Information will be shared across the Parties, in relation to the effective operation of the integrated team, with due adherence to any legal requirements e.g. data protection act and any logistical/ICT restraints

25. NOTES

- Action initiated under one procedure may be changed to an alternative procedure if investigation of the circumstances indicates this would be more appropriate.
- In applying this protocol the council will pay due regard to providing reasonable adjustments under the Equality Act 2010 to an employee who has a disability.

26. COMPLIANCE

Failure to follow the procedure set out in this protocol may impact on good employee relations and the reputation of the council as a good employer. In addition, it may result in the council breaching employment legislation, incurring financial penalties and / or damage to its reputation.

27. IMPACT ON INDIVIDUAL COUNCIL KEY PRIORITIES

The protocol provides the cornerstone for developing integrated teams, which will be one of the key elements in enabling the Councils to deepen and strengthen their partnership working. This underpins service provision and enables each organisation to effectively meet its key priorities.

28. TRAINING AND AWARENESS REQUIREMENTS

- 28.1 Managers and employees will be informed about this policy and procedure via relevant communication channels.
- 28.2 HR will liaise with directorate management teams to establish and agree support arrangements to assist managers to carry out their responsibilities.

29. MONITORING

29.1 HR will be notified of any cases where it is concluded that the policy was breached. The notification will indicate whether there are any changes or improvements required to the policies, procedure, training, support or any other aspect of the council's approach to dignity at work matters.

29.2 HR will monitor the effectiveness of the policy through information received via feedback from managers and employees through, for example, management team meetings, Employee Surveys and exit interviews, as well as the numbers of employees using this procedure.

30. REVIEW

This document will be regularly reviewed to ensure relevance and fitness for purpose.

SCHEDULE 4: FINANCIAL PROTOCOL

1. General

- 1.1 As part of the Parties' agreement to enter into a Strategic Partnership, there is the requirement for a Financial Protocol that establishes the principles of how the financial relationship between the Parties will work.
- 1.2 The Parties agree to be bound by the terms of the Financial Protocol and to fulfil their respective obligations there under.
- 1.3 The principles within the Financial Protocol will need to be adhered to in each Business Case considered under the Transformation Programme.

2. High Level Principles

- 2.1 Both Councils must benefit in each Business Case.
- 2.2 There must be an agreed Shared Service Commencement Date (starting date) for each Shared Service.

2.3 Pre-Shared Service Commencement Date

- 2.3.1 Savings and associated costs incurred by the Parties prior to the agreed Shared Service Commencement Date for any Service shall remain with the respective Parties, with the exception of 2.5.2.1(b)(iii) below.
- -2.3.2 Each Party shall supply to the other such financial information as is necessary to inform each Business Case and such financial information shall be based on the documented budget for the latest financial year, detailing ongoing revenue and capital costs for the Service.
- 2.3.3 The financial information supplied by each Party to the other will inform the agreement of the 'in-scope baseline costs' for each Party which will be used as a single version of the truth for pre-commencement work for the existing Services, supporting how they are presently delivered.

2.4 Transition Costs

- 2.4.1 Costs attributable to a Transformation Project (Transition Costs) shall be shared on a 50/50 basis between the Parties unless:
 - (a) otherwise specified in an Agreed Business Case in which case the terms of the Agreed Business Case shall prevail; or
 - (b) unless otherwise agreed by the Parties in writing.
- 2.4.2 The costs to be treated as Transition Costs shall be identified in the Agreed Business Case.
- 2.4.3 The costs sharing in clause 2.4.1 may result in one Party making a financial contribution to the other Party to ensure that the Transition Costs are shared on a 50/50 basis (**Transition Apportionment**).

2.5 POST SHARED SERVICE COMMENCEMENT DATE COSTS

2.5.1 SAVINGS

- 2.5.1.1 Savings attributed to each Party in respect of a Shared Service following -a relevant Shared Service Commencement Date will be based on the following:
 - (a) Savings in relation to a Shared Service will be identified by comparing the agreed in-scope baseline costs of each Party, before the Shared Service Commencement Date, to their agreed share of costs from the Shared Service Commencement Date, as set out in paragraph -2.5.2. The starting point for cost sharing will be 50/50 unless agreed separately in the Agreed Business Case for a particular Shared Service.
 - (b) This split may result in one Party making a financial contribution to the other Party to ensure the savings of the Shared Service are in line with the Agreed Business Cases (**Savings Apportionment**).
 - (c) For a Savings Apportionment to fall due and payable it must be agreed in writing by the S151 Officer, Joint Head of Paid Service and Leaders of the respective Parties.
 - (d) All costs in respect of each Shared Service will be reviewed annually as part of the Cost Review.

2.5.2 SHARED SERVICE COSTS

- 2.5.2.1 Costs applied to each Party following a Shared Service Commencement Date will comply with the following unless otherwise specified in an Agreed Business Case in which case the terms of the Agreed Business Case shall prevail:
 - (a) Ongoing Staffing costs
 - i. Salaries, national insurance and superannuation contributions will be borne by the Party who employs the staff, with the other Party contributing to 50% of these costs, unless agreed separately in individual Business Cases
 - ii. Other staffing costs including travel, individual training and overtime will be borne by the Party who employs the staff, with the other Party contributing to 50% of these costs, unless agreed separately in individual Business Cases
 - (b) Ongoing non-Staffing direct costs
 - i. Direct non-staffing costs associated with delivering the Shared Service e.g. equipment, materials and subscriptions, will be shared between the Parties based on the agreed individual Business Case

- ii. Any efficiencies from-joint procurements for contracted services will be shared between the Parties based on the relevant tender documentation specification and agreed outputs for each Party
- iii. Any sunk fixed costs for each Shared Service requiring to be written off may be shared across both Councils as agreed in individual business cases. These are costs (capital generally in nature) that have been invested in the services prior to the commencement date that are now not required and need to be written off.
- 2.5.2.2 The split in paragraph 2.5.1.1 may result in one Party making a financial contribution to the other Party to ensure the savings of the Shared Service are in line with the Agreed Business Cases (**Shared Service Apportionment**).

2.5.3 OTHER COSTS (Indirect Central costs)

- 2.5.3.1 Unless otherwise agreed between the parties in writing, indirect central costs such as property/accommodation costs and centralised IT costs will not be shared between the Parties as each Party will maintain their own office base and IT infrastructure.
- 2.5.4.2 Any additional indirect costs arising from the Transformation Programme, which are not attributable to an individual Agreed Business Case, will be considered as part of the Costs Review as set out in Schedule 5.
- 2.5.4.3 Any apportionment of costs shall be made in accordance with the provisions decided at any Cost Review (**Other Costs Apportionment**).

