



# Agenda

## **Audit and Scrutiny Committee**

Wednesday, 20 March 2024 at 7.00 pm

Council Chamber, Town Hall, Ingrave Road, Brentwood, Essex CM15  
8AY

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### **Membership (Quorum – 3 )**

Cllrs Sankey (Chair), Naylor (Vice-Chair), Hirst, Marsh, Mayo, Munden, Rigby, Wagland and White

### **Substitute Members**

Cllrs M Cuthbert, Gorton, Haigh, Heard and Gelderbloem

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### **Agenda**

<b>Item</b>	<b>Item</b>	<b>Wards(s) Affected</b>	<b>Page No</b>
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### **Live broadcast**

[The live stream will commence at 7.00pm and available for repeated viewing.](#)

- |           |  |                  |                |
|-----------|--|------------------|----------------|
| <b>1.</b> | <b>Apologies for Absence</b>   |                  |                |
| <b>2.</b> | <b>Minutes of the previous meeting</b>   |                  | <b>7 - 10</b>  |
| <b>3.</b> | <b>Minutes of previous meeting held on 14 Nov 2023</b>                               |                  | <b>11 - 20</b> |
| <b>4.</b> | <b>Brentwood Community Safety Partnership Annual Report</b><br>Appendix B to follow. | <b>All Wards</b> | <b>21 - 42</b> |
| <b>5.</b> | <b>External Audit Report Update</b>  | <b>All Wards</b> | <b>43 - 56</b> |
| <b>6.</b> | <b>Internal Audit Plan</b>   | <b>All Wards</b> | <b>57 - 78</b> |

7.	<b>Internal Audit Progress Report</b>	All Wards	79 - 122
8.	<b>Risk Management Update</b>	All Wards	123 - 152
9.	<b>Treasury Management Strategy 2024/25</b>	All Wards	153 - 206
10.	<b>Anti-Fraud Policy</b>	All Wards	207 - 244
11.	<b>S106 Financial Obligations</b>	All Wards	245 - 254
12.	<b>Local Development Plan Member Working Group Update</b>	All Wards	255 - 298
13.	<b>Formal Complaints &amp; Performance Indicator Working Group</b>	All Wards	299 - 332
14.	<b>Essex County Council Recycling Centres</b>	All Wards	333 - 340
15.	<b>Ordinary Council Motions June -December 2023</b>	All Wards	341 - 366
16.	<b>Authority's Statutory Obligations</b>	All Wards	367 - 370
17.	<b>Scrutiny Work Programme 2023/24</b>	All Wards	371 - 376
18.	<b>Urgent Business</b> 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.		

A handwritten signature in black ink, appearing to read 'J. Stephenson', is centered at the top of the page. The signature is written in a cursive style with a horizontal line crossing through the middle of the letters.

Jonathan Stephenson  
Chief Executive

Town Hall  
Brentwood, Essex  
12.03.2024

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### Information for Members

#### Substitutes

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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.

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#### Rights to Attend and Speak

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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.

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#### Point of Order/ Personal explanation/ Point of Information

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##### 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.

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### Information for Members of the Public

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#### 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](http://www.brentwood.gov.uk).

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#### 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

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

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 **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.

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## Minutes

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### Audit and Scrutiny Committee Tuesday, 23rd January, 2024

#### Attendance

Cllr Sankey (Chair)	Cllr Mayo
Cllr Naylor (Vice-Chair)	Cllr Rigby
Cllr Hirst	Cllr Wagland
Cllr Marsh	Cllr White

#### Apologies

Cllr Munden

#### Substitute Present

Cllr Gorton

#### Also Present

#### Officers Present

Steve Summers	- Strategic Director
Leigh Nicholson	- Interim Director - Place
Sam Wood	- Corporate Manager - Finance
Zoe Borman	- Governance and Member Support Officer
Andrew Billingham	- Internal Auditor

#### LIVE BROADCAST

[Live Stream commences at 7.00pm and available for repeated viewing](#)

#### 353. Apologies for Absence

Apologies had been received from Cllr Munden and Cllr Gorton was substitute.

### **354. Minutes of the previous meeting**

Cllr Hirst questioned why the Treasury Management Strategy 2024-25 had not come to this Committee. The Chair updated Members by advising, that officers had confirmed that the paper would be before Members at the next Finance, Assets, Investment and Recovery Committee (FAIR). The oversight was that Members had not been informed of this prior to commencement of the Committee.

Cllr Hirst referred to a conversation he believed took place at the last Audit & Scrutiny Committee (A&S) regarding the Treasury Management Strategy coming before A&S for scrutiny prior to FAIR and questioned why there was no mention of this in the Minutes.

The Minutes will be reviewed and amended as necessary and presented to Members at the next meeting for agreement.

Cllr Hirst requested this matter be referred to the Constitution Working Group and Monitoring Officer for review as the opportunity to pre-scrutinize the Treasury Management Strategy had not been permitted. Members requested the Strategy be brought to the next A&S meeting for scrutiny. The Chair agreed.

Mr Sam Wood updated Members on the financial audit. The audit is ongoing and the audit manager will be invited to the next committee, in March, to report their findings. There are some ongoing issues with regards to valuations.

### **355. Internal Audit Progress Report**

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2023/24 internal audit plan.

The following reports has been finalised since the last Committee meeting:

- Risk Management (Moderate/Moderate)
- Communications and Information Sharing (Moderate/Moderate)

Mr Andrew Bellingham presented the report.

Members raised concerns regarding Social Media Access in particular 5.2 relating to password changes. Mr Bellingham advised that this recommendation would be reviewed as part of the follow up process.

Officers confirmed the S106 Agreements register would form part of the Planning Improvement Plan to be implemented in April 2024. This software allows monitoring of both S106 and CIL.

Members raised concerns regarding whether the Strategic and Operational Risk Registers were being brought to Audit & Scrutiny on a quarterly basis. Also, a date for the update of the current Service Plan was also requested by Members. Officers will update Members outside of the meeting.

Members raised concerns regarding the lack of senior officers present at the meeting to answer the questions raised following the reports brought before them and requested the attendance of relevant officers at future meetings.

Concerns were also raised around the proposed revised Building Control Performance Criteria and the delay and lack of timetable to deal with matters that may arise. Officers advised they would approach colleagues for further information.

Members noted the report.

### **356. Treasure Management Update**

This report gives an update on the Council's treasury management activity and performance for the period April to December 2023.

Mr Wood pointed out an error on page 5, in point 4 "A table of investments as of 31<sup>st</sup> December 2023 totalling £24,380m is shown at Appendix A"; this figure should read "£24m".

Mr Wood summarised the report.

The report was noted by Members.

### **357. Treasure Management Strategy 2024-25**

This report will be going to Finance, Assets, Investment & Recovery Committee.

### **358. Report on the progress of work to deliver improvements to the Development Management and Enforcement service**

In July 2023, a report into the delivery of the wider Development Management services at Brentwood and Rochford was completed. That report contained a number of recommendations, which are now being actively progressed through an Officers Planning Improvement Board chaired by the Strategic Director responsible.

This report is tabled in order to update Members on the progress of this work and to seek comment on the on-going improvement programme.

Mr Summers introduced the report and advised that Mr Nicholson was present and able to answer any questions of the Committee.

Mr Nicholson confirmed that the Enforcement Policy was being reviewed as part of the comprehensive review of systems and processes with a view to improving efficiencies. The Council's current Enforcement Plan is published on our website.

With regard to the Planning Performance Agreements being self-financing, officers agreed to bring this policy before this Committee.

The report was noted.

### **359. Scrutiny Work Programme 2023/24**

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.

Cllr Sankey **MOVED** and Cllr Naylor **SECONDED** the recommendations in the report.

Cllr Mayo advised the Committee the Performance and Formal Complaints Indicator Working Group were meeting on 4<sup>th</sup> March and the KPI meeting was due on 24<sup>th</sup> February.

With regard to the Implications of appointment system for Recycling Centres, officers advised that this would be reviewed as to the best course of action.

Members raised concerns about the timetable for the Scrutiny element of the Committee and whether, in future, this could be spread throughout the year. Officers pointed out that much of the work needed to be undertaken was either annually and quarterly which left little scope for the timetable to be reviewed.

A vote was taken by a show of hands and Members **RESOLVED UNANIMOUSLY**

**That the Committee considers and agrees the 2023/24 Scrutiny work programme as set out in Appendix A to include the scoping of the work in relation to Implications of appointment system for Recycling Centres.**

#### **REASON FOR RECOMMENDATION**

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

### **360. Urgent Business**

There were no items of urgent business.

The meeting concluded at 20.10



## Minutes

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### Audit and Scrutiny Committee Tuesday, 14th November, 2023

#### Attendance

Cllr Sankey (Chair)	Cllr Munden
Cllr Naylor (Vice-Chair)	Cllr Rigby
Cllr Hirst	Cllr White
Cllr Mayo	

#### Apologies

Cllr Marsh	Cllr Wagland
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#### Substitute Present

#### Also Present

Cllr Barber  
Cllr Mrs Pound  
Cllr Reed

#### Officers Present

Emily Yule	- Strategic Director
Steve Summers	- Strategic Director
Greg Campbell	- Director - Policy and Delivery
Tim Willis	- Interim Director - Resources
Marcus Hotten	- Director - Environment
Alistair Greer	- Principal Accountant (Financial Reporting)
Janine Combrinck	- Internal Audit, BDO
Zoe Borman	- Governance and Member Support Officer

#### LIVE BROADCAST

[Live broadcast will start at 7pm and available for repeat viewing.](#)

### **223. Apologies for Absence**

Apologies had been received from Cllrs Wagland and Marsh. There were no substitutes.

### **224. Minutes of the previous meeting**

The Minutes of the previous meeting held on 26<sup>th</sup> September 2023 were agreed as a true record.

### **225. Minutes of previous meeting held on 11 July 2023**

The Minutes of the meeting held on 11<sup>th</sup> July 2023 were agreed as a true record.

### **226. Internal Audit Progress Report**

This report intended to inform the Audit and Scrutiny Committee of progress made against the 2023/24 internal audit plan.

The report had been finalised since the last Committee meeting:

- Waste Management 2023/24 (Limited/Limited)

Ms Combrinck was present at the meeting and summarised the report.

Members raised concerns regarding the health and safety of employees, not only those working in waste management, but across all services of the Council.

Officers assured Members that the issues were being addressed and dealt with appropriately. Also, employees had a range of mechanisms at their disposal to escalate any concerns they may have confidentially, including the whistle-blowing policy.

Following a full discussion Cllr Sankey **MOVED** and Cllr Naylor **SECONDED** the recommendations in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that Members::

**1. Note the progress made against the 2023/24 internal audit plan and the findings from the audit completed since the last Committee meeting.**

**2. Approve an escalation process for the non-completion of audit recommendations. Escalation process to require responsible officers for recommendations that have surpassed two implementation dates (the**



**original and one revised date) to attend the Audit and Scrutiny Committee to provide an update on progress and an explanation for not implementing the recommendation by the agreed dates.**

### **Reasons for Recommendation**

Internal audit is required to report the findings of their work to the Council, through the Audit and Scrutiny Committee.

#### **227. Draft Audit Results Reports for 2021-22 Accounts**

This report introduced the Draft Audit Results Reports for the 2021-22 Accounts prepared by the Council's external auditors EY.

The annual audit expressed an opinion on the Council's financial statements and addressed current statutory and regulatory requirements. The Draft Audit Result Report contains the external auditor's findings related to the areas of audit emphasis, their views on the Council's accounting policies and judgements and their finding on material internal controls.

Ms Jackson was present at the meeting and summarised the report.

Following a full discussion, Members noted the report.

#### **228. Treasury Management Review**

This report set out the findings of the Council's treasury management advisors, Link, in respect of a review of the Treasury Management Strategy.

The Council has, over recent years, embarked upon an ambitious capital investment programme that has necessitated significant treasury management activity, including sizeable borrowing. A report was commissioned from the local government experts in this field (Link) to report back on this activity – both in terms of the Council's performance and its current compliance with best practice.

Mr Willis presented the report.

Members welcomed this report, in particular its transparency, clarity and usefulness and would like to see this level of transparency reflected in all future reports.

Members also requested that debt management was added to the risk register. Officers confirmed debt management would be included in the next Strategic Risk Register before Members.

Officers clarified the recruitment of the Independent person to the Committee had been delegated to the Interim Director of Resources in consultation with the Chair of Audit & Scrutiny.

Members noted the report.

## **229. Treasury Management April - October Update**

This report gave an update on the Council's treasury management activity and performance for the period April to October 2023. In line with the scrutiny of the Council's Treasury Management activity and performance in 2023/24 in compliance with CIPFA's Treasury Management in the Public Services: Code of Practice (the CIPFA Code 2021 Edition) and generally accepted good practice.

Mr Willis presented the report, together with the Addendum submitted.

Members noted the report.

## **230. Risk Management Update**

This report updated members of the Audit & Scrutiny Committee with a revised Insurance & Risk Management Strategy attached in Appendix A.

This report also updates the Audit & Scrutiny Committee on the status of the Council's 2023/24 Strategic Risk Register.

The number of very high risks has increased to two since the last report to the committee. The risk that has increased relates to the Contract/Partnership failure.

Mr Willis presented the report.

Members raised concerns regarding Risk 12, (Contract/partnership failure) and its unusually high increase. Mr Willis confirmed that increasing the risk score and the consequential actions associated would provide an added level of protection to the Council around partnerships and help ensure they were robust and effective now and in the future.

Members also raised concerns around Risk 13 (Cyber Threat) and requested that the risk was maintained and the Council remain vigilant.

Queries were raised regarding issues with waste management and, in Cllr Hirst's Ward specifically, it was noted that paper waste pick up was frequently being omitted. Mr Hotten advised that this was being reviewed and was a problem due to the irregularity of the round week by week. Cllr Hirst also commented on the graffiti on Woodway bridge and requested if this could be removed. Mr Hotten advised he would look into the matter.

Following a full discussion Cllr Sankey **MOVED** and Cllr Naylor **SECONDED** the recommendations in the report.

Members reminded officers that they would like to see debt management, discussed during a previous item, included in the Strategic Risk Register.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY**:

- 1 To agree the revised Insurance & Risk Management Strategy.**
- 2 That the Committee notes the report.**

### **Reasons for Recommendation**

Effective risk management arrangements help enable the Council to achieve its corporate priorities. Risk management is the process by which officers assess the likelihood and impact of differing risks and take proportionate action/make decisions to reduce the likelihood of the risk occurring, as well as to reduce the adverse impact if it occurs. Members are asked to review and note the strategic risks and accompanying risk register.

[Cllr White declared a pecuniary interest as an employee of Network Rail, who is responsible for the bridge, and left the room whilst the issue was being discussed.]

## **231. S106 Financial Obligations**

This report provided a summary and detail of the current financial contributions the Council has secured through section 106 agreements from new developments for affordable housing and public open space works. In addition, the report sets out the proposed future plans for s106 Agreement processes and procedures.

Mr Summers gave assurance that no monies had been lost through S106 to the Council and this information would be included in future reports. Mr Summers also advised that more detailed information would be available following the review of all S106 processes and procedures taking place as part of the Planning Improvement Plan.

Following a full discussion Cllr Sankey **MOVED** and Cllr Naylor **SECONDED** the recommendations in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that Members::

- 1. Note the current s106 financial contributions as attached at Appendices A and B and proposed future plans for processes and procedures as set out in the report.**

## **Reasons for Recommendation**

At the Audit & Scrutiny Committee on 24<sup>th</sup> January 2023 the Chair agreed that a report on the current Financial Contributions from s106 Agreements will be made to the 7<sup>th</sup> March 2023 committee. (Min 324 refers.) Members agreed a regular report would be made to future Audit & Scrutiny Committees.

### **232. 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.

Mr Campbell summarised the report.

Members raised concerns regarding Council Motions not being actioned, and in particular the Environmental Implications not appearing on report templates. Mrs Yule assured Members that the will of the Council needs to be actioned and will ensure correct templates are used in future reports. With regards a report on follow up on Council Motions, a report is scheduled to come before Audit & Scrutiny Committee in March.

Following a full discussion the report was noted.

### **233. 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.

Officers will review the frequency of these meetings following feedback from Members, together with the mention of political groupings within the report.

Officers will also confirm whether approved sites can be removed from the LDP as part of the review.

Members noted the report.

### **234. Scrutiny Work Programme 2023/24**

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

Mrs Yule assured Members that the report on Implications of appointment system for recycling centres is scheduled in to come to this committee and the Work Programme updated accordingly.

Following a full discussion Cllr Sankey **MOVED** and Cllr Naylor **SECONDED** the recommendations in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY:**

**1. That the Committee considers and agrees the 2023/24 Scrutiny work programme as set out in Appendix A.**

#### **Reason for Recommendation**

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

### **235. Urgent Business**

In order to accommodate the possibility of moving into private and confidential session for Item no. 13 it was agreed to vary the order of the agenda and deal with the item of Urgent Business next.

There were no items of urgent business.

### **236. Local Government and Social Care Ombudsman report**

At 9.00pm, a vote was taken on Standing Orders and it was **UNANIMOUSLY AGREED** to extend the meeting for a further 30 minutes.

The public were excluded from the meeting for this item of business on the grounds that the disclosure of exempt information as defined in Schedule 12A of the Local Government Act 1972 was involved. The Committee entered into private discussions to enable a full and detailed debate of the issues raised in the report.

This report sets the outcomes and recommendations of a report by the Local Government and Social Care Ombudsman (LGSCO) into a Formal Complaint made by a resident about the Council.

One of the recommendations from the report requires the appropriate committee, in this case the Council's Audit & Scrutiny Committee, to consider the report and confirm within three months the action it has taken or proposes to take, and the lessons learnt.

The LGSCO report advised that Ms X complained the Council did not properly investigate or act to resolve matters when she reported various nuisances from a restaurant next to her home. She says this caused her distress and adversely affected her health and enjoyment of her home. Attached as Appendix A was the report by the LGSCO which set out in detail the nature of their investigation into the complaint against the council and the finding of fault causing injustice to the complainant.

The report also makes a number of recommendations to remedy the injustice caused which were also set out in detail in Appendix A.

The conclusions as set out in Appendix A are as follows:

They found the Council was at fault because it failed to properly:

- consider the powers available to it to enforce the boundary screening it set as a planning condition in 2017, in good time;
- consider in good time the retrospective planning applications made in 2021;
- consider the various nuisances Ms X reported via its environmental health enforcement and statutory nuisance procedures;
- communicate with Ms X or respond properly to her complaint; and
- have due regard to Ms X's human rights under The First Protocol, Article 1, which entitles her to peaceful enjoyment of her home and land.

Appendix B attached to the report set out the recommendations from the LGSCO report and provided an update on progress against each one.

Recommendation No.3 required the Council to create an action plan to investigate all outstanding planning, environmental health, and licensing issues without delay, and decide if the Council should take any enforcement action. It should share a copy of the plan with the LGSCO. The action plan has been developed and Appendix B provides an overview of the actions taken to date for this recommendation.

In addition to the recommendations set out in Appendix B the following had been introduced.

- Closer working together between services with one service taking the lead and identifying a single point of contact where there is a multi service issue at both informal and formal complaint stages.
- Strategic Directors review and triage when complaints are made formal to monitor progress and have a corporate overview.

Senior Officers have considered very carefully the outcomes from this particular matter and dealt with the recommendations as set out in the LGSCO report and in addition identified the lessons learnt which are set out below:

- Need to deal with multi service complaints both at informal and formal stage in a co-ordinated way.
- Provision of a Single Point of Contact on multi service complaints.
- Need to ensure corporate oversight on multi service complaints.
- Need to ensure effective and regular communication with complainants.
- Need to review and ensure policies are complied with by services.
- Need for effective record keeping by services.

Following a full discussion Cllr Sankey **MOVED** and Cllr Naylor **SECONDED** the recommendations in the report.

A vote was taken by a show of hands, on each recommendation independently, and it was **RESOLVED**:

**1. To note the report by the Local Government and Social Care Ombudsman as set out in Appendix A attached to this report.**

**2. To note the update on the recommendations as set out in Appendix B attached to this report.**

**3. To agree the action, it has taken or proposes to take as set out in Appendix B attached and as set out in this report and advise the Local Government and Social Care Ombudsman accordingly.**

**4. To note and agree the lessons learnt as set out in this report.**

#### **Reasons for Recommendation**

The Council's Formal Complaints Policy was reviewed and adopted in April 2021. It sets out the process for how we deal with complaints when customers feel let down by the service they have received.

The meeting concluded at 21.05





## **SUPPORT ING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

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.

As outlined above 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.

### **2.0 OTHER OPTIONS CONSIDERED**

N/A

### **3.0 BACKGROUND INFORMATION**

1. 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 & Scrutiny Panel will carry out the function of the Crime and Disorder Committee.
4. Each year the CSP provides an annual report to the Committee (see Appendix B).

### **4.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**  
**Tel & Email: 01277 312500 / [tim.willis@brentwood.rochford.gov.uk](mailto:tim.willis@brentwood.rochford.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.

## **5.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew, Joint Acting Director – People & Governance & Monitoring Officer**

**Tel & Email 01277 312500 / [claire.mayhew@brentwood.gov.uk](mailto:claire.mayhew@brentwood.gov.uk)**

There are no direct legal implications from the report.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

The CSP is a third-party organisation and comprises of multiple agencies including police, fire, health, and Brentwood Council as a key partner. Brentwood Council responsibility is fulfilled by the Community Safety Team as part of their remit.

## **7.0 RELEVANT RISKS**

Improve the perception and delivery of safety within Brentwood by the partnership

## **8.0 ENGAGEMENT/CONSULTATION**

None

## **9.0 EQUALITY IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**

**Tel & Email 01277 312500 [kim.anderson@brentwood.gov.uk](mailto: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.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

**Name & Title: Leigh Nicholson, Director - Place**  
**Tel & Email 01277 312500 / [leigh.nicholson@brentwood.rochford.gov.uk](mailto:leigh.nicholson@brentwood.rochford.gov.uk)**

**Protecting our environment** by working collaboratively with partners to reduce environmental crime, focusing on hotspot areas, particularly the rural communities.

**REPORT AUTHOR:**           **Name:** Daniel Cannon  
   **Title:** Community Safety Officer  
   **Phone:** 01277 312500  
   **Email:** daniel.cannon@brentwood.gov.uk

**APPENDICES**

Appendix A: CSP Partnership Plan 23/24

Appendix B: CSP Annual Report 23/24

**BACKGROUND PAPERS**

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Audit and Scrutiny</b>	<b>11<sup>th</sup> July 2023</b>
<b>Audit and Scrutiny</b>	<b>5<sup>th</sup> July 2022</b>
<b>Audit and Scrutiny</b>	<b>6<sup>th</sup> July 2021</b>



# PARTNERSHIP PLAN 2023 /24



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# Welcome to Safer Brentwood

Safer Brentwood 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 & disorder within the borough by reducing the levels of disorder including crime, anti-social behaviour, the misuse of drugs and reducing reoffending.

# The Background

Under the Crime & Disorder Act 1998, Community Safety Partnerships (CSPs) are required to work together in formulating and implementing strategies to tackle local crime and disorder, misuse of drugs, reduce reoffending in the area and to have in place a partnership plan setting out their priorities.

We believe as a community safety partnership that working alongside the community in delivering a safer environment for all is key. Our aim is to agree priorities taking account of past, current and emerging crime trends. However, keeping community at the centre of what we aim to achieve. Our focus for 2024-25 is to develop action plans and commission projects and initiatives that will not only protect the residents, businesses and visitors to Brentwood but seek to build a better and safer future for generations to come.

We must accept that we are in challenging times and as a partnership we need to address issues that matter to our communities and that we can affect change in. Our priorities for 2019-20 seek to strengthen our work around prevention, education and intervention.

The partnership is made up of both statutory and community organisations. Listed below are the six statutory partners that Brentwood works with.

- Brentwood Borough Council
- Essex Police
- Essex County Fire & Rescue
- Health
- Essex CRC
- Probation Services

Just as important as the statutory partners that we work with, are the non-statutory partners such as Neighbourhood Watch, Crimestoppers, Federation for Small Businesses, local resident groups, Parish Councils, schools, volunteers and more. Without these partners we wouldn't be able to work so well as a partnership.



## Partnership Promise

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

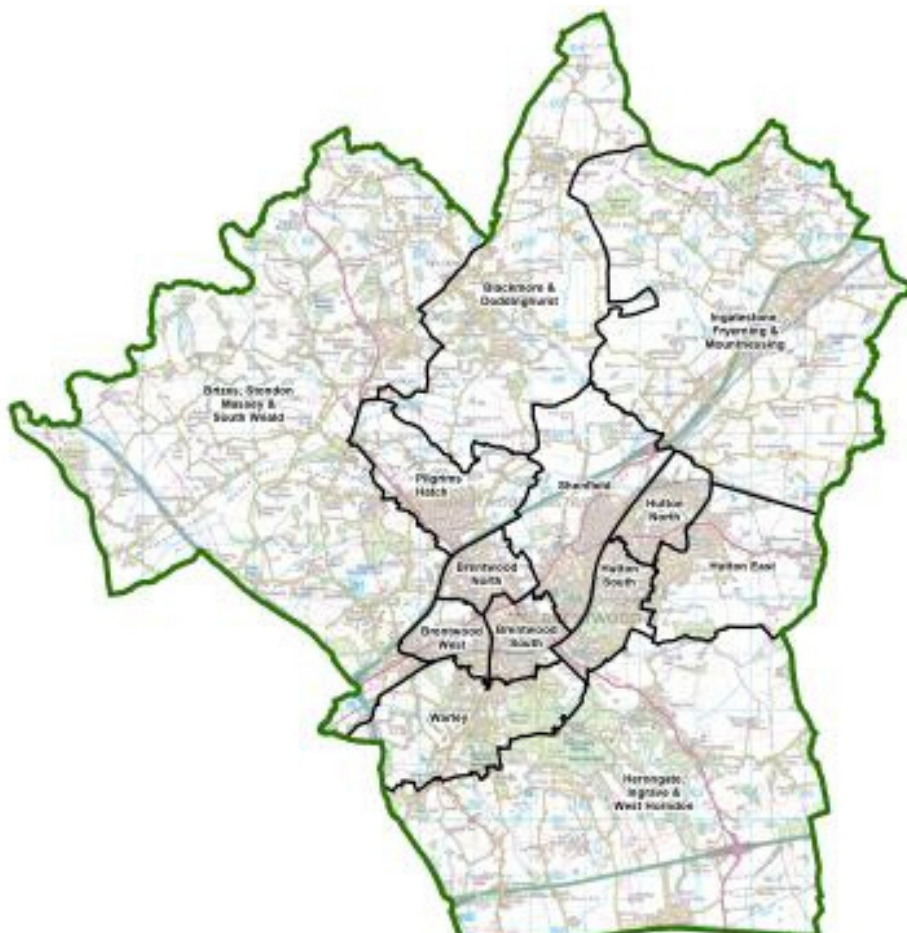




## Local Profile

The borough of Brentwood is situated in the South West of Essex and is a pleasant, busy town conveniently situated with routes into London, the surrounding countryside and villages.

Brentwood has a good mix of shops, schools, businesses and recreational facilities. The borough is located within the Metropolitan Green Belt, with the heart of the town only minutes away from pleasant woods, commons and rights of way. Apart from its urban heart, the borough of Brentwood has about 3,000 acres (about 1,215 hectares) of woodland, three country parks, a large amount of farmland and a number of very attractive villages within its borders, yet it is only 18 miles from London. Road and rail connections are excellent with the M25, A12 and A127 trunk roads within the borough and convenient, fast rail links with London and East Anglia. Stansted, City and Southend airports are all 30 to 40 minutes drive away, with Heathrow and Gatwick airports not much more.

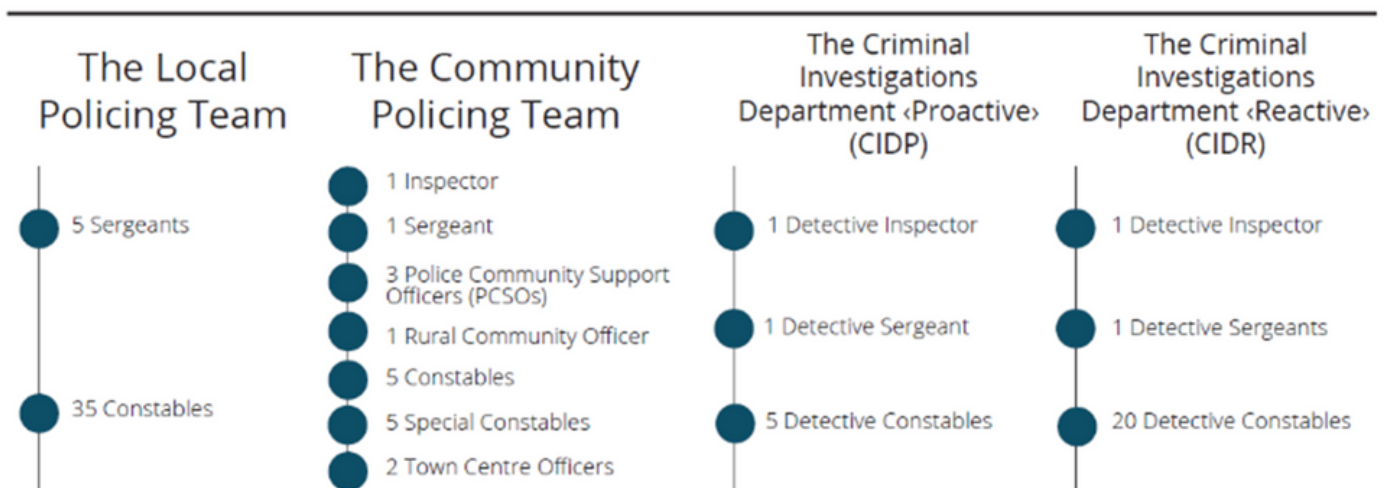


# Policing Structure

The borough of Brentwood forms part of Essex Police West Local Policing Area (LPA), which 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.

Since November 2017 Essex Police moved into the Town Hall to their new base. This has further improved communication and partnership work with the Council. The Community Safety Team and newly appointed Anti-Social Behaviour (ASB) Officer now have access to the police station and have further developed their working relationships with local officers. Arrangements have also been made for the Council's fraud officers to use the facilities to carry out interviews under caution.

Essex Police's new base hosts the Community Policing Team (CPT), Local Policing Team (LPT), Criminal Investigations Department 'Proactive' (CIDP) and Criminal Investigations Department 'Reactive' (CIDR). Please see below some examples of how the teams are structured in Brentwood (please note that some of the roles cover out of borough areas as well)



## **Police & Crime Plan 2021 - 2024**

The Police and Crime Plan sets out the policing priorities for the Police, Fire and Crime Commissioner. The plan brings together police, partners and the public of Essex to build safe and secure communities. The Community Safety priorities for Brentwood reflect on those set out in the Police and Crime Plan 2021-24

- Further investment in crime prevention
- Reducing drug driven violence
- Protecting vulnerable people and breaking the cycle of domestic abuse
- Reducing violence against women and girls
- Improving support for victims of crime
- Protecting rural and isolated areas
- Preventing dog theft
- Preventing business crime, fraud and cyber crime
- Improving safety on our roads
- Encouraging volunteers and community support
- Supporting our officers and staff
- Increasing collaboration

## **Essex County Fire & Rescue Plan 2019-24**

The Fire and Rescue Plan sets out the priorities for fire and rescue services in Essex and a series of strong, tangible commitments to how we will help keep our communities safe. The plan brings together the Service, partners and the public to build safe and secure communities and offer efficient and effective prevention, protection and response activity.

- Protection and response
- Improve safety on our roads
- Help the vulnerable to stay safe
- Promote positive culture in the workplace
- Develop and broaden the roles and ranges of activities undertaken by the service
- Be transparent, open and accessible
- Collaborate with our partners
- Make the best of our resources

# Our Team



## Chair

### Inspector Jonathon Main

Inspector Jonathan Main is the Community Policing Inspector for Brentwood and Epping Forest. He began his policing career in 2014 and has worked in Response and Community Policing for the majority of that time.

Jonathan is excited to be working in Brentwood and Epping Forest and is looking forward to continuing to build on the strong partner and community relationships that are in place.



## Community Safety Team

The Community Safety Team delivers a key role in co-ordinating the Community Safety Partnership, providing expertise in the development, implementation and monitoring of initiatives to help keep people safe who live, work and socialise in the Brentwood.

There are 5 members of the Community Safety Team in Brentwood.



## Vice Chair

### Jonathon Woodhams

Jonathan Woodhams is General Manager of Corporate Enforcement for Brentwood Council. Jonathon has worked at Brentwood Council for 2 years but has worked in the community safety field for over 10 years.

## Our Partnership Priorities

For 2024 - 25 the partnership is keen to balance our focus between what figures tell us and what is important to local residents. We have considered past, current and emerging crime trends, taken account of the Police & Crime Plan 21-24 and the Fire & Rescue Plan 19-24 but most importantly we have aligned this with what local residents have told us through our engagement events. Taking all this into account we have chosen to focus our priorities areas on the community, future and the the environment, giving our priority areas for 2024 - 25:



We believe that theses three key areas chosen will allow us to focus our work around key issues that have a detrimental effect on our communities and pose the biggest threat to a safer Brentwood.



# Our Partnership Focus for 2024-25

## Protecting The Community

Our Protecting The Community priority is focused on those issues that have been identified by residents that matter most to them.

### Anti-Social Behaviour

Whilst there has been a reduction in the number of incidents, satisfaction levels as identified by Essex Police were reduced. We recognise that anti-social behaviour remains a concern for our local communities. Partners have worked hard to strengthen our work in the borough and with the establishment of the Council's Corporate Enforcement team working alongside Essex Police we have been able to focus on being much more visible. We will continue our work and develop innovative ways to tackle incidents through a collaborative and partnership approach. Ensuring that we keep residents informed and engaged.

### Engagement

This is an area that the partnership feel is vital in meeting all our objectives. We have a robust engagement programme which is delivered through strong partnership working. Last year we were able to deliver over 70 engagement opportunities covering a vast array of topics around the borough. The partnership is focused on keeping our communities at the heart of what we do and will continue to develop our engagement work in 2024/25.



### Crime Prevention

Crime prevention is at the centre of what the partnership believe is key to delivering a safer future for the borough. For 2024/25 we aim to focus our efforts on prevention of a number of key issues including knife crime, burglary, fly tipping, exploitation, and vehicle crime. Working with our partners to deliver Safer Brentwood Roadshows to all ages across the Borough and by increasing the number of engagement events every year, we are hoping to help some of the harder to reach areas and keep the community safe.

## Protecting The Future

The partnership believes that investing in our future is key for generations to come. We are no doubt in challenging times and we need to lay the foundations on which our young and most vulnerable can thrive and develop. Our Protecting The Future priority aims to address issues that threaten our communities and cause real concerns for residents.

### Drug & Alcohol Awareness

Drugs and alcohol remain a threat to future generations. The partnership is keen to develop our prevention work with young people on the dangers of drugs, including legal highs as well as the risks associated with alcohol.



### Protecting the Vulnerable

The partnership has always sought to protect the most vulnerable in our communities. We will seek to strengthen our work around protecting the elderly, young people and those who experience issues such as Hate Crime, and Domestic Abuse improving knowledge and reducing the risks.

### Exploitation

Exploitation covers a wide area and includes a whole raft of issues including the threat from gangs, grooming, sexual and criminal exploitation, and online exploitation. The partnership will focus on prevention in all the key areas affecting our most vulnerable. Working with the lead agencies, we will focus on educating professionals, parents and carers to spot the early signs, supporting them when required.



## Protecting The Environment

Our Protecting The Environment priority is focused on those issues that have been identified by residents that matter most to them.

### Fly-tipping

Fly-tipping is a blight on communities. It is usually unpleasant and costly to remove. The partnership will seek to work with local communities and partners to look at ways in which we can reduce the opportunity for those who intend on fly-tipping in the Borough. We will also aim to educate residents in terms of duty of care. Who are we giving our waste to? Do we know how they are disposing of it? Most importantly, do they have a Waste Carrier Licence?



### Road Safety

Road safety is extremely important to residents and an area where the partnership is keen to develop. We will work with communities and partners to increase the number of Community Speedwatch groups across the borough and continue to raise awareness of road safety in our communities.



# Highlights and Achievements 23/24

## Community Engagement

Each year is a busy year for the partnership. One particular area which is important to us is community engagement. The partnership has continued to deliver a vast number of community engagement events across the borough and wider Essex covering many topics.

The partnership delivers over 50 engagement events a year which includes regular sessions in the local libraries, community hospital, and community halls.

The aim is to provide crime prevention advice and give residents the opportunities to express their views on community safety issues.



30+

Engagement Days

720+

Twitter Followers

4+

Themed Events





## Community Safety Projects

The Community Safety Partnership has remained committed to tackling such a key issue for local communities. These projects are aimed at a vast cross section from nursery age, young people to the vulnerable and elderly. The list below is just a small example of some of the projects we delivered last year.

**Outreach Work** by Essex County Council Youth Service, targeting hotspot areas and engaging with young people.

**STOP Parenting Course** for parents whose children are at risk of exclusion.

**Street Pastors** supporting our nighttime economy in Brentwood High Street.

**Crime Awareness Sessions** delivered in schools showing the impact of drugs, gangs and knife crime.

**Women's Self-Defense Classes** delivered for free in the community to protect our women and girls.



## Action Plan 24/25

This action plan highlights some of the great ideas the partnership would like to focus on for the year 2024/25. Although these are not set in stone, they highlight areas in which we believe can be improved. With the global pandemic hindering the start of some of these projects, the partnership is still focused on delivering for the future.