2.6 INSURANCE

- 2.6.1 Insurance and insurance premiums are Party specific in accordance with clause [x]. .
- 2.6.2 Severance (Redundancy Payments) will be borne by the Employing Party with the other non-employing Party contributing 50% of these costs, unless agreed separately in individual Agreed Business Cases.

2.7 OTHER CONSIDERATIONS

- 2.7.1 Each Agreed Business Case must include an appropriate Transition Plan for the Service post Shared Service Commencement Date.
- 2.7.2 The Parties will ensure that the Information Sharing Protocol is referenced in the Agreed Business Case and is appropriate.
- **2.8** The above principles assume there is an Agreed Business Case for each Service Area based on dtailed financial information and other relevant Inputs from both Parties.

SCHEDULE 4

COST REVIEW APPORTIONMENT AND PAYMENT MECHANISM

1. COST REVIEW

- 1.1 The Parties will carry out a Cost Review in accordance with the Financial Protocol.
- 1.2 At the Cost Review the Parties will reconcile and agree the value of the Apportionments retrospectively for the period commencing on the date of the previous Costs Review and expiring on the date of the Costs Review.
- 1.3 At each Costs Review the Partie::
 - 1.3.1 will determine and agree the value of the Apportionments and whether an Apportionment Payment is due from one Party to the other;
 - 1.3.2 whether the Apportionments as calculated reflect the Financial Protocol; and
 - 1.3.3 the frequency of the Costs Reviews.

2. PAYMENT MECHANISM

- 2.1 An Apportionment Payment shall be calculated in accordance with the Financial Protocol at the Costs Review.
- 2.2 Following Costs Review, the S151 Officer of each Party shall within a reasonable period of time, review any Apportionment Payment in consultation with their respective Chief Executive, Resources Portfolio Holder and Leader of the Council to ensure that it has been properly calculated in accordance with the Financial Protocol.
- 2.3 The Apportionment Payment shall be agreed and fall due when the S151 Officers of each Party agree the Apportionment Payment in writing.

SCHEDULE 6 BUSINESS CASE

- 1. The Parties agree that each Business Case shall at a minimum include the following:
 - 1.1 details of Posts Holders to perform S113 Duties and arrangements in relation to those Post Holders;
 - 1.2 the information required in the Financial Protocol to be included in an agreed Business case:
 - 1.3 Transition Plan;
 - 1.4 Information Sharing Protocol;
 - 1.5 KPIs;
 - 1.6 any matters to be agreed in relation to the Service Area which may include;
 - 1.6.1 treatment and agreement around IPRs;
 - 1.6.2 change control procedures;
 - 1.6.3 any commercially sensitive information;
 - 1.6.4 other matters applicable to the Service Area.



SCHEDULE 7



ONE TEAM PROJECT TEAM TERMS OF REFERRENCE

#OneTeam Transformation Programme

#OneTeam Transformation Project Team Terms of Reference v2. (April 2022)

1. PURPOSE

The #OneTeam Project Team is ultimately responsible for supporting the delivery of all aspects of the #OneTeam Transformation Programme ("The Programme")

2. RESPONSIBILITIES

- 2.1Implementing the Programme vision;
- 2.2Creating the Programme project plan and delivering against agreed key milestones and actions;
- 2.3Ensuring the Programme is sufficiently resourced;
- 2.4Developing supporting processes, procedures and templates to enable the delivery of the Programme;
- 2.5Workstream leads to deliver against their key milestones -
 - 2.5.1Communicating information about the Programme to staff, Members, external customers and stakeholders and facilitating engagement via the Communication and Engagement Workstream lead
 - 2.5.2Ensuring staff are supported and developed to possess the right skills and knowledge via the HR and Workforce Development Workstream lead
 - 2.5.3Progressing and monitoring agreed projects, following approval of #OneTeam business cases via the Service Delivery Workstream lead to deliver benefits
- 9.1 Mitigation of risks associated with the Programme and those escalated from the provider of Programme Management Services/Programme Manager;
- 9.2 Reviewing service reviews and supporting #OneTeam business cases to check alignment with the principles and objectives of the Programme, before they are considered by the Programme Board;
- 9.3 Agreeing escalated items to the Programme Board and/or Programme Sponsor; and

9.4 Reviewing reports and reporting to management and/or Council meetings

3. CHAIR, SECRETARIAT & MEETING FREQUENCY

- 3.1 Meetings will be chaired by the Programme Senior Responsible Officer (SRO)
- 3.2 Notes of meetings will be taken by Corporate Services and circulated within ten (10) Working Days after the meeting, with the first day being the day after the meeting (this will be reviewed as the programme progresses):
- 3.3 When the Chair has approved the notes, they will be circulated by Corporate Services to all members of the #OneTeam Programme Board for information
- 3.4 An agenda will be produced by the provider of Programme Management Services/Programme Manager (in consultation with the Programme SRO as required) and circulated to all members of the Project Team no later than five (5) Working Days before the scheduled date of the meeting;
- 3.5 Unless the Project Team members otherwise agree, the Project Team shall hold at least one meeting every month;
- 3.6 Meetings to take place by video conference

4. REPORTING

- 4.1 The Project Team shall receive agreed reports from the the provider of Programme Management Services/Programme Manager, identified by the Programme's SRO as being appropriate to bring to the Project Team;
- 4.2 Highlight Reporting will include the following, detailing any anticipated exceptions and emerging risks/issues and mitigation:
 - 4.2.1 Programme and Service Delivery Workstream
 - 4.2.2 Comms & Engagement Workstream
 - 4.2.3 HR & Workforce Development Workstream
- 4.3 Information from highlight reports will be reflected on the latest version of the #OneTeam Transformation Project Plan and this will be the document that outlines progress against key milestones and deliverables

5 MEMBERSHIP & EXPECTATIONS OF MEMBERS

- 5.1 The Programme SRO shall appoint up to six core Project Team Members
- 5.2 Guests may be invited to meetings of the Project Team where relevant on an ad hoc basis and with the prior consent of the Programme SRO, to include Service Leads when presenting relevant business cases

6 QUORACY

- 6.1 Meetings would require at least the following Project Team members to be in attendance:
 - Programme Sponsor
 - Programme SRO
 - Programme Manager or a Workstream Lead

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7 REMOVAL OF #OneTeam PROJECT TEAM MEMBERS