Action Plan	
STRATEGIC OBJECTIVE	ACTION
To deliver themed community engagement events inline with our pre-published plan around the borough throughout the year	To improve and expand our engagement programme and attendance at events covering key issues such as: <ul style="list-style-type: none"> <li>• Crime Prevention</li> <li>• Drink Driving/Road Safety</li> <li>• Domestic Abuse</li> <li>• Personal Safety</li> <li>• Speeding</li> <li>• Property Marking</li> <li>• Senior Safety/elder abuse</li> <li>• Modern Slavery &amp; Human Trafficking</li> <li>• Hate Crime</li> <li>• Anti-Social Behaviour</li> <li>• Environmental Crime</li> <li>• Cyber Crime &amp; Internet Safety</li> <li>• Fly Tipping</li> </ul>
To provide more visibility and engagement opportunities across the borough focusing on hard to reach and rural areas	<ul style="list-style-type: none"> <li>• Support the development of the partnership roadshow trailer</li> <li>• To ensure regular patrols are undertaken utilising the Council's Corporate Enforcement team and enforcement vehicle</li> <li>• To increase joint patrols and operations across the borough.</li> <li>• To develop the enforcement vehicle for engagement opportunities such as leaflet racks etc</li> </ul>
Joint working to proactively tackle ASB in the Borough	<ul style="list-style-type: none"> <li>• To continue to work with partners through Community Safety Tasking (CST)</li> <li>• Managing hotspot areas through robust partnership working and using all available legislation to achieve a positive outcome</li> <li>• To work with Restorative Justice &amp; Community Justice Panels which includes residents, Essex Police, housing etc as well as the victim and perpetrator</li> </ul>
To protect young people from Harm and raise awareness of issues affecting young people	Deliver a targeted weekend event for schools, parents, carers and professionals providing advice, guidance and support on a number of key issues in relation to: <ul style="list-style-type: none"> <li>• Prevent, Grooming, Sexual &amp; Criminal Exploitation, Healthy relationships, drugs &amp; alcohol, online safety, knife crime and gangs</li> <li>• Promote use of Crimestoppers Fearless programme within schools to support the above</li> </ul>
To support victims of Hate Crime	<ul style="list-style-type: none"> <li>• To support and promote the local Hate Incident Reporting Centre (HIRC)</li> <li>• To raise awareness of Hate Crime and support victims in signposting to relevant services</li> <li>• To provide training for Hate Crime Ambassadors</li> </ul>

STRATEGIC OBJECTIVE	ACTION
To target those responsible for rural crime	<ul style="list-style-type: none"> <li>• To proactively tackle Fly tipping across the borough including using all tools available from warning letters, CPNs, FPNs and Court action</li> <li>• Joint unlicensed waste carrier patrols between Essex Police &amp; Council in conjunction with other planned activity</li> <li>• To use community payback offenders to work on projects as a way of repaying back to the community</li> <li>• To increase liaison with Parish Councils and local groups and identify measures to reduce the incidence of flytipping in hotspot areas</li> <li>• Increase publicity to keep communities informed and deter potential perpetrators</li> </ul>
To safeguard victims of Domestic Abuse (DA) from repeat incidents, by Identifying high risk victims and assessing their need for added security devices	Crime Prevention Tactical Advisor (CPTA) will visit all high-risk victims of DA and carry out a full home safety inspection providing additional security when required. Additional security measures will also be made available to all those who work with victims in Brentwood (i.e. IDVA's, WSW's, Police, Peabody – this is not an exhaustive list). This will enable an increased number of victims to be safeguarded from incidents of DA
To raise awareness of domestic abuse, child abuse, and elder abuse across the borough and to encourage reporting	To deliver various activities throughout Domestic Abuse Week focusing on raising awareness of Domestic Abuse
To protect the most vulnerable and elderly residents from becoming victims of crime including scams, internet, fire safety and more....	<ul style="list-style-type: none"> <li>• To enhance and continue delivery of the following successful projects:</li> <li>• Elderly Door Chain Project – to now include additional security to those in most need</li> <li>• Senior Safety Roadshow (SSR)– to expand and grow the number of roadshows across the Borough.</li> <li>• To raise awareness of bogus callers, scams and cyber crime</li> <li>• To continue to promote Keep Safe and its website</li> </ul>



STRATEGIC OBJECTIVE	ACTION
Reduce dwelling burglary's	<ul style="list-style-type: none"> <li>• Continue with Operation Insight in burglary hotspot areas to inform the local community</li> <li>• Identifying vulnerable areas through intelligence led policing</li> <li>• Strategic deployment of all available resources, including all community safety partners and the wider community</li> <li>• 'Super Cocooning' target hardening at premises which have been identified as vulnerable</li> <li>• To work with building control to provide information and advice to all development sites</li> <li>• To develop an awareness campaign which can be provided to estate agents and local traders</li> <li>• To deliver a Burglary Prevention Week to coincide with clocks going back</li> <li>• To develop an information leaflet to raise awareness of vehicle crime including posters and banners</li> </ul>
Supporting the most vulnerable victims of burglary	<ul style="list-style-type: none"> <li>• CPTA to carry out visits to repeat or vulnerable victims and to provide crime prevention advice/support to assist in target hardening.</li> <li>• To ensure appropriate cases are referred to Restorative Justice to assist with reducing the fear of crime</li> </ul>
To support action in respect of road safety	<ul style="list-style-type: none"> <li>• To continue to support, develop and improve Community Speedwatch across the borough</li> <li>• To undertake joint operations with key partners in hotspot areas</li> <li>• Raise awareness of road safety issue through one off events (drink driving, reporting incidents to Essex Police using dashcam footage, emergency vehicle access)</li> <li>• Increasing speed checks undertaken in the Borough through partnership with Essex Police</li> </ul>
To protect young people from serious youth violence	<p>To develop and commission diversionary activities, projects and initiatives for young people focusing on prevention, education and intervention on key areas:</p> <ul style="list-style-type: none"> <li>• Knife crime</li> <li>• Exploitation</li> <li>• Gangs</li> <li>• Drugs &amp; Alcohol</li> </ul>

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# Brentwood Borough Council Audit Update Report

Year ended 31 Month 2022  
12 March 2024

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Building a Better  
working world

Agenda Item 5



Brentwood Borough Council  
Town Hall  
Ingrave Road  
Brentwood  
CM15 8AY

12 March 2024

Dear Audit and Scrutiny Committee Members

We are pleased to attach our Audit Update Report which summarises the work we have undertaken to date for the 2021/22 Council audit.

The report also considers the likely impact of Government proposals to clear the backlog in local audit and put the local audit system on a sustainable footing. The joint statement on the update to proposals to clear the backlog and embed timely audit recognises that timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. Not only does it support good decision making by local bodies, by enabling them to plan effectively, make informed decisions and manage their services, it ensures transparency and accountability to local taxpayers. All stakeholders have a critical role to play in addressing the audit backlog.

The Audit and Scrutiny Committee, as the Council's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit. Where this is not done it will impact the level of resource needed to discharge our responsibilities. We will consider and report on the adequacy of the Council's external financial reporting arrangements and the effectiveness of the audit committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements, and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so.

This report is intended solely for the information and use of the Audit and Scrutiny Committee, and management, and is not intended to be and should not be used by anyone other than these specified parties. We welcome the opportunity to discuss this report with you on 6 March 2024 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

*E. Jackson*

Elizabeth Jackson

Partner, For and on behalf of Ernst & Young LLP

Enc



# Contents

## 01 Context for the audit



## 02 2021/22 audit



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.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>). 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 July 2021)" issued by the PSAA (<https://www.psa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) 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 Audit & Scrutiny Committee and management of Brentwood Borough Council in accordance with our engagement letter. Our work has been undertaken so that we might state to the Audit & Scrutiny Committee and management of 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 Audit & Scrutiny Committee and management of 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.



BOARDROOM

# 01 Context for the audit



# Context for 2022/23 and 2023/24

## Context for the 2022/23 and 2023/24 audits - Department for Levelling-up, Housing and Communities (DLUHC) and Financial Reporting Council (FRC) measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector will need to work together to address this. DLUHC has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop measures to clear the backlog. The proposals, which have been developed to maintain auditor independence and enable compliance with International Standards on Auditing (UK) (ISAs (UK)), consist of three phases:


- ▶ Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 30 September 2024.
- ▶ Phase 2: Recovery from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles.
- ▶ Phase 3: Reform involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit.

To support the further development and testing of the measures, consultations are taking place to receive further feedback and inform the decision on how to proceed. Specifically:

- ▶ DLUHC has launched a consultation on changes to the Accounts and Audit Regulations 2015 to insert statutory backstop dates for historic financial statements and for the financial years 2023/24 to 2027/28.
- ▶ The National Audit Office (NAO) has launched a consultation on amending the Code of Audit Practice to :
  - ▶ Require auditors to issue audit opinions according to statutory backstop data for historic audits, and place specific duties on auditors to co-operate during the handover period for the new PSAA contract for the appointment of local authority auditors covering the years 2023/24 to 2027/28.
  - ▶ Allow auditors to produce a single value for money commentary for the period up to 2022/23 and use statutory reporting powers to draw significant matters to the attention of councils and residents.
- ▶ The Chartered Institute of Public Finance and Accountancy (CIPFA) is expected to launch a consultation on temporary changes to the accounting code for preparation of the financial statements. The proposed temporary changes to the financial reporting framework have an impact on both how the financial statements are prepared and our audit procedures necessary to gain assurance.

As a result of the system wide implementation of backstop dates, we will likely disclaim the opinion on the Council's 2022/23 accounts. The proposed disclaimer of the Council's 2022/23 accounts will impact both the audit procedures we need to undertake to gain assurance on the 2023/24 financial statements and the form of our audit report in 2023/24 and subsequent years during the recovery phase.

The changes proposed by the consultations therefore will have a significant impact on both the scope of the 2023/24 audit and our assessment of risk. We will continue to provide updates to the Committee as required. We will highlight those areas where we consider it most likely that the proposed measures will impact our audit approach and scope as part of the Audit Planning Reports to the Audit and Scrutiny Committee.



# Context for 2022/23 and 2023/24

## Responsibilities of Council/Authority management and those charged with governance

For the planned measures to be successful and the current backlog to be addressed it is vital that all stakeholders properly discharge their responsibilities.

The Council's Section 151 Officer is responsible for preparing the statement of accounts in accordance with proper practices and confirming they give a true and fair view of the financial position at the reporting date and of its expenditure and income for the year ended 31 March 2024. To allow the audit to be completed on a timely and efficient basis it is essential that the financial statements are supported by high quality working papers and audit evidence and that Council resources are readily available to support the audit process, within agreed deadlines. The Audit and Scrutiny Committee, as the Council's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit. Where this is not done, we will:

- ▶ Consider and report on the adequacy of the Council's external financial reporting arrangements as part of our assessment of Value for Money arrangements.
- ▶ Consider the use of other statutory reporting powers to draw attention to weaknesses in Council financial reporting arrangements where we consider it necessary to do so.
- ▶ Seek a fee variation for the cost of additional resources needed to discharge our responsibilities.
- ▶ Impact the availability of audit resource available to complete the audit work in advance of any applicable backstop dates.





# 02 2021/22 audit

# Audit Progress - Statement of Accounts

## Status of the 2021/22 audit

Our audit work in respect of the Council opinion is substantially complete. However, review is still in progress and we are still in discussing with management or awaiting information from the Council for the following items:

- ▶ Going concern assessment with detailed cashflow setting out the cash inflows and outflows until the end of September 2025
- ▶ Group accounting boundary for Brentwood Development Partnership (BDP) and supporting evidence to confirm the arrangement in place between Seven Arches Investment Limited (the Council wholly owned company) and Morgan Sindall Investment Ltd. There are three assets owned by the Council that are prospects for development by BDP as at 31 March 2022 and we are awaiting information confirming the charges registered against the land and options included in the individual asset agreements to corroborate the valuation included in the draft accounts
- ▶ Valuation of a Council owned asset managed by SAIL - the Council is obtaining a new valuation of the asset
- ▶ Minimum Revenue Provision
- ▶ Prior period adjustment for Note 9 disclosure
- ▶ Expenditure testing
- ▶ IAS19 assurance letter from the auditor of Essex Pension Fund for the updated triennial valuation

In addition, the following items relating to the completion of our audit procedures will need to be completed as part of the final signing the audit report work:

- ▶ Final checks of the amended financial statements
- ▶ Receipt of the signed financial statements and signed letter of management representation
- ▶ Whole of Government Accounts.

## Audit differences identified to date

Our audit work to date has identified a number of misstatements in the draft 2021/22 financial statements. We have discussed these with management and a view to the final amendments being made to the financial statements will be determined once all misstatements are known. It is anticipated that further error will be identified and amendments required to the items in the above outstanding list.

The Council published draft financial statements by the deadline of 31 May 2022. However, upon detailed review of the draft financial statements before the audit commenced four adjustments with a net amendment of £1.867m to the CIES and Balance Sheet were identified. We have audited the revised draft financial statements and carried out a reconciliation of the two versions to ensure we verified all amendments made.

To date, we have identified the following misstatements over the SAD level of £54k:

- ▶ seven misstatements that management is deciding whether to correct as individually they are below the materiality level of £1.09m, although cumulatively these do lead to a material misstatement; and
- ▶ three misstatements that will be adjusted as they are individually greater than the materiality level.



# Audit Progress - Statement of Accounts

## Audit differences identified to date (continued)

The three audit differences in the financial statements which management have agreed to amend are:

- ▶ Classification of cash and cash equivalents as short term investments totalling £8.001m
- ▶ Valuation of a consolidated SAIL asset being overstated by £1.38m
- ▶ Valuation of an investment property overstated by £3.097m

In addition, our audit work has identified a number of disclosure amendments required to the draft financial statements. These will be made by management in the final version of the accounts.

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## Control Environment

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. However, we identified a few matters we want to draw your attention and will report in detail in the Audit Results Report:

- ▶ Challenge of the external valuation report by management as part of the accounts preparation for the PPE note
- ▶ Documenting managements judgement around the group reporting boundary
- ▶ Fixed Asset Register - reconciliation of the register to the draft note in the accounts needs to be improved

## Independence

We have no issues we need to bring to your attention subject to completion of our audit procedures.

# Value for Money

## Council's responsibilities for value for money

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 the financial statements, the Council is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

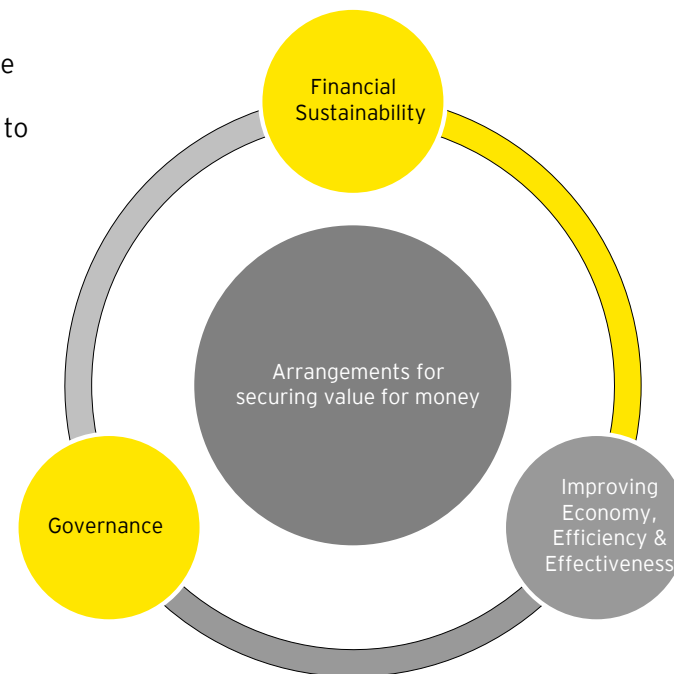
## Auditor Responsibilities

Under the NAO Code of Audit Practice 2020 we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The 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.
- ▶ 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.

Note: As set out in section 01 of this report, there was a live consultation from the NAO which closed on 7 March 2024 about the value for money approach in years up to and including 2022/23 and then from 2023/24. At this stage, we have not changed our approach to the value for money work as set out in the current Code.





## Planning and identifying risks of significant weakness in VFM arrangements

The NAO's guidance notes requires us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the Council arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

In considering the Council arrangements, we are required to consider:

- ▶ The Council's governance statement;
- ▶ Evidence that the Council's arrangements were in place during the reporting period;
- ▶ Evidence obtained from our work on the accounts;
- ▶ The work of inspectorates and other bodies; and
- ▶ Any other evidence source that we regards as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement. However, the NAO states that a weakness may be said to be significant if it:

- ▶ Exposes - or could reasonably be expected to expose - the Council to significant financial loss or risk;
- ▶ Leads to - or could reasonably be expected to lead to - significant impact on the quality or effectiveness of service or on the Council's reputation;
- ▶ Leads to - or could reasonably be expected to lead to - unlawful actions; or

Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

- ▶ We should also be informed by a consideration of:
  - ▶ The magnitude of the issue in relation to the size of the Council;
  - ▶ Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves (where applicable), or impact on budgets or cashflow forecasts;
  - ▶ The impact of the weakness on the Council's reported performance;
  - ▶ Whether the issue has been identified by the Council's own internal arrangements and what corrective action has been taken or planned;
  - ▶ Whether any legal judgements have been made including judicial review;
  - ▶ Whether there has been any intervention by a regulator or Secretary of State;
  - ▶ Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
  - ▶ The impact on delivery of services to local taxpayers; and
  - ▶ The length of time the Council has had to respond to the issue.

## Responding to identified risks of significant weakness

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the audit committee.

## Reporting on VFM

Where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the Code requires that we should refer to this by exception in the audit report on the financial statements.

In addition, the Code requires us to include the commentary on arrangements in the Auditor's Annual Report. The Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Council's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

## Status of our 2021/22 VFM work

We have substantially completed our VFM risk assessment work and are currently carrying out the detailed assessment procedures. At the date of this update report, our work so far has identified the following risks of significant weakness:

- ▶ All three VFM criteria: One Team arrangement with Rochford BC: The Council has invited the Local Government Association (LGA) in to the Council to carry out a LGA peer review of the arrangement, including the savings made to date, against the business case approved during 2021/22. We have discussed our concerns with management as the Council has advertised the post of s151 Officer on a number of occasions and has not yet been successful in recruiting a permanent officer. The interim s151 officer has extended their role until August 2024 but this is a statutory role that must have a named officer appointed.
- ▶ Financial sustainability: The Council continues to have high levels of borrowing to underpin its capital programme and the increased interest rates can have an impact on the revenue position for the repayment of interest and refinancing of borrowing. In addition, we are carrying out a review of the capital programme to determine that the borrowing is secured against appropriate schemes.
- ▶ Governance: Overview by management of Council owned subsidiary, SAIL, and the Limited Liability Partnership, Brentwood Development Partnership.

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None

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## COMMITTEE TITLE: AUDIT AND SCRUTINY

DATE: 20 March 2024

<b>REPORT TITLE:</b>	Internal Audit Annual Plan 2024/25
<b>REPORT OF:</b>	Tim Willis, Interim Director Resources and Section 151 Officer

## REPORT SUMMARY

This report covers the Internal Audit Plan for 2024/25, included in appendix A.

## RECOMMENDATIONS

Members are asked to:

- R1. Approve the Internal Audit Plan 2024/25 attached in Appendix A
- R2. Delegated authority is given to the Interim Section 151 Officer to amend the plan in year as necessary to deliver the contract.

## SUPPORTING INFORMATION

### 1.0 REASONS FOR RECOMMENDATIONS

To approve the work programme for the Internal Audit Plan 2023/24.

### 2.0 OTHER OPTIONS CONSIDERED

- 1. None. The Internal Audit Plan sets out the proposed work to be undertaken in 2024/25 and is attached as Appendix A to this report.
- 2. The audit plan includes a risk assessment, audit charter and indicative 3 year programme.
- 3. It is recommended that delegated authority is given to the Interim Section 151 Officer, should the plan need to be amended in year, to align itself with current resources and service requirements.



**APPENDICES**

Appendix A: Internal Audit Plan 24/25

**BACKGROUND PAPERS**

None.

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Not applicable.	

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**INTERNAL AUDIT  
ANNUAL PLAN**  
Brentwood Borough Council  
2024/25



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# AUDIT RISK ASSESSMENT

## BACKGROUND

Our risk-based approach to internal audit uses Brentwood Borough Council's own risk management process and risk register as a starting point for audit planning as this represents the client's own assessment of the risks to it achieving its strategic objectives.

The extent to which we can rely on management's own perception of risk largely depends on the maturity and effectiveness of the Council's own risk management arrangements. In estimating the amount of audit resource required to address the most significant risks, we have also sought to confirm that senior management's own assessment of risk accurately reflects the Council's current risk profile.

## PLANNED APPROACH TO INTERNAL AUDIT 2024/25

The indicative Internal Audit programme for 2024/25 is set out on pages 7 to 11. We met with members of the Corporate Leadership Team and the Audit and Scrutiny Committee Chair in order to bring together a full plan which will be presented at this Audit and Scrutiny Committee for formal review and approval. We will keep the programme under continuous review during the year and will introduce to the plan any significant areas of risk identified by management during that period.

The plan is set within the context of a multi-year approach to internal audit planning, such that all areas of key risks would be looked at over a three-year audit cycle. We have suggested future areas of focus as part of the three-year strategic internal audit plan, set out on pages 4 to 6.

## INDIVIDUAL AUDITS

When we scope each review, we will reconsider our estimate for the number of days needed to achieve the objectives established for the work and to complete it to a satisfactory standard in light of the control environment identified within the Council. Where revisions are required, we will obtain approval from the appropriate Director prior to commencing fieldwork.

In determining the timing of our individual audits, we will seek to agree a date which is convenient to the Council and which ensures availability of key management and staff and takes account of any operational pressures being experienced.

## VARIATIONS TO THE PLAN

We review the three-year strategic plan each year to ensure we remain aware of your ongoing risks and opportunities. Over the coming pages we have mapped your key risks along with the audit work we propose to undertake, demonstrating we are focussing on your most important issues.

As such, our strategic audit programme follows the risks identified during our planning processes and confirmed via discussions with the Directors. If these were to change, or emerging risks were to develop during this period, we would take stock and evaluate our coverage accordingly.

# OUR NEXT GEN INTERNAL AUDIT APPROACH

Our new and innovative Next Gen approach to internal audit ensures you maximise the potential added value from BDO as your internal audit provider and the expertise we bring from our dedicated Public Sector Internal Audit team and wider BDO specialist teams.

The Next Gen approach has allowed us to move away from the traditional approach of compliance auditing, transitioning in to delivering a healthy mix of assurance that is forward looking, flexible and responsive and undertaken in partnership with yourselves. The key components to this approach are outlined below and underpin our proposed plan coverage:

## CORE ASSURANCE

Reviews of fundamental finance and operational systems to provide assurance that core controls and procedures are operating as intended.

## SOFT CONTROLS

Reviews seek to understand the true purpose behind control deficiencies and provide a route map to enhance their effectiveness.

## FUTURE FOCUSED ASSURANCE

Rather than wait for implementation and then comment on identified weaknesses, we will work with you in an upfront / real time way.

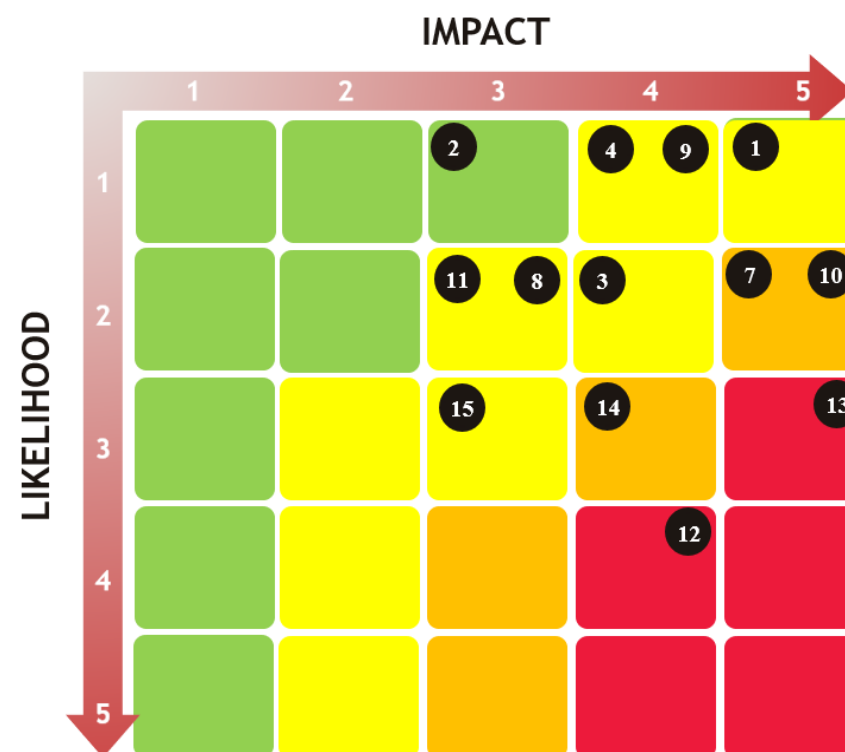
## FLEXIBLE AUDIT RESOURCE

Undertake proactive work across the Council, perhaps in preparation for regulatory reviews or change management programmes.



## MAPPING YOUR STRATEGIC RISKS

REF	STRATEGIC RISKS FROM YOUR CORPORATE RISK REGISTER	SCORE
RSK 1	Failure to adopt a <b>Local Plan</b> in line with national policy	5
RSK 2	Failure to develop an <b>Environmental strategy</b> and action plan	3
RSK 3	Failure to deliver a clear <b>Leisure Strategy</b>	8
RSK 4	Failure to deliver the <b>Strategic Housing Development Plan</b>	4
RSK 7	<b>General Fund budget</b> forecasts fall below minimum levels	10
RSK 8	We will be unable to react to a <b>major incident</b>	6
RSK 9	<b>Lack of capacity</b> to effectively govern the organisation	4
RSK 10	We may be unable to meet <b>income projections</b>	10
RSK 11	We may not be compliant with <b>data protection legislation</b>	6
RSK 12	<b>Contract/Partnership</b> failure within organisation	16
RSK 13	The Council is at risk from a critical <b>cyber threat</b>	15
RSK 14	<b>Inflationary pressures</b>	12
RSK 15	<b>Partnership</b> with Rochford District Council	9



## MAPPING YOUR CORPORATE RISK REGISTER TO THE STRATEGIC PLAN

REF	STRATEGIC RISKS FROM YOUR CRR	2024/25	2025/26	2026/27
1	Failure to adopt a <b>Local Plan</b> in line with national policy	Management of s106 Funds		
2	Failure to develop an <b>Environmental strategy</b> and action plan	<ul style="list-style-type: none"> <li>Follow ups from 2023/24</li> </ul>	<ul style="list-style-type: none"> <li>Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>Enforcement</li> <li>Trees Management</li> <li>Waste Management</li> </ul>
3	Failure to deliver a clear <b>Leisure Strategy</b>	<ul style="list-style-type: none"> <li>Leisure Services</li> </ul>		
4	Failure to deliver the <b>Strategic Housing Development Plan</b>		<ul style="list-style-type: none"> <li>Consumer Standards - Aids and Adaptations</li> </ul>	<ul style="list-style-type: none"> <li>Building Safety Act</li> </ul>
7	<b>General Fund budget</b> forecasts could fall below minimum levels	<ul style="list-style-type: none"> <li>Key Financial Systems (Borrowing)</li> <li>Income Generation and Savings Plans</li> </ul>	<ul style="list-style-type: none"> <li>Key Financial Systems (Borrowing)</li> <li>Provision of Grant Funding</li> </ul>	<ul style="list-style-type: none"> <li>Key Financial Systems (Borrowing)</li> <li>Medium Term Financial Planning</li> </ul>
8	We will be unable to react to a <b>major incident</b>	<ul style="list-style-type: none"> <li>Insurance</li> </ul>		<ul style="list-style-type: none"> <li>Business Continuity Planning</li> </ul>
9	<b>Lack of capacity</b> to effectively govern the organisation	<ul style="list-style-type: none"> <li>Equality, Diversity and Inclusion</li> <li>Health and Wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Sickness Absence Management</li> <li>Recruitment and Retention</li> </ul>	<ul style="list-style-type: none"> <li>Whistleblowing/Code of Conduct</li> </ul>
10	We may be unable to meet <b>income projections</b>	<ul style="list-style-type: none"> <li>Income Generation and Savings Plans</li> </ul>	<ul style="list-style-type: none"> <li>Financial Planning and Budget Monitoring</li> <li>Trade Waste</li> </ul>	<ul style="list-style-type: none"> <li>Medium Term Financial Planning</li> </ul>



REF	STRATEGIC RISKS FROM YOUR CRR	2024/25	2025/26	2026/27
11	We may not be compliant with <b>data protection legislation</b>	<ul style="list-style-type: none"> <li>Follow ups from 2023/24</li> </ul>	<ul style="list-style-type: none"> <li>UK GDPR</li> </ul>	
12	<b>Contract/Partnership</b> failure within organisation	<ul style="list-style-type: none"> <li>Procurement</li> </ul>	<ul style="list-style-type: none"> <li>Revenue and Benefits Partnership</li> <li>Legal Partnership</li> </ul>	
13	The Council is at risk from a critical <b>cyber threat</b>	<ul style="list-style-type: none"> <li>Cyber Security and Governance</li> </ul>		<ul style="list-style-type: none"> <li>Cyber in Supply Chain Management</li> </ul>
14	<b>Inflationary</b> pressures	<ul style="list-style-type: none"> <li>Income Generation and Savings Plans</li> </ul>	<ul style="list-style-type: none"> <li>Financial Planning and Budget Monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Medium Term Financial Planning</li> </ul>
15	<b>Partnership</b> with Rochford District Council	<ul style="list-style-type: none"> <li>Performance Management Framework</li> </ul>	<ul style="list-style-type: none"> <li>Partnership with Rochford District Council</li> </ul>	<ul style="list-style-type: none"> <li>Partnership with Rochford District Council</li> </ul>

## INTERNAL AUDIT OPERATIONAL PLAN 2024/25

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
<b>Core Assurance</b>					
Main Financial Systems	All RSK7	25	Q4	<p>Detailed annual review of general ledger controls, including:</p> <ul style="list-style-type: none"> <li>Annual review of control account reconciliations and journals</li> <li>IT general controls</li> <li>Treasury Management, including approval process and management's affordability assessments for borrowing. We will also follow up on action taken by the Council in response to the recommendations arising from the externally commissioned treasury management review in 2023.</li> </ul>	<p>Our cyclical audit of the key financial systems is a core component required to deliver the Head of Internal Audit Opinion and provides a core foundation for the Annual Governance Statement pertaining to the functionality of the Council's internal controls.</p> <p>A commissioned treasury management review in 2023 identified a number of areas for improvement which the Council is addressing.</p>
Income Generation and Savings Plans	RSK7 RSK10 RSK14	20	Q3	Review the adequacy and effectiveness of the Council's processes for identifying and acting on income generation and savings opportunities.	As with many other local authorities, the Council's financial position is challenging and requires strong action to reduce budget gaps in the medium term.
Performance Management Framework	RSK 11	20	Q3	Review of the performance management framework and how key performance indicators (KPIs) are monitored and reported. For a sample of indicators, review of how data is collected and validated and how the metric is calculated.	The monitoring of KPIs is essential for ensuring that services operate at the required levels, which is particularly important as the Council continues to move towards shared services with Rochford District Council. The Council has changed some of its KPIs for the new year.

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
Complaints Handling	All	15	Q3	Review of Council's arrangements for handling and responding to complaints from service users / members of the public.	Our democratic services audit in 2022/23 identified a number of issues relating to complaints processes within the Council, particularly around record keeping.
Insurance	RSK8	15	Q2	Review of the Council's arrangements to ensure that it is adequately insured and uses the cover appropriately where necessary.	Insurance is one of the key mechanisms for managing risk and it has not been covered by internal audit in the last five years.
Procurement	RSK12	20	Q2	Review of the controls in place around procurement, including tenders and waiver processes, to highlight any areas where the Council's agreed policies and procedures may not be adhered to.	Robust procurement processes are required to ensure that value for money is sought from contractors/suppliers from the outset. This links to RSK12 (Contract/Partnership failure), which is a level 16 risk in the corporate risk register.
Cyber Security Culture and Governance	RSK13	20	Q2	Assessment of whether there are adequate governance controls and culture around cyber security.	Cybersecurity threats continue to increase year by year. This links to RSK13 (Cyber Threat), which is a level 15 risk in the corporate risk register.
Management of s106 Funds	RSK1	20	Q4	Review and assessment of the effectiveness of the management of Section 106 funds. This includes the collection against the legal agreements and ensuring funds are appropriately allocated.	There are a number of long outstanding recommendations from our internal audit of s106 agreements in 2021/22, which officers are working to address.
<b>Total</b>		<b>155</b>			

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
<b>Soft Controls</b>					
Equality, Diversity and Inclusion	RSK 9	20	Q1	Use of the BDO Equality, Diversity and Inclusion (EDI) Maturity Assessment is to help ensure an effective approach to Equality, Diversity and Inclusion is embedded across the Council by highlighting areas where processes could be improved. As primarily an advisory piece of work assessing the Council's current position against the BDO Equality, Diversity and Inclusion Matrix, this assessment will not generate an assurance opinion.	We are informed that officers are looking at EDI training across Brentwood and Rochford and therefore a quarter 1 advisory review may be useful to feed into this training.
Health and Wellbeing	RSK 9	20	Q3	Review of the design and operational effectiveness of controls relating to health and wellbeing initiatives in place to support staff across the Council. We will also consider how the success of initiatives is monitored, where it is reported and how staff feedback is considered.	A new Wellbeing Board has been set up to coordinate activity across Brentwood and Rochford from April 2024 and therefore a review of how these arrangements are progressing later in the year may be useful.
<b>Total</b>		<b>40</b>			

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
Future Focused Assurance					
Leisure Services	RSK3	15	Q1	An advisory review examining the current leisure services contract provision and whether any lessons learnt are being taken into account in the proposed specification for the new leisure services contract to ensure key aspects are captured.	Brentwood and Rochford have approval for a joint procurement exercise during 2024 and therefore a review in this area will help inform the process.
Total		15			

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
<b>Contract Management</b>					
Planning / liaison / management	N/A	10	Q1 - Q4	Creation of audit plan, meeting with Directors	Effective contract management
Recommendations follow up	N/A	20	Q1 - Q4	Assessment and reporting of status of implementation of recommendations raised	Assurance for Corporate Leadership team and the Audit and Scrutiny Committee
Audit and Scrutiny Committees	N/A	10	Q1 - Q4	Attendance at Audit and Scrutiny Committee meetings and pre-meetings.	Effective contract management
<b>Total</b>		<b>50</b>			

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SUMMARY	DAYS
Core Assurance	155
Soft Controls	40
Future Focused Reviews	15
Contract Management	40
<b>Total days</b>	<b>250</b>



# APPENDIX I

## INTERNAL AUDIT CHARTER - ROLE AND SCOPE OF INTERNAL AUDIT

### PURPOSE OF THIS CHARTER

This charter is a requirement of Public Sector Internal Audit Standards (PSIAS).

The charter formally defines internal audit's mission, purpose, authority and responsibility. It establishes internal audit's position within Brentwood Borough Council and defines the scope of internal audit activities.

Final approval resides with the Council, in practice the charter shall be reviewed and approved annually by management and by the Audit and Scrutiny Committee on behalf of Brentwood Borough Council.

### INTERNAL AUDIT'S MISSION

Internal audit's mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

### STANDARDS OF INTERNAL AUDIT PRACTICE

To fulfil its mission, internal audit will perform its work in accordance with PSIAS, which encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF): Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing.

### INTERNAL AUDIT DEFINITION AND ROLE

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal audit acts primarily to provide the Audit and Scrutiny Committee with information necessary for it to fulfil its own responsibilities and duties. Implicit in internal audit's role is that it supports management to fulfil its own risk, control and compliance responsibilities. The range of work performed by internal audit is set out in PSIAS and not repeated here.

### INTERNAL AUDIT'S SCOPE

The scope of internal audit activities includes all activities conducted by Brentwood Borough Council. The Internal Audit Plan sets out those activities that have been identified as the subject of specific internal audit engagements.

The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the chief audit executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.

Assurance engagements involve the objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system or other subject matter. The nature and scope of the assurance engagement are determined by internal audit.

Consulting engagements are advisory in nature and are generally performed at the specific request of management, with the aim of improving governance, risk management and control and contributing to the overall opinion. The nature and scope of consulting engagement are subject to agreement with management. When performing consulting services, internal audit should maintain objectivity and not assume management responsibility.

## EFFECTIVE INTERNAL AUDIT

Our internal audit function is effective when:

- It achieves the purpose and responsibility included in the internal audit charter
- It conforms with the Standards
- Its individual members conform with the Code of Ethics and the Standards
- It considers trends and emerging issues that could impact the organisation.

The internal audit activity adds value to Brentwood Borough Council (and its stakeholders) when it considers strategies, objectives and risks, strives to offer ways to enhance governance, risk management and control processes and objectively provides relevant assurance.

We will agree with you an audit plan for a total number of days activity. Once agreed, we will turn this into a cash budget which we will work to, in order to ensure that you have certainty around the fees you will pay us.

## INDEPENDENCE AND INTERNAL AUDIT'S POSITION WITHIN BRENTWOOD BOROUGH COUNCIL

To provide for internal audit's independence, its personnel and external partners report to the Head of Internal Audit, who reports functionally to the Audit and Scrutiny Committee. The Head of Internal Audit has free and full access to the Chair of the Audit and Scrutiny Committee. The Head of Internal Audit reports administratively to the Director of Resources who provides day-to-day oversight.

The appointment or removal of the Head of Internal Audit will be performed in accordance with established procedures and subject to the approval of the Chair of the Audit and Scrutiny Committee.

The internal audit service will have an impartial, unbiased attitude and will avoid conflicts of interest. The internal audit service is not ordinarily authorised to perform any operational duties for Brentwood Borough Council.

In the event that internal audit undertakes non-audit activities, safeguards will be agreed to ensure that independence or objectivity of the internal audit activity are not impaired. This might include a separate partner review of the work or a different team undertaking the work. Approval of the arrangements for such engagements will be sought from the Audit and Scrutiny Committee prior to commencement.

In the event that internal audit provides assurance services where it had previously performed consulting services, an assessment will be undertaken to confirm that the nature of the consulting activity did not impair objectivity and safeguards will be put in place to manage individual objectivity when assigning resources to the engagement. Such safeguards will be communicated to the Audit and Scrutiny Committee.

Internal audit must be free from interference in determining the scope of internal auditing, performing work and communicating results. Should any interference take place, internal audit will disclose this to the Audit and Scrutiny Committee to discuss the implications.

## INTERNAL AUDIT'S ROLE IN COUNTERING FRAUD, BRIBERY AND CORRUPTION

Management, not internal auditors are responsible for the prevention and detection of fraud, bribery and corruption. Auditors will, however, be alert in all their work to risks and exposures that could allow fraud or corruption as well as seeking to identify indications that fraud and corruption may have been occurring. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud and corruption will be detected. In the event that internal audit suspects a fraud, this will be referred to appropriate management in the first instance and then the Audit and Scrutiny Committee.

## ACCESS TO RECORDS AND CONFIDENTIALITY

There are no limitations to internal audit's right of access to Brentwood Borough Council officers, records, information, premises, or meetings which it considers necessary to fulfil its responsibilities.

When the auditors receive confidential information about your affairs it shall at all times be kept confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable. All information will be maintained in line with appropriate regulations, for example the Data Protection Act 2018.

## COORDINATION AND RELIANCE WITH OTHER ASSURANCE PROVIDERS

In co-ordinating activities internal audit may rely on the work of other assurance and consulting service providers.

A consistent approach is adopted for the basis of reliance and internal audit will consider the competency, objectivity, and due professional care of the assurance and consulting service providers. Due regard will be given to understanding of the scope, objectives and results of the work performed by other providers of assurance and consulting services.

Where reliance is placed upon the work of others, internal audit is still accountable and responsible for ensuring adequate support for conclusions and opinions reached by the internal audit activity.

## INTERNAL AUDIT'S COMMITMENTS TO BRENTWOOD BOROUGH COUNCIL

Internal audit commits to the following:

- Working with management to improve risk management, controls and governance within the organisation
- Performing work in accordance with PSIAS
- Complying with the ethical requirements of PSIAS
- Dealing in a professional manner with Council staff, recognising their other commitments and pressures
- Raising issues as they are identified, so there are no surprises and providing practical recommendations
- Liaising with external audit and other regulators to maximise the assurance provided to the Council
- Reporting honestly on performance against targets to the Audit and Scrutiny Committee.

## INTERNAL AUDIT PERFORMANCE MEASURES AND INDICATORS

The tables below contain some of the performance measures and indicators that are considered to have the most value in assessing the efficiency and effectiveness of internal audit.

The Audit and Scrutiny Committee should approve the measures which will be reported to each meeting and / or annually as appropriate. In addition to those listed here we also report on additional measures as agreed with management and included in our Progress Report.

## QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

As required by PSIAS, an external assessment of the service will be performed at least every five years. BDO also has an internal quality assurance review process in place, which takes place annually. This is performed by a separate team independent to the internal audit team.

The results of internal and external assessments will be communicated to the Audit and Scrutiny Committee as part of the internal audit annual report, along with corrective action plans.