- 7.1 The Programme SRO shall be entitled to remove and replace the Project Team Members (or any of them) appointed by it. Any removal of a Project Team Member shall be effected by notice in writing and shall take effect when served (subject to any contrary intention expressed in the notice);
- 7.2 Notwithstanding any other term of this Agreement, the Programme SRO shall forthwith remove a Project Team Member (in accordance with paragraph 7.1) where:
 - ☐ The Project Team Member is convicted of any offence of fraud or dishonesty; or
 - The Project Team Member ceases to be employed by the Council or an elected member of the Council; or
 - The Project Team Member ceases to be formally engaged or commissioned by the Council
- 7.3 If a member of the Project Team Member is removed for any of the above reasons, the Programme SRO shall appoint the successor to sit on the Project Team as a replacement member of the Team

8 REVIEW OF TERMS OF REFERENCE

8.1 The Terms of Reference for the Project Team shall be reviewed by the Programme SRO on a six monthly basis

MEMBERSHIP

Member	Role in organisation	Role on Programme
Jonathan	Chief Executive Officer	#OneTeam Transforamtion Programme
Stephenson		Sponsor
Angela Hutchings	Strategic Director	#OneTeam Transformation Programme
		SRO
Nichola Mann	HR Manager	#OneTeam Transformation Programme
		HR & Workforce Development
		Workstream Lead TBC
Angela Hogg n/a – commissioned provider of		#OneTeam Transformation Programme
Programme Management		Manager
	services	
Dominic Chessum	n/a - commissioned provider of	#OneTeam Transformation Programme
(to end July 2022)	Communication and	Comms & Engagement Workstream Lead
	Engagement services	
TBC	Tier 3 Service Director TBC	#OneTeam Transformation Programme
		Service Delivery Workstream Lead

SCHEDULE 8

EMPLOYMENT PROVISIONS

1. **Definitions**

In this Schedule, the following definitions shall apply:

Employee Lightities all plaines actions are actions and a light		
Employee Liabilities	all claims, actions, proceedings, orders, demands, complaints, investigations (save for any claims for personal injury which are covered by insurance) and any award, compensation, damages, tribunal awards, fine, loss, order, penalty, disbursement, payment made by way of settlement and costs, expenses and legal costs reasonably incurred in connection with a claim or investigation related to employment including in relation to the following:	
	 redundancy payments including 	
	contractual or enhanced	
	redundancy costs, termination	
	costs and notice payments;	
	 unfair, wrongful or constructive 	
	dismissal compensation;	
	 compensation for discrimination on grounds of sex, race, disability, age, religion or belief, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation or claims for equal pay; 	
	 compensation for less favourable treatment of part-time workers or fixed term employees; 	
	 outstanding employment debts and unlawful deduction of wages including any PAYE and national insurance contributions; 	

	 employment claims whether in tort, contract or statute or otherwise; andany investigation relating to employment matters by the Equality and Human Rights Commission or other enforcement, regulatory or supervisory body and of implementing any requirements which may arise from such investigation. 	
Final Personnel List	A list provided by the Transferor Party of all Personnel who will transfer under TUPE on the Relevant Transfer Date.	
Personnel	all directors, officers, employees, agents, consultants and contractors of a Party to this Agreement engaged in the performance of Services under this Agreement.	
Provisional Personnel List	a list prepared by the Transferor Party of all Personnel who are wholly or mainly assigned to the provision of the Services or any relevant part of the Services which it is envisaged as at the date of such list will no longer be provided by the Transferee Party.	
Relevant Transfer	a transfer of employment to which TUPE applies.	
Relevant Transfer Date	in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place.	
Replacement Supplier	means any third party who is engaged whether directly or indirectly by either Party after the Termination Date in the discharge of functions and provision of services which are the same or similar to the Services or any part of them (or one of the Parties where it is providing these Services on its own account following a period of not having done so).	
Service Transfer	any transfer of the Services (or any part of the Services), for whatever reason, from one Party to the other Party or to a Replacement Supplier.	
Service Transfer Date	the date of a Service Transfer.	
Staffing Information	in relation to all persons identified as Transferring Personnel, such information as a Transferee Party	

may reasonably request (subject to all applicable provisions of the Data Protection Legislation) but including in an anonymised format:

- their ages, dates of commencement of employment or engagement and gender;
- details of whether they are employed, self-employed contractors or consultants, agency workers or otherwise;
- the identity of the employer or relevant contracting party;
- their relevant contractual notice periods and any other terms relating to termination of employment, including redundancy procedures, and redundancy payments;
- their wages, salaries and profit sharing arrangements as applicable;
- details of other employmentrelated benefits, including (without limitation) medical insurance, life assurance, pension or other retirement benefit schemes, share option schemes and company car schedules applicable to them;
- any outstanding or potential contractual, statutory or other liabilities in respect of such individuals (including in respect of personal injury claims);
- details of any such individuals on long term sickness absence,

	parental leave, maternity leave or other authorised long term absence;
	 copies of all relevant documents and materials relating to such information, including copies of relevant contracts of employment (or relevant standard contracts if applied generally in respect of such employees); and any other "employee liability information" as such term is defined in regulation 11 of TUPE.
Transferring Personnel	Those employees of a Transferor Party who are identified as Personnel who will transfer under TUPE on a Relevant Transfer Date.

TRANSFER OF EMPLOYEES AT COMMENCEMENT OF SERVICES

- 2. Transfer of Employees
- 2.1 The Parties do not consider that the Arrangements with effect from the Commencement Date will result in the transfer of employment of any Employees from either Party to the other by virtue of the operation of TUPE on the Commencement Date.
- 2.2 If any Employee of either Party claims, or it is determined in relation to any Employee, that their Employment Contract has been transferred from one Party (Transferor Party) to the other (Transferee Party) pursuant to TUPE or the Acquired Rights Directive then:
 - 2.2.1 The Transferee Party shall, within five Working Days of becoming aware of that fact, give notice in writing to the Transferor Party of such fact, stating whether it has offered employment to such person and must notify the Transferor Party immediately if such an offer is accepted; and
 - 2.2.2 If the Transferee Party does not make an offer of employment or such an offer is rejected by the person, the Transferor Party may do so within 15

Working Days of the notification by the Transferee Party or may take such other reasonable steps as the Transferor Party considers appropriate to deal with the matter (provided always that such steps are in compliance with the Law).

- 2.3 If an offer referred to in clause 2.2.2 is accepted (or if the situation has otherwise been resolved by the Transferor Party), the Transferee Party shall immediately release the person from his/her employment or alleged employment.
- 2.4 If, by the end of the 15 Working Day period specified in 2.2.2:
 - 2.4.1 no such offer of employment has been made;
 - 2.4.2 such offer has been made but not accepted; or
 - 2.4.3 the situation has not otherwise been resolved,

the Transferee Party may within five Working Days give notice to terminate the employment or alleged employment of such person.