## TABLE ONE: PERFORMANCE MEASURES FOR INTERNAL AUDIT

MEASURE / INDICATOR
<p><b>Audit Coverage</b></p> <p>Annual Audit Plan delivered in line with timetable. Actual days are in accordance with Annual Audit Plan.</p>
<p><b>Relationships and customer satisfaction</b></p> <p>Customer satisfaction reports - overall score at average at least 3.5 / 5 for surveys issued at the end of each audit. Annual survey to Audit and Scrutiny Committee to achieve score of at least 70%. External audit can rely on the work undertaken by internal audit (where planned).</p>
<p><b>Staffing and Training</b></p> <p>At least 60% input from qualified staff.</p>
<p><b>Audit Reporting</b></p> <p>Issuance of draft report within 3 weeks of fieldwork 'closing' meeting. Finalise internal audit report 1 week after management responses to report are received. 90% recommendations to be accepted by management. Information is presented in the format requested by the customer.</p>
<p><b>Audit Quality</b></p> <p>High quality documents produced by the auditor that are clear and concise and contain all the information requested. Positive result from any external review.</p>

### MANAGEMENT AND STAFF COMMITMENTS TO INTERNAL AUDIT

The management and staff of Brentwood Borough Council commit to the following:

- Providing unrestricted access to all of Brentwood Borough Council's records, property, and personnel relevant to the performance of engagements
- Responding to internal audit requests and reports within the agreed timeframe and in a professional manner
- Implementing agreed recommendations within the agreed timeframe
- Being open to internal audit about risks and issues within the organisation
- Not requesting any service from internal audit that would impair its independence or objectivity
- Providing honest and constructive feedback on the performance of internal audit.

### MANAGEMENT AND STAFF PERFORMANCE MEASURES AND INDICATORS

The following three indicators are considered good practice performance measures but we go beyond this and report on a suite of measures as included in each Audit and Scrutiny Committee Progress Report.

## TABLE TWO: PERFORMANCE MEASURES FOR MANAGEMENT AND STAFF

### MEASURE / INDICATOR

#### Response to Reports

Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt.

#### Implementation of recommendations

Audit sponsor to implement all audit recommendations within the agreed timeframe.

#### Co-operation with internal audit

Internal audit to confirm to each meeting of the Audit and Scrutiny Committee whether appropriate co-operation has been provided by management and staff.

## BDO CONTACTS

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**COMMITTEE TITLE: AUDIT AND SCRUTINY**

**DATE: 20 March 2024**

<b>REPORT TITLE:</b>	Internal Audit Progress Report
<b>REPORT OF:</b>	Tim Willis, Interim Director Resources and Section 151 Officer

**REPORT SUMMARY**

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2023/24 internal audit plan.

The following reports has been finalised since the last Committee meeting:

- Workforce Strategy (Moderate/Moderate)
- Corporate Estates Management (Limited/Limited)
- Data Protection (Limited/Limited)

**RECOMMENDATIONS**

To note the progress made against the 2023/24 internal audit plan and the findings from the audit completed since the last Committee meeting.

**SUPPORTING INFORMATION**

**1.0 REASONS FOR RECOMMENDATIONS**

Internal audit is required to report the findings of their work to the Council, through the Audit and Scrutiny Committee.

**2.0 OTHER OPTIONS CONSIDERED**

None.

**3.0 BACKGROUND INFORMATION**

BDO has been the appointed Internal Auditor for the Council since 1 April 2014.

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

The Audit Committee approved the 2023/24 annual audit plan in March 2023. The progress against plan is reported at every Audit and Scrutiny Committee meeting.

### **Progress report**

The following final internal audit reports have been issued since the last Committee meeting and internal audit's overall conclusion is set out below. Further details included in Appendix A – Internal Audit Progress Report.

#### **Workforce Management (Moderate/Moderate)**

The Council's new (draft) One Team People and Culture Strategy clearly sets out the partnership's One Team vision. There is also a clear plan to approve the Strategy and establish monitoring meetings to review progress. The Council is also responsive to training requests and monitors additional training undertaken by staff, including the successful Aspiring Managers Development Programme.

There are some areas in need of improvement, to ensure that each area of the Strategy is supported by sufficient data and SMART action plans. The lack of appraisals for 20% of the Council's staff also needs to be fully addressed and the Council is not adequately establishing and monitoring the reasons for staff resignations.

We have therefore concluded a moderate assurance over both the design and operational effectiveness of the Council's controls that are in place.

#### **Corporate Estates Management (Limited/Limited)**

The Council is aware that work is required to update property records and formalise an estates management database going forward. This is crucial for record-keeping purposes but would also facilitate compliance with legislation: a central record of all properties within the Council's portfolio would enable the Council to track and monitor the compliance requirements, and corresponding responsibilities for these, for all properties within the Council's portfolio.

We would like to note the substantial progress made in relation to the above in the new year: the Property Compliance Officer has made significant headway in updating records in relation to compliance requirements for directly managed Council properties, and their remedial works, and aims to start work on commercial properties in the coming months. We appreciate that this is a work in progress therefore, at the time of the audit, we concluded Limited assurance over both the adequacy of the design of controls and the operational effectiveness of the controls pertaining to corporate estates management.

#### **Data Protection (Limited/Limited)**

We have raised two high, three medium and one low priority recommendations to improve the Council's data protection and UK GDPR compliance arrangements.

Whilst the Council has clearly defined responsibilities with regards to data protection, defined retention schedules and effective data subject request procedures in line with the UK GDPR, we found significant gaps that could impact its ability to comply with the requirements of data

protection legislation. The gaps relate to the absence of complete, up-to-date, and consistently completed records of processing activity; appropriate third-party due diligence procedures; adequate oversight by senior management; up to date policies regarding UK GDPR requirements; regular review of privacy notices; and sufficient training for members of staff.

Consequently, we concluded limited assurance over both the design and the operational effectiveness of the Council's data protection arrangements, particularly with regards to the areas covered by the scope of this review.

#### **Follow up report**

A summary of outstanding recommendations from previous audits is included in Appendix B – Internal Audit Follow Up Report.

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 by the Committee date.

#### **4.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**  
**Tel & Email: 01277 312500 / [tim.willis@brentwood.rochford.gov.uk](mailto:tim.willis@brentwood.rochford.gov.uk)**

There are no direct financial implications arising from the report.

#### **5.0 LEGAL IMPLICATIONS**

**Name & Title: Andrew Hunkin, Director – People & Governance & Monitoring Officer**  
**Tel & Email 01277 312500 / [andrew.hunkin@brentwood.rochford.gov.uk](mailto:andrew.hunkin@brentwood.rochford.gov.uk)**

There are no direct legal implications arising from the report.

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

There are no direct resource implications arising from the report.

#### **7.0 RELEVANT RISKS**

There are no direct risks arising from the report. The internal audit programme of work is designed to review risk areas within the Council.

#### **8.0 ENGAGEMENT/CONSULTATION**

Not applicable.

#### **9.0 EQUALITY IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**  
**Tel & Email 01277 312500 [kim.anderson@brentwood.gov.uk](mailto:kim.anderson@brentwood.gov.uk)**

There are no direct equality implications arising from the report.

#### **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

**Name & Title: Phil Drane, Director - Place**  
**Tel & Email 01277 312500 / phil.drane@brentwood.rochford.gov.uk**

There are no direct environment and climate change implications arising from the report.

**REPORT AUTHOR:**                   **Name: Janine Combrinck**  
   **Title: Director, BDO LLP**  
   **Phone: 020 7893 2631**  
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**APPENDICES**

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

**BACKGROUND PAPERS**

None.

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Not applicable.	



**INTERNAL AUDIT  
PROGRESS REPORT**

Brentwood Borough Council

2023/2024

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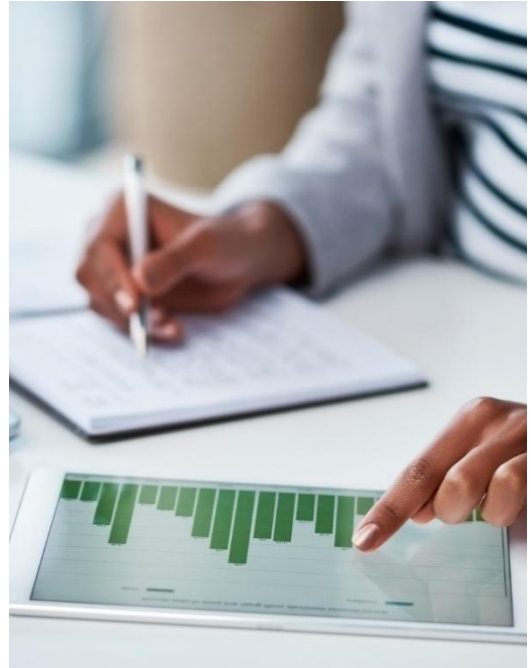
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# SUMMARY OF 2023/24 WORK

## INTERNAL AUDIT

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2023/24 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.

## 2023/24 INTERNAL AUDIT PLAN

Since the last Audit and Scrutiny Committee we have completed a further three audits from the 2023/24 audit plan and present the final reports for:

- ▶ Workforce Strategy
- ▶ Corporate Estates Management
- ▶ Data Protection.

An additional two audits are at draft report stage for:

- ▶ Vehicles, Plant and Equipment Management (previously called Asset Management).
- ▶ Financial Planning and Monitoring.

Fieldwork is currently progressing in respect of the following audits, which are the final audits for the 23/24 Internal Audit Plan:

- ▶ Development Partnerships
- ▶ Main Financial Systems
- ▶ Disaster Recovery and Business Continuity (advisory review).

## REVIEW OF 2023/24 WORK

AUDIT	EXEC LEAD	A&SC	PLANNING	FIELD WORK	REPORTING	DESIGN	EFFECTIVE -NESS
Car Parking	Director of Assets & Investments	Sept 2023			✓	M	M
Tree Management	Director of Environment	Sept 2023			✓	L	L
Waste Management	Director of Environment	Nov 2023			✓	L	L
Risk Management	Interim Director of Resources	Jan 2024			✓	M	M
Communications and Information Sharing	Director of Policy & Delivery	Jan 2024			✓	M	M
Workforce Strategy	Joint Acting Director of People & Governance	Mar 2024			✓	M	M
Corporate Estates Management	Director of Assets & Investments	Mar 2024			✓	L	L
Data Protection (c/fwd from 2022/23)	Director of Customer & Data Insight	Mar 2024			✓	L	L
Vehicles, Plant and Equipment Management	Director of Assets & Investments	July 2024			✓		
Financial Planning and Monitoring	Interim Director of Resources	July 2024			✓		
Development Partnerships	Interim Director of Resources	July 2024		✓			
Disaster Recovery and Business Continuity	Interim Director of Resources	July 2024		✓			
Main Financial Systems	Interim Director of Resources	July 2024		✓			



# WORKFORCE STRATEGY

Design Opinion	M	Moderate	Design Effectiveness	M	Moderate
Recommendations	0	4	2		



## SCOPE

### BACKGROUND

- ▶ Strategic workforce planning is a holistic approach to analysing internal business drivers and goals and provides a framework for organisations of all sizes to meet the challenges they are facing in complex and uncertain circumstances.
- ▶ It is essential that organisations constantly review their long-term approach to talent and critical skills. By developing a robust people plan, organisations can ensure they have the skills and labour to continue delivering on their business objectives, against both expected and unexpected changes.
- ▶ The Council has a Workforce Development Strategy in place, which is supported by service plans and details what the HR service wants to achieve. The Council is also currently developing a One Team People and Culture Strategy with Rochford District Council, with the aim of having the joint Strategy in place for 2024-25. The Strategy will be for three years to ensure it remains fluid in a changing environment.
- ▶ One of the key risks for the Council is around recruitment and retention. Due to the geographical location of Brentwood, the Council has to compete with employment opportunities in London, making it difficult to attract employees.

### PURPOSE

- ▶ The purpose of this audit was to provide assurance over the adequacy of the Council's Workforce Strategy and the effectiveness of underlying processes in addressing vacancies, targeting recruitment appropriately, aligning job responsibilities with changing service departments under the One Team Transformation Programme with Rochford District Council, and building resilience in service delivery.

### AREAS REVIEWED

- ▶ Reviewed the Council's Strategy and confirmed whether it clearly aligns with the Council's corporate plan and sets out the Council's One Team vision; we also confirmed whether the Strategy has been approved by Members and that it has been communicated to all staff.
- ▶ Verified whether the Strategy identifies critical roles and sets out the Council's strategy for retaining and recruiting staff to these roles. We also confirmed whether action has been taken to ensure there is enough resilience in these areas to continue service delivery.
- ▶ Confirmed whether the underlying data informing the Strategy is up to date, from an appropriate source and supported by justifiable assumptions.
- ▶ Assessed any supporting plans to confirm whether the action targets for retention and recruitment of staff are specific, measurable, achievable, realistic and timebound (SMART), assigned to clear action owners and regularly reviewed.
- ▶ Examined the reporting process to assess whether the overall arrangements for monitoring progress of plan implementation are robust and receive adequate scrutiny.
- ▶ Determined whether regular training is available for staff and appraisals are conducted which identify development opportunities.
- ▶ Evaluated work done to ensure job responsibilities align with changing service departments under the One Team transformation programme.
- ▶ Tested whether exit questionnaires/interviews are completed for leavers and reasons for leaving are monitored and reported on.



## AREAS OF STRENGTH

- ▶ We compared the Council's (draft) One Team People and Culture Strategy 2023-26 to the Corporate Plan 2020-2025 and sought to ascertain whether they are clearly aligned. We identified three workforce related aims within the Corporate Plan, including:
  - To develop an empowered culture within the organisation.
  - To create a culture that fosters an ambitious and motivated workforce.
  - To identify further opportunities to optimise the partnership with Rochford.

Although the specific wording does not match identically between the two documents, we confirmed that the Strategy has an objective to work as one team to achieve shared goals. Furthermore, promoting a positive and motivational culture within both teams is also a mutual objective.

- ▶ The (draft) Strategy clearly sets out the Council's One Team vision, under three categories: 'One You', 'One Team' and 'One Purpose'. The Strategy sets out how this vision will be achieved for people, culture and the future. Four 'One Team' values are also established: Nurture, Belong, Innovate and Trust. These values are intended to support strategic delivery and be embedded within workforce culture across the partnership. The main aim for developing the culture of the partnership is to 'work as one team to achieve shared goals'.
- ▶ To ensure appropriate oversight and scrutiny from senior management, the (draft) Strategy is due to be reviewed and approved by the Council's Chief Executive and Head of Paid Service once it has been completed. This has been agreed by the Strategic Director and Deputy Chief Executive, and communicated to the Strategy's author, the Acting Director - People, via email.
- ▶ We confirmed that the previous Workforce Development Strategy, created in 2018 and in place until the launch of the new One Team People and Culture Strategy, is communicated to all staff via the Council's intranet.
- ▶ The Council has a HR Service Plan in place for 2023-24, which outlines the key priorities that the Council is aiming to achieve in the current year. Progress of the plan was reviewed at a HR Away Day held on 20 January 2024 to identify any remaining priorities for the year.
- ▶ It was also agreed at the HR Away Day that a 'People Board' would be established, chaired by the Chief Executive and Head of Paid Service. A monthly meeting has been created to review progress of the HR Service Plan, and the Council intends that this meeting will continue following the launch of the new One Team People and Culture Strategy, to monitor and scrutinise progress of each action.
- ▶ The Council maintains recent data regarding recruitment and vacancies. The data extracted from the system shows that a total of 55 roles were advertised between December 2022 and December 2023, although 17 (33%) were not recruited to and three roles had zero applicants. This data supports the identification of recruitment and retention as one of the key workforce challenges highlighted within the Strategy.
- ▶ Training needs are identified by managers and requested through HR, to enable centralised monitoring of skills development across the organisation. Review of a report of training data between November 2022 and November 2023 identified that 29 staff attended additional external training courses, to develop skills such as Power BI, procurement and attending leasehold summits. Five staff also enrolled on external development programmes such as the District Councils Network and Solace Springboard.
- ▶ The Council successfully launched an Aspiring Managers Development Programme (AMDP) for 2021-22, with 26 staff enrolled. Following positive feedback from staff regarding the year long programme, it was extended for 2022-23 and 2023-24 of which 14 staff are currently enrolled. The programme was oversubscribed for the 2023-24 period, with 23 applicants for the cohort. However, the Council decided to limit the number of places to ensure that the right skills base is developed based on the size of the Council, with a balance between Brentwood and Rochford employees.



## AREAS OF CONCERN

- ▶ The Council's HR Service Plan for 2023-24 outlines key actions and priorities for the year. However, action plans for the remainder of the period covered by the new One Team People and Culture Strategy (2023-2026) have not yet been established. Furthermore, there is no supporting tracker to RAG rate or update individual actions outlined in the Plan. (**Finding 1 - Medium**)
- ▶ In reviewing whether the Strategy is based on sound and recent data, we selected a sample of two (Recruitment & Retention and Equality, Diversity & Inclusion (EDI)) out of the six key workforce challenges identified by the Strategy and identified that there was not sufficient EDI data to demonstrate the current workforce composition and how this presents challenges for the Council. (**Finding 2 - Medium**)

- ▶ When staff leave the Council, an optional exit questionnaire is issued. However, of the 12 leavers between June and October 2023, only four (33%) completed the questionnaire. Furthermore, we noted that ‘resignation’ was consistently the most common reason for leaving between 2021 and 2024 (to date), however thematic analysis cannot be completed in detail as no further reasoning is provided. **(Finding 3 - Medium)**
- ▶ The Council suspended appraisals due to the Covid-19 pandemic in March 2020. The process was updated for 2023-24 and the Council completed a pilot for ‘One You conversations’ in December 2023, to replace annual appraisals. The new conversations are intended to be held regularly throughout the year, moving away from a traditional ‘tick box’ appraisal approach. Although the aim was for all staff to have had at least one conversation during the pilot, we noted that 20% of the 139 staff who responded to the pilot survey have not yet received one. **(Finding 4 - Medium)**
- ▶ The (draft) One Team People and Culture Strategy does not currently include a version history section, or an established frequency of review. We also noted that the Council has not yet considered how the Strategy will be communicated with Members. **(Finding 5 - Low)**
- ▶ The HR team are holding a series of meetings to review team structures and needs across the organisation, to facilitate success of the One Team transformation. As this process is ongoing, we were provided with confirmation from four directorates that these conversations took place. However, we noted that the discussions and resulting outputs were not documented and have not yet been followed up. **(Finding 6 - Low)**

  
**CONCLUSION**

- ▶ The Council’s new (draft) One Team People and Culture Strategy clearly sets out the partnership’s One Team vision. There is also a clear plan to approve the Strategy and establish monitoring meetings to review progress. The Council is also responsive to training requests and monitors additional training undertaken by staff, including the successful Aspiring Managers Development Programme.
- ▶ There are some areas in need of improvement, to ensure that each area of the Strategy is supported by sufficient data and SMART action plans. The lack of appraisals for 20% of the Council’s staff also needs to be fully addressed and the Council is not adequately establishing and monitoring the reasons for staff resignations.
- ▶ We have therefore concluded a moderate assurance over both the design and operational effectiveness of the Council’s controls that are in place.

**MANAGEMENT ACTION PLAN:**

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p><u>Action plans</u></p> <p>1.1 We concur that the Council should implement action plans to sit behind each strategic target identified in the One Team People and Culture Strategy. Action plans, including the HR Service Plan, should be SMART:</p> <ul style="list-style-type: none"> <li>• Specific</li> <li>• Measurable</li> <li>• Achievable (including assigned responsible officers)</li> <li>• Relevant</li> <li>• Time-Bound.</li> </ul> <p>1.2 The Council should create action plans for the One Team People and Culture Strategy for each year e.g. 2024-25 and 2025-26 onwards, to break down the Strategy whilst it is in place. The action plans should be designed to ensure resilience within service delivery, including deputising and succession planning as required.</p>	Medium	<p>1.1 When the strategy was audited this was in draft the intention was always to include an action plan, so this will now be created, ensuring this is SMART.</p> <p>1.2 As above the action plan will now be created and be set out for each year.</p> <p>1.3 The intention was always to create a tracker alongside the action plan to monitor progress through our People Board which is led by the Chief Executive</p>	<p>1.1-1.3 Acting Joint Director People &amp; Governance June 2024</p>



<p>1.3 The Council should create trackers to correspond to the HR Service Plan, and subsequent year action plans, including RAG rating each action against timescales, and ensure regular updates are provided.</p>			
<p><u>The Strategy is not based on sound and recent data</u></p> <p>2.1 The Council should ensure that the Strategy is based on sound and recent data, with clear evidence to support the six identified workforce challenges.</p> <p>2.2 The Council should investigate the root causes of why staff have not engaged with providing EDI data. If challenges with engagement continue, the Council should ensure that EDI data is captured through other means, e.g. when staff are promoted, or for all new joiners through Jobs Go Public.</p> <p>2.3 A digital form should be used to obtain updated information from staff, and an option to decline should be included. This will enable the Council to understand the reasons for any gaps in the data.</p> <p>2.4 The Council should also pull through the EDI data maintained by Jobs Go Public, for all new joiners since the Council began using the site in 2022.</p> <p>2.5 EDI data should be reviewed and monitored at least annually and compared to census data for the wider borough to identify themes or outliers.</p>	Medium	<p>2.1 Part of the strategy is to improve the data we collect and how we use it, but where we do have the data or evidence this will be reflected to support the identified challenges.</p> <p>2.2 We are already looking at ways to capture this data and have created new starter forms to ensure this is captured and then recorded on to the system when there is a new starter. We are also launching a campaign to share not declare employee data and the importance of doing so.</p> <p>2.3 A form has been created that can be then exported straight into our HR system iTrent.</p> <p>2.4 An exercise will be undertaken to pull the data we have captured from JGP.</p> <p>2.5 We will look to start building our workforce profile on an annual basis.</p>	<p>2.1 Acting Joint Director People &amp; Governance June 2024</p> <p>2.2 - 2.4 Acting Corporate Manager - People &amp; Culture June 2024</p> <p>2.5 Acting Joint Director People &amp; Governance March 2025</p>
<p><u>Monitoring levels of staff retention</u></p> <p>3.1 We concur that the Council should create an electronic form to collate exit questionnaire data, to improve the rate of return. This should include a mandatory question requiring the reason for resignation to be provided, e.g. career change, salary, impact of the One Team transformation, etc.</p> <p>3.2 The Council should introduce a KPI for collating reasons for leaving, or for level of vacancies within the Council.</p> <p>3.3 The Council should ensure that Committee monitoring regarding retention statistics includes themes/lessons learned identified through exit questionnaires, once this data is available.</p>	Medium	<p>3.1 We had already started to review different ways to collate exit data and so we will be moving to an electronic form which will be easier to complete.</p> <p>3.2 KPIs are being looked at and agreed at present, so we will consider this.</p> <p>3.3 A Workforce Overview Report will go to committee annually and we will include information where we can on themes and lessons learned.</p>	<p>3.1-3.2 Acting Corporate Manager - People &amp; Culture April 2024</p> <p>3.3 Acting Corporate Manager - People &amp; Culture December 2024</p>
<p><u>Appraisals completion</u></p> <p>4.1 The Council should incorporate actions within the SMART action plan recommended in <b>Finding 1</b>, with commitment to time scales, to ensure that 'One You conversations' are rolled out to all staff at the Council. This should include identifying the individuals who have not yet had a conversation, to address the gap identified through the survey.</p>	Medium	<p>4.1 We are exploring ways to identify who has not yet had a OneYou conversation and also will be holding some focus groups to gain feedback on how these can be further improved.</p> <p>4.2 There should be a discussion on development as part of the OneYou conversations and all managers are regularly reminded of the AMDP as well as some of the external.</p>	<p>4.1 and 4.2 Acting Corporate Manager - People &amp; Culture April 2024</p>



<p>4.2 To help improve the ‘One You conversations’ approach, managers should be encouraged to discuss the Aspiring Managers Development Programme with staff who express an interest, or would benefit from attending the course to develop their leadership skills.</p>			
<p><u>Strategy version history and frequency of review</u></p> <p>5.1 The Council should consider how the Strategy will be communicated with members following its approval by the Chief Executive and Head of Paid Service.</p> <p>5.2 The Council should ensure that the new One Team People and Culture Strategy includes a version history section and log of approvals. The requirement for regular review and the date of the next required review should also be stated.</p>	Low	<p>5.1 This will be communicated through the regular updates with the relevant Chairs and can also be reflected in the workforce overview report.</p> <p>5.2 This This will be included in the final version.</p>	<p>5.1 and 5.2 Acting Joint Director People &amp; Governance June 2024</p>
<p><u>Succession planning work is not documented consistently</u></p> <p>6.1 The Council should explore the option of holding HR Business Partner check-ins on a regular basis, e.g. quarterly. This would facilitate capturing the needs of each directorate and ensure that appropriate proactive steps are taken and followed up.</p> <p>6.2 A Standard Operating Procedure (SOP) or guidance document for succession planning could be created, to establish ideal frequencies for planning and identifying methodology for managers to utilise.</p>	Low	<p>6.1 HR Business Partners will be holding regular meetings with each Directorate to further support the Council in terms of its workforce requirements/needs.</p> <p>6.2 A standard format of discussion will be agreed to ensure that as HRBPs they are capturing and agreeing the workforce requirements specific to each directorate and linking this to the overall challenges and the approaches we take to mitigate these.</p>	<p>6.1 and 6.2 Acting Corporate Manager - People &amp; Culture May 2024</p>

# CORPORATE ESTATES MANAGEMENT

Design Opinion	<b>L</b> Limited	Design Effectiveness	<b>L</b> Limited
Recommendations	<b>3</b>	<b>2</b>	<b>0</b>



## SCOPE

### BACKGROUND

- ▶ Estates management is the safeguarding and recording of Brentwood Borough Council's ("the Council") portfolio of properties.
- ▶ The elements of effective property asset management include:
  - ▶ The maintenance of accurate records, such as a register of properties
  - ▶ Awareness of the physical location of assets
  - ▶ Fulfilling the role of custodian with regards to maintenance and repairs
  - ▶ Periodic and systematic physical verification of the existence and condition of assets to protect against theft and detect the unauthorised use of property.
- ▶ The Council's estates include corporate assets, housing stock, assets managed by a third party, and leases - all of which are used to deliver services to customers and generate income for the Council. The portfolio of corporate estates includes directly managed and commercially leased assets: pavilions, buildings, industrial estates, a shopping centre, domestic accommodation, and office space (leased).
- ▶ Corporate estates are overseen by the Director, Assets and Investments, with direct responsibility for the estates management process held by the Facilities Manager who, since January 2024, is supported by the Property Compliance Officer. Facilities work closely with the Asset Manager, who understands the detail behind individual lease agreements (commercial properties). The Health and Safety Advisor provides SME support in a compliance monitoring capacity, for example with regard to monitoring and keeping abreast of applicable legislation.
- ▶ The Council is in a OneTeam partnership with Rochford District Council (RDC), however this audit focused on certain elements of the corporate estates management processes at Brentwood Borough Council (BBC) only.
- ▶ A separate audit on Asset Management has also been carried out as part of our 2023/24 internal audit programme of work, which has focussed on the Council's processes for keeping track of its IT assets, vehicles and other plant and equipment.

### PURPOSE

- ▶ The purpose of this audit was to provide assurance over the Council's controls for ensuring that its corporate buildings comply with regulatory health and safety requirements (such as fire, water, gas, etc).
- ▶ Please note that we are not health and safety specialists, therefore the focus has been on the controls the Council has in place to meet regulatory standards and we have not given an opinion on whether these standards are being met.

### AREAS REVIEWED

We assessed whether:

- ▶ An estates management system, such as a register of properties, is in place to record all corporate buildings owned by the Council, and whether the list of properties maintained is complete, up-to-date, and accurate, allowing the Council to rely upon it to monitor the maintenance and compliance requirements of all Council properties.
- ▶ Estates management policies and procedures are in place, to help ensure that staff have clear instructions on the estates management process and understand their responsibilities regarding managing corporate buildings, for example their role in overseeing and completing statutory health and safety checks.
- ▶ Staff receive sufficient training on estates management requirements, to ensure knowledge and understanding in this area, including awareness of key legislation.

- ▶ Statutory health and safety checks and risk assessments were identified, scheduled and completed in a timely manner, and outcomes accurately recorded, to ensure that the Council's corporate buildings comply with health and safety requirements. We reviewed a sample of corporate properties to confirm whether there was a process to regularly review and validate high-risk compliance areas (including asbestos, fire risk, fixed wiring, gas installations and water hygiene), and verified whether required statutory checks were completed, within prescribed timeframes/according to the assessed risk level.
- ▶ Remedial works, identified as a result of statutory compliance checks or risk assessments, were completed in a timely manner and subject to appropriate inspection / verification, to ensure that health and safety issues are being rectified.
- ▶ Contract monitoring arrangements are in place to provide assurance that third parties (tenants and managing agents), who oversee some corporate buildings, perform agreed contractual responsibilities in relation to statutory health and safety checks and risk assessments.



## AREAS OF CONCERN

We identified the following areas for improvement:

- ▶ The Council does not maintain a centralised estates management database/system to record all Council properties (whether directly managed; leased out; or both where shared areas are concerned). **(Finding 1 - High)**
- ▶ The compliance matrix should list all Council properties and their compliance requirements. While this is the case for properties for which the Council has direct responsibility for compliance (directly managed properties), the matrix does not reflect the compliance status of commercial (leased out) properties, all of which may not be listed on the matrix. **(Finding 2 - High)**
- ▶ A formal process is not yet in place to follow up remedial works arising from risk assessments/inspections to confirm their satisfactory completion. **(Finding 2 - High)**
- ▶ Contract monitoring arrangements are not in place to provide assurance that third parties (tenants or managing agents) perform agreed contractual responsibilities for statutory health and safety checks and risk assessments. Compliance documentation is not requested for these properties. **(Finding 3 - High)**
- ▶ There are no formal policies and procedures, or informal guidance notes, in relation to estates management or related health and safety compliance requirements. **(Finding 4 - Medium)**
- ▶ The Facilities Manager and Property Compliance Officer have yet to confirm whether all awareness training in relation to estates management requirements have been met. **(Finding 5 - Medium)**
- ▶ Risk assessments, inspections and any resulting remedial works must be undertaken by a 'Competent' individual, certified in the specific area under review. Many of the Council's contractors have been contracted for years and there are no up-to-date records of their Competency, as there is no formal process in place to request and centrally store evidence of Competency. **(Finding 5 - Medium)**



## CONCLUSION

- ▶ The Council is aware that work is required to update property records and formalise an estates management database going forward. This is crucial for record-keeping purposes but would also facilitate compliance with legislation: a central record of all properties within the Council's portfolio would enable the Council to track and monitor the compliance requirements, and corresponding responsibilities for these, for all properties within the Council's portfolio.
- ▶ We would like to note the substantial progress made in relation to the above in the new year: the Property Compliance Officer has made significant headway in updating records in relation to compliance requirements for directly managed Council properties, and their remedial works, and aims to start work on commercial properties in the coming months. We appreciate that this is a work in progress therefore, at the time of the audit, we concluded Limited assurance over both the adequacy of the design of controls and the operational effectiveness of the controls pertaining to corporate estates management.

**MANAGEMENT ACTION PLAN:**

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p><u>Estates management database / system</u></p> <p>1.1 The Council should develop a property register and a framework for managing its estates portfolio to ensure there is a complete and accurate point of reference for all staff members involved in estates management.</p> <p>Prior to adopting a bespoke estates management system, to ensure completeness of property records, Assets and Facilities staff should cross-reference / reconcile all of their existing property records with those of Finance to compile a centralised list of Council estates. This should consider where properties are directly managed, being managed by managing agents, multi-tenanted where shared areas remain the responsibility of the Council, or commercially let (as in all cases, the overall responsibility for compliance remains with the Council which, as the owner, has a duty of care to validate compliance).</p>	<p>High</p>	<p>We agree with the findings and recommendations.</p> <p>Corporate Asset directorate requires a property management system that can have all the properties the Council owns listed, contain the compliance data, contain contractors' insurance details and certification, print out schedules of tenants rent arrears and the ability to generate rent invoices. The team are reviewing what systems are available alongside utilising the strategic partnership to determine whether the system used by Rochford is sufficient as they have recently undergone a digitalisation of their asset register.</p> <p>The Assets team is reviewing different types of Asset management software that meets the requirements (together with assessing resources for the successful implementation of the system) to be brought back as a business case to CLT and project programme board for review and decision.</p> <p>In the interim:</p> <p>As the recommendation states, we are in the process of creating a master asset register, the Property Compliance Officer has a list from Finance and the Asset Manager is currently reviewing this document and adding all other relevant information (as detailed within recommendation) to ensure it is fully up to date. This will then give us a centralised list of council estates.</p> <p>Once this has been completed the compliance matrix will be updated to reflect the up-to-date information within the master centralised list to include 'responsibilities of compliance'.</p>	<p>Property Compliance Officer (interim measures)</p> <p>April 2024 (interim measures)</p> <p>Corporate Manager Facilities &amp; Compliance, Corporate Manager Asset Management &amp; Regeneration</p> <p>September 2024 (project on a page)</p>

<p><u>Compliance: Risk Assessments, Inspections and Remedial Works</u></p>	<p>High</p>	<p>Whilst the findings are factually correct (as taken from compliancy matrix) would note the following for context.</p> <p>General Risk Assessments, these are not a statutory requirement and were undertaken as a one off on our community halls when BLT went into administration, so we knew the condition of said assets.</p> <p>Fixed Wire, this is 1&amp;2 Seven Arches Road, the remedials haven't been done as building is only part used by food bank. We have instructed our Electrical Contractor to complete an EICR to bring it up to date.</p> <p>PAT test, this was the Town Hall building, all was done apart from the Elections and CCTV offices but due to staff sickness out of hours access had not been possible. This was completed during office hours on 05.03.2024 and is therefore now closed.</p> <p>Emergency Lighting, this is for Hutton Poplar Lodge, whilst overdue this cannot be done as there is currently no power and the building is empty.</p> <p>Asbestos - all remedial works as identified within the Asbestos Management Surveys are scheduled for completion w/c 04.03.2024 and w/c 11.03.2024.</p> <p>Legionella, statement correct, PCO currently working with our contractors NWG and PES (with background from FM and HSA) to ensure that all remedials have been satisfactorily closed out and can therefore review all assessments as being satisfactory and therefore ok until 2025.</p> <p>FRA - Remedials are currently being actioned. The full Risk Assessments have been booked in for completion w/c 15.04.2024.</p> <p>Air Con - this is for the MSCP and Depot, PCO currently locating paperwork as believe it has been completed and matrix needs updating.</p> <ul style="list-style-type: none"> <li>• 2.1.1 Property Compliance Officer - in progress</li> <li>• 2.1.2 The Council is aware of the causes: it is a</li> </ul>	<p>Property Compliance Officer May 2024</p>
<p>2.1 The Council should:</p> <ul style="list-style-type: none"> <li>• Commission overdue inspections and remedial works as soon as possible</li> <li>• Investigate the root cause of why inspections are not done in a timely manner</li> <li>• Establish a monitoring process for all properties owned by the Council (directly managed and leased out), which enables tracking of whether risk assessments/inspections have been carried out for all properties across the Council's portfolio, and when these are due for renewal (and the Council may wish to implement a reminders system)</li> <li>• Enhance oversight and scrutiny of compliance across the property portfolio through regular reporting to the Finance, Assets, Investment &amp; Recovery (FAIR) Committee on the compliance status of properties which the Council is directly responsible for. The Health and Safety and Wellbeing Committee should also be provided this information, as well as an update on properties for which the Council is not directly responsible (performance indicators on validation of compliance of commercial properties).</li> </ul>			
<p>2.2 The Council should establish a formal process to track and follow up remedial works to confirm satisfactory completion, particularly where medium or high risk, and where another inspection is not due for over a year.</p>			
<p>2.3 We note that the Compliance Officer is in the process of adding to the compliance matrix to indicate whether remedial works are required and the status of these works (i.e. whether the works have been completed). The results of any follow up inspections should also be added, and formally monitored going forward (with due dates) for all properties across the Council's portfolio.</p>			

		<p>balance of resource, budget and priority measured against risk to the Council.</p> <ul style="list-style-type: none"> <li>• 2.1.3 Master Asset register being compiled, compliancy matrix will then be updated.</li> <li>• 2.1.4 We will report to the FAIR committee for scrutiny of compliance.</li> <li>• 2.2 Agreed.</li> <li>• 2.3 This is an interim measure, final control method for managing remedials being reviewed.</li> </ul>	
<p><u>Contract monitoring arrangements</u></p> <p>3.1 The Council should establish a formal system to monitor whether third parties (tenants or managing agents) are carrying out agreed risk assessments, checks and repairs, and should obtain confirmatory documentation on a regular basis.</p>	High	<p>We agree with the findings and recommendations.</p> <p>As the recommendation states we are in the process of creating a master asset register, Property Compliance Officer has a list from Finance and the Asset Manager is currently reviewing this document and adding all other relevant information (as detailed within recommendation) to ensure it is fully up to date. This will then give us a centralised list of council estates.</p>	<p>Property Compliance Officer September 2024 (subject to leaseholders' timely engagement)</p>
<p><u>Policies and procedures</u></p> <p>4.1 The Council should take a phased approach to designing policies and procedures: these should be created with BBC's current practices in mind and adapted as OneTeam policies following the completion of the service review, once Corporate Directors are in post.</p>	Medium	<p>We agree with the findings and recommendations and policies and procedures are being moved forward with this approach. There are a number of policies and procedures that have been established utilising the work housing repairs have already undertaken supported by the Health and Safety Officer.</p>	<p>Facilities Manager June 2024</p>
<p><u>Training and competency</u></p> <p>5.1 The Council should undertake a mapping exercise to ensure that between the Facilities Manager and the Property Compliance Officer, all training requirements have been met. The Facilities Team should compile a training matrix to keep track of these requirements going forward (i.e. a tracker to monitor the different training requirements, any gaps, when training is due for refresher).</p> <p>5.2 The Council should request evidence of Competency (such as certificates) from its contractors on an annual basis, and should centrally store this, to ensure that contractors continue to meet Competency requirements.</p>	Medium	<p>5.1 This is currently in progress not only in Assets but across the establishment.</p> <p>5.2 Agreed and will make this an annual basis at the start of the municipal year. The addition of the Property Compliance Officer has enabled the capacity to begin to focus on the recommendation highlighted.</p>	<p>Corporate Manager - Facilities &amp; Compliance June 2024</p>



# DATA PROTECTION

Design Opinion	<b>L</b> Moderate	Design Effectiveness	<b>L</b> Moderate
Recommendations	<b>2</b>	<b>3</b>	<b>1</b>

  
**SCOPE**

**BACKGROUND AND PURPOSE OF AUDIT**

- ▶ Information in many forms, including personally identifiable information, facilitates the Council’s ability to provide its services to residents and the public, and the secure management and use of information in delivering services is crucial.
- ▶ To be able to share information internally, with its partners, with third parties and with the public, the Council needs to comply with the regulations governing the release of information. This includes the Freedom of Information Act (FOIA) and the UK General Data Protection Regulation (UK GDPR).
- ▶ The purpose of the audit was to assess the Council’s compliance against key parts of UK GDPR, including training and awareness, roles and responsibilities, data breach management, data protection impact assessments, policies and procedures, and governance of information assets.

**AREAS REVIEWED**

The following areas were covered as part of this review:

- ▶ Assess whether there is a governance framework in place to support compliance with data protection responsibilities, including defined, approved and up to date policies and procedures.
- ▶ Determine whether roles and responsibilities with regards to data protection are defined and whether there is a training programme in place for data protection and information management for staff which is regularly refreshed.
- ▶ Assess whether the Council has a Record of Processing Activities in place and that this is regularly reviewed and updated and captures appropriate information.
- ▶ Assess whether the Council has defined retention periods in place for held information and that this is adhered to.
- ▶ Determine whether the Council has defined the lawful basis for collecting, processing, retaining, and sharing information and assess whether this is transparent to data subjects using tools such as privacy notices. For special category data, assess whether any additional reasons for processing are appropriate and in line with the original purpose of the processing activity.
- ▶ Assess whether there is regular monitoring of the Council’s compliance with data protection legislation and regulations by senior management, including the identification, assessment, and remediation of risks.
- ▶ Assess whether there are procedures in place to deal with data subject rights requests, including Subject Access Requests (SARs), Freedom of Information Act requests (FOIs) and the exercising of rights by individuals. Determine the extent to which these requirements are complied with, responded to, monitored, and reported on.
- ▶ Assess whether adequate and effective data breach response procedures are in place.
- ▶ Assess whether there are adequate procedures in place for performing Data Protection Impact Assessments (DPIAs) for the processing of data which is likely to present a high risk to the rights and freedoms of individuals.
- ▶ Where the Council shares personal data as part of its relationships with third parties, determine whether the risks posed by these relationships have been assessed and whether data sharing agreements have been implemented to mitigate these risks.