- 3. Indemnities in relation to any transfer of Employees at the Commencement Date
- 3.1 Subject to clause 3.1, the Transferor Party shall indemnify the Transferee Party against any Employee Liabilities arising from or as a result of any claim made by or in respect of any person employed or formerly employed by the Transferor Party as at the Commencement Date of this Agreement for whom it is alleged the Transferee Party may be liable by virtue of this Agreement and/or TUPE. The indemnities in this clause 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Transferor Party whether occurring or having its origin before, on or after any Relevant Transfer, including any Employee Liabilities arising from the Transferor Party's failure to comply with its obligations under TUPE and/or the Acquired Rights Directive.
- 3.2 If any such person as is described in clause 2.2 is neither re-employed by the Transferee Party nor dismissed by the Transferor Party within the 15 Working Day period referred to in clause 2.4, such person shall be treated as having transferred to the Transferee Party and the Transferee Party shall comply with such obligations as may be imposed upon it under Law.
- 3.3 Where any person remains employed by the Transferor Party pursuant to clause 3.2, all Employee Liabilities in relation to such employee shall remain with the Transferor Party and the Transferor Party shall indemnify the Transferee Party against any Employee Liabilities that the Transferee Party may incur in respect of any such employees of the Transferor Party that arise in respect of the period from the Commencement Date.

EMPLOYMENT EXIT PROVISIONS

- 4. In addition to following the provisions of the Exit Plan set out in Schedule 9, the following provisions will apply in the event of termination of this whole Agreement (whether by effluxion of time or otherwise).
- 5. Pre-service transfer obligations
- 5.1 The Parties agree that within [INSERT TIME PERIOD] of the earliest of:
 - 5.1.1 receipt of a notification from one Party to the other Party of a Service Transfer or intended Service Transfer;
 - 5.1.2 receipt of the giving of notice of early termination or any partial termination of this Agreement;
 - 5.1.3 the date which is 12 months before the end of the Term; and
 - 5.1.4 receipt of a written request of either Party to the other Party at any time (provided that each Party shall only be entitled to make one such request in any 12 month period),

the Party in receipt of any such request or notification as set out at clauses 5.1.1 to 5.1.4 above shall provide in a suitably anonymised format so as to comply with Data Protection Legislation, a Provisional Personnel List, together with the Staffing Information in relation to its Provisional Personnel List and it shall provide an updated Provisional Personnel List at such intervals as are reasonably requested by the Transferee Party.

- 5.2 At least 28 Working Days prior to the Service Transfer Date, the Transferor Party shall provide to the Replacement Supplier:
 - 5.2.1 the Final Personnel List, which shall identify which of the Personnel are Transferring Employees; and
 - 5.2.2 the Staffing Information in relation to the Final Personnel List (insofar as such information has not previously been provided).
- 5.3 The Transferee Party shall be permitted to use and disclose information provided by the Transferor Party under clause 5.1 and clause 5.2 for the purpose of informing any prospective Replacement Supplier.
- 5.4 The Transferor Party warrants, for the benefit of the Replacement Supplier, that all information provided pursuant to clause 5.1 and clause 5.2 shall be true and accurate in all material respects at the time of providing the information.

- 5.5 From the date of the earliest event referred to in clauses 5.1.1, -5.1.2 and 5.1.3, the Transferor Party agrees that it shall not assign any person to the provision of the Services who is not listed on the Provisional Personnel List and shall not without the approval of the Transferee Party (not to be unreasonably withheld or delayed):
 - 5.5.1 replace or re-deploy any Personnel listed on the Provisional Personnel List other than where any replacement is of equivalent grade, skills, experience and expertise and is employed on the same terms and conditions of employment as the person he/she replaces;
 - 5.5.2 make, promise, propose or permit any material changes to the terms and conditions of employment of the Personnel (including any payments connected with the termination of employment);
 - 5.5.3 increase the proportion of working time spent on the Services (or the relevant part of the Services) by any of the Personnel save for fulfilling assignments and projects previously scheduled and agreed;
 - 5.5.4 introduce any new contractual or customary practice concerning the making of any lump sum payment on the termination of employment of any employees listed on the Provisional Personnel List;
 - 5.5.5 increase or reduce the total number of employees so engaged, or deploy any other person to perform the Functions (or the relevant part of the Functions); or
 - 5.5.6 terminate or give notice to terminate the employment or contracts of any persons on the Provisional Personnel List save by due disciplinary process.

and shall promptly notify the Replacement Supplier of any notice to terminate employment given by the Transferor Party or received from any persons listed on the Provisional Personnel List regardless of when such notice takes effect.

- 5.6 During the Term, each Party shall provide to the other any information that such requesting Party may reasonably require relating to the manner in which the Services are organised, which shall include:
 - 5.6.1 the numbers of employees engaged in providing the Services;
 - 5.6.2 the percentage of time spent by each employee engaged in providing the Services; and

- 5.6.3 a description of the nature of the work undertaken by each employee.
- 5.7 The Transferor Party shall provide all reasonable cooperation and assistance to the Replacement Supplier to ensure the smooth transfer of the Transferring Employees on the Service Transfer Date including providing sufficient information in advance of the Service Transfer Date to ensure that all necessary payroll arrangements can be made to enable the Transferring Employees to be paid as appropriate. Without prejudice to the generality of the foregoing, within 5 Working Days following the Service Transfer Date, the Transferor Party shall provide to the Replacement Supplier, in respect of each person on the Final Personnel List who is a Transferring Employee:
 - 5.7.1 the most recent month's copy pay slip data:
 - 5.7.2 details of cumulative pay for tax and pension purposes;
 - 5.7.3 details of cumulative tax paid;
 - 5.7.4 tax code:
 - 5.7.5 details of any voluntary deductions from pay; and
 - 5.7.6 bank/building society account details for payroll purposes.
- 6. TUPE exit provisions
- 6.1 The Parties acknowledge that subsequent to the commencement of the provision of the Services, the identity of the provider of the Services (or any part of the Functions) may change (whether as a result of termination or partial termination of this Agreement or otherwise) resulting in the Services being undertaken by a Replacement Supplier. Such change in the identity of the supplier of such services may constitute a Relevant Transfer to which TUPE and/or the Acquired Rights Directive will apply. The Parties further agree that, as a result of the operation of TUPE, where a Relevant Transfer occurs, the contracts of employment between the Transferor Party and the Transferring Employees (except in relation to any contract terms disapplied through operation of regulation 10(2) of TUPE) will have effect on and from the Service Transfer Date as if originally made between the Replacement Supplier and each such Transferring Employee.
- The Transferor Party shall comply with all its obligations in respect of the Transferring Employees arising under TUPE in respect of the period up to (and including) the Service Transfer Date and shall perform and discharge all its obligations in respect of all the Transferring Employees arising in respect of the period up to (and including) the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension

contributions which in any case are attributable in whole or in part to the period ending on (and including) the Service Transfer Date) any necessary apportionments in respect of any periodic payments shall be made between the Transferor Party and the Replacement Supplier.