## AREAS OF STRENGTH

During our review, we identified the following areas of good practice:

- ▶ There is a dedicated Data Protection Officer (DPO) in place, who has clearly defined responsibilities in line with the requirements of the UK GDPR and regularly reports to Senior Management.
- ▶ There is a dedicated Data Protection Team in place to manage compliance with data subject requests, including SARs. We reviewed a sample of SARs to determine whether the Council has complied with the requirements of the UK GDPR and identified no exceptions.
- ▶ The Council has a documented retention policy and schedule in place that sets out its approach to retaining the information that it holds, which were found to be up to date.
- ▶ Additional considerations for storing information have also been defined, including whether the applied retention period meets the operational needs of the service and whether the information is required to be maintained for any historical interest or intrinsic value.



## AREAS OF CONCERN

During our review, the following areas for improvement were identified:

- ▶ Whilst the Council maintains various Records of Processing Activities (RoPAs), which are looked after by individual business units, we found those to be incomplete or missing information and to be inconsistent with each other in terms of the information recorded (**High - Finding 1**).
- ▶ The RoPAs do not effectively record the risks that are posed by third party data sharing and there are no third party due diligence procedures or information sharing agreements visible within the RoPAs (**High - Finding 2**).
- ▶ Whilst the Council has historically had an Information Governance Steering Group (IGSG) in place, this is no longer meeting regularly to provide data protection compliance oversight across Senior Management (**Medium - Finding 3**).
- ▶ Whilst there are various defined policies and documented procedures in place relating to data protection and compliance with the requirements of the UK GDPR, a number of those were out of date or still in draft (**Medium - Finding 4**).
- ▶ Although the Council has defined privacy notices in place for 22 separate areas, we found that these are not regularly reviewed, with some not reviewed since 2019 (**Medium - Finding 5**).
- ▶ Data protection training for members of staff does not define the requirements for DPIAs to be performed and training completion and effectiveness is not actively monitored, assessed, and reported (**Low - Finding 6**).



## CONCLUSION












- ▶ We have raised two high, three medium and one low priority recommendations to improve the Council's data protection and UK GDPR compliance arrangements.
- ▶ Whilst the Council has clearly defined responsibilities with regards to data protection, defined retention schedules and effective data subject request procedures in line with the UK GDPR, we found significant gaps that could impact its ability to comply with the requirements of data protection legislation. The gaps relate to the absence of complete, up-to-date, and consistently completed records of processing activity; appropriate third-party due diligence procedures; adequate oversight by senior management; up to date policies regarding UK GDPR requirements; regular review of privacy notices; and sufficient training for members of staff.
- ▶ Consequently, we conclude limited assurance over both the design and the operational effectiveness of the Council's data protection arrangements, particularly with regards to the areas covered by the scope of this review.

## MANAGEMENT ACTION PLAN:





Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p><u>Records of processing activities</u></p> <p>1.1 Management, in conjunction with each business unit or department, should carry out a full and comprehensive review of all the Council's RoPAs to ensure that these are consistent, complete, and up to date and that they capture the following information at a minimum:</p> <ul style="list-style-type: none"> <li>Information required for data processing, such as the processing activity, legal basis and any record of consent where applicable; if special category data is being processed, then an additional reason for processing should be stated</li> <li>The technical and organisational security that is in place to prevent unauthorised access to this information</li> <li>If data processing is done in conjunction with a third party then this should be clearly stated in addition to details of any data sharing agreements.</li> </ul> <p>The updated RoPAs should be presented to and approved by Senior Management and should be reviewed on at least an annual basis.</p> <p>1.2 Following this, the Council should put in place a centrally defined RoPA that captures all the Council's data flows and processing activities, which should be completed and updated on an ongoing basis and there should be arrangements for it to be fully reviewed on at least an annual basis to ensure that it remains current and appropriate.</p>	High	<p>1.1 DPO will initiate review of current ROPA documentation. Departments to complete all missing records fields. DPO will review all updated RoPAs to ensure all required information has been provided</p> <p>1.2 Information Governance Steering Group will establish a documented schedule for annual ROPA reviews, to be carried out on at least an annual basis. Departments will update and amend their own ROPAs as and when required.</p>	Data Protection Officer 31 May 2024
<p><u>Third party data sharing</u></p> <p>2.1 Management should implement a due diligence process for all new and existing third-party relationships that the Council has in place. For any third party data transfers, the Council should ensure that these are being recorded within the applicable RoPA and that appropriate safeguards, such as Data Sharing Agreements, are in place.</p>	High	<p>2.1 Brentwood will introduce a GDPR due diligence questionnaire to be issued to all prospective new suppliers that are processing personal data on its behalf.</p> <p>Brentwood will carry out due diligence exercises on its existing suppliers with priority given to high risk relationships (e.g. suppliers who process large volumes of personal data and/or personal data that is sensitive in nature [e.g. financial/health/homelessness/Anti social behaviour related information etc])</p> <p>Departments will update their RoPAs in line with the outcome of the above exercises.</p>	Data Protection Officer 30 April 2024

<p><u>Information governance steering group</u></p> <p>3.1 Management should ensure that the arrangements for re-establishing the Information Governance Steering Group are completed and that the group meets on a regular basis. The Group should be supported by defined Terms of Reference, which should outline its roles and responsibilities, as well as its membership (including appropriate representation and Senior Management). Group meetings should be minuted and meeting actions should be logged, monitored, and tracked to resolution.</p>	Medium	<p>3.1 Brentwood will revive its Information Governance Steering Group.</p> <p>The steering group will establish a terms of reference which will set out the scope of its duties and its composition.</p> <p>Brentwood will establish a schedule of regular meetings of its Information Governance Steering Group.</p> <p>Steering Group meetings will be minuted and any actions documented and tracked in subsequent meetings.</p>	<p>Joint Acting Director of People and Governance &amp; Monitoring Officer</p> <p>31 May 2024</p>
<p><u>Policies and procedures</u></p> <p>4.1 Management should review and, where necessary, update all information governance, information security and data protection policies and documented procedures to ensure that they are up to date, fit for purpose and in line with current legislation. Where possible, policies and procedures should be consolidated.</p> <p>All policies and procedures should be subsequently approved, finalised and communicated to members of staff and arrangements should be put in place for the policies and procedures to be reviewed on a regular basis, in line with their defined review cycle, or following a significant change to the Council's operations or data protection regulations.</p>	Medium	<p>4.1 DPO will conduct a review of all current GDPR policy and procedure documents to ensure they reflect the current applicable legislation.</p> <p>DPO will complete any documents that are currently still in draft and introduce new policies where required.</p> <p>DPO will take measures to raise staff awareness of the updated/new policies.</p> <p>Information Governance Steering Group to establish a documented schedule for conducting policy document reviews. These are to be carried out on at least an annual basis.</p>	<p>Data Protection Officer</p> <p>30 June 2024</p>
<p><u>Privacy notices</u></p> <p>5.1 Management should review and, where necessary, update all of the Council's privacy notices to ensure that they are accurate, up-to-date, and consistently outline how the Council holds, manages and processes personal data. Arrangements should be put in place for the privacy notices to be reviewed on a routine basis.</p>	Medium	<p>5.1 DPO will conduct a review of all current privacy notices and review and update these where necessary.</p> <p>Information Governance Steering Group to establish a documented schedule for conducting privacy notice reviews. These will be carried out by the DPO on at least an annual basis.</p>	<p>Data Protection Officer</p> <p>30 June 2024</p>
<p><u>Data protection training</u></p> <p>6.1 Management should review and, where necessary, update the Council's training module so that it includes, but is not limited to, the expectations and roles and responsibilities of members of staff around DPIAs.</p> <p>6.2 Training completion should be recorded and monitored on an ongoing basis to ensure that it is completed by all members of staff and arrangements should be put in place for the effectiveness of the training to be actively assessed and reported to Senior Management</p>	Low	<p>6.1 DPO will carry out additional awareness training to cover DPIAs. The training will address both the triggers for carrying out a DPIA and the methodology for carrying out a DPIA.</p> <p>6.2 HR team will monitor GDPR training completion. Both completion and pass levels will be reported to the Information Governance Steering Group as part of ongoing monitoring of GDPR compliance.</p>	<p>Joint Acting Director of People and Governance &amp; Monitoring Officer</p> <p>31 May 2024</p>

## KEY PERFORMANCE INDICATORS

QUALITY ASSURANCE	KPI	RAG RATING
1. Annual Audit Plan delivered in line with timetable	Two 2023/24 audits were deferred until later in the year, as detailed in previous report. Some audits have taken longer than expected due to officer engagement.	
2. Actual days are in accordance with Annual Audit Plan	We are on track to meet this KPI	
3. Customer satisfaction report - overall score at least 70% for surveys issued at the end of each audit	No survey responses received yet for 2023/24	
4. Annual survey to Audit committee to achieve score of at least 70%	Average score from six respondents is above 70%.	
5. At least 60% input from qualified staff	We are on track to meet this KPI	
6. Issue of draft report within three weeks of fieldwork closing meeting	This KPI has been met for six out of nine audits for 2023/24 to date (see table below)	
7. Finalise internal audit report one week after management responses to report are received	This KPI has been met for eight out of eight audits for 2023/24 to date	
8. Positive result from external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO were found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards	
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 six out of 13 completed terms of reference (see table below)  The KPI regarding draft report has been met for six out of eight completed audits (see table below)	
10. Audit sponsor to implement audit recommendations within the agreed timescale	Our latest follow up exercise has confirmed two out of 15 due recommendations (based on original due dates) have been implemented since our last progress report.	
11. Internal audit to confirm to each meeting of the Audit and Scrutiny Committee whether appropriate co-operation has been provided by management and staff	We have experienced some delays in securing meetings to start our audits and responding to draft reports	

### KEY FOR RAG RATING





 = met target	 = partly met target
 = not met target	 = not applicable

## AUDIT TIMETABLE DETAILS (2023/24)




Audit	Draft ToR Issued	Management Response to ToR Received	Closing Meeting	Draft Report Issued	Management Response to Draft Report Received	Final Report Issued
Car Parking	14/07/2023	21/07/2023	30/08/2023	01/09/2023	13/09/2023	13/09/2023
Tree Management	29/06/2023	03/07/2023	29/08/2023	31/08/2023	13/09/2023	14/09/2023
Waste Management Services	06/07/2023	09/07/2023	02/10/2023	06/10/2023	19/10/2023	24/10/2023
Risk Management	10/07/2023	17/07/2023	30/11/2023	02/01/2024	03/01/2024	03/01/2024
Communications and Information Sharing	12/09/2023	25/09/2023	03/11/2023	07/12/2023	08/01/2024	09/01/2024
Workforce Strategy	19/09/2023	22/09/2023	15/02/2024	22/02/2024	07/03/2024	07/03/2024
Corporate Estates Management	24/10/2023	31/10/2023	06/02/2024	14/02/2024	07/03/2024	08/03/2024
Data Protection (Carried forward from 22/23)	07/11/2023	23/11/2023	21/12/2023	26/02/2024	11/03/2024	12/03/2024
Vehicles, Plant and Equipment Management	10/11/2023	29/11/2023	30/01/2024	16/02/2024	n/a	n/a
Financial Planning and Monitoring	05/12/2023	02/01/2024	14/03/2024	n/a	n/a	n/a
Disaster Recovery and Business Continuity	07/11/2023	02/02/2024	n/a	n/a	n/a	n/a
Development Partnerships	20/11/2023	28/11/2023	n/a	n/a	n/a	n/a
Main Financial Systems	04/12/2023	02/01/2024	n/a	n/a	n/a	n/a

# APPENDIX 1

## OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
 <b>Substantial</b>	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.
 <b>Moderate</b>	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.
 <b>Limited</b>	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	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 in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
 <b>No</b>	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 in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

## RECOMMENDATION SIGNIFICANCE DEFINITION

RECOMMENDATION SIGNIFICANCE	
 <b>High</b>	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
 <b>Medium</b>	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
 <b>Low</b>	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.



**FOR MORE INFORMATION:**

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# INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

BRENTWOOD BOROUGH COUNCIL

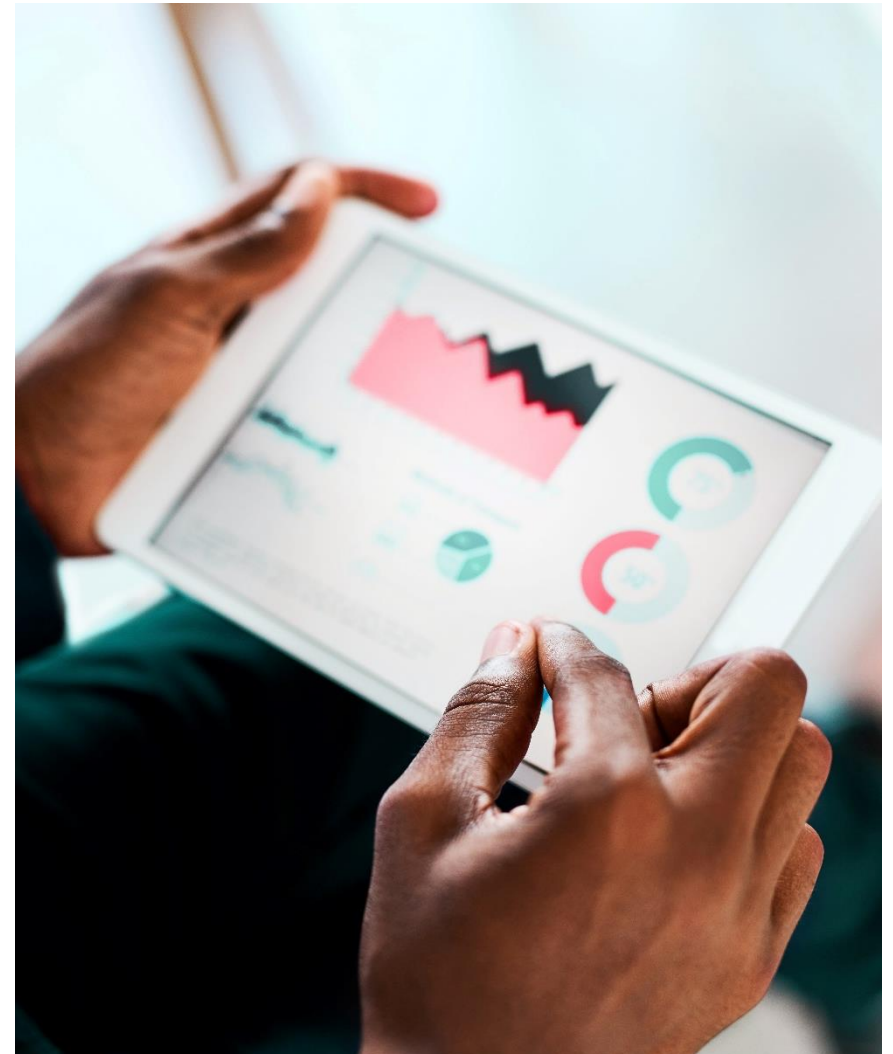
March 2024

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## SUMMARY

	Total Recs	H	M	L	To follow up	Previously completed	Completed this quarter	In progress	Overdue	Not Due
						H   M	H   M	H   M	H   M	H   M
<b>2023/24</b>										
Car parking	6	-	4	2	4	-   -	-   -	-   -	-   -	-   4
Tree Management	7	4	3	-	7	-   -	1   1	2   2	-   -	1   -
Waste Management	7	2	4	1	6	1   2	-   -	-   -	-   -	1   2
Risk Management	3	-	3	-	3	-   -	-   -	-   -	-   -	-   3
Communications and Information Sharing	5	-	4	1	4	-   -	-   -	-   -	-   -	-   4
<b>Sub-total</b>	<b>28</b>	<b>6</b>	<b>18</b>	<b>4</b>	<b>24</b>	<b>1   2</b>	<b>1   1</b>	<b>2   2</b>	<b>-   -</b>	<b>2   13</b>
<b>2022/23</b>										
Democratic services	6	1	3	2	4	1   2	-   -	-   -	-   1	-   -
Main financial systems	5	-	3	2	3	-   2	-   -	-   -	-   -	-   1
Policy review	1	-	1	-	1	-   -	-   -	-   -	-   -	-   1
Environment - Street cleaning, fly tipping & enforcement	3	-	3	-	3	-   -	-   -	-   -	-   1	-   2
Leisure services	4	-	4	-	4	-   1	-   -	-   2	-   1	-   -
Sheltered accommodation	7	3	4	-	7	2   3	-   -	-   -	-   -	1   1
<b>Sub-total</b>	<b>26</b>	<b>4</b>	<b>18</b>	<b>4</b>	<b>22</b>	<b>3   8</b>	<b>-   -</b>	<b>-   2</b>	<b>-   3</b>	<b>1   5</b>

	Total Recs	H	M	L	To follow up	Previously completed		Completed this quarter		In progress		Overdue		Not Due	
						H	M	H	M	H	M	H	M	H	M
<b>2021/22</b>															
Building control	2	-	2	-	2	-	1	-	-	-	-	-	1	-	-
Section 106 agreements	2	2	-	-	2	-	-	-	-	-	-	2	-	-	-
<b>Sub-total</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>2020/21</b>															
Disaster recovery and business continuity	1	-	1	-	1	-	-	-	-	-	-	-	1	-	-
<b>Sub-total</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>59</b>	<b>12</b>	<b>39</b>	<b>8</b>	<b>51</b>	<b>4</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>18</b>

# SUMMARY

15 high or medium priority recommendations have been followed up on since the last Audit and Scrutiny Committee (which includes 12 recommendations for which a revised implementation date was previously agreed that is not yet due). We have confirmed with reference to evidence and through discussions that two recommendations have been completed/closed since our last follow up report. Updates have been received for the remaining outstanding recommendations and it is clear that work is being done to progress them but they have not yet been fully implemented.

## 2023/24

- ▶ Of the 24 high or medium priority recommendations raised so far in 2023/24, six were due to be followed up. Two have been completed for Tree Management and four remain in progress and on target to meet their previously agreed revised implementation date.

## 2022/23

- ▶ Five recommendations were due to be followed up from 2022/23, two remain as in progress and three remain overdue and have not reached their previously agreed revised implementation dates.

## 2021/22

- ▶ Of the three outstanding high or medium priority recommendations raised in 2021/22, we have confirmed all three remain overdue (two on s106 agreements and one on building control). The updates confirmed that work is still ongoing on these recommendations to meet their previously agreed revised implementation dates.

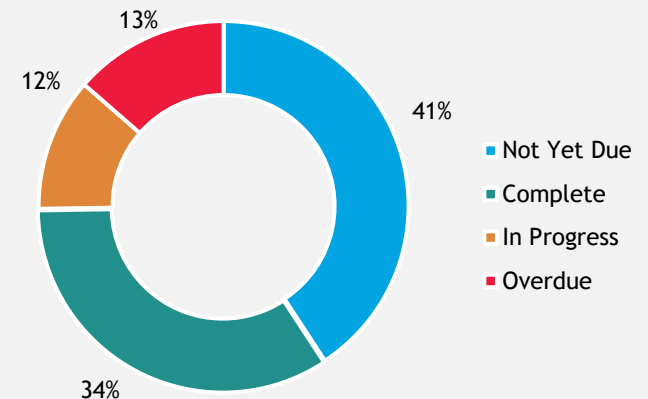
## 2020/21

- ▶ The one outstanding recommendation raised in 2020/21 for Disaster Recovery and Business Continuity remains overdue but on target to meet the previously agreed revised implementation date.

### REQUIRED AUDIT & SCRUTINY COMMITTEE ACTION:

We ask the Audit and Scrutiny Committee to note the progress against the recommendations.

2020 - 2024 Audits with outstanding recommendations



## RECOMMENDATIONS: COMPLETE SINCE LAST FOLLOW UP REPORT

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2023/24 - Tree Management	<p><b>TM1 Insufficient Implementation of Tree and Woodland Strategy</b></p> <p>1.1 The Council should update the Tree and Woodland Strategy, or create supporting standard operating procedures (SOPs), to incorporate:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities</li> <li>• Delivery targets</li> <li>• Agreed KPIs</li> <li>• National guidance and best practice, including the requirement for a risk-based and proactive inspection programme.</li> </ul> <p>1.2 Implemented Strategy should include an action plan, with delivery target dates and assigned responsibility. Progress against the action plan should be overseen by the Clean and Green Committee periodically.</p> <p>1.3 The policy should include a schedule of reviews, to ensure it is reviewed and updated at regular intervals as required.</p> <p>1.4 Supporting Standard Operating Procedures (SOPs) or appendices should be created to support the aims of the strategy and govern how the aims will be implemented, e.g., tree inspection policy.</p>	High	Corporate Manager (Green Spaces)	<p><del>Jan 2024</del></p> <p>Closed</p>	<p><u>Management update:</u></p> <p>The Clean and Green Committee approved the new Tree Policy on 11/12/2023. The Policy will be presented annually to the Committee. The Policy details the Council's inspection regime, prioritisation for tree works and risk thresholds.</p> <p>The Policy is supported by an Action Plan detailing timescales for actions.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation closed by Internal Audit following receipt of Policy, Action Plan and Committee report.</p>
2023/24 - Tree Management	<p><b>TM7 Incomplete Oversight Processes</b></p> <p>1.1 The Council should arrange monthly invites for 1-2-1s with the Tree Officer, to ensure regular progress monitoring occurs. Where meetings are missed, they should be rescheduled at the earliest convenience to ensure regular check ins can be completed.</p> <p>1.2 The Director of Environment should discuss</p>	Medium	Corporate Manager (Green Spaces)	<p><del>Jan 2024</del></p> <p>Closed</p>	<p><u>Management update:</u></p> <p>One to one meetings are in place, a Tree Management Working Group has been proposed and will be introduced which will report to the Clean and Green Committee. This was discussed by the Committee in the recent meeting on 26/02/2024. A new inspection programme was introduced and approved by the Clean &amp; Green Committee on 11/12/2023.</p>



AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	the options for improved oversight by the Clear and Green Committee, with committee members. High priority issues such as lacking a proactive inspection programme should be discussed to ensure Council Leadership are aware of the risks currently accepted due to lack of resource and inspections.				<u>Internal audit comment:</u> Recommendation closed by Internal Audit following receipt of Committee minutes and confirmation from officers.

## RECOMMENDATIONS: IN PROGRESS

These recommendations have been marked as In Progress as they have not been implemented by their original date; a revised date has been provided.

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2022/23 Leisure Services	<p><b>Rec 2: Feasibility studies</b></p> <p>2.1 Officers should consider carrying out a feasibility study to inform the development of a potential exit strategy from the Brentwood Leisure Centre and Football Hub facilities and activities, which should include plans to value the saleability of these assets in future years.</p> <p>2.2 As part of budget setting, officers should review the sufficiency of the sinking fund for the replacement of facilities when they reach the end of their expected lifespan.</p>	Medium	Corporate Manager - Community, Leisure and Health	<del>December 2023</del> March 2024	<p><u>Management previous update:</u></p> <p>A condition survey has been completed on the Brentwood Centre which informs the prioritisation of works that need to be undertaken. This also helps inform the Leisure Procurement Strategy that will be presented to Members on 15 January 2024 Housing Health and Community Committee. The draft report and Strategy sets out the process for the new joint leisure procurement contract which will commence in April 2025. The Council is also seeking external legal support in the drawing up of the contract.</p> <p>The Football Hub has been paused while BBC gets confirmation from Leyton Orient Football Club as to their decision to remain at Chigwell School or move to the Brentwood Centre site which is due by 31 March 2024 at the latest.</p> <p><u>Management most recent update:</u></p> <p>Previous update still applies.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open and on target to meet revised implementation previously agreed.</p>
2022/23 Leisure Services	<p><b>Rec 4: Training and guidance</b></p> <p>4.1 Leisure services should track and monitor all mandatory staff training and development, covering both Council staff and Everyone Active staff.</p> <p>4.2 Consider whether there is a need to develop or update any leisure services specific guidance, policies and procedures and that these are readily accessible to Council staff and Everyone Active.</p>	Medium	Corporate Manager - Community, Leisure and Health	<del>December 2023</del> March 2025	<p><u>Management previous update:</u></p> <p>As part of the new KPIs, which are a part of the new contract, there will be a request for the training records for staff to ensure that they are sufficiently trained.</p> <p><u>Management most recent update:</u></p> <p>Previous update still applies.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open and on target to meet revised implementation previously agreed.</p>

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2023/24 Tree Management	<p><b>Rec 2: Incomplete understanding of tree stock conditions in the borough</b></p> <p>The Council should collate the data on number of trees from the National tree Map into a report to ensure oversight/monitoring of tree stock levels can be implemented by Management and enable monitoring of overall stock levels.</p> <p>The Council should ascertain the level of resources required to gather the necessary data on current tree stocks, e.g., tree age, type and condition, to support a risk-based inspections programme.</p>	High	Corporate Manager Green Spaces	<p><del>October 2023</del></p> <p>April 2024</p>	<p><u>Management previous update:</u></p> <p>Request to FAIR committee outlining resource required has been submitted. Awaiting outcome of Committee.</p> <p>New Tree Management Policy and action plan approved by Members which will help progress the recommendation.</p> <p><u>Management most recent update:</u></p> <p>Fixed term Tree Officer Approved at FAIR committee for new financial year.</p> <p>Budget to purchase Tree Software approved at FAIR committee for new financial year.</p> <p>Tree Officer job description and advert complete. Awaiting HR for job evaluation. Ready to advertise as soon as this is back.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open and on target to meet the revised implementation date previously agreed.</p>
2023/24 Tree Management	<p><b>Rec 4: Inadequate complaints handling and absence of established procedures</b></p> <p>The Council should develop the 'prioritisation of works' document to add specific implementation guidance related to trees, including time scales for responses.</p> <p>The Council should complete a review of all open complaints in the dash system and ensure that either actions are taken where these have been missed, or the actions taken but not documented are included in the records to enable their closure.</p> <p>The Council should monitor complaint response times against the newly agreed timescales, as a service KPI.</p> <p>Guidance should be documented to cover response times when the Risk and Insurance officer requests information related to tree insurance claims.</p>	High	Corporate Manager Green Spaces	<p><del>October 2023</del></p> <p>April 2024</p>	<p><u>Management previous update:</u></p> <p>Prioritisation of works document will be submitted to Green and Green as part of the #OneTeam joint Tree Management Strategy. DASH system currently under review to ensure that officers are receiving correct information and that the appropriate channels are filtering BBC specific complaints. Officers have consulted Zurich and received a recommended proforma to complete for insurance claims. This will be implemented as part of a new digital system.</p> <p>New Tree Management Policy and action plan approved by Members which will help progress the recommendation.</p> <p><u>Management most recent update:</u></p> <p>Complaints procedure is currently being investigated. Systems are in place. One to Ones in place.</p> <p>Regular checking that enquires have been responded to underway.</p>

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
					<p><u>Internal audit comment:</u></p> <p>Recommendation remains open and on target to meet the revised implementation date previously agreed.</p>
2023/24 Tree Management	<p><b>Rec 5: Absence of contract management</b></p> <p>The Council should create a contractor database or excel file to support management of the providers used. They should request copies of contractor insurance certificates and health and safety policies and record the expiry dates and key details.</p> <p>To support this, calendar reminders should be added ahead of expiring contractor insurance policies, to ensure copies of new policies are obtained before works are agreed.</p>	Medium	Corporate Manager Green Spaces	<p><del>December 2023</del></p> <p>April 2024</p>	<p><u>Management previous update:</u></p> <p>New Tree Management Policy and action plan approved by Members which will help progress the recommendation which has not yet been implemented.</p> <p><u>Management most recent update:</u></p> <p>Draft tender complete. Pricing Schedule Complete. Awaiting procurement to put notice out.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open and on target to meet the revised implementation date previously agreed.</p>
2023/24 Tree Management	<p><b>Rec 6: Underutilised Computer Management System</b></p> <p>A review of the functionality of the existing computer management software, Pear, should be completed, to ascertain whether it is able to meet the Council's needs.</p> <p>Consideration should also be given to potentially sharing software with Rochford Council as part of a shared working partnership.</p>	Medium	Corporate Manager Green Spaces	<p><del>October 2023</del></p> <p>April 2024</p>	<p><u>Management previous update:</u></p> <p>Review of computer system underway. Current system is outdated technology which does not allow for Cloud data to sync externally. Requiring officer down time uploading to an outdated computer system.</p> <p>New Tree Management Policy and action plan approved by Members which will help progress the recommendation.</p> <p><u>Management most recent update</u></p> <p>Procurement of Ezytreev software through G Cloud framework to commence new financial year. Budget is now approved.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open and on target to meet the revised implementation date previously agreed.</p>

## RECOMMENDATIONS: OVERDUE

These recommendations have been marked as overdue as they have exceeded their original and revised implementation dates by at least once. Therefore, they have now missed at least two revised implementation dates.

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22 - Building Control	<p><b>21/22 BC rec 2:</b></p> <p>The service should request the Council's ICT department and third-party provider to enable functionality that allow management to download reports from the system which closely monitor progress against ISO and statutory KPIs. There should be reports that show:</p> <ul style="list-style-type: none"> <li>- Application date and date approved or rejected versus the ISO and statutory completion date requirements</li> <li>- All current active applications being worked on</li> <li>- All rejected applications within a specified timeframe</li> <li>- All approved applications within a specified timeframe.</li> </ul> <p>The Council should also liaise with the system service provider to ensure that the completion deadline dates are precisely calculated on the system.</p>	Medium	Building Control Team Leader	<p><del>June 2022</del></p> <p><del>Oct 2022</del></p> <p><del>Dec 2022</del></p> <p><del>Feb 2023</del></p> <p><del>June 2023</del></p> <p><del>Dec 2023</del></p> <p>Dec 2024</p>	<p><u>Management previous update:</u></p> <p>The situation remains as before and there is currently not even a provisional date for when these will be developed (the industry is going through major changes following Grenfell, with central government being slow to develop their exact requirements in terms of service levels etc amongst other issues).</p> <p><u>Management most recent update:</u></p> <p>There has been a development, if somewhat negative, in this regard. A letter has been provided by LABC (the national body representing Local Authority Building Control Services) to the central government bodies responsible for the overall Building Control System in England and Wales. The whole structure and nature of the current Building Control System is in a state of flux, flowing from the Grenfell events. The letter outlines the general national picture, currently, which is one that Brentwood Building Control very much finds itself in. Of particular interest in the letter in relation to the next audit / review is the section headed 'Operational Standards Rules', which reflects our previous audit responses.</p> <p>In terms of the target previously indicated by our service for implementation, this was a purely random date given the problems at national level. Looking at the next audit / follow up, this is highly likely to remain the approach; a random date being selected. At a local level Brentwood's own pending 38% reduction in available building control staff resource, alongside a national shortage, in turn effecting recruitment, I feel make this is a highly realistic evaluation.</p>

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
					<p><u>Internal audit comment:</u></p> <p>Recommendation remains open and completion is dependent on matters outside of the control of the service. An extended implementation date remains to allow for changes in legislation.</p>
2021-22 - S106 agreements	<p><b>S106 rec 1:</b></p> <p>a) The Council should identify an appropriate function to take central ownership of s106 agreements. This team should then lead on all aspects of s106 arrangements, including negotiating the agreements with developers and monitoring them from planning consent through to delivery.</p> <p>b) The function should ensure that there are sufficient mechanisms in place to liaise with developers, to monitor progress of developments. Progress meetings with the developers should be implemented, taking account of the size of developments and anticipated speed of progress.</p> <p>c) The function should also liaise with Finance to ensure invoices are issued accurately and in a timely manner.</p> <p>d) A central s106 agreement register/tracker should be put in place where all aspects of the s106 agreements can be recorded and monitored, including progress against trigger points and the status of any payments. This tracker should be owned by the responsible function recommended above and should be reported to each of the teams involved in the management of s106 agreements (Planning, Housing, Finance and Legal) on a regular basis (quarterly as a minimum) with each of the teams being required to provide updates as appropriate.</p>	High	<p>Director, Housing and Regeneration</p> <p>Strategic Director and Interim Director Housing</p> <p>Interim Director of Resources</p> <p>Strategic Director and Deputy Chief Executive</p>	<p>Jan 2023</p> <p>Feb 2023</p> <p>July 2023</p> <p>Sep 2023</p> <p>April 2024</p>	<p><u>Management previous update:</u></p> <p>Due to resource limitations and changes, Officers have considered the S106 review action and have determined that it can be dealt with through the Planning Improvement Plan. This will also enable the new monitoring software for the Community Infrastructure Levy to be used for S106s.</p> <p><u>Management most recent update</u></p> <p>Officers are on track to meet the April 24 date.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open. Responsible officer confirmed they were on track to meet the revised implementation date previously agreed.</p>

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021-22 - S106 agreements	<p><b>S106 rec 2:</b></p> <p>Responsibility for the recording, allocation and monitoring of s106 contributions to the capital programme should be clearly assigned and communicated to a team or individual within the Council, who should own the process for ensuring contributions are utilised on appropriate projects in a timely manner and prior to any contributions becoming repayable to the developers.</p>	High	<p>Director, Housing and Regeneration</p> <p>Strategic Director and Interim Director Housing</p> <p>Interim Director of Resources</p> <p>Strategic Director and Deputy Chief Executive</p>	<p><del>Jan 2023</del></p> <p><del>Feb 2023</del></p> <p><del>July 2023</del></p> <p><del>Sep 2023</del></p> <p>April 2024</p>	<p><u>Management previous update:</u></p> <p>Due to resource limitations and changes, Officers have considered the S106 review action and have determined that it can be dealt with through the Planning Improvement Plan. This will also enable the new monitoring software for the Community Infrastructure Levy to be used for S106s.</p> <p><u>Management most recent update</u></p> <p>Officers are on track to meet the April 24 date.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open. Responsible officer confirmed they were on track to meet the revised implementation date previously agreed.</p>
2020/21 - Disaster Recovery and Business Continuity	<p><b>20/21 DRBC rec 1:</b></p> <p>Management should perform a training needs analysis to identify and assess the level and type of training required by all members of 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.</p> <p>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 reported to</p>	Medium	Risk and Insurance Officer	<p><del>Oct 2021</del></p> <p><del>June 2022</del></p> <p><del>Sep 2022</del></p> <p><del>Dec 2022</del></p> <p><del>Sep 2023</del></p> <p><del>Nov 2023</del></p> <p>Sept 2024</p>	<p><u>Management previous update:</u></p> <p>Officers are currently writing a new joint Business Continuity plan for both Councils. The plan will assist what is now a single Corporate Leadership Team to make informed decisions and set priorities for resources should there be service disruption. The overarching plan will be supported by individual Service Business Continuity Plans. Officers have started working with Service Managers to assess risk and write their plans, but this is a process that will take until the second quarter of 2024 to complete. Once fully completed the Plan will be subject to final approval and adoption by the Corporate Leadership Team. Officers will then exercise the plan to demonstrate its use.</p> <p>Disaster Recovery, whilst linked to Business Continuity, is a more technical aspect. Officers have met and drafted out the Service Business Continuity plan for IT, so this work is underway.</p> <p>Officers are aiming to complete the process at the end of quarter two, so an exercise in June 2024.</p> <p>Following that there will be a programme of review and further exercises.</p>



AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	Senior Management and any issues identified should be resolved in a timely manner.				<p><u>Management most recent update:</u></p> <p>Some recent positive events lead us to believe that September this year is feasible to complete the Business Continuity Plan.</p> <p><u>Internal audit comment:</u></p> <p>First part of the recommendation previously closed by Internal audit. Work is progressing to implement the second part, however recommendation remains open. Responsible officer confirmed they were on track to meet the revised implementation date previously agreed.</p>
2022/23 Democratic Services	<p><b>Rec 5: FOI evidence</b></p> <p>1. Democratic Services should monitor the responses to FOI requests by the departments and follow up on any open FOIs that are approaching the 20 working-day deadline or ensure that extensions are agreed.</p> <p>2. Training on the FOI process and legislative requirements should be provided to all officers who are involved in responding to and monitoring FOI requests.</p> <p>3. A report on the status of FOI requests should be presented to CLT for oversight on at least a quarterly basis.</p>	Medium	Corporate Manager Democratic Services	<p><del>May 2023</del></p> <p><del>Oct 2023</del></p> <p>Jan 2024</p> <p>June 2024</p>	<p><u>Management previous update:</u></p> <p>This remains ongoing due to the service review. Hopefully completed by January 2024.</p> <p><u>Management most recent update:</u></p> <p>Democratic Service Review is still to take place. Meanwhile, each authority is continuing to monitor their FOIs. The Brentwood system automatically flags requests approaching and beyond the statutory time frame. This is also done at Rochford. An internal training programme for the Brentwood DASH system has been devised and ready to roll out. Trainers for the FOI process and legislative requirements is currently being sourced for both authorities.</p> <p>CLT now receives FOI completion data monthly as part of our dashboard monitoring.</p> <p><u>Internal audit comment:</u></p> <p>The responsible officer was not available during the follow up process and the management update was provided by a deputy. Recommendation remains open and a new revised implementation date agreed.</p>
2022/23 Environment - Street cleaning, fly tipping & enforcement	<p><b>Rec 1: Review of policies</b></p> <p>Management should ensure that both policies, Health &amp; Safety and Environmental Health Enforcement Policy are reviewed and updated to reflect the current arrangements and</p>	Medium	H&S: Director Assets and Investments	<p><del>Sept 2023</del></p> <p><del>Dec 2023</del></p> <p>March 2024</p>	<p><u>Management previous update:</u></p> <p>The H&amp;S Wellbeing Policy has been produced and approved by Brentwood members on 13/09/23.</p>

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	clarify roles and responsibilities around enforcement processes for littering and fly tipping and other related matters.		EH: Director Communities and Health		<p>The Current Enforcement Policy covers Environmental Health and Licensing dates from 2016.</p> <p>This is due a review but is awaiting the outcome of the service reviews currently being undertaken.</p> <p>Officers have held off from reviewing the policy as if the shape of the service changes fundamentally then this will doubtless impact on the policy.</p> <p>Once the outcome of the service review is published the Enforcement Policy will be reviewed in light of its outcome.</p> <p><u>Management most recent update</u></p> <p>We will review the existing Enforcement Policy for Environmental Health at Brentwood by the end of March 2024. The review will update the policy taking into consideration any relevant legislative changes since the date of the last policy review in 2016. Once the review has been completed the updated, the Enforcement Policy will be published as required.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open and on target to meet revised implementation date previously agreed.</p>
2022/23 Leisure Services	<p><b>Rec 3: Performance monitoring</b></p> <p>a) Obtain access to the working papers and system data supporting the key figures and measures reported by the Brentwood Centre operator, Everyone Active, and their Open Book Accounting system data.</p> <p>b) Implement a process to periodically validate a sample of the accounts and underlying system data for key measurements included in the progress and performance monitoring reports received from Everyone Active. These checks should cover attendance figures, membership figures, and job costs for works undertaken and new initiatives.</p> <p>c) There should be clear performance management monitors/KPIs in place for the</p>	Medium	Corporate Manager Community, Leisure and Health	<p><del>July 2023</del></p> <p><del>Dec 2023</del></p> <p>Mar 2025</p>	<p><u>Management previous update:</u></p> <p>The Council has monthly client meetings with the current leisure services provider. Performance measures and quality assurance, and satisfaction surveys, will be built into the new joint leisure contract to ensure that there is sufficient oversight from the Council in relation to the operator.</p> <p>The new contract will be in place for April 2025.</p> <p><u>Management most recent update</u></p> <p>Previous update still applies.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open and on target to meet revised implementation previously agreed.</p>

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	<p>Brentwood Centre operator covering leadership, management and oversight to ensure transparent and consistent monitoring and to drive the achievement of desired outcomes.</p> <p>d) Implement a process for quality checks over leisure services, including staff posing as secret customers and running through a series of requests for tasks to determine the quality of leisure services offered.</p>				

FOR MORE INFORMATION:

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## AUDIT & SCRUTINY COMMITTEE

20 March 2024

<b>REPORT TITLE:</b>	Risk Management Update
<b>REPORT OF:</b>	Tim Willis, Interim Resources Director

### REPORT SUMMARY

This report updates members of the Audit & Scrutiny Committee on the status of the Council's 2023/24 Strategic Risk Register.

The number of very high risks has reduced to one since the last report to the committee, the one remaining relates to Cyber Threat. The risk that has reduced slightly relates to the Contract/Partnership failure.

There is one new risk this quarter relating to the Council's high level of debt.

### RECOMMENDATIONS

That the Committee notes the report.

#### 1.0 BACKGROUND INFORMATION

- 1.1 A risk management report and register is considered quarterly by the Corporate Leadership Team (CLT), to ensure that strategic risks are updated to reflect ongoing changes to the internal and external environment. In addition to this, the Risk & Insurance Manager liaises with service heads on an ongoing basis to maintain active management of risks, including strategic, operational and project risks.
- 1.2 Appendix A sets out the strategic risks, each of which is the responsibility of a risk owner. Each risk is scored (out of five) for both likelihood and impact, with a combined score arrived at by multiplying one by the other. Guidance on scoring is set out in the risk ranking table in Appendix B.
- 1.3 Each quarterly risk report will highlight and explain the very high risks, any changes to risk scores and any new risks or risks that have been removed from the strategic risk register. Even if a risk is not included in the strategic risk register, it does not mean that it is not being managed – only that it does not require the intervention of CLT to help manage it. The last report to Audit & Scrutiny Committee was on 14 November 2023.
- 1.4 Very high risks

- Risk 13 (Cyber Threat). The Council continues to work with our Cyber Security Partner to improve the Council's security posture. Following an advisory audit, the Council are now working with our internal auditor to challenge and improve policies and procedures.

#### 1.5 Change to risk scores

- Risk 3 (Failure to deliver a clear Leisure Strategy). This risk has been increased from a score of 8 to a score of 12 should there be a delay with the procurement process resulting in no operator in place when the current arrangements expire.
- Risk 12 (Contract/partnership failure). This risk has been reduced from a score of 16 to a score of 12 due to legal advice and ongoing negotiations that have resulted in a diminished financial risk of partnership failure.

#### 1.6 New/removed risks

- Risk 16 (Council's high level of debt places financial pressure on the Budget and MTFs as debt repayments rise without a commensurate increase in income). This risk has been added following on from the Audit & Scrutiny Committee in November.
- Risk 14 (Inflationary pressures) has been removed and subsumed within Risk 7 (General Fund forecasts could fall below the minimum level of reserves).

## 2.0 OTHER OPTIONS CONSIDERED

2.1 None.

## 3.0 RELEVANT RISKS

3.1 The report itself is in relation to strategic risks.

## 4.0 ENGAGEMENT/CONSULTATION

4.1 None.

## 5.0 FINANCIAL IMPLICATIONS

5.1 None arising specifically from this report, but some risks include financial risks and some control measures identified in the risk register could have financial implications.

## 6.0 LEGAL IMPLICATIONS

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

## 7.0 ECONOMIC IMPLICATIONS

**Name & Title: Name & Title: Laurie Edmonds, Corporate Manager – Economic Development Tel & Email 01277 312500**



**Laurie.edmonds@brentwood.rochford.gov.uk**

- 7.1 The economic implications are included within this report and identified in risk registers.

## **8.0 EQUALITY & HEALTH IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**  
**Tel & Email 01277 312500 /kim.anderson@brentwood.gov.uk**

- 8.1 None.

## **9.0 ENVIRONMENTAL IMPACT**

**Name & Title: Henry Muss, Sustainability & Climate Officer**  
**Tel & Email 01277 312500 /henry.muss@brentwood.gov.uk**

- 9.1 Environmental implications are contained within the report and identified in risk registers.

### **REPORT AUTHOR:**

**Name: Tim Willis**  
**Title: Interim Resources Director and S151 Officer**  
**Phone: 01277 312500**  
**Email: tim.willis@brentwood.rochford.gov.uk**

### **APPENDICES**

Appendix A: Strategic Risk Register

Appendix B: Risk ranking table

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**BRENTWOOD BOROUGH COUNCIL STRATEGIC RISK REGISTER**

Risk No.	Risk Owner	Corporate Objective	Risk	Controls and Mitigations	Out of 5 Previous Score September 2019	
					L	I
Risk Page 127	Director (Place)	<p><b>Growing our Economy:</b> A thriving borough that welcomes a wealth of business and culture</p>	<p>Failure to adopt a Local Plan in line with national policy, meaning a lack of local planning policies to plan and manage development that risks planning applications being judged solely against national policy "in favour of sustainable development" and/or unplanned development</p>	<p>Meeting targets set out in the Local Plan timetable (Local Development Scheme, approved September 2019). Ongoing discussion with neighbouring Local Planning Authorities and key stakeholders (Duty to Cooperate). Partnership in Association of South Essex Local Authorities (ASELA). Preparation of Community Infrastructure Levy (CIL). Delivery of Dunton Hills Garden Village (DHGV). Retention of permanent staff and recruitment of temporary staff to meet short-term needs when required. Adopted Local Plan</p>	1	5
			<p>Failure to develop an Environment</p>	<p>Strategy and action plan are in place. Introduction of new recycling scheme Environment</p>		

Risk 2	Director (Environment)	Protecting our <b>Environment: Developing a clean and green environment for everyone to enjoy</b>	Strategy and action plan due to lack of engagement with communities and businesses and non delivery of our plans for waste management services will result in the Council actively contributing to climate decline	Introduction of new recycling scheme Environment Strategy & Action Plan agreed by Council Co Wheel Scheme implemented. Electric charging pilots implemented. New Climate & Sustainability officer employed. Brentwood Environmental Business Alliance (BEBA) launched.	1	3
Page 128	Director, Communities & Health	<b>Developing our Communities: Safe and strong communities where residents live happy, healthy and independent lives</b>	Failure to deliver a clear Leisure Strategy for the future of leisure facilities in Brentwood due to an inability to identify risk and liabilities for Brentwood Centre, Community Halls and Hartswood Golf Course, Play Areas and recommend options for the future. Resulting in reduced leisure provision within the Borough and health and well being of residents affected. Financial failure of the leisure facilities provided causing issues with the overall budget.	Leisure Strategy reviewed and updated Feasibility/business plan in progress for King 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
				Strategic Housing Delivery Plan 21-26 now developed		

Risk 4	Strategic Director	<b>Improving Housing: Access to a range of decent homes that meet local needs</b>	Failure to deliver the Council's Strategic Housing Development Plan due to resources not adequately in place to deliver the Plan, resulting in fewer new homes being built within the borough	to meet objectives within the Housing Strategy. Effective governance board in place. On course to deliver all homes in phase 1 as of May 23. HRA reviewed and has financial capacity to fund the current programme.	1	4
Page 129 Risk 7	Director (Resources)	<b>Delivering an effective &amp; efficient Council: An ambitious and innovative Council that delivers quality services</b>	General Fund budget forecasts could fall below the minimum level of reserves due to finances not being adequately managed, resulting in the Council being unable to deliver statutory services	Medium Term Financial Strategic (MTFS) is undertaken on an annual basis, with monthly budget monitoring and quarterly reports to Committee. Meetings are in place to review and challenge budget managers as well as regular reporting to CLT and Committee. A Funding Volatility Reserve has been created to specifically address the uncertainty of Government funding levels. Risk Assessment of Minimum level of reserves is carried out yearly and monitored throughout the year. Draft 2022/23 accounts show a small underspend and protection of working balances.	2	5
		<b>Delivering an effective</b>	We will be unable to react to a major incident leading to a breach of our statutory duties under the Civil	All services areas have Business Continuity Plans in		

Risk 8	Director, Communities & Health	<p>Delivering an effective &amp; efficient Council: An ambitious and innovative Council that delivers quality services</p>	<p>statutory duties under the Civil Contingencies Act if we don't have in place adequate plans and procedures, understood, tested and reviewed, resulting in ineffective response to an incident leading to greater inconvenience and hardship and a longer timescale for return to normal</p>	<p>All services areas have Business Continuity Plans in place. Support and ongoing embedding of Emergency Planning &amp; Business Continuity Plans within service departments Training to Extended leadership teams undertaken</p>	2	3
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Page 130	Joint Acting Director of People & Governance	<p>Delivering an effective &amp; efficient Council: An ambitious and innovative Council that delivers quality services</p>	<p>Lack of capacity to effectively govern the organisation if recruitment processes are not effective and resources are not adequately in place resulting in a delay in delivery of business objectives and key projects not delivered</p>	<p>Monitor vacancy factor within Medium Term Financial Strategy (MTFS) Communications Protocol &amp; Strategy Workforce Strategy Regular meetings between senior members &amp; officers. Review options for alternative service delivery model Recruitment service brought in house Establishment Review Group between Finance &amp; HR</p>	1	4
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		<p>Delivering an effective</p>	<p>We may be unable to meet the income projections for the Council if the</p>	<p>Consultants have been engaged to advise and assist in delivery of projects</p>		
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Risk 10	Director (Assets & Investments)	<p>Delivering an effective &amp; efficient Council: An ambitious and innovative Council that delivers quality services</p>	<p>projections for the Council if the commercial income target from the Joint Venture and other activities are not achieved resulting in the Council unable to meet budget requirements, spending/service cutbacks and greater use of reserves</p>	<p>Appropriate governance arrangements have been set up for the Council's Wholly owned company - Seven Arches Investment Ltd Progress reports to Committee. Robust business modeling and financial projections. Monthly SLT &amp; Leader meetings to monitor finances Financial Initiatives working group established</p>	2	5
Page 131 Risk 11	Joint Acting Director of People & Governance	<p>Delivering an effective &amp; efficient Council: An ambitious and innovative Council that delivers quality services</p>	<p>There is a risk of non-compliance with Data Protection legislation if we do not have good information governance strategies and controls in place, resulting in fines from the Information Commissioner's Office (ICO) and litigation challenges to decisions made</p>	<p>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</p>	2	3
		<p>Delivering an effective</p>	<p>Risk of Contract/Partnership failure within the organisation as a result of</p>	<p>Service Level Agreements embedded within contract and penalties in place for non performance. Regular reporting on contract performance.</p>		



Risk 12	Director (Resources)	Delivering an effective & efficient Council: An ambitious and innovative Council that delivers quality services	within the organisation as a result of contract and procurement management not in place, resulting in negative impact on Council finances and reduction in Community benefits-the Council may not be able to comply with its statutory, strategic or service delivery obligations.	Escalation and governance in place Contract management diagnostic survey completed in 2021, recommending contract and relationship management training. Contract and Relationship Management training completed in May 2022, included risk management within contracts. Procurement and contract manager meetings in place. Procurement strategy been adopted by the Council.	4	4
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Page 132 Risk 13	Director (Customer & Data Insight)	Delivering an effective & efficient Council: An ambitious and innovative Council that delivers quality services	There is a threat of loss of data or access to network due to cyber attack that may result in digital disruption with a loss of productivity and service provision to residents.	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 threats. Immediate response plans are in place for critical threats, and regular investigation review are held, along with Account contract meetings.  A suite of cyber security policies and procedures have been finalised, technical staff briefed and are available centrally on the service desk.  Cyber security roadshows for staff and Members are still in preparation stage.  Most recent extensive cyber audit provided moderate assurance.	3	5
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		Delivering an effective		The Medium Term Financial Strategy (MTFS) is undertaken on an annual basis, with monthly budget		
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Risk 14	Director (Resources)	<p>Delivering an effective &amp; efficient Council: An ambitious and innovative Council that delivers quality services</p>	<p>Inflationary pressures due to the current economic climate, resulting in increased costs (putting additional pressure on the MTFS) and services could be disrupted</p>	<p>monitoring and quarterly reports to Committee. Meetings are in place to review and challenge budget managers as well as regular reporting to CLT and Committee.</p> <p>Whilst inflation continues to have an impact on staffing costs, it has eased in respect of energy costs which have had a major effect on budgets.</p>	3	4
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Page 133 Risk 15	Director (Policy & Delivery)	<p>Delivering an effective &amp; efficient Council: An ambitious and innovative Council that delivers quality services</p>	<p>Partnership with Rochford District Council does not deliver the benefits originally envisaged</p>	<p>Embedded roles and objectives for all directors and service managers.</p> <p>Established support team to ensure the programme maintains momentum and achieves milestones.</p> <p>Key change champions across each organisation to provide support and guidance to service reviews.</p> <p>Feedback on process and progress regularly sort from those involved in order to refine and improve the process and work undertaken.</p> <p>A governance structure that facilitates review through Check and Challenge meetings, ensures delivery through the Project Team and provides oversight through the Programme Board.</p> <p>Allocated budget to support the work of the partnership to ensure it delivers against its objectives</p>	3	3
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		<p>Delivering an effective</p>		<p>Treasury Management Review to improve governance</p>		
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<p><b>Risk 16</b></p>	<p>Director (Resources)</p>	<p><b>&amp; efficient Council: An ambitious and innovative Council that delivers quality services</b></p>	<p>The Council's high level of debt places financial pressure on the Budget and MTFS as debt repayments rise without a commensurate increase in income</p>	<p>Treasury management review to improve governance and practices. Close monitoring of the capital programme to minimise borrowing. Review options for asset disposals.</p>		
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ore 2023	Further Planned Actions	Out of 5 Current Score January 2024		
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Page 135 MEDIUM	Gathering evidence to inform local plan review within timeframes agreed in the council's Local Development Scheme (timetable). FAIR Committee approved next steps on 13/09/2023.	1	5	MEDIUM
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LOW	Costed carbon reduction plan to be presented to working group for consideration	1	3	LOW
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Page 196 MEDIUM	Leisure Strategy in place. Joint leisure procurement for BBC/RDC leisure facilities being progressed with new contract to be in place for April 2025. This new contract will set out the Council financial obligations for the operator and both Council's over the term of the contract (10+5+5years)	3	4	HIGH
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MEDIUM	Actions proceeding in line with Strategic Housing Development programme.	1	4	MEDIUM
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Page 137 HIGH	Continuing monitoring of budgets and reserves. The Medium Term Financial Strategy for 2024-29 will be formulated in the autumn for approval in February 2024.	2	5	HIGH
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	A One Team set of Emergency Plans is being prepared to support CLT in an Emergency. Once agreed it will replace two plans and training will take place.			
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<p>MEDIUM</p>	<p>A One Team Business Continuity Plan has been agreed and work is underway to support this with Service BC Plans. Once finalised the plan will be tested.  Proposals are under discussion to recruit and train Emergency Officers.  RDC will use the BBC CCTV Room for out of hours calls and a One Team approach developed for dealing with calls.  The Essex Resilience Forum has received additional resource.</p>	<p>2</p>	<p>3</p>	<p>MEDIUM</p>
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<p>Page 188 MEDIUM</p>	<p>Supporting the reviews across both Councils to ensure job roles and career pathways are in place. New Values rolled out need to embed behaviours. Review of reward and recognition packages, new website for careers. Introduction of OneYou conversations, digital exit questionnaire to be introduced.</p>	<p>1</p>	<p>4</p>	<p>MEDIUM</p>
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	<p>Options have been presented to officers regarding it's joint</p>			
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HIGH	<p>venture. Officers are seeking legal advice in the first instance on these options and understanding any financial impact. Financial review is being undertaken on the Council's wholly owned company to review the company in the current economic climate. Regular reporting is established and members are updated quarterly under the committee system.</p>	2	5	HIGH
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<p>Page 139</p> <p>MEDIUM</p>				
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	<p>Provision exists within reserves to accommodate potential</p>			
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<b>VERY HIGH</b>	Provision exists within reserves to accommodate potential losses from partnership failure.			
	An internal audit of partnerships has been added to the 2023/24 audit plan to help ensure value for money from future partnerships.	3	4	<b>HIGH</b>

<b>Page 140</b> <b>VERY HIGH</b>	Actively involved in Essex-wide LA cyber partnership, with response framework, sharing intelligence and good practice.			
	Member of regional WARP (Warning, Advice and Reporting Point) to share and receive up-to-date advice on information security threats, incidents and solutions.	3	5	<b>VERY HIGH</b>
	Improving policies to direct operational resources.			
	Working with commercial partners to continually improve cyber defences			

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HIGH	Continued monitoring of the outcome of the 2023 pay award. Any additional burden on 2023/24 budgets may be mitigated by savings in vacancies and non-staffing budgets. The next MTFS will incorporate these impacts, and inflation projections, over the next five years.			
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Page 14 MEDIUM	Ongoing and continual review of the progress of the service reviews  Reviewing financial outcome against expected outcome  Seeking Peer Review to gain an insightful view of the partnership and how it works for both organisation	3	3	MEDIUM
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			2	4	MEDIUM
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## Further Planned Actions

Gathering evidence to inform local plan review within timeframes agreed in the council's Local Development Scheme (timetable).

Carbon Reduction pathway and principles approved, HVO trial to commence in April 2024. Further policy work underway to incorporate carbon reduction into procurement and council decision making.

Contingency arrangements are being put in place - there is a risk that no arrangements are in place in the event that the Council's choice/or have to delay procurement and therefore need an operator to operate the facilities in the meantime, in a specific and time limited basis.

Additionally, various strategic work that is required (related to the leisure contract) has been scoped and briefed.

The leisure contract has also been highlighted for internal audit.

Actions proceeding in line with Strategic Housing Development programme.

The 2023/24 Q3 forecast is to break even, with no use of reserves. The 2024/25 Budget and 2024 - 29 MTFS approved 28 February 2024. These project a balanced position for 2024/25 and 2025/26 but there are actions to be considered over the medium term, to address potential budget gaps in later years.

A meeting of Extended Leadership Team is scheduled for 19 March 2024 to provide a briefing on the Budget and its implications, as well as planned actions over the medium term to ensure delivery of the MTFS.

A One Team set of Emergency Plans is being prepared to support CLT in an Emergency. Once agreed it will replace the separate plans and training will take place.

A One Team Business Continuity Plan has been agreed and work is



A One Team Business Continuity Plan has been agreed and work is underway to support this with Service BC Plans. Once finalised the plan will be tested.

Proposals are under discussion to recruit and train Emergency Officers.

RDC now uses the BBC CCTV Room for out of hours calls and a One Team approach is being developed for dealing with calls.

The Essex Resilience Forum has received additional resource and will develop county wide plans which we will use.

Page 149  
New People & Culture Strategy to be launched with a focus on retention and succession planning within services. Recruitment and Selection policy being reviewed as well as process to ensure these are effective when recruiting and onboarding to roles.

The Councils wholly owned company Seven Arches Investment Limited is in partnership with the Joint Centure. SAIL are reviewing options and seeking legal advise on how to progress these options

options and seeking legal advice on how to progress these options within the JV. Any financial impact will impact SAIL and be presented as part of their business plan. The business plan and quarterly financial updates are presented to Finance Assets Investment and Recovery Committee. The Council will reflect SAIL's financial position as part of its Group Accounts. In addition to this the Council has commissioned a development partnership internal audit.

Legal advice and ongoing negotiations have resulted in a diminished financial risk of partnership failure. A review of the relationship between the Council and Seven Arches Investments Ltd will take place in 2024/25. The internal audit of partnerships is due to report in March 2024.

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Continue to be actively involved in Essex-Wide LA cyber partnership, the Regional WARP.

Continue to work with our Cyber Security Partner to improve our security posture, and working with our Auditors to challenge and improve policies and procedures.

TO BE REMOVED

Initial work of the Transformation Team continues however initial savings have been made in Tiers 1 to 4 and a number of initial Service Reviews

A report will be forthcoming in January/February identifying a next phase in the work that will tackle the Services that have so far not undertaken service reviews and need to be tackled in an alternative way to create the benefits set out in the original programme

Implementation of actions in 2024/25 following the 2023 Review of Treasury Management

Treasury Management.

MTFS includes specific actions to bring down the level of projected debt.

Review of the relationship with SAIL which will ensure rigorous control of large capital projects as well as monitoring of the investment portfolio.

<b>Likelihood</b>	<b>Almost Certain</b>	99% likely to happen or has happened on a regular basis over the last 12 months	<b>5</b>	Low	Medium	High	Very High	Very High
	<b>Likely</b>	75% likely to happen or has happened at least once or twice in the last 12 months	<b>4</b>	Low	Medium	High	Very High	Very High
	<b>Moderate</b>	50% likely to happen or has happened once or twice in the last 24 months	<b>3</b>	Low	Medium	Medium	High	Very High
	<b>Unlikely</b>	20% likely to happen or has happened once or twice in the last 5 years	<b>2</b>	Low	Low	Medium	Medium	High
	<b>Rare</b>	5% likely to happen or hasn't happened within the last 5 years	<b>1</b>	Low	Low	Low	Medium	Medium

<b>Risk Ranking Table</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		<b>Minor slippage</b>	<b>Minor</b>	<b>Moderate</b>	<b>Major</b>	<b>Catastrophic</b>
		<b>Impact</b>				
	<b>Financial</b>	Loss / overspend under £10K	Loss / overspend £10K - £100K	Loss / overspend £100K – £300K	Loss £300K - £1M	Loss over £1M
	<b>Service</b>	Marginal disruption to service capacity	Short term disruption to service	Short term disruption to one service area. Objectives of one department not met	Short term loss of service or significant reduction to service. Service objective not met.	Medium/longer term loss of service. Failure to deliver at least one corporate objective
		Unlikely to cause complaint	Low potential for complaint	High potential for complaint with possible litigation	High potential for complaint with probable litigation	Litigation almost certain
	<b>Reputation</b>	No adverse publicity	Minor adverse publicity	Signification adverse local publicity	Adverse national publicity / significant adverse local publicity	Significant adverse national publicity
	<b>Legal / Regulatory</b>	No legal implication	Breach of regulations / standards resulting in possible legal action	Breach of regulations / standards resulting in probable legal action	Breaches of law punishable by fines	Breaches of law punishable by imprisonment
	<b>Health &amp; Safety</b>	'First Aid' level injury	Medical treatment required – short term injury	Medical treatment required – long term injury	Extensive permanent injury – long term absence	Fatality
	<b>Effect on project objectives</b>	Minimal impact to project. Minor slippage	Adverse effect to project. Slippage requires review of finances / short term programme	Important impact on project or most of expected benefits. Considerable slippage. Possible impact on overall finances / programme	Extreme delay	Complete failure of project

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## AUDIT & SCRUTINY COMMITTEE

20 March 2024

<b>REPORT TITLE:</b>	Treasury Management Strategy 2024/25
<b>REPORT OF:</b>	Tim Willis, Interim Resources Director

### REPORT SUMMARY

This report provides members of the Audit & Scrutiny Committee an opportunity to consider the Treasury Management Strategy 2024/25 which was approved by Council on 28 February 2024.

### RECOMMENDATIONS

That the Committee notes and comments on the report.

#### 1.0 BACKGROUND INFORMATION

1.1 The Treasury Management Strategy is approved each year. It is followed by regular updates during the year and an annual report after the year has ended. Full Council approved the Strategy at its meeting on 28 February 2024, at which meeting it was agreed that it would be presented to this committee for consideration.

#### 2.0 OTHER OPTIONS CONSIDERED

2.1 None.

#### 3.0 RELEVANT RISKS

3.1 Contained in the body of the report.

#### 4.0 ENGAGEMENT/CONSULTATION

4.1 None.

#### 5.0 FINANCIAL IMPLICATIONS



5.1 Contained in the body of the report.

## **6.0 LEGAL IMPLICATIONS**

6.1 The Council is obliged by Section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs. It is consistent with sound financial management and the Council's obligation under Section 151 of the Local Government Act 1972 for the Council to adopt and monitor a treasury management strategy.

## **7.0 ECONOMIC IMPLICATIONS**

7.1 Contained in the body of the report.

## **8.0 EQUALITY & HEALTH IMPLICATIONS**

8.1 None.

## **9.0 ENVIRONMENTAL IMPACT**

9.1 Contained in the body of the report.

### **REPORT AUTHOR:**

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### **APPENDICES**

Report to Council 28 February 2024



**BRENTWOOD  
BOROUGH COUNCIL**

Brentwood Borough Council  
Treasury Management  
Strategy  
2024/25

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## Introduction

1. This document has been prepared in accordance with the 2021 CIPFA Prudential Code, which requires a capital strategy to be approved at a meeting of the Council ahead of the 2024/25 financial year.
2. The Treasury management strategy gives an overview of how capital expenditure, capital financing and treasury management activity will contribute to the provision of public services in Brentwood, along with an overview of how associated risk is managed.
3. CIPFA published its revised Prudential Code and Treasury Management Code on 20th December 2021. CIPFA have stated after a soft introduction of the Codes, local authorities are expected to fully implement the required reporting changes within their Treasury Management Strategy and their Annual Investment Strategy from 2023/24.

The revised codes will have the following implications:

- a requirement for the Council to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement;
- the Code clarifies what CIPFA expects a local authority to borrow for and what CIPFA do not view as appropriate borrowing. This will include the requirement to set a proportionate approach to commercial and service capital investment;
- a requirement to address environmental, social and governance (ESG) issues within the Capital Strategy
- the implementation of a policy to review commercial property, with a view to divest where appropriate
- the creation of new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices)
- a requirement to ensure that any long-term treasury investment is supported by a business model
- a requirement to effectively manage liquidity and longer-term cash flow requirements
- an amendment to Treasury Management Practice 1 to address ESG policy within the treasury management risk framework
- an amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council

In addition, all investments income must be attributed to one of the following three categories:

- Treasury management – see Treasury Management Strategy Statement
- Service delivery – these investments are covered from page 26
- Commercial return – these investments are also covered from page 26

## Background

4. The Authority is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.

5. The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

6. The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

7. CIPFA defines treasury management as:

*“The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

8. Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

## Capital Expenditure

9. Capital expenditure is incurred on the acquisition or creation of assets, or expenditure that enhances or adds to the life or value of an existing fixed asset that is needed to provide services. Fixed assets are tangible or intangible assets that yield benefits to the Council

generally for a period of more than one year. This contrasts with revenue expenditure which is spending on the day to day running costs of services.

10. The Local Government Act 2003 extends the definition for the purpose of capital expenditure to allow expenditure on computer software and on the making of loans or grants for capital expenditure by another body to be treated as capital expenditure of the local authority. These Statutory Regulations have been absorbed into CIPFA's Accounting Code for Local Government Accounting (the Code) and where appropriate form the basis of statutory overrides to International Financial Reporting Standards used within company accounts. For this reason, as well as the Capital Programme produced and approved as part of the annual Budget Setting report, there will also be other activities that are required to be accounted for as Capital Expenditure in addition to the annual programme.

11. The capital programme is the Council's plan of capital works for future years, including details on the funding of the schemes. Included are the projects such as the purchase of land and buildings, the construction of new buildings, design fees and the acquisition of vehicles and major items of equipment. Also included in the programme could be service and commercial investments.

### Treasury Management

12. The Council is required to have regard to the 2017 CIPFA Prudential Code and Treasury Management Code when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy and also related reports during the financial year.

13. All decisions on overall Treasury Management Strategy and the setting of annual TM Strategies are determined by Ordinary Council. The same process will apply to changes to the relevant policy or strategy during the course of a year. Thus, all matters relating to borrowing, investments and debt repayment are determined by Ordinary Council.

14. The objective of the strategy is to establish a framework under which officers can carry out treasury activities. The control framework is established initially by what is permitted within the approved strategy, but further levels of control exist within the operational aspects of the activities. This means that just because something is permitted by the strategy, it does not necessarily follow that the activity will take place. The Section 151 Officer has the responsibility for this day to day decision making with the primary objective of acting in the best interest of the Council's finances at all times.

15. Treasury Management investment activity covers those investments which arise from the organisation's cash flows and debt management activity, and ultimately represent balances which need to be invested until the cash is required for use in the course of business.

16. For Treasury Management investments the security and liquidity of funds are placed ahead of the investment return. The management of associated risk is set out in the Treasury Management Strategy.

### Knowledge and expertise

17. Capital accounting and treasury activities are highly technical areas of local authority accounting and are covered by specific regulations that are over and above regular accounting functions. In respect of commercial investment, the knowledge and expertise required is specific to asset management within a commercial environment.

18. To ensure that the Council is able to manage these activities appropriately and make informed recommendations, specialist consultants are engaged.

19. In relation to asset acquisitions either directly by the Council or by under the wholly owned company Seven Arches Investment Ltd (SAIL), property management and investment consultants are used to undertake the initial assessment of potential sites for purchase and to evaluate the proposed purchase.

20. For other treasury and investment activities, the Council engages with treasury consultants, who provide general economic data as well as interest and investment rate forecasts and other market data.

#### Reporting Requirements – Capital Strategy

21. The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following: -

- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how the associated risk is managed
- The implications for future financial sustainability

22. The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

#### Reporting Requirements – Treasury Management Strategy

23. The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- A. Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report is forward looking and covers: -
- the capital plans, (including prudential indicators)
  - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
  - The Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
  - an Annual Investment Strategy, (the parameters on how investments are to be managed)

- B. A mid-year treasury management report – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Authority will receive quarterly update reports.
  
- C. An annual treasury report – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

#### Scrutiny

25. The above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by the audit and scrutiny Committee.

26. Quarterly reports – In addition to the three major reports detailed above, since 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council/Board but do require to be adequately scrutinised. This role is undertaken by the Audit and Scrutiny Committee. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)



## The Capital Programme Budget Setting Process

27. For any particular budget setting year, the process starts in July of the preceding year. Budget Managers must complete a Growth Bid template to be submitted to Finance by September. In the period between October and December, Budget Challenge sessions are held to discuss budgets and potential growth bids with the Budget Manager.

How Budget Managers should identify need for Capital Expenditure/Investment.

28. The need for a capital scheme may be identified by a Service through one or more of the following processes.

- Services annually prepare plans ensuring that their objectives meet the overall aims and objectives of the Council paying careful consideration to the Council's Corporate Strategy. These plans must identify any capital investment needed to meet future service demands. This should be the main method of identifying and planning for service's capital requirements;
- The *Corporate Asset Management Strategy* is currently being revised to highlight deficiencies in the condition, suitability and sufficiency of the Council's existing building stock and identify future areas of need;
- Reviews and external Inspections may also identify areas that need capital investment;
- The need to respond to Government initiatives and new laws and regulations;
- The need to generate a revenue income to contribute to the funding of services.

These plans and review outcomes must be considered by Budget Managers who then must identify their key capital priorities for the relevant service planning period.

Deciding on Capital Growth to submit

29. When identifying capital needs the Budget Manager along with their Link Accountant, should consider the proposals against the following criteria:

Prudence:

- Recognition of the ability to prioritise and refocus following transformation work;
- Recognition of the capacity in the organisation to deliver such a programme;
- Recognition of the knowledge and skills available and whether these are commensurate with the appetite for risk;
- Recognition of the future vision of the authority;
- The approach to commercial activities including ensuring effective due diligence, expert advice and scrutiny, defining the risk appetite and considerations of proportionality in respect of overall resources;
- The approach to treasury management and the management of risk as set out in the Treasury Management Strategy.

Affordability:

- Revenue impact of the proposals on the Medium-Term Financial Strategy;
- The borrowing position of the Council, projections of external debt and the use of internal borrowing to support capital expenditure;
- The authorised limit and operational boundary for the following year;
- Whether schemes are profiled to the appropriate financial year.

#### Sustainability:

- A long-term view of capital expenditure plans, where long term is defined by the financing strategy and risks faced with reference to the life of the project/assets;
- Provision for the repayment of debt over the life of the underlying debt as set out in the Minimum Revenue Provision policy;
- An overview of asset management planning including maintenance requirements and planned disposals.

#### Growth bid Appraisals

30. As part of the process of producing a list of potential schemes for the capital programme budget managers should complete option appraisals to determine the most cost effective and best service delivery options.

31. By submitting the project, the budget manager is agreeing to fund all operational and running costs of the scheme and to find any necessary capital resources to fund the scheme or make the Council aware of the full requirement of the use of corporate resources.

32. Projects are assessed through financial modelling as though they were funded by borrowing and are required to provide a positive Net Present Value by the modelling of the project cash flows, including the financing costs, to ensure that income or cost savings are greater than sums expended.

33. Some projects may require a feasibility study. As part of any feasibility study an assessment of the maintenance costs per annum averaged over the whole life of the asset should be calculated.

34. All projects, especially major, complex and strategic projects, as part of setting the capital programme for new schemes and additions, should follow the *Corporate Project Management Process*.

#### Submission of Bids

35. All bids are produced in line with the appropriate timetable with consideration for the financial information contained within the bid. Budget Managers must have a clear understanding of the service requirement and the budget consequences, both revenue and capital, of completing the capital programme. Bids must be submitted in September in order to be considered as part of the budget setting process.

36. Possible sources of funding can then be considered for each of the proposed capital schemes. Each project will be considered in terms of revenue funding to cover the

operational running costs of the asset and any borrowing repayment costs, and also how the asset will be funded in terms of capital expenditure.

37. The proportionality of the proposals as a whole will then be considered in respect of overall resources and longer-term sustainability and risk. The Section 151 Officer will take an overall view on the prudence, affordability and sustainability of the overall borrowing level if all bids are accepted.

38. Once the Section 151 Officer has taken a view of the prudence of the overall borrowing level, growth bids are presented to the Senior Leadership Team to be considered from a corporate strategy perspective.

#### Prioritisation of Bids

39. A formalised corporate approach allows the Council to:

- Identifying essential capital investment in the short term
- Identifying projects through approved strategies such as *Leisure Strategy* and *Play Area Strategy*, ensuring strategies line up against the capital programme.
- Utilise feasibility studies where needed, to ensure the right capital funds are being requested.
- Ability to enter projects in a managed way through the annual budget cycle and when the capital programme is reviewed at mid-year.
- The Council is mindful of the current programme and the capacity available to deliver new projects and the relevant financing of the new bids.

40. This corporate approach results in a list of capital project proposals to be considered as part of that year's budget approval process and a 'waiting list' of other capital project proposals that may be put forward for consideration later in the year or as part of the following year's budget approval process.

#### Member Approval

41. Large schemes are reported to individual committees before final submission is made to Finance, Assets, Investments and Recovery Committee (FAIR). The Business Plan of these schemes are reported to members before they approve and allow the drawdown of budgets for the scheme in question.

42. Bids that are successful are then incorporated into the Capital Programme as part of the Budget Report, that is presented to FAIR Committee who refer the programme to Ordinary Council for approval.

43. Members approve the overall borrowing levels at the Ordinary Council budget meeting each year as part of the Treasury Management Strategy. Any external borrowing then becomes an operational decision for the Section 151 Officer who will decide based on current financial position whether to borrowing internally or enter into external borrowing.

44. Once the Council has approved the capital programme, then expenditure can be committed against these approved schemes subject to the normal contract and procurement procedure rules and the terms and conditions of funding, if applicable.

45. Following approval by Council the capital programme expenditure is then monitored on a monthly basis.

#### Monitoring the Capital Programme

46. Once the detailed programme has been approved at Ordinary Council, the financial spend is monitored on a monthly basis. The monitoring cycle is summarised below

1. At the end of the financial month, Capital Budget monitoring cycle is opened in Collaborative Planning, the Council's monitoring system.
2. Budget managers project the progress of each capital project and update the system with their current estimates.
3. Link Accountants review the updates and make any necessary challenges or amendments with discussion with the Budget Manager.
4. Senior Leadership Team review the information to ensure the projects are on target at quarterly Budget Challenge sessions.
5. Members review overall delivery as part of Budget update reports taken to FAIR Committee.

#### Housing Revenue Account (HRA) Capital Programme

47. The Council has begun a pipeline of new affordable homes through the development and regeneration of various Housing Revenue Account (HRA) owned sites. As a reminder, this Strategic Housing Delivery Programme (SHDP) is currently made up of two elements, 1) the regeneration of Brookfield Close, Hutton resulting in a planned 61 zero carbon homes and 2) the development of a range of smaller HRA sites to deliver new homes. All of these new homes will contribute to, and be managed within, the Council's HRA.

48. A review of the HRA Business Plan and its assumptions and capacity to deliver a sustainable programme of new homes has continued into a further phase and now incorporates the costs and returns from the viability assessments. The revised plan assumes the pursuing of a 5 to 7-year programme funding new homes to a total cost of £60m over that period.

49. It is essential to ensure that the stock is maintained to a proper standard and to meet the other demands and commitments of the capital programme. The delivery of a continuous Decent Home Programme ensures the stock remains compliant with any legislative changes and prolongs the life of the assets, ensuring the best homes for the borough's tenants.

50. The major source of funding for the HRA Capital programme is the depreciation charge to the HRA which is charged to the Major Repairs Reserve and drawn down from here to finance the HRA Decent home Programme. However, the HRA can also make contributions of revenue to capital expenditure. The HRA revenue budget identifies the proposed level of

depreciation as well as the proposed level of revenue contribution for the Capital programme.

#### Funding the Capital Programme

51. The following paragraphs describe the resources that the Council can use to fund its capital expenditure and investment programme.

#### Capital Receipts

52. A capital receipt is an amount of money exceeding £10,000 which is received from the sale of an asset. They cannot be spent on revenue items.

53. Surplus and poor performing assets are reviewed with re-investment in higher performing assets and the Council's focus on investment and regeneration will ensure maximum return from council assets. The general policy is that any capital receipts are then pooled and used to finance future capital expenditure and investment according to priorities.

#### Section 106 – Planning obligations

54. When the Council adopts land for open space or a play area, the developer pays a commuted sum under a 'section 106 agreement'. This is held on the balance sheet and the interest earned offsets the future maintenance costs of the recreation asset. The Council also seeks to secure the provision of infrastructure and facilities to mitigate the effects of development under section 106.

#### External Grants and Contributions

55. Through partnership working, supportive funding and innovation, the Council will seek to attract investment into the Borough. We seek to maximise external funding to support our programme. This tends to be for specific purposes. Working with public and private sector partners we are able to make better use of Council money.

#### Revenue contributions

56. The Council is able to contribute revenue to the Capital if it chooses to do so. The Council's budget and MTFS sets out allocation of reserve balances and this Council's approach to managing working balances.

#### Balances and Reserves

57. The Council continues to hold specific reserves, these reserves are mostly earmarked for specific projects, limiting funding for new initiatives.

#### Prudential/Unsupported Borrowing

58. Local Authorities can set their own borrowing levels based on their capital need and their ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. The borrowing costs are not supported by the Government so services need to ensure they can fund the repayment costs. This borrowing may also be referred to as Prudential Borrowing.

59. Capital projects that cannot be funded from any other source can be funded from Prudential Borrowing. The Council must be able to afford the borrowing repayment and

interest charges on the loan from existing revenue budgets or must see this as their key priority and to be factored into the Medium-Term Financial Strategy accordingly.

60. The Section 151 will make an assessment of the overall prudence, affordability and sustainability of the total borrowing requested. The impact of this borrowing will be reported in the Treasury Management Strategy alongside the Prudential Indicators required by CIPFA's Prudential Code for Capital Finance.