- 6.3 Subject to clause 6.4, the Transferor Party shall indemnify the Replacement Supplier against any Employee Liabilities in respect of any Transferring Employee (or, where applicable any employee representative as defined in TUPE) arising from or as a result of:
 - any act or omission of the Transferor Party whether occurring before or on the Service Transfer Date;
 - 6.3.2 the breach or non-observance by Basildon occurring on or before the Service Transfer Date of:
 - 6.3.2.1 any collective agreement applicable to the Transferring Employees; and/or
 - 6.3.2.2 any other custom or practice with a trade union or staff association in respect of any Transferring Employees which the Transferor Party is contractually bound to honour;
 - any claim by any trade union or other body or person representing any Transferring Employees arising from or connected with any failure by the Transferor Party to comply with any legal obligation to such trade union, body or person arising on or before the Service Transfer Date;
 - any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - 6.3.4.1 in relation to any Transferring Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and before the Service Transfer Date; and
 - 6.3.4.2 in relation to any employee who is not a Transferring Employee, and in respect of whom it is later alleged or determined that TUPE applied so as to transfer their employment from the Transferor Party to the Replacement Supplier, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or before the Service Transfer Date;

- a failure of the Transferor Party to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Employees in respect of the period up to (and including) the Service Transfer Date;
- 6.3.6 any claim made by or in respect of any person employed or formerly employed by the Transferor Party other than a Transferring Employee for whom it is alleged the Replacement Supplier may be liable by virtue of this Agreement and/or TUPE and/or the Acquired Rights Directive; and
- any claim made by or in respect of a Transferring Employee or any appropriate employee representative (as defined in TUPE) of any Transferring Employee relating to any act or omission of the Transferor Party in relation to its obligations under regulation 13 of TUPE, except to the extent that the liability arises from the failure by the Replacement Supplier to comply with regulation 13(4) of TUPE.
- The indemnities in clause 6.3 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Replacement Supplier whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities:
 - 6.4.1 arising out of the resignation of any Transferring Employee before the Service Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Replacement Supplier to occur in the period on or after the Service Transfer Date; or
 - 6.4.2 arising from the Replacement Supplier's failure to comply with its obligations under TUPE.
- 6.5 If any person who is not a Transferring Employee claims, or it is determined in relation to any person who is not a Transferring Employee, that their contract of employment has been transferred from the Transferor Party to the Replacement Supplier pursuant to TUPE and/or the Acquired Rights Directive, then:
 - the Replacement Supplier shall, within five Working Days of becoming aware of that fact, give notice in writing to the Transferor Party; and
 - 6.5.2 the Transferor Party may offer employment to such person within 15 Working Days of the notification by the Replacement Supplier or take such other reasonable steps as it considers appropriate to deal with the matter provided always that such steps are in compliance with Law.

- 6.6 If such offer is accepted, or if the situation has otherwise been resolved by the Transferor Party, the Replacement Supplier shall immediately release or procure the release of the person from his/her employment or alleged employment.
- 6.7 If after the 15 Working Day period specified in clause 6.5.2 has elapsed:
 - 6.7.1 no such offer of employment has been made;
 - 6.7.2 such offer has been made but not accepted; or
 - 6.7.3 the situation has not otherwise been resolved;

the Replacement Supplier may, within five Working Days, give notice to terminate the employment or alleged employment of such person.

- 6.8 Subject to the Replacement Supplier acting in accordance with the provisions of clause 6.5 to clause 6.7, and in accordance with all applicable proper employment procedures set out in the applicable Laws, the Transferor Party shall indemnify the Replacement Supplier against all Employee Liabilities arising out of the termination pursuant to the provisions of clause -6.7 provided that the Replacement Supplier takes all reasonable steps to minimise any such Employee Liabilities.
- 6.9 The indemnity in clause 6.8:
 - 6.9.1 shall not apply to:
 - 6.9.1.1 in any case in relation to any alleged act or omission of the Replacement Supplier any claim for: (A) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or (B) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees; or
 - 6.9.1.2 any claim that the termination of employment was unfair because the Replacement Supplier neglected to follow a fair dismissal procedure;
 - 6.9.2 shall apply only where the notification referred to in clause -6.5.1 is made by the Replacement Supplier to the Transferor Party within six months of the Service Transfer Date.
- 6.10 If any such person as is described in clause 6.5 is neither re-employed by the Transferor Party nor dismissed by the Replacement Supplier within the time scales set out in clause 6.5 to clause 6.7, such person shall be treated as a Transferring

Employee and the Replacement Supplier shall comply with such obligations as may be imposed upon it under applicable Law.

- 6.11 the Transferor Party shall comply with all its obligations under TUPE and shall perform and discharge all its obligations in respect of the Transferring Employees before and on the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Transferor Party and any Replacement Supplier.
- the Transferor Party shall promptly provide to any Replacement Supplier in writing such information as is necessary to enable the Replacement Supplier to carry out its duties under regulation 13 of TUPE. The Transferee Party shall, and shall procure that any Replacement Supplier shall, promptly provide to the Transferor Party in writing such information as is necessary to enable the Transferor Party to carry out its duties under regulation 13 of TUPE.
- 6.13 Subject to clause 6.14, the Transferee Party shall indemnify the Transferor Party against any Employee Liabilities in respect of each Transferring Employee (or, where applicable any employee representative (as defined in TUPE) of any Transferring Employee) arising from or as a result of:
 - 6.13.1 any act or omission of the Replacement Supplier;
 - 6.13.2 the breach or non-observance by the Replacement Supplier on or after the Service Transfer Date of:
 - 6.13.2.1 any collective agreement applicable to the Transferring Employees; and/or
 - 6.13.2.2 any custom or practice in respect of any Transferring Employees which the Replacement Supplier is contractually bound to honour:
 - 6.13.3 any claim by any trade union or other body or person representing any Transferring Employees arising from or connected with any failure by the Replacement Supplier to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
 - 6.13.4 any proposal by the Replacement Supplier to change the terms and conditions of employment or working conditions of any Transferring Employees on or after their transfer to the Replacement Supplier (as the

case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of TUPE) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;