61. The view of the Section 151 will be fed into the corporate bidding process so that, should the borrowing levels be unaffordable or not prudent, then the schemes will be prioritised against the available funding from borrowing using the corporate plan.

62. The Section 151 will also determine whether the borrowing should be from internal resources or whether to enter into external borrowing.

#### Leasing

63. The Section 151 may enter into finance leasing agreements to fund capital expenditure on behalf of services. However, a full option appraisal and comparison of other funding sources must be made and the Section 151 must be certain that leasing provides the best value for money method of funding the scheme.

64. Under the Prudential Code finance leasing agreements are counted against the overall borrowing levels when looking at the prudence of the authority's borrowing.

#### Invest to Save Schemes

65. Occasionally projects arise for which services require assistance with meeting the set-up costs of projects which may bring long term service delivery improvements and/or cost savings.

66. The initial set up costs may be of a revenue or capital nature. Assistance for these schemes must be considered on an individual basis by the Senior Leadership Team and then reported to FAIR with consideration to the Council's overall priorities and resources. For 'invest to save' schemes assistance may be given for initial set up costs, but it is expected that in the longer term these schemes will produce savings and/or additional income that will as a minimum fund any additional operational or borrowing costs. If the additional savings/income does not cover the additional costs incurred, then the service will be required to fund the gap from their existing budgets.

## Capital Programme 2023/24

67. The table below highlights the current forecast for 2023/24 Capital Projects and the proposed slippage to be agreed as part of 2023/24 outturn report, that will be submitted to FAIR in June 2024.

68. These capital schemes have been aligned with the Corporate Strategy headings. The schemes within each strategy theme are set to achieve the following:

### Protecting our Environment

- Reducing pressure on environmentally sensitive areas and infrastructure.
- Investing in an electric fleet or alternative fuel powered vehicles to reduce the impact on the environment.
- Improving and enhancing the Councils Waste management services.

### Developing Our Communities

- Investing in community facilities to support the growing population.
- Enhancing and developing sustainable leisure facilities.
- Protecting residents and property through enforcement initiatives and crime prevention initiatives.

### Improving Housing

- Undertaking refurbishment of existing council housing.
- Increasing the delivery of housing to meet local needs.
- Using brownfield sites efficiently to provide affordable homes and relive pressure on the green belt.

### Delivering an efficient and effective Council

- Using Council building's efficiently and to good effect.
- Continuing to deliver service improvement
- Invest further in technology to improve the customer journey when accessing Council services.
- Invest in acquiring strategic in borough assets to promote employment and regeneration.

Table 1 - Capital Programme 2023/24 – Estimated Outturn

	2023/24 Budget £'000	2023/24 Forecast £'000	2023/24 Variance £'000
<b><u>Protecting Our Environment</u></b>			
Vehicle Fleet Management	1388	1,378	(10)
Open Spaces Infrastructure	100	100	0
Low Emissions Infrastructure	138	138	0
<b>Total Protecting Our Environment</b>	<b>1,626</b>	<b>1,616</b>	<b>(10)</b>
<b><u>Developing Our Communities</u></b>			
Play Area Refurbishments	100	0	(100)
Brentwood Leisure centre	1000	1,000	0
Football Hub Development	2817	5	(2,812)
Retrofit - GF	250	250	0
<b>Total Developing Our Communities</b>	<b>4,167</b>	<b>1,255</b>	<b>(2,912)</b>
<b><u>Improving Housing</u></b>			
Home Repair Assistance Grant	5	5	0
Disabled Facilities Grant	250	250	0
HRA Decent Home Programme	6007	10,000	3,993
Strategic Housing Delivery Programme	16000	1,250	(14,750)
HSG Capital Grants Expenditure (LAHF Grant)	0	1,337	1,337
<b>Total Improving Housing</b>	<b>22,262</b>	<b>12,842</b>	<b>(9,420)</b>
<b><u>Delivering an Effective and Efficient Council</u></b>			
Asset Management Strategy	100	100	0
Asset Compliance	250	250	0
E-Financial	51	51	0
ICT Strategy	100	100	0
ICT Hardware	125	125	0
Software Infrastructure	50	50	0
<b>Total Delivering an Effective and Efficient Council</b>	<b>676</b>	<b>676</b>	<b>0</b>
<b><u>Growing our Economy</u></b>			
Car Park Improvements	100	100	0
Regeneration Fund	20000	0	(20,000)
Baytree Centre	4988	800	(4,188)
Childerditch	4521	250	(4,271)
<b>Total Growing our Economy</b>	<b>29,609</b>	<b>1,150</b>	<b>(28,459)</b>
<b>Total Capital Programme</b>	<b>58,340</b>	<b>17,539</b>	<b>(40,801)</b>



Table 2 - Funding the 2023/24 Capital Programme

The following table identifies how the 2023/24 Capital Programme will be funded.

Financing of Capital expenditure	2023/24 Budget £'000	2023/24 Forecast £'000	2023/24 Variance £'000
Total General Capital Programme	36,333	4,952	(31,381)
Total HRA Capital Programme	22,007	12,587	(9,420)
<b>Total Capital Programme</b>	<b>58,340</b>	<b>17,539</b>	<b>(40,801)</b>
Funded By:			
General Fund Capital Receipts	(200)	(200)	0
Government Grants	(250)	(250)	0
Borrowing	(35,883)	(4,502)	31,381
<b>Total General Fund Capital Funding</b>	<b>(36,333)</b>	<b>(4,952)</b>	<b>31,381</b>
HRA Capital Receipts			
HRA Capital Receipts	(500)	(500)	0
HRA Grant Funding	(1,000)	(1,000)	0
Major Repairs Reserve	(2,941)	(2,941)	0
HRA Borrowing	(17,566)	(8,146)	9,420
<b>Total HRA Capital Funding</b>	<b>(22,007)</b>	<b>(12,587)</b>	<b>9,420</b>
<b>Total Capital Funding</b>	<b>(58,340)</b>	<b>(17,539)</b>	<b>40,801</b>

### Slippage Proposals

69. Slippage is proposed when capital schemes are not completed within the specified financial year but are still ongoing. Reasons for slippage could be delays to works starting, delay to contracts being agreed, projects being affected by resources and weather, projects requiring re-profiling are some examples. Not all underspends on schemes need to be brought forward, only those for schemes that are committed. Proposed Slippage from 2023/24 is as follows:

Table 3 – Potential Capital Slippage

Capital Scheme	Amount £'000
Football Hub Development	2,812
Strategic Housing Delivery Programme	14,750

Baytree centre	4,188
Childerditch	4,271
<b>Total Slippage Proposals</b>	<b>28,021</b>
Funded By:	
Borrowing	(28,021)
<b>Total Funding</b>	<b>(28,021)</b>

These will be finalised and approved as part of 2023/24 outturn, which will be reported to FAIR. To avoid overstating the capital programme slippage could be spread out over the MTFS if it is not achievable to be delivered in the following year.

## Capital Programme 2024/25

70. The table below details the capital programme budget for 2024/25 and the forecast for the next four years. Each scheme is aligned with the Corporate Strategy and the proposed budget (including proposed slippage from table 3) is set to deliver against each Corporate Strategy theme.

Table 4 - Capital Programme 2024/25 and forecasts for 2025/26, 2026/27 2027/28 & 2028/29

	2024/25 Budget £'000	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	2028/29 Budget £'000
<b><u>Protecting Our Environment</u></b>					
Vehicle Fleet Management	860	500	500	500	500
Open Spaces Infrastructure	50	50	50	50	50
<b>Total Protecting Our Environment</b>	<b>910</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>
<b><u>Improving Housing</u></b>					
Home Repair Assistance Grant	5	5	5	5	5
Disabled Facilities Grant	250	250	250	250	250
HRA Decent Home Programme	8,000	8,000	5,000	5,000	4,000
Strategic Housing Delivery Programme	18,050	30,740	14,320	2,020	
HSG Capital Grants Expenditure (LAHF Grant)	0	0	0	0	0
<b>Total Improving Housing</b>	<b>26,305</b>	<b>38,995</b>	<b>19,575</b>	<b>7,275</b>	<b>4,255</b>
<b><u>Delivering an Effective and Efficient Council</u></b>					
Asset Management Strategy	100	100	100	100	100
Asset Compliance	100	250	250	250	250
E-Financial	0	0	0	100	0
ICT Strategy	100	100	100	100	100
ICT Hardware	125	125	125	125	125
Software Infrastructure	50	50	50	50	50
<b>Total Delivering an Effective and Efficient Council</b>	<b>475</b>	<b>625</b>	<b>625</b>	<b>725</b>	<b>625</b>
<b><u>Growing our Economy</u></b>					
Car Park Improvements	50	250	50	50	50
Regeneration Fund	0	0	0	0	0
Baytree Centre	5,000	8,473	7,625	0	0
Childerditch	2,500	1,770	0	0	0
<b>Total Growing our Economy</b>	<b>7,550</b>	<b>10,493</b>	<b>7,675</b>	<b>50</b>	<b>50</b>
GF capital expenditure reductions	0	0	-4,000	0	0
<b><u>Total Capital Programme</u></b>	<b><u>35,240</u></b>	<b><u>50,663</u></b>	<b><u>24,425</u></b>	<b><u>8,600</u></b>	<b><u>5,480</u></b>

Table 5 - Funding the Capital Programme

Financing of Capital expenditure	2024/25 Budget £'000	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	2028/29 Budget £'000
Total General Capital Programme	9,190	11,923	5,105	1,580	1,480
Total HRA Capital Programme	26,050	38,740	19,320	7,020	4,000
<b>Total Capital Programme</b>	<b>53,240</b>	<b>50,663</b>	<b>24,425</b>	<b>8,600</b>	<b>5,480</b>
Funded By:					
General Fund Capital Receipts	(200)	(200)	(200)	(200)	(200)
Government Grants	(250)	(250)	(250)	(250)	(250)
Borrowing	(8,740)	(11,473)	(4,655)	0	(1,030)
Capital receipts				(4,000)	0
<b>Total General Fund Capital Funding</b>	<b>9,190</b>	<b>(11,923)</b>	<b>(5,105)</b>	<b>(4,450)</b>	<b>(1,480)</b>
HRA Capital Receipts					
HRA Capital Receipts	(1,000)	(1,000)	(1,000)	(4,079)	(2,000)
HRA Grant Funding	(2,000)	(6,050)	(6,050)	(1,000)	(1,000)
Major Repairs Reserve	(2,941)	(2,941)	(2,941)	(1,941)	(1,000)
HRA Borrowing	(20,109)	(28,749)	(9,329)	0	0
<b>Total HRA Capital Funding</b>	<b>(26,050)</b>	<b>(38,740)</b>	<b>(19,320)</b>	<b>(7,020)</b>	<b>(4,000)</b>
<b>Total Capital Funding</b>					
<b>Total Capital Funding</b>	<b>(35,240)</b>	<b>(50,663)</b>	<b>(24,425)</b>	<b>(11,470)</b>	<b>(5,480)</b>

### Capital Schemes 2024/25

71. A high-level summary is provided for each capital scheme that has been budgeted for in 2024/25 under each Corporate Strategy heading.

#### Protecting our Environment

**Vehicle Fleet Management**, replacing existing fleet predominantly for waste services. Current fleets are aged and need replacing to reduce revenue burden of repairs and maintenance. Consideration will be given to replacing vehicles to electric vehicles where applicable.

**Open Spaces Infrastructure**, additional funds that support workstreams on, improving the car parks at King Georges, improving the boundaries at the golf course, and enhancing open spaces in the borough to address the Council's environmental agenda.

#### Improving Housing

**Home Repair Assistance Grants** awarded for small home repairs through public applications.

**Disabled Facilities Grant** received from central government for the Council to pay for essential housing adaptations to help disabled people stay in their own home, subject to applications and criteria.

**HRA Decent Home Programme** is planned works and major repairs works on the current stock in the HRA to ensure they meet decent home standards for living.

**Strategic Housing Delivery Programme:** The regeneration of Brookfield Close, Hutton and the development of a range of smaller HRA sites to deliver new homes.

#### Delivering an Efficient and Effective council

**Asset Management Strategy** funds to enhance Council owned assets through planned enhancements.

**Asset Compliance** Works that are required to develop existing owned assets, ensuring they are compliant with all health & safety requirements and building regulations.

**E-Financial**, to upgrade the current finance systems to the latest version.

**ICT Strategy** for the development of ICT in the Council to produce synergies and efficiencies and support services and ICT enhancements required.

**ICT Hardware** rolling programme of replacing ICT hardware as it comes to the end of its useful life to support the delivery operating a hybrid way of working for officers.

**Software Infrastructure** Enhance Council software to support the ICT strategy in producing synergies and efficiencies

#### Growing our Economy

**Car Parking improvements** to support the delivery on improving the car parking facilities offered in the borough as an outcome of the car parking strategy.

**Baytree Centre** the Centre was purchased March 2021 for the purpose of regenerating the site and enhancing the offering to support the high street.

**Childerditch** To prepare site for depot relocation in the future and to create self-storage in the short term to generate revenue income.

## Risk, Procurement and Value for Money in the Capital Strategy

72. Risk is the threat that an event or action will adversely affect the Council's ability to achieve its objectives and to execute its strategies successfully.

73. Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing/mitigating them and/or responding to them. It is a means of minimising the costs and disruption to the organisation caused by undesired events and of ensuring that staff understand and appreciate the element of risk in all their activities.

74. The aim is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties.

75. To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.

76. It is important to identify the appetite for risk by each scheme and for the capital programme as a whole, especially when investing in capital assets held primarily for financial returns. Under the CIPFA Prudential Code these are defined as investments and so the key principle of control of risk and optimising returns consistent with the level of risk applies.

77. The Council is faced with diminishing capital finance and reduced access to grants and external funding which means the Council will need to monitor spend against available funds carefully to ensure that it does not spend or commit in advance of receiving funding.

78. The Capital Financing Requirement (CFR) will need to be monitored carefully. Risk is therefore addressed throughout this strategy by setting out clearly how projects will be appraised, approved, monitored and reported on.

79. The strategy is closely aligned to the Treasury Management Strategy which contains key performance indicators.

80. Capital projects will be managed through the council's budgeting system. All risks that may affect a project are considered. These can include political, economic, legal, technological, environmental and reputational as well as financial. Large projects will use appropriate project management tools in accordance with the size of the project.

81. A specific risk as a VAT registered body is the recovery of exempt VAT only up to a value of 5% of all the VAT it incurs. This is known as the de-minimis limit. Monitoring and control of exempt input tax is essential for the council as where exempt input tax exceeds the 5% limit the whole amount is irrecoverable and will represent an additional cost to the council. Each capital investment will be closely reviewed to assess its VAT implications.

## Procurement

82. The purchase of capital assets should be conducted in accordance with the Procurement Strategy, ensuring value for money, legality and sustainability at all times. Contract standing orders and rules governing the disposal or write offs of assets are contained in the Constitution.

83. The Capital Programme and business cases associated with the development of the individual schemes should take in consideration the Council's Procurement strategy, Standing Orders for Contracts (as part of the Council's Constitution) and Financial Regulations.

84. The decision on which procurement route to take is governed by the following thresholds, contained within Standing Orders:

Overall value	Procedure
Under £25,000	One quotation required, obtaining best value for money
£25,000 and WTO Thresholds (as contained with Public Contracts Regulations 2015)	Full tender exercise conducted by Procurement Officers on Delta E-Sourcing website and advertised on the Council's website for at least two weeks
Over WTO Threshold	Full tender exercise conducted on Delta E-Sourcing website by the Procurement Officers, in accordance with the public Contracts Regulations and advertised on the Council's website for at least two weeks.

## Other options

85. Many collaborative organisations let framework agreements which public sector organisations can use.

86. A framework is an agreement between one or more authorities and one or more contractors which establishes the terms governing any call-off contracts that are let during a set period. It is not in itself a contractual agreement to supply, but is an enabling agreement providing agreed specifications, delivery terms, prices, and terms and conditions of contract.

87. Framework agreements have been tendered in compliance with Public Contracts Regulations 2015 and because of this the Council can use these instead of a full, open tender exercise.

88. Once a framework agreement is in place, individual purchase orders can be placed against it under the agreed terms and conditions. The orders, once placed, are contracts under the Framework.

89. There are rules about how you can use a framework agreement, and these will vary dependent on the individual terms of each framework agreement. The Procurement Officer will be able to advise as to the availability of any framework agreements.

90. Standing Orders state that waivers from procurement rules are allowed only under certain circumstances:

- The subject matter of the contract can only be supplied by one specialist supplier;
- There is an unforeseen emergency involving immediate risk to persons, property or serious disruption to Council services;
- The contract is an extension to an existing contract and a change of supplier would cause technical difficulties, diseconomies of scale or significant disruption to Council services;
- The purchase involves collaborative procurement arrangements with another local authority or government department;
- There is any other compelling or practical reason that a competitive exercise should not be run.

91. If a waiver is appropriate for a particular procurement, officers must obtain a Waiver Form from the Procurement Team, complete and sign it and return it to the Procurement Team, who will check its validity and obtain a signature from either the Section 151 Officer, the Chief Executive or the Monitoring Officer.

92. A waiver cannot be granted if the value of the required procurement is above the current WTO thresholds above.

93. Where capital spend involves a specific procurement process which differs from the standard process, we will adopt the principle that by approving the capital project we are also approving the specific procurement process.

### Value for Money

94. The Council recognises that effective procurement lies at the heart of delivering value for money and is essential if the Council is to obtain real improvements to quality and service costs. The Council seeks to achieve value for money by applying rigorous procurement standards in the selection of suppliers and contractors to ensure efficiency, economy and effectiveness is received throughout the life of a contract. The significant resources applied to capital expenditure require the adopted principles of value for money to be at the heart of



our capital strategy. Specifically, we will seek to strengthen the outcome indicators as part of post project reviews.

95. Brentwood Borough Council's Procurement Ethics Code is based on the principles of maintaining honesty, fairness and transparency and forms part of the Standing Orders for Contracts.

96. All Officers of Brentwood Borough Council are required to uphold this code and to seek commitment to it by all those with whom they engage in their professional practice.

97. Officers are expected to encourage their suppliers to adopt an ethical purchasing policy based on the principles of this code and to raise any matter of concern relating to business ethics at an appropriate level.

## Service Delivery & Commercial Investments

### Service Delivery Investments

98. These are investments that are held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure.

99. The investments held by the Council that come within this category are Childerditch Industrial Park, Baytree Centre and Academy Place Office. These were purchased in 2021 at a total cost of £89m for economic regeneration and protection of local employment purposes. These assets are managed on behalf of the Council by its subsidiary company, Seven Arches Investment Limited (SAIL).

### Commercial Investments

100. These are investments held primarily for financial return with no treasury management or direct service provision purpose.

The investments held by the Council that come within this category are:

- the loans totalling £60m made by the Council to its subsidiary company, SAIL, to fund the purchase of commercial properties
- the residential flats and the commercial office space in the Town Hall
- the neighbourhood shops that were formerly part of the HRA (these can be considered as legacy assets)

101. Under the 2021 Prudential Code, Councils may no longer borrow to invest primarily for financial return. The capital expenditure plans for 2024/25 to 2028/29 do not include any such borrowing by the Council.

102. All of the above, including the loan to SAIL, were capital expenditure, and the revenue income generated from both types of investments is an integral part of the Medium Term Financial Strategy.

103. Unlike the Council Investments which focuses on the prudent investment of surplus cash flows, by following the factors of Security, Liquidity and Yield in that order, investment in commercial operations, by their nature, need a different objective.

104. Whilst seeking to maintain the level of investment, the focus is on Yield (the level of financial return) and the investments are not likely to be liquid (the speed at which the investment can be converted into cash).

## Indicators

105. The following table shows the Council's total exposure to service delivery and commercial investments:

Investment Exposure	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Service Delivery Investments</b>			
- Childerditch Industrial Park, Baytree Centre & Academy Place	89,120	89,120	89,120
<b>Commercial Investments</b>			
- loans to subsidiary	60,000	60,000	60,000
- Town Hall - residential flats and commercial suites	7,562	7,562	7,562
- Neighbourhood shops	3,256	3,256	3,256
<b>Total Investment Exposure</b>	<b>159,938</b>	<b>159,938</b>	<b>159,938</b>

The following table shows the extent to which the above investments have been funded from borrowing:

Investments funded by borrowing	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Service Investments</b>			
- Childerditch Industrial Park, Baytree Centre & Academy Place	89,120	89,120	89,120
<b>Commercial investments</b>			
- loans to subsidiary	60,000	60,000	60,000
- Town Hall - residential flats and commercial suites	6,245	6,245	6,245
- neighbourhood shops	3,256	3,256	3,256
<b>Total Investments funded by borrowing</b>	<b>158,621</b>	<b>158,621</b>	<b>158,621</b>

The following indicators show the rate of return on the above investments, measured by the net income as a proportion of the total investment.

Rate of return	2024/25	2025/26	2026/27
Service delivery investments	2%	2%	2%
Commercial investments - loans to subsidiary	2%	2%	2%
Commercial investments - Town Hall flats & comm suites	5%	5%	5%
Neighbourhood shops	4%	4%	4%

The final indicator shows the gross income from the investments as a proportion of Net Revenue Stream.

Ratio of gross income from investments to Net Revenue Stream	2024/25	2025/26	2026/27
Service delivery investments - strategic acquisitions	43%	42%	42%
Commercial investments - loans to subsidiary	22%	22%	21%
Commercial investments - Town Hall flats & comm suites	5%	5%	5%
Commercial investments - neighbourhood shops	2%	3%	3%

106. Net Revenue Stream includes Council Tax income, un-ringfenced grant funding (excluding any capital grants), such as New Homes Bonus, business rate retention income and Collection fund surplus or deficit.

107. The above indicator is the measure that is prescribed in the Prudential Code. The following points, however, should be borne in mind:

a) In addition to Net Revenue Stream, the Council receives income from many other sources, including fees & charges and grants. This other income can be referred to as Total Gross Income. The following table measures the gross income from the investments as a ratio of Total Gross Income

Ratio of gross income from investments to Total Gross Income	2024/25	2025/26	2026/27
Service delivery investments - strategic acquisitions	14%	14%	14%
Commercial investments - loans to subsidiary	7%	7%	7%
Commercial investments - Town Hall flat & comm suites	1%	1%	1%
Commercial investments - neighbourhood shops	1%	1%	1%

b) Part of the income generated from these assets is used to fund the financing costs associated with these assets. It is the net income from these assets that contributes to the funding of Council services. The ratio of net income from the investments to Net Revenue Stream is as follows:

Ratio of net income from investments to Net Revenue Stream	2024/25	2025/26	2026/27
Service delivery investments - strategic acquisitions	20%	19%	19%
Commercial investments - loans to subsidiary	11%	11%	11%
Commercial investments - Town Hall flat & comm suites	3%	3%	3%
Commercial investments - neighbourhood shops	1%	1%	1%

## Risk Management

108. It is essential that, at the very least, 'other' investments need to provide an income to the General Fund which is sufficient to cover these costs, but preferably to also create a surplus that can be used to support the provision of services. However, in complying with the regulations, it is necessary to recognise the risks and in particular that the income generated by these schemes may not be sufficient to cover the costs incurred.

The Council uses a number of mechanisms to reduce these risks, including the following:

a) Project cost modelling – in this exercise, the income and expenditure cash flows for the life of the project are modelled. These are based on a number of assumptions which may include the borrowing rate, term of the borrowing and rate of inflation. These costs are then converted into a 'present value' (taking out the impact of inflation and the opportunity cost of income that could be generated if the funds had simply been invested for a return), using an appropriate discount rate, the effect being as though all of the costs and income generated by the project occurred on day 1. Other investment appraisal techniques are also used including:

- Payback
- Internal rate of return

b) Use of specialist advisors – as part of these activities, the Council employs the use of specialist advisors, who know and understand the market in which the activities operate and provide the Council with appropriate advice and data on which to base many of the assumptions used within the modelling.

c) The activities undertaken by SAIL - This area is subject to a strategic framework in which to operate. Their *Commercial Property Investment Strategy* that clearly sets out the parameters around which investments that will be reviewed and considered by SAIL's board. This strategy is approved alongside the Business Plan on an annual basis by the board and presented annually to the shareholders. FAIR is the nominated committee to represent the Council as shareholder. All purchase decisions under the strategy are subject to the approval of the Directors. FAIR has delegated authority to approve any required funding should this be requested by SAIL and included within the capital programme.

d) Use of earmarked reserves – these activities are rarely consistent in terms of costs and income and while these are modelled as accurately as possible, there will be fluctuations that are unknown at the outset. One of the methods that will be used by the Section 151 Officer to protect the Council from these fluctuations is the use of Earmarked Reserves. In this instance any surpluses above projections, may be transferred into a reserve to offset any future deficits that may be experienced. In this way, the Section 151 Officer can take a view annually of the extent to which surpluses generated can be used to fund services whilst being mindful of the risk to future budget setting of any negative events in any of these commercial areas.

# Treasury Management Strategy Statement

## Introduction

109. Treasury management is a key element of the Council's overall financial management arrangements. It relates to the Council's borrowing and investment activities and the effective management of the associated risks. These activities are strictly regulated by statutory requirements and professional codes of practice, which require authorities to set local parameters for their Officers to work within. This Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services and, as required by the Code, has an approved Treasury Management Policy Statement and associated Treasury Management Practice Statements (TMPs).

110. Under these arrangements, Council approves an annual strategy for the expected treasury management activity in the forthcoming financial year. A further report is made after the year-end on the actual activity for the year and a mid-year report will also be made comparing performance with the approved strategy.

111. This section summarises the current position about the Council's Treasury Management arrangements and sets out a strategy for 2024/25.

## Training

112. The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

113. Furthermore, pages 47 and 48 of the Code state that they expect "all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

114. The training needs of members will be reviewed during 2024/25 and training will be arranged as required.

## Treasury management consultants

115. The Council uses Link Group, Treasury solutions as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

## Current Treasury management portfolio

The overall treasury management portfolio as at 31.3.23 and for the position as at 02.01.24 are shown below for both borrowing and investments.

<b>TREASURY PORTFOLIO</b>				
	actual	actual	current	current
	<b>31.3.23</b>	<b>31.3.23</b>	<b>02.01.24</b>	<b>02.01.24</b>
<b>Treasury investments</b>	£0	%	£0	%
Banks	2,000,000	29%	13,000,000	57%
Building societies - unrated	0	0%	0	0%
Building societies - rated	0	0%	0	0%
Local authorities	0	0%	7,000,000	30%
DMADF (H.M.Treasury)	5,000,000	71%	3,000,000	13%
Money Market Funds	0	0%	0	0%
Certificates of Deposit	0	0%	0	0%
<b>Total managed in house</b>	<b>7,000,000</b>	<b>100%</b>	<b>23,000,000</b>	<b>100%</b>
Bond Funds	0	0%	0	
Property Funds	0	0%	0	
<b>Total managed externally</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>
<b>Total treasury investments</b>	<b>7,000,000</b>		<b>23,000,000</b>	
<b>Treasury external borrowing</b>				
Local Authorities	34,000,000	15%	22,000,000	9%
PWLB	192,019,000	85%	192,019,000	80%
Market Loans	0	0%	25,000,000	10%
LOBOs	0	0%	0	0%
<b>Total external borrowing</b>	<b>226,019,000</b>	<b>100%</b>	<b>239,019,000</b>	<b>100%</b>
<b>Net treasury investments / (borrowing)</b>	<b>(219,019,000)</b>		<b>(216,019,000)</b>	

## Capital Expenditure and Financing

116. The main driver of the Council's treasury activity is its capital expenditure plans. The following table summarises the Council's capital expenditure programme for 2023/24 to 2025/26, along with the 2022/23 actuals and 2023/24 forecast outturn.

	2022/23 Actual £000	2023/24 Forecast £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/267 Estimate £000
General Fund	2,842	4,947	9,190	11,923	9,105
HRA	11,601	12,587	26,050	38,740	19,320
<b>Total</b>	<b>14,443</b>	<b>17,534</b>	<b>35,240</b>	<b>50,663</b>	<b>28,425</b>

The following table summarises how the capital programme will be financed:

	2022/23 Actual £000	2023/24 Forecast £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/267 Estimate £000
Capital receipts	(1,793)	(500)	(1,200)	(1,200)	(5,200)
Capital grants & contributions	(360)	(992)	(2,250)	(6,300)	(6,300)
Revenue contributions	0	0	0	0	0
Major repairs reserve	(7,991)	(3,361)	(2,941)	(2,941)	(2,941)
Borrowing	(4,299)	(12,681)	(28,849)	(40,222)	(13,984)
<b>Total</b>	<b>(14,443)</b>	<b>(17,534)</b>	<b>(35,240)</b>	<b>(50,663)</b>	<b>(28,425)</b>

## Capital Financing Requirement

117. The Capital Financing Requirement (CFR) is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR

	2022/23 Actual £000	2023/24 Forecast £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/267 Estimate £000
<b>Capital Financing Requirement</b>					
General Fund	185,312	188,425	195,124	204,369	206,660
HRA	66,382	74,573	94,682	123,431	132,760
<b>Total CFR</b>	<b>251,694</b>	<b>262,998</b>	<b>289,806</b>	<b>327,800</b>	<b>339,420</b>

<b>Movement represented by:</b>					
Net financing need for the year		12,681	28,849	40,222	13,984



Debt Repayment Provision		(1,378)	(2,041)	(2,228)	(2,364)
<b>Movement in CFR</b>		<b>11,303</b>	<b>26,808</b>	<b>37,994</b>	<b>11,620</b>

### Gross Borrowing and the Capital Financing Requirement

118. The Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes. The following table shows that the level of gross external borrowing is expected to be below the CFR, which demonstrates compliance with the requirement of this indicator.

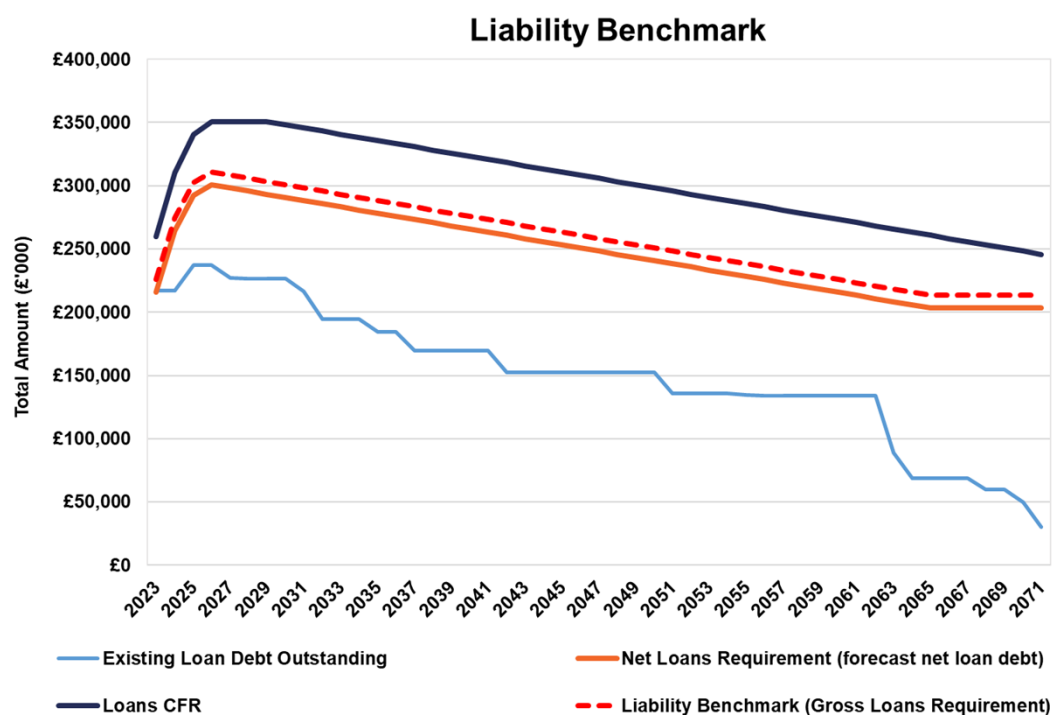
	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/267 Estimate
	£000	£000	£000	£000	£000
<b>Total external borrowing</b>	<b>226,197</b>	<b>217,019</b>	<b>267,519</b>	<b>297,519</b>	<b>308,019</b>
<b>Capital financing requirement</b>	<b>251,694</b>	<b>262,998</b>	<b>289,806</b>	<b>327,800</b>	<b>339,420</b>
<b>Under borrowing</b>	<b>(25,497)</b>	<b>(45,979)</b>	<b>(22,287)</b>	<b>(30,281)</b>	<b>(31,401)</b>

### Liability Benchmark

119. A new prudential indicator was introduced in 2023/24. It has four components:

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance

120. The Council's Liability Benchmark is as follows:



121. The highlight from the above table is the gap in future years between the Existing Loan Debt Outstanding and the Liability Benchmark (the gross loans requirement). This highlights the additional borrowing that the Council plans to take over the next few years in order to fund its ambitious capital programme.

## Borrowing Strategy

122. The intended borrowing strategy for 2024/25 and subsequent years is to adopt a flexible approach. Capital schemes that incur expenditure related to long-term investment will generally be funded from long-term borrowing. However, there may be instances where capital schemes will be funded through short-term borrowing while they are in progress, and to replace this with long borrowing once the schemes are complete. Long term borrowing supports medium term financial planning by providing certainty around interest costs, and maintaining some short-term borrowing enables the Council to take advantage of lower interest rates.

123. During 2021 the Council entered into a deferred draw-down arrangement with a market lender, Phoenix Life. Under this arrangement, the Council will borrow draw-down a long-term loan of £25m in August 2023, and another long-term loan of £20m in June 2024. Both of these loans will run for forty years at 2.058% and 2.059% respectively. These two borrowings will provide long-term finance for the capital schemes due to complete in those two financial years.

124. The Council does not expect the need to take out short-term borrowing to cover its general cash flow needs. In the event of any unplanned cash flow shortages, however, it will take out short-term loans to cover these needs.

### Sources of borrowing

125. The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board and any successor body
- any other UK local authority or other public sector body
- any UK bank or building society
- capital market bond investors

### HRA and General Fund 'Pools'

126. HRA and General Fund debt is managed separately in two pools. The following principles are adhered to:

- There must be no detriment to the General Fund in this approach.
- Any allocation of debt should be broadly equitable between the HRA and the GF.
- Future charges to the HRA in relation to borrowing are not influenced by GF decisions, giving a greater degree of independence, certainty and control.
- Cash resources (reserves and other cash backed balances e.g. provisions) which allow borrowing to be below the capital financing requirement are separated between the HRA and General Fund.

127. Where relevant the figures that follow are split between HRA and GF. It should, however, be noted that all debt is secured on all the revenues of the Council and that the Section 151 Officer retains responsibility for the overall TM strategy.

### Projected Portfolio Position

128. The projected position for the Council's debt and investments is set out in the table below.

	31 March 2023 £000	31 March 2024 £000	31 March 2025 £000	31 March 2026 £000	31 March 2027 £'000
Borrowing					
- PWLB	192,019	192,019	192,019	241,019	251,019
- Market Lender	0	25,000	45,000	45,000	45,000
- Other Local Authorities	34,000	25,000	11,500	11,500	12,000
- Transferred Debt	172	0	0	0	0
<b>Total Borrowing</b>	<b>226,191</b>	<b>242,019</b>	<b>267,519</b>	<b>297,519</b>	<b>308,019</b>
Investments	-7,000	-22,000	-2,000	-2,000	-2,000
<b>Net Borrowing</b>	<b>219,191</b>	<b>220,019</b>	<b>265,519</b>	<b>295,519</b>	<b>306,019</b>

### Interest rate forecasts

129. The following table, provided by the Council's treasury advisors Link Group, shows bank rate and PWLB interest rate forecasts up to March 2026:

	NOW	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Bank Rate	5.25%	5.25%	5.25%	5.00%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%
PWLB Rates										
- 5 years	4.18%	4.90%	4.80%	4.70%	4.40%	4.20%	4.00%	3.80%	3.70%	3.60%
- 10 years	4.31%	5.00%	4.80%	4.70%	4.40%	4.20%	4.00%	3.80%	3.70%	3.70%
- 25 years	4.85%	5.30%	5.10%	4.90%	4.70%	4.50%	4.30%	4.20%	4.10%	4.10%
- 50 years	4.59%	5.10%	4.90%	4.70%	4.50%	4.30%	4.10%	4.00%	3.90%	3.90%

130. The table shows:

- Bank Rate standing at 5.25% and that is expected to be the peak before gradually reducing over the next couple of years and stabilising at 3%
- PWLB rates are due to rise in March 24 and then gradually reduce over the next two years. The short part of the curve has not moved far but the longer-end continues to reflect inflation concerns. At the time of writing there is 60 basis points difference between the 5 and 50 year parts of the curve

## Debt Limits

131. Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits

### Operational Boundary For External Debt

132. This is the borrowing limit above which borrowing would not normally be expected to rise. It will not normally be a matter of concern if the Operational Boundary is breached temporarily due to variations in cash flow. However, a sustained or regular trend above the Operational Boundary would require investigation and appropriate action.

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Limit	260,000	281,000	290,842	329,906	343,921
<b>Total</b>	<b>260,000</b>	<b>281,000</b>	<b>290,842</b>	<b>329,906</b>	<b>343,921</b>

### Authorised Limit For External Debt

133. The Authorised Limit is the limit placed by the Council on the absolute level of its gross debt. The Local Government Act 2003 stipulates that it must not be breached at any time. The indicator is split between limits for external borrowing and for other long-term liabilities.

	2022/23	2023/24	2024/25	2025/26	2026/27
Borrowing	290,000	311,000	322,842	361,906	370,921
Other long term liabilities	3,000	3,000	3,000	3,000	3,000
<b>Total</b>	<b>293,000</b>	<b>314,000</b>	<b>325,842</b>	<b>364,906</b>	<b>373,921</b>

134. As the two Debt Limits are set locally, the Council may review and amend either or both during the course of the year.

### Ratio of Financing Costs to Net Revenue Stream

135. The following table show the revenue costs to the General Fund of financing capital expenditure (i.e. interest charges and provision for debt repayment) as a ratio of the General Fund net revenue stream.

	2022/23	2023/24	2024/25	2025/26	2026/27
Financing costs	4,229	5,637	5,984	6,424	6,907
Net revenue stream	10,000	10,308	10,817	10,997	11,183

Ratio	42.3%	54.7%	55.3%	58.4%	61.8%
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136. It should be noted that much of the General Fund financing costs are associated with service delivery assets and loans to the Council’s subsidiary company.

137. The following table shows the ratio of other financing costs (i.e. not associated with service delivery and loans to subsidiary) to net revenue stream

	2022/23	2023/24	2024/25	2025/26	2026/27
Financing costs	1,425	2,808	3,155	3,568	4,024
Net revenue stream	10,000	10,308	10,817	10,997	11,183
Ratio	14.3%	27.2%	29.2%	32.4%	36%

138. The following table show the revenue costs to the HRA of financing capital expenditure as a ratio of HRA gross income

	2022/23	2023/24	2024/25	2025/26	2026/27
Financing costs	1,874	2,335	2,481	4,053	4,053
Net revenue stream	13,603	14,447	15,432	15,739	16,052
Ratio	13.8%	16.2%	16.1%	25.8%	25.2%

## Debt Rescheduling

139. This is the practice of repaying debt of one maturity early in order to borrow for a different maturity period.

140. Rescheduling of current borrowing in our debt portfolio is unlikely to occur during 2024/25 as there is still a very large difference between premature redemption rates and new borrowing rates.

141. If any rescheduling is undertaken in 2024/25, it would be authorised by the Section 151 Officer under delegated arrangements and reported to Council at the next opportunity following its action.

## Treasury Indicators

### Upper Limits on Fixed and Variable Interest Rate Exposure

142. This indicator is intended to set upper limits to the Council’s exposure to the effects of changes in interest rates in 2024/25 and for the following two financial years.

143. The Council’s policy is just to borrow at fixed rates of interest and therefore by default the upper limit for fixed rate exposure is 100%. An upper limit on variable interest rate exposure is not required.

### Maturity Structure of Borrowing

144. The following indicators are designed to limit the Council's exposure to sums falling due for replacement at about the same time. Long-term fixed loans could be running at historical rates significantly different from the market rate at the time of repayment, with consequences for the revenue account.

145. The limits refer separately to the maximum and minimum proportions of the borrowing portfolio that may mature in each given time period. They have been maintained at the same levels as 2022/23 as no change is deemed to be necessary. The minimum amounts have been set at 0% since, in the long term, one of the objectives of the HRA business plan is to repay the debt in full. The maximum limits have been kept at their limits to provide flexibility in decision making over appropriate maturity periods for new debt.

### Maturity Structure of Borrowing

<b>Maturity Structure of Borrowing</b>	<b>Lower limit</b>	<b>Upper limit</b>
Under 12 months	0%	50%
12 months and within 24 months	0%	50%
24 month and 5 years	0%	50%
5 year and within 10 years	0%	50%
10 years and above	0%	100%

## Treasury Investment Strategy

146. The treasury investment strategy deals solely with treasury investments, i.e. investments arising from the organisation's cash flows or treasury risk management activity and representing balances which are only held until the cash is required for use.

147. The categories of service delivery and commercial investments are dealt with on page 26.

The Council's treasury investment strategy has regard to the following: -

- DLUHC's Guidance on Local Government Investments
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021
- CIPFA Treasury Management Guidance Notes 2021

148. The general objective is to invest surplus funds prudently. Accordingly, priority is given to (1) security, (2) liquidity and (3) yield, in that order. The highest rate of return is sought only after security and liquidity requirements are satisfied.

149. The Council's strategy will be to invest surplus funds in amounts of up to £5m per counterparty in a mix of fixed term deposits, call accounts and any other investment products deemed worthwhile, in accordance with the limits set out in the following paragraphs.

### Durational limits

150. To determine the duration of investments with bank and building societies, the Council will use the creditworthiness service provided by Link Asset Services. This service employs a modelling approach utilising credit ratings from the three main credit rating agencies, Fitch, Moody's and Standard & Poor, supplemented by other information. The Council will follow these recommended durations, up to a maximum duration of one year. The Link Asset Services model does not apply to local authorities, with which the maximum duration for investments will also be one year.

### Specified and non-specified investments

151. Specified investments are high security, high liquidity investments in sterling with high credit quality and a maturity of no more than one year.

152. Non-specified investments are any other type of investments; in addition, any investment with a duration of over one year is classified as a non-specified investment. In previous years the Council has not used non-specified investments. For 2024/25, investments of up to three years with other local authorities will be allowed, up to a total value of £5m. This is to enable the Council to access higher returns through investing for longer periods.



## Credit ratings

153. Banks and some of the larger building societies have credit ratings from the three main credit rating agencies, Fitch, Moodys and Standard & Poor (S&P). Some banks and building societies opt for credit ratings from all three agencies; others opt for credit ratings from two out of three agencies. Ratings are split between short term and long term, which are explained in more detail below.

The Council's proposed minimum acceptable credit ratings for 2024/25 are as follows:

<b>Agency</b>	<b>Short term</b>	<b>Long term</b>
Fitch	F1	A-
Moody	P-1	A3
S&P	A1	A-

154. Where a bank or building society has opted for ratings from two of the three agencies, the minimum acceptable ratings will be deemed to have been met if both ratings are at or above the levels in the above table. This is a change in approach from previous years. It is not considered that this will expose the Council to the risk of loss.

## Credit Rating Definitions

### Long-term Issuer Default rating

155. This rating measures the ability of a financial institution to meet all of its most senior financial obligations on a timely basis over the term of the obligation. It is therefore effectively a benchmark for rating institutions' probability of default.

- For Fitch ratings: the top end of the scale is AAA (the lowest expectation of credit risk) and ranges down to D (where the institution is in default and the potential for recovery of funds is minimal).
- For Moody's ratings: the top end of the scale is Aaa (highest quality with minimal credit risk) and the lowest related class is C (where the institution is in default and the potential recovery is minimal).
- For Standard & Poor's ratings: the top end is AAA (the lowest expectation of credit risk) and the lowest class is D (where the institution is in payment default).

### Short-term Issuer Default rating

156. This rating is based on the liquidity profile of the institution and relates to its ongoing capacity to meet financial obligations within a relatively short time horizon (normally less than 13 months).

- For Fitch ratings: the scale ranges from F1 (highest) to D (actual or imminent payment default)

- For Moody’s ratings: the scale is from P-1 (highest, where the institution has the superior ability to repay short-term obligations) to P-3 (the lower end of ability to repay short-term obligations).
- For Standard & Poor’s ratings: the scale is A-1 (highest) to D (imminent default in payment)

Individual (Fitch), Strength (Moody’s)

157. These ratings are assigned only to banks and assess how a bank would be viewed if it were entirely independent. Link have advised that this “standalone” rating be removed as the exclusion of sovereign status from the institutions has adversely affected the rating but does not represent any intrinsic change.

- Fitch ratings: The principal factors assessed are balance sheet integrity and profitability. The range is from A (a very strong bank) to F (bank has defaulted or would have defaulted without external support).
- Moody’s ratings: range from A (strong intrinsic financial strength) to E– (in serious difficulty).
- Standard and Poor’s have no ratings criteria for this. Link will continue to publish these ratings, it is however intended to use the results of these to inform investment decisions, rather than dictate them.

#### Country limits

158. In 2022/23, the country limits were expanded to include the non-UK banks that are accessible via the Agency Treasury Service provided by Link Group. This approach has served the Council well during the year and it is proposed that the same country limits are applied in 2023/24. The banks accessible via the Link Agency Treasury Service are considered to be secure potential counterparties that add diversity to the Council’s investment portfolio. At the time of writing this strategy, the banks were:

- Bayerische Landesbank (Germany)
- Landesbank Hessen-Thuringen Girozentrale (Germany)
- National Bank of Canada
- First Abu Dhabi Bank PJSC (United Arab Emirates)
- Qatar National Bank
- Oversea-Chinese Banking Corporation Ltd

159. The minimum credit rating would apply to each of these, and in addition the minimum acceptable sovereign credit rating of the country of origin at the time of placing the deposit will be AA- (the UK sovereign rating at the time of writing this strategy).

160. With regard to money market funds, the Council will invest in funds that are domiciled in the UK and the Republic of Ireland.

## Investment instruments and limits

161. The table below details the Councils Investment Instruments that it will utilise, and the associated limits:

### Investment Instruments

Instrument	Minimum short term credit rating	Minimum long term credit rating	Maximum value of investment per counterparty	Maximum duration of investment
Term Deposits with UK Local Authorities	N/a	N/a		3 years
Term deposits or notice accounts with UK banks and building societies	Fitch F1 Moody's P-1 S&P A-1	Fitch A- Moody's A3 S&P A-	£5m	1 year
Term deposits with banks part nationalised	Minimum credit ratings not required as long as these banks continue to be part nationalised		£5m	1 year
Term deposits or notice accounts with non UK banks accessible via the Link Group Agency Treasury Service	Fitch F1 Moody's P-1 S&P A-1	Fitch A- Moody's A3 S&P A-	£5m	1 year
	Sovereign rating AA-			
Debt Management Account Deposit Facility (DMADF)	N/a	N/a	Unlimited	6 months (DMADF time limit)
Ultra-Short/Short Dated Bond Funds	Selection process	Selection process		
Treasury Bills issued by the UK Government	N/a	N/a	Unlimited	1 year
Money Market Funds CNAV	N/a	AAA	£5m	Liquid
Money Market Funds LVNAV	N/a	AAA	£5m	Liquid
Money Market Funds VNAV	N/a	AAA	£5m	Liquid
Certificates of Deposit issued by UK institutions	Fitch F1 Moody's P-1 S&P A-1	Fitch A- Moody's A3 S&P A-	£5m	1 year

### Current accounts

162. The monetary limits included in the investment strategy does not apply to balances on our suite of current accounts provided by Lloyds Bank plc. As a result, the Council may operate from time to time with monies held with Lloyds Bank marginally above the investment limits shown because of these current account balances. The Council will aim to keep balances of no more than £2m on its current accounts.

### Ultra-Short/Short-Dated Bond Funds

163. These are pooled investment vehicles where risk is diversified because of the spread of investments. They are a potential new investment instrument for the Council, and a selection process will be undertaken to ensure that the most suitable fund is chosen, if officers consider that it is worthwhile pursuing them.

### Investment Consultants

164. Accessing suitable sources of information, especially in relation to credit risk, are essential elements of an effective TM operation. The Section 151 Officer retains the services of Link Asset Services for this purpose, as well as advice on borrowing, regulation and other technical aspects of capital finance. The quality of the service is controlled through regular monitoring and feedback, as well as through dialogue at periodic review meetings.

## Prudence in Borrowing and Investment

165. The Prudential Code 2021 edition requires the Council to ensure that all of its capital expenditure, investments and borrowing decisions are prudent and sustainable.

166. The Code states that authorities may borrow and invest for the following purposes:

- any function of the authority under any enactment
- for the prudent management of their financial affairs.

167. It also gives the following examples of legitimate of prudent borrowing:

- financing capital expenditure primarily related to the delivery of a local authority's functions
- temporary management of cash flow within the context of a balanced budget
- securing affordability by removing exposure to future interest rate rises
- refinancing current borrowing, including adjusting levels of internal borrowing, to manage risk, reduce costs or to reflect changing cash flow circumstances

168. The Council will ensure that all of its borrowing and investment activity during 2024/25 is prudent and in accordance with the above examples.

169. The Code also states that certain acts or practices are not prudent activity for a local authority and incur risk to the affordability of local authority investment:

- In order to comply with the Prudential Code, an authority must not borrow to invest primarily for financial return.
- It is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.

170. The Council will comply with the above requirements during 2024/25.

## Minimum Revenue Provision

171. The Council is required by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 to calculate a level a provision for the repayment of debt liability that it considers to be prudent, known as the Minimum Revenue Provision (MRP). The regulations also require the full Council to approve an MRP policy in advance of each financial year. There are four recommended options for the calculation of the provision.

172. The Council is recommended to approve this policy for 2024/25. The policy is as follows:

### Debt Liability pre 1 April 2008

173. For capital expenditure funded by borrowing before 1 April 2008, minimum revenue provision will be provided on a 2% straight-line basis, i.e. provision for the repayment of debt over 50 years.

### Debt Liability 1 April 2008 onwards

174. Minimum revenue provision for new capital expenditure incurred wholly or partly by unsupported (Prudential) borrowing will be determined by reference to the expected life of the asset on an annuity basis. The asset life is deemed to begin once the asset becomes operational. Minimum revenue provision will commence from the financial year following the one in which the asset becomes operational.

175. Minimum revenue provision in respect of unsupported (prudential) borrowing taken to meet expenditure, which is treated as capital expenditure by virtue of either a capitalisation direction or regulations, will be determined in accordance with the asset life method as recommended by the statutory guidance.

176. The Council retains the right to make additional voluntary payments to reduce debt if deemed prudent.

177. There is no requirement on the HRA to make a minimum revenue provision but under HRA reform there is a requirement to charge depreciation on its assets, which will have a revenue effect. The HRA business plan will need to fund this depreciation over the life of the assets.

### Debt Liability in respect of loans to third parties

178. Where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

179. Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

## Prudential and Treasury Indicators

180. The following paragraphs give more detail regarding the indicators described above.

### Indicators for Prudence

#### Estimates of capital expenditure

181. The local authority will make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the following two financial years. These prudential indicators will be referred to as estimates of capital expenditure and shall be expressed in the following manner: Estimate of total capital expenditure to be incurred in years 1, 2 and 3

#### Estimates of capital financing requirement

182. The local authority will make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years. These prudential indicators will be referred to as the estimates of capital financing requirement and shall be expressed as follows:

Estimate of capital financing requirement as at the end of years 1, 2 and 3

### Indicators for External Debt

#### Authorised limit

183. The local authority will set for the forthcoming financial year and the following two financial years an authorised limit for its total gross external debt, separately identifying borrowing from other long-term liabilities. This prudential indicator will be referred to as the authorised limit and shall be expressed in the following manner:

184. Authorised limit for external debt = authorised limit for borrowing + authorised limit for other long-term liabilities for years 1, 2 and 3

#### Operational boundary

185. The local authority will also set for the forthcoming financial year and the following two financial years an operational boundary for its total external debt, excluding investments, separately identifying borrowing from other long-term liabilities. This prudential indicator will be referred to as the operational boundary and shall be expressed in the following manner:

186. Operational boundary for external debt = operational boundary for borrowing + operational boundary for other long-term liabilities for years 1, 2 and 3

#### Gross debt and the capital financing requirement

187. In order to ensure that, over the medium term, debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. If in any of these years there is a reduction in the capital financing requirement, this reduction is

ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with gross external debt. This is a key indicator of prudence. This prudential indicator will be referred to as gross debt and the capital financing requirement.

188. Where the gross debt is greater than the capital financing requirement the reasons for this should be clearly stated in the annual treasury management strategy.

#### Indicators for Affordability

##### Estimates of financing costs to net revenue stream

189. As a minimum, the local authority will estimate for the forthcoming financial year and the following two financial years the proportion of financing costs to net revenue stream. This prudential indicator shall be referred to as estimates of the proportion of financing costs to net revenue stream and shall be expressed in the following manner:

Estimate of financing costs ÷ estimate of net revenue stream x 100% for years 1, 2 and 3.

190. Net revenue stream includes Council Tax income, un-ringfenced grant funding (excluding any capital grants), such as New Homes Bonus, business rate retention income and any Collection fund surplus or deficit.

#### Treasury Indicators

##### Interest exposures

191. Upper limits to the Council's exposure to the effects of changes in interest rates

##### Maturity structure of borrowing

192. The maximum and minimum proportions of the borrowing portfolio that may mature in each given time period.

##### Upper limiting on total principal sums invested for periods longer than 364 days

193. A restriction on authorisation of longer-term investments.

##### Liability Benchmark

194. A new indicator required under the revised Codes is the Liability Benchmark. This is a series of inter-related measures that have been brought together to show how the council is intending to manage its debt position over the MTFS period.

The Prudential and Treasury Indicators are presented in the tables on the following pages:



	2022/23 Actual £'000	2023/24 Forecast £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
<b>Estimates of Capital Expenditure</b>					
General Fund	2,842	4,947	9,190	11,923	9,105
HRA	11,601	12,587	26,050	38,740	19,320
<b>Total</b>	<b>14,443</b>	<b>17,534</b>	<b>35,240</b>	<b>50,663</b>	<b>28,425</b>

<b>Estimates of Capital Financing Requirement</b>					
General Fund	185,312	188,425	195,124	204,369	206,660
HRA	66,382	74,573	94,682	123,431	132,760
<b>Total</b>	<b>251,694</b>	<b>262,998</b>	<b>289,806</b>	<b>327,800</b>	<b>339,420</b>

<b>External Debt</b>					
Authorised Limit	3,000	3,000	325,842	364,906	373,921
Operational Boundary	260,000	281,000	290,842	329,906	343,921

<b>Gross Debt and Capital Financing Requirement</b>					
Estimated Gross Debt	226,197	217,019	267,519	297,519	308,019
Capital Financing Requirement	251,694	262,998	289,806	327,800	339,420
CFR + Following 2 Years Increases	289,806	327,800	339,420	339,420	339,420

<b>Ratio of Financing Cost to Net Revenue Stream</b>					
General Fund	35%	42%	55%	55%	58%
HRA	14%	14%	16%	16%	26%

<b>Interest Exposures</b>	
Fixed rate	100%
Variable rate	n/a

<b>Maturity Structure of Borrowing</b>	Lower limit	Upper limit
Under 12 months	0%	50%
12 months and within 24 months	0%	50%
24 month and 5 years	0%	50%
5 year and within 10 years	0%	50%
10 years and above	0%	100%

	2024/25	2025/26	2026/27
<b>Principal sums invested &gt; 364 days</b>	£5m	£5m	£5m

## Proposed Treasury Management Strategy for 2024/25

195. Taking account of the above position, the Section 151 Officer recommends the following strategy for 2024/25:

- a) The overall direction of treasury management strategy will reflect the separation of HRA and GF debt (the two-pool approach).
- b) The overall debt and investment position will be managed having regard to the Prudential Indicators set by the Council and the treasury indicators set out above.
- c) The Council will invest its monies prudently, considering security first, liquidity second and yield last whilst also carefully considering its investment counterparties. It will similarly borrow monies prudently to meet the Council's service objectives.
- d) The gross level of borrowing will be maintained below the average Capital Financing Requirement for the year.
- e) Surplus funds (with the exception of funds required for liquidity purposes or for internal investment) will be invested in accordance with the approved Investment Strategy.
- f) New borrowing will be diversified over a range of maturity periods, including short term (less than one year), having regard to longer-term projections of CFR, liquidity considerations and expected movements in interest rates.
- g) Opportunities for rescheduling debt will be kept under review according to market and other relevant factors, but will not be actively pursued.
- h) The treasury management strategy including the investment strategy, will be continually reviewed in the light of changing circumstances, including legislation. Within the limits set by this Strategy as set out above, the Section 151 Officer will exercise their discretion to determine the extent to which surplus funds will be used to minimise new borrowing and exposure to external investments.
- i) Nothing in this strategy confers on the Section 151 Officer the authority to enter into any derivative or derivative like contract without the permission of the full Council.

196. The strategy has been prepared on the statutory guidance and rules currently applicable. Any changes to these or to wider economic circumstances may require a revision to be made to the strategy.

197. A revised Treasury Management Strategy will be prepared and submitted to Full Council if the Section 151 Officer considers that any such revision is necessary.

198. Otherwise, the Section 151 Officer is free to work within the limits determined by the strategy without reference to Full Council, but will draw attention to any such variation in the quarterly in-year reports and annual outturn report on TM activity for the year.

## Other considerations

199. All capital schemes must comply with legislation and Council policies such as the Financial Regulations and Contract Procurement Rules. Reference should also be made to other strategies and plans of the Council.

200. To be able to manage the significant forecast budget gaps and minimise the impact on service levels the Council needs to explore and implement innovative ways of generating income. Such activity will involve an increase in the level of borrowing that the Council holds but this will only be undertaken in cases where an appropriate level of return is expected. The proposed governance arrangements detailed in this strategy are intended to both place Members within the tactical decision-making process for such activity and to ensure that all Members are kept up-to-date on activity in this area.

Documents for reference are:

- Constitution
- Corporate Strategy
- Financial Regulations
- Medium Term Financial Strategy
- SAIL Commercial Property Investment Strategy
- Corporate Project Management Process
- Leisure Strategy
- Play Area Strategy
- Digital Strategy

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## AUDIT & SCRUTINY COMMITTEE

20 March 2024

<b>REPORT TITLE:</b>	Anti-Fraud Policy
<b>REPORT OF:</b>	Tim Willis, Interim Resources Director

### REPORT SUMMARY

The Borough's Anti-Fraud Policy was approved on 11 March 2021. This report provides an updated policy for approval.

### RECOMMENDATIONS

That the Committee approves the Anti-Fraud Policy attached as Appendix A.

#### 1.0 BACKGROUND INFORMATION

- 1.1 The Anti-Fraud Policy is due for renewal. The proposed Policy is attached as Appendix A.
- 1.2 There are minimal changes to the 2021 Policy. Apart from changes to post titles, structures and internal policies, there has been an amendment to Regulations for 'Public contracts and Failure to Prevent Bribery' which are reflected in section 9.10.

#### 2.0 OTHER OPTIONS CONSIDERED

- 2.1 None.

#### 3.0 RELEVANT RISKS

- 3.1 Contained in the body of the report.

#### 4.0 ENGAGEMENT/CONSULTATION

- 4.1 None.

## **5.0 FINANCIAL IMPLICATIONS**

5.1 Contained in the body of the report.

## **6.0 LEGAL IMPLICATIONS**

6.1 .

## **7.0 ECONOMIC IMPLICATIONS**

7.1 None.

## **8.0 EQUALITY & HEALTH IMPLICATIONS**

8.1 None.

## **9.0 ENVIRONMENTAL IMPACT**

9.1 None.

### **REPORT AUTHOR:**

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### **APPENDIX**

Anti-Fraud Policy 2024

# Brentwood Borough Council

## Anti-Fraud Policy

(Incorporating Bribery, Corruption and Money Laundering policies)

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### Document Control

Purpose:	Policy to provide information and guidance on Fraud, Bribery, Corruption and Money Laundering within Brentwood Borough Council. The policy outlines and includes the culture, deterrence, roles and responsibilities and the response plan for Officers and Members of The Council.
Author & Title:	Victoria Banerji Corporate Fraud Manager
Supersedes document:	Anti-Fraud Policy 2021.
Cross reference with:	'Whistleblowing Policy and Procedures', 'Disciplinary Policy', 'Staff code of conduct' 'RIPA Policy' 'Staff code of Conduct'
Responsible Director:	Tim Willis Director of Resources
Target Audience:	Brentwood Borough Council Employees and Members

### Revision History

Revision date	Author	Version	Main Summary of Changes	Changes marked
29/02/2016	V. Banerji	0.1	Initial draft	N/A
04/05/2016	V. Banerji	0.2	Associated and Reference Documentation	No
19/09/2018	V. Banerji	0.3	Incorporating Money Laundering, Bribery & Corruption	No
11/01/2021	V. Banerji	0.4	Incorporating money laundering and investment properties	No
15/01/2024	V. Banerji	0.5	Key Contacts/9.10 Public contracts/General review	No





## Approvals

Name	Title	Date	Version
Chris Leslie	Finance Director	04/05/2016 (Internally Approval)	0.2
Audit & Scrutiny Committee		10/10/2018	0.3
Jacqueline Van Mellaerts	Director of Corporate Resources	11/01/2021	0.4
Audit & Scrutiny Committee		11/03/2021	0.4
Tim Willis	Director of Resources		0.5

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## **1. Introduction**

It is widely recognised that the offences of fraud, bribery, corruption and money laundering, particularly within a corporate environment (whether in the public or private sector) are closely linked together. Very often, one of these actions will give rise to another and will facilitate a second offence, or as is commonly the case, all four.

The authority has previously maintained separate policies on fraud and corruption, bribery, and money laundering. Due to their close connection and the Corporate Fraud Service being the only service accountable for the subject matters, it was considered prudent to revise this approach and create one single document encompassing all previous policies.

The components found within this Anti-Fraud policy, forms a single overarching approach to how the authority prevents, detects and investigates fraud, bribery and corruption and money laundering.

This policy seeks to provide guidance on all four subject areas. Most importantly it provides the Officer of Brentwood Borough Council, with information on recommended procedures should any incidence of fraud, bribery, corruption or money laundering be suspected.

## **2. Fraud Policy**

### **2.1 Policy Statement**

Brentwood Borough Council takes its duty to ensure proper stewardship of public money very seriously. The Council is therefore committed to the prevention, detection and investigation of all forms of fraud and corruption, whether these are attempted from within or outside the organization.

The Council expects the highest standards of conduct and integrity from all who deals with it including staff, members, contractors, volunteers and the public. It is committed to the elimination of fraud and corruption and to ensuring that all activities are conducted ethically, honestly and to the highest possible standard of openness and accountability in order to protect public safety and public money.

All suspicions or concerns of fraudulent or corrupt practice will be investigated.

There will be no distinction made in investigation and action between cases that generate financial benefits and those that do not.

### **2.2 Aims and Objectives**

The aim of this policy is to provide a guide to Brentwood Borough Council Officers, Members and associates, on what fraud is, the roles and responsibilities of the individual in preventing fraud, and how to report it fraud if suspected. This policy provides an overview of the measures designed to combat any attempted fraudulent or corrupt act.

For ease of understanding it is separated into six key areas:

- Culture
- Prevention, Roles and Responsibilities
- Deterrence
- Detection
- Awareness and Monitoring
- The Response Plan

### **2.3 Scope**

This policy applies to all Brentwood's operations and activities and covers both internal and external fraud issues which are committed against the Council.

The policy applies to all Brentwood Borough Council employees (permanent and temporary), at all levels and grades, as well as contractors, partners, agency staff, agents,

volunteers, consultants and Members (including independent members).  
It is recommended that any partners, providers and suppliers either adopt this policy, or, ensure they adhere to a policy consistent with the principles outlined in this document.

## **2.4 Fraud Definition**

The Fraud Act 2006 introduced the first legal definitions of fraud. These legal definitions are used for the criminal prosecution of fraud offences. For the purposes of this policy fraud is considered to be any action taken by an individual, group or organisation which is designed to facilitate dishonest gain at the expense of the council, the residents of Brentwood or the wider national community.

Fraud offences can vary in nature, and often involve other criminality. This can include theft, deception, misappropriation, embezzlement, forgery, corruption, bribery, extortion, false accounting, false representation, concealment of material facts and acts of conspiracy, collusion and aiding and abetting any act of dishonesty.

## **2.5 Fraud and Corruption risks**

It is important that the Council recognises and manages the risks relating to fraud and corruption in order to prevent them from occurring. Furthermore, it is imperative that these risks are routinely considered as part of the Council's overall approach to risk management. To understand the nature of these risks, the following have been identified as key issues that are relevant to Brentwood Borough Council:

- Social Housing Tenancy Fraud – this includes risks such as fraudulent housing applications, mutual exchanges, illegal subletting etc.
- The Right to Buy scheme – fraudulent applications and suspected money laundering
- Money Laundering – Exposure to suspect transactions
- Council Tax – fraudulently claimed discounts (including Local Council Tax Support), refund scams
- Non-Domestic Rates – fraudulent applications for exemptions, unlisted properties
- Grants (including Disabled Facilities Grants) – false eligibility and applications, diverted funds, works not carried out.
- Insurance Fraud – suspected false claims particularly those relating to personal injury
- No recourse to public funds – fraudulent eligibility for Council services such as Social Housing
- Payroll Fraud – false and “ghost” employees, overtime and mileage claims,

- expenses.
- Internal Frauds – such as fund diversion, accepting bribes, stealing monies and / or Council property, social housing misallocations for personal gain, working elsewhere whilst off sick, abuse of position such as misuse of assets / resources.
  - Procurement Fraud – tendering issues, split contracts, double invoicing
  - Cyber Crime / Fraud – frauds such as false applications for services, fund diversion.

It is important to note that the above represents the key fraud risk areas and examples of each. It is not intended to be an exhaustive list.

### **3. Culture**

The prevention/detection of fraud/corruption and the protection of public money are responsibilities of everyone, both internal and external to the organisation. The Council's elected members and employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status, in the knowledge that such concerns will, wherever possible, be treated in confidence. The public also has a role to play in this process and should inform the Council if they feel that fraud/corruption may have occurred.

Concerns must be raised when members, employees or the public reasonably believe that one or more of the following has occurred, is in the process of occurring, or is likely to occur:

- A criminal offence
- A failure to comply with a statutory or legal obligation
- Improper or unauthorised use of public or other official funds
- A miscarriage of justice
- Maladministration, misconduct or malpractice
- Endangering an individual's health and/or safety
- Damage to the environment
- Deliberate concealment of any of the above

The Corporate Fraud Team have the remit to investigate all matters of suspected fraud, theft and corruption within Brentwood Borough Council, both internally and externally (with the exception of Housing Benefit fraud investigation which transferred to the Department for Work and Pensions). The Team will ensure that any allegations received in any way,

including by online form, anonymous letter or telephone call, will be taken seriously and investigated in an appropriate manner.

The Council will deal firmly with those who defraud the Council or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as employees/members raising malicious allegations) may be dealt with as a disciplinary matter (employees) or through Group procedures (members).

When fraud or corruption has occurred due to a breakdown in the Council's systems or procedures, Directors will ensure that appropriate improvements in systems of control are implemented in order to prevent a re-occurrence.

#### 4. Prevention

Brentwood Borough Council recognises that fraud and corruption are costly, both in terms of reputational risk, and financial losses. The prevention of fraud is therefore a key objective of the authority and the fundamental roles and responsibilities are detailed in the chart below.

Role	Responsibilities
Audit & Scrutiny Committee; Regulatory & Governance Committee (or equivalent)	To monitor the Council's policies, recommend their application across the Council and to consider the effectiveness of the arrangements for countering fraud.
Contractors and Partners	Contractors and partners are expected to create an environment in which their staff feel able to approach them (or the Council directly) with any concerns they may have about suspected irregularities. Where they are unsure of the procedures, they must refer to the Whistleblowing Policy, or may contact the Corporate Fraud Team directly.
Corporate Leadership Team / Managers	<p>The Corporate Leadership Team, and Managers at all levels are responsible for the communication and implementation of this policy. They are also responsible for ensuring that their employees are aware of the Council's HR policies and procedures, the Council's Financial Regulations and Standing Orders and that the requirements of each are being met.</p> <p>Managers are expected to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities. They must provide leadership by example in demonstrating the highest standards of probity and conduct so as to create the correct anti-fraud/zero tolerance culture throughout</p>





Role	Responsibilities
	<p>Brentwood Borough Council.</p> <p>The Council recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or agency staff. The Council's formal recruitment procedure contains appropriate safeguards in the form of written references, the verification of qualifications held and employment history. As in other public bodies Criminal Records Bureau (CRB) checks are undertaken for employees working with or who may have contact with children or vulnerable adults.</p> <p>The Corporate Leadership Team and Managers have a responsibility to ensure that effective systems of control are in place corporately and within their service area, to both prevent and detect fraud, and that those systems operate properly. Risk assessments should take place on a regular basis to monitor the effectiveness of the current systems.</p> <p>Managers and the Corporate Leadership Board have a duty to inform the Corporate Fraud Team immediately, of any suspected cases of fraud. They must not endeavour to undertake any form of investigating themselves.</p>
Elected Members	<p>As elected representatives, all members of the Council have a duty to protect the Council and public money from any acts of fraud and corruption. This is done through existing practice, compliance with the National and Local Code of Conduct for Members, the Council's Constitution including Financial Regulations, Standing Orders, the Anti-Fraud Policy and relevant legislation. Conduct and ethical matters are specifically brought to the attention of members during induction and include the declaration and registration of interests. Officers advise members of new legislative or procedural requirements.</p>
External Audit	<p>Independent external audit is an essential safeguard of the stewardship of public money. This is currently carried out by Ernst and Young through specific reviews that are designed to test (amongst other things) the adequacy of the Council's financial systems and arrangements for preventing and detecting fraud and corruption. It is not the external auditors function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity and will act without undue delay if grounds for suspicion come to their notice.</p>



Role	Responsibilities
External Bodies	Brentwood Borough Council will ensure that the exchange of information on national and local fraud activities will take place with external bodies such as Police, county, unitary and district Council groups, Department for Work and Pensions and other government departments.
Chief Finance Officer (currently covered within the role of Resources Director)	<p>The statutory responsibilities of the Chief Finance Officer as defined by S151 of the Local Government Act 1972 outlines that every local authority in England &amp; Wales should:</p> <p>'make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has the responsibility or the administration of those affairs'</p> <p>'Proper administration' encompasses all aspects of local authority financial management including:</p> <ul style="list-style-type: none"> <li>- Compliance with the statutory requirements for accounting and internal audit;</li> <li>- Managing the financial affairs of the Council;</li> <li>- The proper exercise of a wide range of delegated powers both formal and informal;</li> <li>- The recognition of the fiduciary responsibility owed to local tax payers.</li> </ul> <p>Under these statutory responsibilities, the Finance Director contributes to the anti-fraud and corruption framework of the Council.</p>
Corporate Fraud Team	<p><b>All suspected instances of fraud or corruption should be reported to the Council's Corporate Fraud Team.</b></p> <p>The Corporate Fraud Team will investigate all matters of suspected fraud, theft and corruption (with the exception of Housing Benefit Fraud which has been transferred to the Department for Work and Pensions) within Brentwood Borough Council.</p> <p>Following investigation, the Corporate Fraud Team may seek to prosecute as per section 5.2. or, where appropriate, seek guidance from the relevant services such as Human Resources, or Legal Services.</p> <p>The Corporate fraud team will ensure employees are provided with fraud awareness training to assist in the prevention of fraud.</p>
Internal Audit	<p>It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. As such, Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. However, Internal Audit do endeavour to plan their work so that they have a reasonable expectation of detecting significant control weaknesses and, if detected, will carry out additional work directed towards identification of consequent fraud or other irregularities. Internal Audit liaises with management to recommend changes in procedures to reduce risks and help to prevent losses to the authority.</p>



Role	Responsibilities
Monitoring Officer	<p>The Monitoring Officer is responsible for ensuring that all decisions made by the Council are within the law. The Monitoring Officer's key role is to promote and maintain high standards of conduct throughout the Council by developing, enforcing and reporting appropriate governance arrangements including codes of conduct and other standards policies.</p> <p>The Council also has a Whistleblowing Policy and process in place to protect such a process.</p>
Staff	<p>Each employee is governed in their work by the Council's Standing Orders and Financial Regulations, and other policies on conduct and IT usage. Included in the Council policies are guidelines on Gifts and Hospitality, and codes of conduct associated with professional and personal conduct and conflict of interest. In addition, employees are responsible for ensuring that they follow any instructions given to them, particularly in relation to the safekeeping of the assets of the Council. Employees are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with the Corporate Fraud Team.</p>
Stakeholders and customers	<p>This policy is primarily aimed at implementing the necessary culture and processes within the Council. It's stakeholders and customers may become aware of issues that they feel might indicate fraud. They should refer to the Council's Whistleblowing Policy, or they can contact the Section 151 Officer directly.</p>
The Public	<p>To be aware of the possibility of fraud and corruption against the Council and report any concerns or suspicions.</p>
The Chief Executive	<p>The Chief Executive is accountable for the Council's overall governance arrangements including the procedures and effectiveness of the Council's arrangements for countering fraud and corruption.</p>

## **5. Deterrence**

### **5.1 Disciplinary Action**

The Council's Disciplinary Procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees. Theft and dishonesty are serious matters which may constitute gross misconduct against the Council. Employees will face disciplinary action if there is evidence that they have been involved in these activities, including benefit fraud. Disciplinary action will be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each individual

case.

Members will face appropriate action under this policy if they are found to have been involved in theft, fraud and corruption against the Council. Action will be taken in addition to, or instead of criminal proceedings, depending on the circumstances of each individual case but in a consistent manner. If the matter is a breach of the Code of Conduct for Members, then it will also be referred for investigation and appropriate sanction through the Council's due process.

Employees or Members involved in fraud, theft, or corruption, that does not involve the Council or its finances, may still be subject to the above action if it is considered to undermine the Council and its reputation.

Please refer to the document within appendix 12.1 for the Council's Code of Conduct

## **5.2 Prosecution**

Utilising the provisions of Section 222 of The Local Government Act 1972, the Corporate Fraud Team in conjunction with Legal Services are appropriately authorised to undertake investigations and criminal prosecutions into cases of fraud and corruption that involve the Council.

Brentwood Borough Council will evaluate each case on its own merits, and, in certain circumstances, the prosecution of offenders may be deemed necessary. Where appropriate, the Proceeds of Crime Act will be used to maximize the penalty suffered by the fraudster, and the level of financial recovery by Brentwood Borough Council.

## **5.3 Publicity**

Brentwood Borough Council recognizes the key role publicity plays, in the deterrence of fraud. Communications will try to ensure that actions taken including prosecutions will be reported in the media.

## **6. Detection**

All staff, Members and any other stakeholders in Council Services, play an important role the identifying potential fraud and corruption. It is however, not the responsibility of those groups to investigate suspicions themselves. The investigating of suspected fraud by an unqualified person, may undermine the ability for a case to be pursued.

The Council has endeavoured to develop systems and procedures that include effective and efficient controls. These are designed to achieve clarity and accountability. One important control is giving people separate duties. This prevents any one person having too great an influence over any transaction.

The Council's controls are designed so that even if a fraud happens, it will be found quickly, and the responsible person will be identified. The effectiveness and appropriateness of these controls are reviewed regularly by management including an independent review by Internal Audit.

## **7. Awareness and Training**

The Council recognises that the continuing success of this policy and its general credibility will depend in part on the effectiveness of training and awareness for members and employees and will therefore take appropriate action to raise awareness levels.

Fraud Awareness training should be available to all staff via attendance at training sessions, or via our e-learning system.

Specific fraud training should be offered to those employees in higher risk roles such as those working within finance.

## **8. The Response Plan**

### **8.1 Reporting Fraud or Corruption**

Should you have a concern, or suspect fraudulent activity taking place, there are various channels to help you raise your concern.

In the first instance, you must complete an online fraud reporting form (Appendix 13.2). This form will be directed to the Council's Corporate Fraud Team to investigate. Please refer to the Appendices 13.1, to ensure you are following correct procedures when reporting your concern.

Should you have concerns about a member of senior management, please refer to the Whistleblowing policy for guidance found in Brentwood Council's intranet.

We aim to encourage openness and will support anyone who raises a genuine concern. There will be no recriminations against staff that report reasonably held suspicions, and victimising or deterring staff from reporting concerns will be treated as a serious disciplinary matter.

### **8.2 Housing Benefit and Council Tax Issues**

The Revenues and Benefits Service, currently works as part of a shared service, along with our neighbouring council; Basildon Borough Council. The fraud team within

Brentwood Borough Council will however still investigate and referrals which are related to the Borough of Brentwood.

The response plan for fraudulent activity suspected within the Revenues and Benefits Service, alters depending on which type of fraud is suspected;

- **Housing Benefit fraud** is investigated by the Department for Work and Pensions. If you have information on suspected Housing Benefit fraud, you must complete relevant form found in section 13.2. This will be received by the Department for Work and Pensions who will investigate accordingly.
- **Council Tax Support, Discount and Business Rate fraud** will be investigated by the Fraud team within Brentwood Borough Council. In the first instance, you must complete an online fraud reporting form which is located on the staff intranet or found in section 13.2. The fraud team will receive the referral and investigate as appropriate.

### 8.3 Investigations

Once in receipt of a referral regarding suspected fraud, bribery or money laundering, initial enquiries will take place in order to:

- Determine any facts that gave rise to the suspicion
- Examine any factors to determine whether there has been a genuine mistake made, or whether an irregularity has occurred

Following the findings of the initial enquiries, a formal investigation may be deemed necessary. The nature of the investigation, lines of enquiry followed and evidence obtained will vary depending on the irregularity being investigated and will, for the most part be fluid and reactive. The investigating officer will be seeking to gather evidence by way of interviews, the taking of written witness statements and the obtaining of evidence.

The investigating officer will consult and take advice from Human Resources particularly on matters regarding employment law, policies and procedural matters where required. It is imperative in these circumstances, that a clear distinction must be made between those advising the investigating officer and those advising the staff member.

Legal Services may also be consulted as appropriate, to advise or seek external advice in order to support any investigation.

Any investigation will be conducted with full compliance with The Criminal Procedures and Investigations Act 1996 which governs the conduct of a criminal investigation (such as obtaining and recording evidence) as well as any other legislation that may apply such as The Police and Criminal Evidence Act 1984 (PACE), The Regulation of Investigatory Powers Act 2000 (RIPA), The Human Rights Act 1998 and Data Protection Act 2018 (this is not an exhaustive list).

In general terms however, the following principles will apply to the investigation:

- Any investigation will be conducted promptly (subject to evidence gathering activities) with periodic updates given as appropriate to the Chief Finance Officer
- All actions and evidence will be recorded either by written or electronic means and stored securely with access given purely on a “need to know” basis.
- Enquiries and evidence gathering activities will be undertaken as discreetly as possible with sensitivities observed where appropriate.
- Confidentiality will be maintained throughout with information only shared where circumstances and the law allows.