- any statement communicated to or action undertaken by the Replacement Supplier to, or in respect of, any Transferring Employee on or before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Transferor Party in writing;
- 6.13.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - 6.13.6.1 in relation to any Transferring Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date: and
 - 6.13.6.2 in relation to any employee who is not a Transferring Employee, and in respect of whom it is later alleged or determined that TUPE applied so as to transfer their employment from the Transferor Party to the Replacement Supplier to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date;
- 6.13.7 a failure of the Replacement Supplier to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees in respect of the period from (and including) the Service Transfer Date; and
- any claim made by or in respect of a Transferring Employee or any appropriate employee representative (as defined in TUPE) of any Transferring Employee relating to any act or omission of the Replacement Supplier in relation to obligations under regulation 13 of TUPE.
- 6.14 The indemnities in clause 6.13_shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Transferor Party (as applicable) whether occurring or having its origin before, on or after the Relevant

Transfer Date, including any Employee Liabilities arising from the failure by the Transferor Party (as applicable) to comply with its obligations under TUPE.

SCHEDULE 9

EXIT PLAN

- 1. The Parties shall within 6 months of the date of the service of notice of termination agree an Exit Plan which sets out the proposed methodology for achieving an orderly transition of services and termination of the strategic partnership.
- 2. The Exit Plan shall contain as a minimum:
 - Contain the full establishment list for each Council
 - Set out the scope and level of support for each Council to ensure that the smooth transition of services.
 - Contain details of the Lead Officers managing the Exit Plan
 - Agree a list of any external expert advice/services
 - Timetable of any critical issues
 - List of any joint contracts/software licences
 - List of any shared assets
 - Any outstanding apportionments of expenses
- 3. The Exit Plan shall also contain arrangements for the termination of data sharing agreements and ensure a smooth transition of services.
- 4. The Parties agree that any transition of services shall have little or no impact on the residents of their district.

SCHEUDLE 10

EXPERT DETERMINATION

Expert: a person appointed in accordance with clause 22 to resolve an Operational Matter.

1. Expert

- 1.1 An Expert is a person appointed in accordance with this Schedule 10 to resolve an Operation Matter.
- 1.2 The parties shall agree on the appointment of an independent Expert and shall agree with the Expert the terms of their appointment.
- 1.3 If the parties are unable to agree on an Expert or the terms of their appointment within seven days of either party serving details of a suggested expert on the other, either party shall then be entitled to request [NAME OF BODY ENTITLED TO MAKE NOMINATION] to appoint an Expert [PROFESSIONAL QUALIFICATION] of repute with international experience in [TYPE OF MATTER] [and for the [NAME OF BODY ENTITLED TO MAKE NOMINATION] to agree with the Expert the terms of appointment].
- 1.4 The Expert is required to prepare a written decision [including reasons] and give notice (including a copy) of the decision to the parties within a maximum of [three] months of the matter being referred to the Expert.
- 1.5 If the Expert dies or becomes unwilling or incapable of acting, or does not deliver the decision within the time required by this clause then:
 - (a) [the parties may agree **OR** either party may apply to [NAME OF BODY ENTITLED TO MAKE NOMINATION]] to discharge the Expert; and
 - (b) [the parties OR a party] may proceed to appoint a replacement Expert in accordance with this paragraph 1 which shall apply to the replacement Expert as if they were the first Expert to be appointed.
- 1.6 All matters under this clause must be conducted, and the Expert's decision shall be written, in the English language.
- 1.7 The parties are entitled to make submissions to the Expert [including oral submissions] and will provide (or procure that others provide) the Expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision.]

- 1.8 [To the extent not provided for by this clause, the Expert may in their reasonable discretion determine such other procedures to assist with the conduct of the determination as they consider just or appropriate [including (to the extent considered necessary) instructing professional advisers to assist them in reaching their determination].]]
- 1.9 [Each party shall with reasonable promptness supply each other with all information and give each other access to all documentation and personnel and/or things as the other party may reasonably require to make a submission under this clause.]
- 1.10 The Expert shall act as an expert and not as an arbitrator. The Expert shall determine the Operational Dispute [which may include any issue involving the interpretation of any provision of this Agreement, their jurisdiction to determine the matters and issues referred to them and/or their terms of reference]. The Expert may award interest as part of their decision. The Expert's written decision on the matters referred to them shall be final and binding on the parties in the absence of [manifest error or] fraud.
- 1.11 In determining the Operational Matter, the Expert shall take into account [SPECIFY BRIEFLY ANY MATTERS WHICH THE EXPERT IS TO TAKE INTO ACCOUNT].
- 1.12 [Each party shall bear its own costs in relation to the reference to the Expert OR The Expert may direct that any legal costs and expenses incurred by a party in respect of the determination shall be paid by another party to the determination on the general principle that costs should follow the event, except where it appears to the Expert that, in the circumstances, this is not appropriate in relation to the whole or part of such costs]. The Expert's fees and any costs properly incurred by them in arriving at their determination (including any fees and costs of any advisers appointed by the Expert) shall be borne by the parties [equally or in such other proportions as the Expert shall direct].
- 1.13 All matters concerning the process and result of the determination by the Expert shall be kept confidential among the parties and the Expert.
- 1.14 Each party shall act reasonably and co-operate to give effect to the provisions of this clause and otherwise do nothing to hinder or prevent the Expert from reaching their determination.

SCHEDULE 11 CONFLICTS SCHEDULE

To be Attached when agreed

APPENDICIES

Index of Business Cases_that have been appended to this Agreement and form part of it.

Appendix Number	Description	Date
	1	1
	,	



Project risk management is the process of identifying, assessing and responding to any risk that arises over the lifecycle of a project, to ensure the project remains on track and meet its objectives.

As part of the central #OneTeam Transformation Programme central documentation, a risk register has been created.

In line with the agreed Terms of Reference, this register is reviewed and discussed at the #OneTeam Project Team meetings and shared with the #OneTeam Programme Board by way of exception reporting.

At the time of writing this report, the top initial programme risks are outlined below, also showing the adjusted rating on taking mitigating actions.

No.	Description of Risk	Potential Impact	Impact	Likelihood			Revised Impact	Revised Likelihood	Revised Risk Score	
Page 2	The Programme is under resourced	Project benefits not realised impacting on viability of delivery of the programme. Knock on effect to BAU	5	4	20	SRO	Budget approved to fund external commission of specialist services to deliver the programme. HR and Comms service reviews prioritised as critical in supporting delivery of Phase 2 of the programme. Consideration also given to supporting and creating capacity for those internal staff involved in undertaking service reviews i.e. those performing roles plus their day job, e.g. Key Change Champions.	3	2	6
295 R2							Service delivery workstream to be led by Tier 3 Lead once Phase 1 completed.			
R2	Effective governance and monitoring is not in place		5	4	20	SRO	Programme management services commissioned, with supporting governance, monitoring and reporting in place.	2	2	4
R3	Programme not delivered due to resource skill set issues	Slippage, reduction in staff morale and perception of programme. Knock on effect to BAU	5	4	20	HR & WD WL	Resource planning in place for programme, including use of external specialist resources. HR and Workforce Development Workstream will specifically address this risk.	3	2	Appe
R4	Lack of cross Council/services working prevents successful delivery of programme	Programme will be delayed, milestones missed and benefits not delivered as expected	5	4	20	SRO	Shared priorities and objectives confirmed. Project processes/templates introduced to encourage and support cross Council working.	2	2	ndix⁴E

R5	Failure to engage key stakeholders leading to lack of understanding of programme, its goals/achievements. Also leads to deterioration in working relationships with external partners at an operational and strategic level	Benefits are eroded. Reputational damage. Operational effectiveness impacted	5	4	20	C&E WL	Communications consultant brought in for up to 29 days between March and July 2022. Communications strategy and accompanying communications handling plan in place. Stakeholder and channel mapping being undertaken. Annualised communications planner for project in development.	5	3	15
R6	Inability to share personal/sensitive data between both Councils	Non compliance with protocols around sharing personal/sensitive data will impact on progress with service reviews and HR BAU	4	5	20	SRO	Discussed with legal and to be covered within S113 agreement. JS appointed so can be shared via this post and local arrangements where necessary.	3	4	12
age 296	SRO	Programme will be delayed, milestones missed and benefits not delivered as expected	5	4	20	PS	Effective handover arrangements in place - to be discussed #OneTeam Project Team meeting June 2022.	4	3	12

Definitions

	Impact	Likelihood	#OneTeam role	
1	Negligible	Unlikely	Project Sponsor	PS
2	Minor	Less Likely	Senior Responsible Officer	SRO
3	Moderate	Likely	HR & Workforce Development Workstream Lead	HR & WD WL
4	Significant	Very Likely	Service Delivery Workstream Lead	SD WL
5	Major	Definite	Communication & Engagement Workstream Lead	C&E WL

Committee(s): Audit and Scrutiny	Date: 05 July 2022
Subject: Scrutiny Work Programme 2022/23	Wards Affected: All
Report of: Steve Summers, Strategic Director	Public
Report Author/s: Name: Steve Summers Telephone: 01277 312500	For Decision
E-mail: steve.summers@brentwood.gov.uk	

Summary

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee. This report provides an update of the current scrutiny work programme and is set out in Appendix A.

Councillor Cloke on the 14th May 2022 has put forward for consideration for the Committees Scrutiny Programme as follows:

'Formation, make up and running of working groups. The membership of these groups does not seem to be assigned consistently or according to Widdecombe principles and I wonder if a standard approach should be applied. The work planned and completed by these groups is also opaque at best. My primary concern is the constitution working group but a review of the overall approach and other working groups would be of benefit.'

In addition, the Committee approved on the 5th March 2022, Min330 refers, that a Working Group be formed for the purpose of evaluating the Outside Organisations and recommend the removal of any Outside Organisations to Ordinary Council for 2023/24. Members are requested to nominate representatives for this Working Group.

Recommendation(s)

R1. That the Committee considers and agrees the 2022/23 Scrutiny work programme as set out in Appendix A with any additions agreed by the committee at the meeting.

Main Report

Introduction and Background

1. At the Annual Council it was agreed that the committee structure would include the introduction of an Audit & Scrutiny Committee.

- 2. In relation to new scrutiny matters under its Terms of Reference any scrutiny matter identified by members must be agreed Audit and Scrutiny Committee.
- 3. The Audit & Scrutiny Committee also has responsibility to review decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions. In addition, it has responsibility for the monitoring of Council service performance, including Performance Indicators and Formal Complaints.
- 4. The Scrutiny work programme should not include management or staffing, issues which are the responsibility of the Head of Paid Service.

Reasons for Recommendation

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee.

Consultation

None

References to Corporate Plan

The vision of Transformation includes an action to improve the Council's governance arrangements, leading to faster, more effective decision-making. An effective scrutiny function is an essential element of that priority.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources)

and Section 151 Officer

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

There are no direct financial implications arising from this report.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and

Monitoring Officer

Tel & Email: 01277 312500/amanda.julian@brentwood.gov.uk

There are no direct legal implications arising from this report.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning & Economy)

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

There are no direct economic implications from this report.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

None

Background Papers

None

Appendices to this report

Appendix A: Draft Scrutiny Work Programme – July - 2022/23



Appendix A

Audit & Scrutiny Committee

2022-23 Draft Scrutiny Work programme

Subject Matter	July	August	September	October	November	December	January	February	March	
Local Development Plan										
Scope	2. Review efforts to	 Review the Council's Plan making process as required by the National Planning Policy Framework (NPPF). Review efforts to ensure that necessary cooperation on strategic cross boundary matters have been made. Review subjects and issues covered by LDP evidence base to ensure it is appropriate and proportionate. 								
Membership 2022/2023	Cllrs To be confirme	Cllrs To be confirmed.								

Detailed timeline

- 1. Working Group Meeting 9th February 2022
- 2. Report to Audit & Scrunity Committee 8th March 2022
- 3. Working Group Meeting tbc
- 4. Report to Audit & Scrunity Committee tbc

in response of teach a containing committee	report to read a coramity committee to								
Subject Matter	July	August	September	October	November	December	January	February	March
Performance and Formal Complaints	Collate Data	Member Working Group	Report to Committee	Collate Data	Member Working Group	Report to Committee	Collate Data	Member working Group	Report to Committee
Membership 2022/2023	Clirs Tanner Hirst	Barrett Navlor a	nd Conservati	ve (thc)	,	•	•		

Detailed timeline

- 1. Working Group meeting August 2022 (tbc)
- 2. Report to Audit & Scrunity Committee 13th September 2022
- 3. Working Group meeting October 2022 (tbc)
- 4. Report to Audit & Scrunity Committee 15th November 2022
- 5. Working Group meeting February 2023 (tbc)
- 6. Report to Audit & Scrunity Committee 7th March 2023

Subject Matter	July	August	September	October	November	December	January	February	March
Community Safety Partnership	Report to Committee								
Detailed timeline									
1. Report to Audit & Scrutiny Committee	ee - 5th July 2022								
Subject Matter	July	August	September	October	November	December	January	February	March
Brentwood Leisure Trust		Member Working Group -	Report to Committee						
Scope	To determine lessons that can be learnt from the process of Brentwood Leisure Trust, the terms of transfer of provision of leisure, and the relationship between Brentwood Borough Council and Brentwood Leisure Trust throughout is existence. Identify recommendations for future operating models that would improve services and avoid reoccurrence of the situation now faced by the Council.								
Membership 2021/2022	Cllrs Tanner, Hones	s, Poppy, Fulchei	r, Naylor and D	r Barrett.					
Detailed timeline									
1. Report to Audit & Scrutiny Committee	ee - 26th January 202	21							
2. Working Group Meeting - 3rd March	n 2021								
3. Working Group Meeting - 10th Augu									
4. Working Group Meeting - 20th Dece									
5. Report to Audit & Scrunity Committee	ee - 8th March 2022								
6. Working Group Meeting - 15th									
7. Report to Audit & Scrunity Committee	•								
Subject Matter	July	August	September	October	November	December	January	February	March
Council Motions									Report to Committee
Subject Matter	July	August	September	October	November	December	January	February	March
Member representation on outside organisations			Working Group Meeting			Working Group Meeting			Report to Committee

Members Interests

Members of the Council must declare any pecuniary or non-pecuniary interests and the nature of the interest at the beginning of an agenda item and that, on declaring a pecuniary interest, they are required to leave the Chamber.

What are pecuniary interests?

A person's pecuniary interests are their business interests (for example their employment trade, profession, contracts, or any company with which they are associated) and wider financial interests they might have (for example trust funds, investments, and asset including land and property).

Do I have any disclosable pecuniary interests?

You have a disclosable pecuniary interest if you, your spouse or civil partner, or a person you are living with as a spouse or civil partner have a disclosable pecuniary interest set out in the Council's Members' Code of Conduct.

What does having a disclosable pecuniary interest stop me doing?

If you are present at a meeting of your council or authority, of its executive or any committee of the executive, or any committee, sub-committee, joint committee, or joint sub-committee of your authority, and you have a disclosable pecuniary interest relating to any business that is or will be considered at the meeting, you must not:

- participate in any discussion of the business at the meeting, of if you become aware of your disclosable pecuniary interest during the meeting participate further in any discussion of the business or,
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

Other Pecuniary Interests

Other Pecuniary Interests are also set out in the Members' Code of Conduct and apply only to you as a Member.

If you have an Other Pecuniary Interest in an item of business on the agenda then you must disclose that interest and withdraw from the room while that business is being considered

Non-Pecuniary Interests

Non –pecuniary interests are set out in the Council's Code of Conduct and apply to you as a Member and also to relevant persons where the decision might reasonably be regarded as affecting their wellbeing.

A 'relevant person' is your spouse or civil partner, or a person you are living with as a spouse or civil partner

If you have a non-pecuniary interest in any business of the Authority and you are present at a meeting of the Authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest whether or not such interest is registered on your Register of Interests or for which you have made a pending notification.

Audit and Scrutiny Committee Term of Reference

The Audit and Scrutiny Committee provides advice to the Council and the committees on the effectiveness of the arrangements for the proper administration of the Council's financial affairs, including all relevant strategies and plans.

It also acts as the Council's Overview and Scrutiny Committee with all the powers under Part 3 of the Local Authorities (Committee System) (England) Regulations 2012, and discharges the functions under section 19 of the Police and Justice Act 2006 (local authority scrutiny of crime and disorder matters).

Without prejudice to the generality of the above, the terms of reference include those matters set out below.

Audit Activity

- (a) To approve the Annual Internal Audit risk based plan of work.
- (b) To consider the Head of Internal Audit's annual report and opinion, and a summary of Internal Audit activity and the level of assurance it can give over the Council's corporate governance, risk management and internal control arrangements.
- (c) To consider regular progress reports from Internal Audit on agreed recommendations not implemented within a reasonable timescale.
- (d) To consider the External Auditor's annual letter, relevant reports, and the report to those charged with governance.
- (e) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- (f) To consider the arrangements for the appointment of the Council's Internal and External Auditors.

Regulatory Framework

- 1) To review any issue referred to it by a Statutory Officer of the Council or any Council body.
- 2) To monitor the effective development and operation of risk management and corporate governance in the Council.

3) To monitor Council policies and strategies on an Annual basis

Whistleblowing
Money Laundering
Anti-Fraud and Corruption
Insurance and Risk Management
Emergency Planning
Business Continuity

- 4) To monitor the corporate complaints process.
- 5) To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- 6) To consider the Council's compliance with its own and other published standards and controls.
- 7) To monitor the Council processes in relation to
 - Freedom of Information
 - Member Enquires
- 8) To monitor the Council's Data Quality arrangements.
- 9) To monitor the Council's Member's Training arrangements.

Accounts

- To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- 2) To review the Council's Annual Governance Statement.
- 3) To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.

Scrutiny Activity

- 1) Responsible to scrutinise any matters as identified and agreed by the Policy, Resources and Economic Development Committee as set out in the Audit and Scrutiny Procedure rules.
- 2) To report to the Policy, Resources and Economic Development Committee or the appropriate committee on the progress of any matters that have been requested and to make relevant recommendations as required.
- 3) To establish working groups as appropriate(in line with agreed protocols) to undertake the scrutiny of any matters requested by the Policy, Resources and Economic Development Committee, including setting their terms of reference, the reporting arrangements, and to co-ordinate and review the work of the working groups.
- 4) Responsibility for the monitoring of Council service performance, including Performance Indicators and, Formal Complaints, making reports if required to any committee, or subcommittee, any officer of the Local Authority, or any joint committee on which the Local Authority is represented, or any sub-committee of such a committee.
- 5) To review and/or scrutinise decisions made, or other action taken, in connection with the discharge of any functions of the Local Authority.
- 6) To deal with those issues raised through the 'Councillor Call for Action' scheme in line with agreed protocols and procedures.
- 7) To review and/or scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions.
- 8) To make reports or recommendations to the Local Authority with respect to the discharge by the responsible authorities of their crime and disorder functions.