Where it is considered appropriate, the investigation may involve the input of other agencies such as local authorities as well as other law enforcement agencies such as the Police and HM Revenue & Customs. Liaison and / or joint working will be conducted in accordance with established guidelines and protocols.

The investigating officer must not and will not accept any offer of repayment of monies or resignation at any stage during the investigation, however any such offers will be noted and recorded on the investigation file and reported to the Chief Finance Officer.

The Council has a right to suspend any employee involved pending the outcome of an investigation. Any such suspension, is, in the opinion of the Council, a neutral act and does not imply any guilt on behalf of the suspended employee. The suspension of an employee can, in some circumstances aid the speed in which an investigation can be conducted and serve to preserve vital evidence.

When suspects are not suspended, supervision of the employee will usually need to be increased and any manager should seek the advice of Human Resources and ICT on how this can best be accomplished.

#### **8.4 Outcomes of an Investigation**

It should be noted that due to Data Protection Regulations, it may not always be possible for the Corporate Fraud team to provide an update to the referrer on the outcomes of any investigations undertaken.

Should any control weaknesses be identified, the Chief Finance Officer and relevant manager will be informed and remedies be actioned immediately.

Should there be disciplinary issues identified as part of the investigation, a full report will be made to Human Resources who will work with the relevant manager to decide what happens next.

If taking criminal action presents itself as an option, this decision will be fully explored and should fraud be proven, the Council will make every effort to recover any monetary losses. The method of doing so may vary depending on the type of loss and relevant legislation, however all options will be explored including civil court proceedings and in the case of criminal prosecution, proceedings brought under The Proceeds of Crime Act 2002.



## 9. Bribery Act Policy

### 9.1 Policy statement

Bribery is a criminal offence. We do not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor do we or will we, accept bribes or improper inducements.

To use a third party as a conduit to channel bribes to others is a criminal offence. We do not, and will not, engage indirectly in or otherwise encourage bribery.

We are committed to the prevention, deterrence and detection of bribery. We have zero-tolerance towards bribery. We aim to maintain anti-bribery compliance as a “business as usual” attitude rather than as a one-off exercise.

### 9.2 Objective

This policy provides a coherent and consistent framework to enable the Council’s Members and employees to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable both Members and employees to identify and effectively report a potential breach.

We require that **all** Members and employees, including those permanently employed, temporary agency staff and contractors:

- act honestly and with integrity at all times and to safeguard the Council’s resources for which they are responsible
- comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities.

### 9.3 Scope

This policy applies to all of the Council’s activities. For partners, joint ventures and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

Within the Council, the responsibility to control the risk of bribery occurring resides at all levels of the organisation. It does not rest solely within assurance functions, but in all business units and corporate functions.

This policy covers all staff, including all levels and grades, those permanently employed, temporary agency staff, contractors, non-executives, agents, Members (including independent members), volunteers and consultants.

#### **9.4 Definition**

Corruption is defined as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person. This may include bribery and embezzlement.

Broadly, bribery is defined as giving or receiving a financial or other advantage in connection with the 'improper performance' of a position of trust, or a function that is expected to be performed impartially or in good faith. Bribery does not have to involve cash or an actual payment exchanging hands, and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event (this is not intended to be an exhaustive list).

#### **9.5 The Bribery Act**

The [Bribery Act 2010](#) is came into force on 1 July 2011, and places responsibilities and powers on organizations such as local authorities. Particular attention should be paid to:

- Sections 1-4, General bribery offences, which includes 'Offences of bribing another person' and 'Offences relating to being bribed'.
- Section 7, 'Failure of commercial organizations to prevent bribery'. The statutory 'adequate procedures' defense to the failure to prevent bribery, highlights the need to have appropriate procedures in place within Brentwood Borough Council to prevent Bribery taking place.

The following six principles should be considered in order to avoid committing the offence of failing to prevent bribery, they should also be considered for the prevention of fraud:

1. Proportionality – the action taken should be proportionate to the risks we face and the size of our authority
2. Top Level Commitment – Directors, Heads of Service and Senior Managers need to create an environment of zero tolerance toward bribery
3. Risk Assessment – Ensuring risk assessments take place to understand the bribery risks we may face
4. Due Diligence – Knowing and understanding who our organization is dealing with
5. Communication – Ensuring all staff are given adequate training and are aware of policies and procedures
6. Monitoring and Review – Ensuring policies are kept up to date following changes.

## **9.6 Brentwood Borough Council's commitment to action**

This organisation commits to:

- Setting out a clear anti-bribery policy and keeping it up to date
- Making Members and employees aware of their responsibilities to adhere to this policy at all times
- Encouraging both its Members and employees to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- Rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution
- Taking firm and vigorous action against any individual(s) involved in bribery
- Provide information to all Members and employees to report breaches and suspected breaches of this policy
- Include appropriate clauses in contracts to prevent bribery

## **9.7 Unacceptable behaviours**

It is unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- accept payment from a third party that you know, or suspect is offered with the expectation that it will obtain a business advantage for them
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy
- engage in activity in breach of this policy

## **9.8 Facilitation payments**

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

## **9.9 Gifts and Hospitality**

This policy does not change the requirements of the Council's Gifts and Hospitality guidance nor does it interfere with the duties on Members to disclose as set out in the Code of Conduct under the Localism Act. All staff should ensure that they are in compliance with Gifts and Hospitality procedures as set out in the Staff Code of Conduct. Similarly, Members should ensure they comply with requirements of Gifts and Hospitality as set out in the Members Code of Conduct.

## **9.10 Public contracts and failure to prevent bribery**

The Public Contracts Regulations 2015, provides various exclusions for companies bidding for public contracts if previously convicted of offences such as bribery and money laundering. Regulation 57 states exclusions can be mandatory or, discretionary with debarment periods capped as follows:

- Mandatory exclusion – the maximum period of exclusion permitted is 5 years from the date of the conviction (Regulation 57(11))
- Discretionary exclusion – the maximum period of exclusion permitted is 3 years from the date of the relevant cause or event (Regulation 57(12))

Regulations also now provide guidance on a 'self-cleaning' regime, which provides that a company convicted of an offence, will not be precluded from participating in a procurement tender if it can demonstrate that it has put in place effective measures to remedy the consequences of any criminal offences or misconduct and ensure that the conduct will not recur.

## **9.11 Member and Staff responsibilities**

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for Brentwood Borough Council or under its control. All Members and staff are required to avoid activity that breaches this policy.

You must:

- ensure that you read, understand and comply with this policy
- raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future

As well as the possibility of civil and criminal prosecution, staff that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct. Similarly, Members will face action through the Standards Committee for breaches of the Code of Member Conduct

## **9.12 Raising a concern**

Brentwood Borough Council is committed to ensuring that all of us have a safe, reliable and confidential way of reporting any suspicious activity. We want Members and every member of staff to know how they can raise concerns.

We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.

Preferably, the disclosure will be made and resolved internally. However, where internal disclosure proves inappropriate, concerns can be raised with the regulator. Raising concerns in these ways may be more likely to be considered reasonable than making disclosures publicly (e.g. to the media).

Concerns can be anonymously. In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. The Council has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. This is easier and quicker if concerns raised are not raised anonymously.

Staff who refuse to accept or the offer of a bribe, or those who raise concerns or report wrongdoing can understandably be worried about the repercussions. We aim to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.

The Council are committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good faith.

Please refer to appendix 13.2 for the ways to report bribery and corruption.

## **10. Anti-Money Laundering Policy**

### **10.1 Policy Statement**

Local Authorities are not directly covered by the requirements of the Money Laundering Regulations 2007, however, guidance from CIPFA (The Chartered Institute of Public Finance and Accountancy) indicates Local Authorities should comply with the underlying spirit of the legislation and regulations.

Brentwood Borough Council is committed to the highest possible standards of conduct and has therefore, put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

### **10.2 Objective**

Its aim is to enable employees and Members to understand the basic concepts of money laundering, how to report any concerns they may have, and how their concern will be dealt with.

### **10.3 Scope**

This policy applies to all Brentwood Borough Council employees (permanent and temporary) at all levels and grades as well as contractors, partners, agency staff, agents volunteers, consultants and Members of the Council (including independent members.)

Individuals who have a concern relating to a matter outside work should contact the Police.

### **10.4 Definition**

The most common motive for crime is financial gain or to obtain valuable property. Whenever criminals do anything with that financial gain or criminal property, they 'launder' it. Money laundering offences are serious; they carry sentences of up to 14 years' imprisonment, but criminals and their associates still commit them every day.

Money laundering is the process by which criminals try to hide the origin of the proceeds of their crimes, making it appear as if those proceeds were acquired legitimately. In doing so, criminal property obtained unlawfully is turned into property or money that can be accessed via legitimate methods without arousing suspicion. In other words, 'laundering' is the process of turning 'dirty' money into 'clean' money.

Money laundering has three distinct phases. They are:

- Placement; the movement of criminally-obtained money into the wider economy;
- Layering; undertaking transactions (perhaps bogus) to conceal the origin of the money; and
- Integration; making it look as if money has come from a legitimate source.

Two distinct offences affect employees, contractors and Members of the Council

- Failure to disclose one of the offences listed above, where there are reasonable grounds for knowledge or suspicion.
- Tipping off a person(s) who is or is suspected of being involved in money laundering in such a way as to reduce the likelihood of or prejudice an investigation.

Although the term 'money laundering' is generally used to describe the activities of organised crime, for most people it will involve a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

Successful money laundering means criminals can enjoy the fruits of their criminality and fund further criminal activity. Stopping money laundering disrupts organised crime by removing the life-blood of the 'business' and prevents low level criminals from moving up into major level crime.

## **10.5 Requirements of the Money Laundering Legislation**

The main requirements of the legislation are:

- To appoint a money laundering reporting officer.
- Maintain client identification procedures known as know your customer (KYC) and know your business (KYB).
- Implement a procedure to enable the reporting of suspicions of money laundering.
- Maintain record keeping procedures.

## **10.6 Money Laundering and Investment Properties**

If you are involved in property transactions, you must ensure you are complying with the following:

- Money Laundering Regulations 2017
- Proceeds of Crime Act 2002
- Terrorism Act 2000

You have duties under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 to:

- Identify and verify the identity of your client
- Identify and take reasonable steps to verify any beneficial owners of your client
- Get information on the purpose of the client's business relationship with you

The last requirement means more than just finding out that a person wants to sell a property. It includes looking at all the information in the retainer and deciding if it's consistent with a lawful transaction or not.

A series of the more common methods of money laundering via investment properties have been identified and those undertaking any form of property investments should be aware of the following:

- **Use of complex loans or credit finance**

Depending on the way in which a loan is structured, two different schemes have been detected, loan-back schemes and back to back loans.

Loan-Back schemes are transactions used by suspected criminals to buy properties – either directly or indirectly – through the purchase of shares in property investment funds.

Criminals lend themselves money, creating the appearance that the funds are legitimate.

Back to back loans are where a financial institution lends money based on the existence of collateral posted by the borrower in the usual way. However, the collateral presented to the financial institution originates from criminal or terrorist activities.

- **Use of non-financial professionals**

#### *Obtaining Access to Financial Institutions Through Gatekeepers*

Criminals and terrorists have often used non-financial professionals or gatekeepers to access financial institutions. This means seeking out the experience of professionals such as lawyers, tax advisors, accountants, financial advisors, notaries and registrars in order to create the structures needed to move illicit funds unnoticed. These professionals act as gatekeepers by providing access to the international financial system, and knowingly or not, can also facilitate concealment of the true origin of funds. This is especially important during the process of determining eligibility for a mortgage, opening bank accounts, and contracting other financial products, to give the deal greater credibility.



Non-financial professionals can be approached by money launderers and terrorists not just to create legal structures, but also to manage or administer these companies. These professionals may have been aware that they are taking an active role in a money laundering operation.

- **Use of corporate vehicles**

Corporate vehicles (legal persons of all types and various legal arrangements eg trusts) are often found to be misused in order to hide the ownership, purpose, activities and financing related to criminal activity.

Apart from obscuring the identities of the beneficial owners of an asset or the origin and destination of funds, these corporate vehicles are also sometimes used in criminal schemes as a source of legal income. In addition to shell companies, there are other specialised companies that carry out perfectly legitimate business relating to real estate, which have sometimes been misused for money laundering purposes;

*Offshore Companies*

Legal persons formed and incorporated in one jurisdiction, but actually used by persons in another jurisdiction without control or administration of a natural or legal resident person and not subject to supervision.

*Legal Arrangements*

The use of some legal arrangements such as trusts can play an important role in money laundering. Under certain conditions these legal arrangements can conceal the identity of the true beneficiary in addition to the source and/or destination of the money.

*Shell Companies*

A shell company is a company that is formed but which has no significant assets or operations, or it is a legal person that has no activity or operations in the jurisdiction where it is registered. The potential for anonymity is a critical factor in the use of shell companies. They may be used to hide the identity of the natural persons who are the true owners or who control the company.

*Property Management Companies*

A property that is bought or constructed using illegally obtained funds may subsequently be rented out to provide an apparently legal source of income. This seeks to camouflage movements of funds between various jurisdictions (for example, the tenant and the landlord are located in different jurisdictions).

*Non-trading real estate investment companies*

Several characteristics of these companies make them especially vulnerable to abuse by suspected criminals. It is often very difficult to identify the real owner or controller, the company can be created very easily with no minimum initial capital and without an authentic deed and finally the shares of such companies can be sold without certification so that the true owner is not easily identified.

- **Manipulation of the appraisal or valuation of a property**

Manipulation of the real value of properties involves the overvaluing or undervaluing of a property followed by a succession of sales and purchases.

*Over-valuation or Under-valuation*

This technique consists of buying or selling a property at a price above or below its market value. This process should raise suspicions, as should the successive sale or purchase of properties with unusual profit margins and purchases by apparently related participants.

*Successive Sales and Purchases*

In the case of successive sales and purchases, the property is sold in a series of subsequent transactions, each time at a higher price.

- **Use of monetary instruments.**

*Cash*

The purchase of high-value properties in cash is one way in which large sums of money can be integrated into the legal financial system.

As well as being used to buy real estate, cash is also used in currency exchange and to structure deposits. It is common to structure cash transactions involving funds from criminal or terrorist sources and then to use these funds to buy, build or renovate a property. When the improved property is finally sold, the transaction has the advantage that it is difficult, or even impossible, to relate it to a specific individual or a criminal activity.

*Cheques and Wire Transfers*

Criminals frequently use what might be termed payable-through accounts to channel large sums of money, generally through a series of transactions. In many cases sums are initially paid into these accounts in cash, cheques or via international wire transfers. The money never stays in the account for long, the rate of turnover of the funds is high, and the funds are then used to purchase real estate.

- **Use of mortgage schemes.**

Mortgage loans comprise one of the main assets on the balance sheets of banks and other financial institutions. An inherent risk in this activity arises from the fraudulent or criminal use of these products. Through this misuse of the mortgage lending system, criminals or terrorists mislead the financial institution into granting them a new mortgage or increasing the amount already lent.

- **Use of investment schemes and financial institutions.**

Direct or indirect investment in the real estate sector by banks and other financial institutions is significant. Indirect investments are those considered to be limited or in which there is no direct control over the assets of the fund or investment vehicle. Investment funds may or may not be publicly listed. If funds are unlisted it means that some or the entire fund or investment vehicle is capitalised by the financial institution

- **Use of properties to conceal money generated by illegal activities.**

The use of real estate to launder money seems to afford criminal organisations a triple advantage, as it allows them to introduce illegal funds into the system, while earning additional profits and even obtaining tax advantages (such as rebates, subsidies, etc.). Real estate is commonly acquired in what is known as the integration or final phase of money laundering. Buying property offers criminals an opportunity to make an investment while giving it the appearance of financial stability.

- **Warning signs of money laundering**

Warning signs of money laundering through the property market include:

- cash-only buyers
- an unusual sale price
- the buyer attempting to mislead a lender, for example by exaggerating the sale price
- payments from a number of different individuals or sources
- funds provided by one person and registration in another person's name
- funds provided by unknown third parties
- transactions involving nominee companies or multiple owners
- sudden or unexplained changes in ownership
- direct payments between buyers and sellers

- **Know your clients**

Make sure you're confident that your client is who they say they are. You may want to ask your client further questions if their attitude is unusual – for example they're disinterested, secretive or vague, they're eager to undertake a quick transaction or, they request key changes mid-way through a transaction.

It's important to know what documents you can accept as evidence of identity. You should also consider using an electronic third-party verification solution.

Make sure your client understands what you'll ask and why you're asking. Update your client care information so people know what to expect.



Remember that payments made through the mainstream banking system are not necessarily clean. Make sure your information about the source of funds is consistent with your knowledge of the client and their risk profile.

Keep a record and make sure you take notes whenever you talk to a client. This will help you to identify any concerns or inconsistencies which you may need to look into further.

Report suspicious activity. If you know or suspect a money laundering offence is taking place, you must make a disclosure to the Money Laundering Reporting Officer (MLRO).

### **10.7 The Money Laundering Reporting Officer (MLRO)**

The Council must appoint an MLRO to act as the focal point within the organisation for money laundering matters. The MLRO is responsible for:

- receiving disclosures from other staff; and
- deciding whether disclosures should be passed on to NCA.

The MLRO must keep copies of all disclosures received by them, notes of action taken and copies of all correspondence with NCA and other agencies.

### **10.8 Identifying and disclosing suspicious transactions**

Brentwood Borough Council will consider the threats to Council being used by money launderers and put systems in place to guard against them. Policies and procedures should be laid out clearly so that all relevant staff understand and have access to them.

The officer nominated to receive disclosures about money laundering activity is Victoria Banerji, the Council's Corporate Fraud Manager. She can be contacted as follows:

Victoria Banerji  
Brentwood Borough Council  
Town Hall  
Ingrave Road  
Brentwood  
CM15 8AY

Telephone: 01277 312 715  
Mobile: 07711 139188  
Email: [victoria.banerji@brentwood.gov.uk](mailto:victoria.banerji@brentwood.gov.uk)

All suspicions should be reported directly to the MLRO.

In the absence of the MLRO, suspicions should be raised to the Council's Chief Finance Officer (see Appendix 13.3)

## **10.9 Reporting Procedure for Suspicions of Money Laundering**

Where you know or suspect that money laundering activity is taking/has taken place, or become concerned that your involvement in a matter may amount to a prohibited act under the Act, you must disclose this as soon as practicable to the MLRO. The disclosure should be within "hours" of the information coming to your attention, not weeks or months later. Your disclosure should be made to the MLRO using the fraud reporting form, or, if preferred, via an email to the above email address.

Your referral must include as much detail as possible including:

- Full details of the people involved
- Full details of the nature of their/your involvement
- The types of money laundering activity involved
- The dates of such activities
- Whether the transactions have happened, are ongoing or are imminent;
- Where they took place;
- How they were undertaken;
- The (likely) amount of money/assets involved;
- Why, exactly, you are suspicious.

Along with any other available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable her to prepare her report to the National Crime Agency (NCA), where appropriate. You should also enclose copies of any relevant supporting documentation.

Once you have reported the matter to the MLRO you must follow any directions she may give you. You must NOT make any further enquiries into the matter yourself: any necessary investigation will be undertaken by the NCA. Simply report your suspicions to the MLRO who will refer the matter on to the NCA if appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.

Similarly, at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering, even if the NCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise you may commit a criminal offence of “tipping off”.

Do not, therefore, make any reference on a client file to a report having been made to the MLRO – should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

### **10.10 Consideration of the disclosure by the Money Laundering Reporting Officer**

Upon receipt of a disclosure report, the MLRO must note the date of receipt on their section of the report and acknowledge receipt of it. They should also advise you of the timescale within which she expects to respond to you.

The MLRO will consider the report and any other available internal information she/he thinks relevant for example:

- reviewing other transaction patterns and volumes;
- the length of any business relationship involved;
- the number of any one-off transactions and linked one-off transactions;
- any identification evidence held;

And undertake such other reasonable inquiries they think appropriate in order to ensure that all available information is considered in deciding whether a report to the NCA is required (such enquiries being made in such a way as to avoid any appearance of tipping off those involved). The MLRO may also need to discuss the report with you.

Once the MLRO has evaluated the disclosure report and any other relevant information, they must make a timely determination as to whether:

- there is actual or suspected money laundering taking place; or
- there are reasonable grounds to know or suspect that is the case; and
- whether he needs to seek consent from the NCA for a particular transaction

to proceed.

Where the MLRO does so conclude, they must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless she has a reasonable excuse for non-disclosure to the NCA (for example, if you are a lawyer and you wish to claim legal professional privilege for not disclosing the information).

Where the MLRO suspects money laundering but has a reasonable excuse for nondisclosure, then they must note the report accordingly; they can then immediately give their consent for any ongoing or imminent transactions to proceed.

All disclosure reports referred to the MLRO and reports made by them to the NCA must be retained by the MLRO in a secure manner, for a minimum of five years.

The MLRO commits a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the NCA.

## **10.11 Training**

Officers considered likely to be exposed to suspicious situations, will be made aware of these by their senior officer and provided with appropriate training by Brentwood Borough Council.

Notwithstanding the paragraph above, it is the duty of officers and Members to report all suspicious transactions whether they have received their training or not.

## 11. Review

### 11.1 Monitoring and auditing of policy effectiveness

Annual updates on the progress of the Corporate Fraud team and ongoing investigations, will be provided to the Chief Finance Officer / Resources Director.

### 11.2 Review of this policy

This policy and associated procedures will be reviewed annually by the Regulatory & Governance Committee (or equivalent) and will be made available to all employees and Members.

## 12. Associated & Reference Documentation

### 12.1 Associated Documentation

- Whistleblowing Policy



Brentwood  
Whistleblowing Policy.

- Disciplinary Policy (Internal Use Only)



Brentwood  
Disciplinary Policy.pdf

- Staff code of Conduct (Internal use only)



Brentwood Staff  
Code of Conduct.pdf



## 12.2 Reference Documentation

12.2.1 [The Fraud Act 2006](#)

12.2.2 [The Bribery Act 2010](#)

12.2.3 Bribery Act 2010 Quick Start guide



Bribery act 2010  
quick start guide

## 13. Appendix

### 13.1 What should I do if I suspect a fraud is being committed?

#### **DO NOT:**

#### **✗ Confront the individual with your concerns**

*Never attempt to question the person you suspect of committing fraud. You could be accusing an innocent person, or, you could be putting at risk the chance of investigating the matter further.*

#### **✗ Discuss the matter with anyone else**

*Never discuss the matter with your friends or colleagues, please follow the correct protocol for reporting fraud.*

#### **✗ Attempt to gather evidence yourself**

*Whilst you may feel it helpful to do this, gathering evidence yourself, may hinder any further investigations if not done in the correct manner. Please leave this for the fraud investigators.*

#### **✗ Be afraid of raising your concerns**

*Brentwood Borough Council are committed to protecting employees who have reasonable concerns. You should have no fears of reprisal.*

#### **✗ Do nothing**

*Do not do nothing. You must raise any concerns you have in line with this policy.*

#### **DO:**

#### **✓ Note down your concerns**

*Record as much information as you can, to ensure it is not forgotten at a later date. Write down dates, names, times, concerns, details of conversations. Please sign, time and date your notes.*

✓ **Retain any evidence**

*You must not attempt to collate evidence yourself, however, if you do have evidence, please keep in a safe place.*

✓ **Report your Suspicion**

*You must report your suspicions as per the guide to reporting fraud.*

## **13.2 Fraud Reporting**

Officers of the council can report any incidences of suspected fraud, bribery and corruption and money laundering, via the link below or access the fraud reporting form via the staff microsite.

### **[Internal Fraud Referral Form](#)**

If you prefer, you may email any information to: [investigations@brentwood.gov.uk](mailto:investigations@brentwood.gov.uk)

Members of the public may report suspected fraud via the link below:

### **[Online Fraud Reporting Form](#)**

To report an incidence of suspected Housing Benefit Fraud, please complete the below form and send to email address: [localauthorityfraudreferralinbox.centralgroup@dwp.gsi.gov.uk](mailto:localauthorityfraudreferralinbox.centralgroup@dwp.gsi.gov.uk)  
(internal use only)



Housing Benefit  
Fraud reporting form

### 13.3 Key Contacts

<b>Name</b>	<b>Position</b>	<b>Contact Details</b>
Victoria Banerji	Corporate Fraud Manager	Tel: 01277 312 715 Internal Extension: 2715 Mobile: 07711 139188 Email: victoria.banerji@brentwood.gov.uk
Mandy Major	Corporate Fraud Investigator	Tel: 01277 312 526 Internal Extension: 2526 Mobile: 07736 993995 Email: mandy.major@brentwood.gov.uk
Tim Willis (Interim)	Director of Corporate Resources	Tel: 07870 863270 Email: tim.willis@brentwood.rochford.gov.uk
Nichola Mann & Claire Mayhew	Joint Acting Directors of People and Governance	Nichola Mann Tel: 01277 312 609 Internal Extension: 2609 Email: nichola.mann@brentwood.rochford.gov.uk  Claire Mayhew Tel: 01277 312 741 Internal Extension: 2741 Email: claire.mayhew@brentwood.rochford.gov.uk
Action Fraud	N/A	Tel: 0300 123 2040 Website: www.actionfraud.police.uk



## AUDIT & SCRUTINY COMMITTEE

20th March 2024

<b>REPORT TITLE:</b>	S106 Financial Obligations
<b>REPORT OF:</b>	Steve Summers – Strategic Director

### REPORT SUMMARY

This report provides a summary and detail of the current financial contributions the Council has secured through section 106 agreements from new developments for affordable housing and public open space works. Members are advised that currently no S106 monies have needed to be paid back. In addition, the report sets out the progress of the review of all S106 processes and procedures.

### RECOMMENDATIONS

**Members are asked to:**

- R1. To note the current s106 financial contributions as attached at Appendices A and B.**

### SUPPORTING INFORMATION

#### 1.0 BACKGROUND INFORMATION

##### Introduction and Background

1. At the Audit & Scrutiny Committee on the 24<sup>th</sup> January 2023 the Chair agreed that a report on the current Financial Contributions from s106 Agreements will be made to the 7<sup>th</sup> March 2023 committee. (Min 324 refers.)
2. A subsequent detailed report was made to the 7<sup>th</sup> March 2023 A&S Committee where members noted the report and agreed a regular report would be made

to future committees. (Min 374 refers.). The first report was made to the committee on the 11<sup>th</sup> July 2023. (Min 70 refers.).

### **Section 106 Obligations**

3. Under section 106 (s106) of the Town and Country Planning Act 1990 a Local Planning Authority (LPA) can seek obligations when it is considered that a development will have negative impacts that cannot be dealt with through conditions in the planning permission.
4. Set out below is the relevant regulation in respect of S106 obligations and what they can be used for from the CIL regulations 2010 - Regulation 122.
  - (1) This regulation applies where a relevant determination is made which results in planning permission being granted for development.
  - (2) A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is
    - (a) necessary to make the development acceptable in planning terms;
    - (b) directly related to the development; and
    - (c) fairly and reasonably related in scale and kind to the development.
  - (3) In this regulation  
“planning obligation” means a planning obligation under section 106 of TCPA 1990 and includes a proposed planning obligation; and  
“relevant determination” means a determination made on or after 6th April 2010.
    - (a) under section 70, 76A or 77 of TCPA 1990(1) of an application for planning permission which is not an application to which section 73 of TCPA 1990 applies; or
    - (b) under section 79 of TCPA 1990(2) of an appeal where the application which gives rise to the appeal is not one to which section 73 of TCPA 1990 applies.
5. Currently interim arrangements are in place with the Strategic Director taking the lead with appropriate Officers from housing, open spaces and finance being responsible for monitoring contributions subject to a further review.
6. Subsequent to this interim measure discussions have been held with Senior Officers about the best approach for moving forwards to a more permanent

solution and have concluded that a review of all S106 processes and procedures will be undertaken.

7. Senior Officers have discussed this matter and due to the recent independent Planning Service Review, this will be dealt with through the Planning Improvement Plan and be completed by April 2024. When this review is complete a report will be made to a future Audit and Scrutiny Committee with its findings and recommendations.
8. Until the review is completed the current interim arrangements will continue.

### **Detail of S106 contributions**

9. To assist members attached as appendices A and B are the details of the current s106 financial contributions.

### **Affordable Housing**

10. The Housing s106 contributions, as of 2023 are set out within Appendix A. The current contributions will be committed to the Council's Strategic Housing Development Programme (SHDP) and update reports are made to the Housing Committee.

### **Public Open Spaces**

11. The Public Open Space s106 contributions are set out within Appendix B. These contributions tend to be split between site specific works and maintenance contributions for sites.

### **References to the Corporate Plan**

Good financial management, risk management and internal control underpin all priorities within the Corporate Plan.

## **5.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

The report is for noting current contributions and future plans and there are no financial implications arising from these. The Council will wish to ensure that all contributions are used for the purposes in the agreements with developers whilst

contributing to corporate priorities and spent within any deadlines set within the agreements.

## **6.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew – Joint Acting Director - People and Governance & Monitoring Officer**

**Tel & Email 01277 312741 / [claire.mayhew@brentwood.gov.uk](mailto:claire.mayhew@brentwood.gov.uk)**

Legal references to S106 Financial Obligations are set out in the report. There are no legal implications arising from this report.

## **7.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

None at this stage.

## **8.0 RELEVANT RISKS**

S106 monies not being spent in agreed timeframes and not delivering Corporate Priorities.

## **9.0 ENGAGEMENT/CONSULTATION**

None at this stage.

## **10.0 ECONOMIC IMPLICATIONS**

**Name & Title: Leigh Nicholson, Interim Director - Place**

**Tel/Email: 01277 312500 [leigh.nicholson@brentwood.gov.uk](mailto:leigh.nicholson@brentwood.gov.uk)**

There are no economic implications arising from this report.

## **11.0 EQUALITY AND DIVERSITY IMPLICATIONS**

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 disproportionate adverse impact on anybody with a protected characteristic.

**REPORT AUTHOR:**           **Name:** Steve Summers  
**Title:** Strategic Director  
**Phone:** 01277312500  
**Email:** [steve.summers@brentwood.rochford.gov.uk](mailto:steve.summers@brentwood.rochford.gov.uk)

**APPENDICES**

- Appendix A: Affordable Housing s106 contributions.
- Appendix B: Public Open Space s106 contributions.

**BACKGROUND PAPERS**

None

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit & Scrutiny Committee	7 <sup>th</sup> March 2023
Audit & Scrutiny Committee	11 <sup>th</sup> July 2023
Audit & Scrutiny Committee	14 <sup>th</sup> November 2024



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**Appendix A - S106 Contributions received - Housing  
Mar-24**

Planning Ref	Site	Contribution	Date received	Repayment date	Conditions	Commentary
11/00002/EXT	122 and 124 Station Road, West Horndon	181,577.50	2015	Not applicable	Off site affordable housing	Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme
15/00267/FUL	The Surgery Site and Landings, Outings Lane, Doddinghurst	165,000.00	2018	2023	Off site affordable housing - 2 x 2 bed semi detached houses	Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme
15/00710/FUL	Land adjacent to the New Folly, Bell Mead, Ingatestone, Essex	32,684.45	2018	2023	Off site affordable housing	Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme
14/01247/FUL	Former Elliots Nightclub and petrol station, A127	188,159.98	2019	2024	Off site Affordable Housing - 4 flats	Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme
14/01446/FUL	Development site at former mountnessing scrap yard, Roman Road, Mountnessing	935,000.00	2019	2024	Off site affordable housing - 8 x 2 bed flats	Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme
19/00312/FUL	Mellon House, Ingrave Road, Brentwood	105,000.00	2021	Not applicable	Off site Affordable Housing - 1 unit or affordable housing sum	Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme
19/00312/FUL	Eagle & Child, Shenfield	192,500.00	2022	Not applicable	Off site Affordable housing - 1 x 1 bed flat	Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme
<b>Total</b>		<b>1,799,921.93</b>				

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**Appendix B - S106 Contributions - Open Space**  
**08/03/2024**

**Open Space Contributions - Capital**

Reference	Site	Contribution	Date received	Repayment date	Conditions	Commentary	
1	06/01062/FUL	Brentwood Community Hospital	48,525.00	14.09.11	Not applicable	Commutated maintenance sum for transferred open space land to the south of the site. To be used to bring a piece of unnamed woodland to the rear of the properties in Worrin Rd and the former blood bank off Crescent Drive, Shenfield into a managed state	08/03/24 - No change.
2	12/00403/EXT	Willowbrook Primary School, Rosen Crescent, Hutton	60,000.00	31.12.13	31.12.23	Off site facilities towards the provision and maintenance of open spaces within the vicinity of the development stie - Hutton Recreation Ground, Hutton Polo field and Hutton Poplars	Committed against general maintenance for Hutton Recreational ground. Remanding funds comitted to demolition of Polo Field Pavillion
3	12/00408/FUL	Hanover House, 78-82 High Street, Brentwood	15,849.00	03.05.16	Not applicable	Public open space improvements.	Public open space improvements towards the North Rd play area - 08/03/24 - No change.
4	14/00793/FUL	16 Westwood Avenue, Brentwood	60,000.00	20.12.17	Not applicable	Open space contribution towards the provision, enhancement and/or development of public open space and recreational facilities	Allocated to Projects underway for KGPF and Hartswood Gold Course - 06/11/23 - Further budget committed to completion of practice greens. Small budget left in contribution to be allocated to installation of new benches with KGPF - 08/03/24 - Benches ordered for KGPF.
5	13/01169/FUL	Mascalls Park, Mascalls Lane, Warley, Essex	12,000.00	01.05.18	Not applicable	Woodland management woodland park	08/03/24 - Clements Wood - No Change, agreed within current managemnet plan. Plan to spend on management next financial year.
6	15/00710/FUL	Land adjacent the New Folly, Bell Mead, Ingatestone	37,825.00	22.05.19	22.05.24	Open space towards Seymour Playing Fields and Mountney Close play area.	Funds fully comitted and made available to Ingatestone & Fryering Parish Council for a range a capital improvements to park
7	19/00937/FUL	Regional Blood Transfusion Centre	83,000.00	16.03.21	16.03.26	Open space contribution to the Courage Playing fields	Committed against the general maintenance costs for Courage Playing Fields - 08/03/24 - No change.
8	20/01111/FUL	Car Park opp central office, Fords, Eagle Way	144,768.37	30.06.22	30.06.32	Open space contribution towards the improvement of park facilities within the vicinity	Committed against open space improvements within the vicinity - 08/03/24 - No change.
Total			461,967.37				

**Open Space Contribution - Revenue**

*The following contributions are designated for ongoing maintenance of land and are drawn down on each year, therefore they are not capital funds for expending on project works*

Reference	Site	Contribution	Date received	Repayment date	Conditions	Commentary	
9	03/01039/FUL	The Nightingale Centre, Warley	525,000.00	01.01.05	Not applicable	Community Centre (Pastoral Way) refurbishment of that part owned by the Council as commuted sum	Committed against the maintenance of the grounds of the Community Centre - 08/04/24 - No change
10	12/00403/EXT	Willowbrook Primary School, Rosen Crescent, Hutton	6,500.00	05.07.17	Not applicable	The Council to maintain the hedge planted by the Developer.	Commutated sum for maintenance of hedging, Rosen Crescent - 08/03/24 - No change.
11	04/00153/FUL	Former British Gas site, St James Rd	17,200.00	01.03.19	01.03.29	Maintenance of sluice gate on open space land.	Sluice gate maintenance - 08/03/24 - No change.
12	04/00153/FUL	Former British Gas site, St James Rd	66,700.00	01.03.19	01.03.29	Open space contribution, to be drawn down over 10 years. Open space contribution towards ongoing maintenance of the open space	08/03/24 - No change.
Total			615,400.00				

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## AUDIT AND SCRUTINY COMMITTEE

20 MARCH 2024

<b>REPORT TITLE:</b>	<b>Local Development Plan Member Working Group Update</b>
<b>REPORT OF:</b>	<b>Jonathan Quilter, Corporate Manager – Strategic Planning</b>
<b>REPORT IS FOR:</b>	<b>Information</b>

### REPORT SUMMARY

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.

### SUPPORTING INFORMATION

#### 1.0 INTRODUCTION

- 1.1 The Local Development Plan (LDP) Member Working Group is an established engagement between Officers and Councillors that has taken place over several years alongside preparation of the Council's local plan. The purpose of the working group is to consider the local plan and associated documents before they are considered by the Council at a relevant meeting or committee. This purpose was approved by the Council in September 2017 (Item 114, Policy, Projects and Resources Committee, 19 September 2017) and reconfirmed in September 2023 (Item 153, Finance, Assets, Investment and Recovery Committee, 13 September 2023).
- 1.2 Audit and Scrutiny Committee monitors the work of the LDP Member Working Group as part of its work programme. An update is provided in this report on the activities of the working group.

## **2.0 BACKGROUND INFORMATION**

- 2.1 Audit and Scrutiny Committee was last provided with a LDP Member Working Group update on 14 November 2023 (Item 233). Since then, the working group has met on 29 January 2024 (see Appendix A for meeting notes approved at the 4 March 2024 LDP MWG) Discussion focussed on the updates to the National Planning Policy Framework (NPPF) that were published in December 2023 as well as providing a brief update on the Local Plan Review. A presentation was provided by officers to provide an overview of what the changes to the NPPF comprised (Appendix B).
- 2.2 A further meeting was held on the 4 March 2024 (see Appendix C for draft meeting notes, which have not yet been approved by the group). Discussion focussed on providing an update on the Call for Sites consultation, which was concluding that day, as well as overview of the approach to climate change and sustainability matters in the Local Plan. A presentation was provided by officers to provide background information on the call for sites process and next steps as well as an overview of existing policy covering climate change and sustainability matters along with the ongoing work being led by Essex County Council (Appendix D).

## **3.0 OTHER OPTIONS CONSIDERED**

- 3.1 None

## **4.0 RELEVANT RISKS**

- 4.1 None

## **5.0 ENGAGEMENT/CONSULTATION**

- 5.1 The local plan and associated documents are subject to public consultation.

## **6.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources (Section 151 Officer)**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

- 6.1 There are no direct financial implications arising from this report. There are appropriate budgets included within the medium-term financial strategy to resource the local plan and associated documents.

## **7.0 LEGAL/GOVERNANCE IMPLICATIONS**

**Name & Title: Claire Mayhew, Acting Joint Director – People & Governance (Monitoring Officer)**

**Tel & Email 01277 312500 / [claire.mayhew@brentwood.rochford.gov.uk](mailto:claire.mayhew@brentwood.rochford.gov.uk)**

- 7.1 The procedures that the council is required to follow when producing a local plan derive from the Planning and Compulsory Purchase Act 2004 (as amended) and the Town and Country Planning (Local Development) (England) Regulations 2012.
- 7.2 The legislation states that a local planning authority must only submit a plan for examination which it considers to be sound. This is defined by the National Planning Policy Framework as being:
- a) Positively Prepared: based on a strategy which seeks to meet objectively assessed development and infrastructure requirements;
  - b) Justified: the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
  - c) Effective: deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
  - d) Consistent with national policy: enable the delivery of sustainable development in accordance with the policies in the Framework.
- 7.3 For the draft local plan to pass the tests of soundness, in particular the 'justified' and 'effective' tests, it is necessary for it to be based on an adequate, up to date and relevant evidence base. The council also has a legal duty to comply with the Statement of Community Involvement in preparing the plan. (S19(3) 2004 Act).
- 7.4 In addition, the Council also has a legal "duty to cooperate" in preparing the plan. (S33A 2004 Act).

## **8.0 EQUALITY & HEALTH IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**

**Tel & Email 01277 312500 [kim.anderson@brentwood.rochford.gov.uk](mailto:kim.anderson@brentwood.rochford.gov.uk)**

- 8.1 The local plan considers equality and diversity issues.



## **9.0 ECONOMIC IMPLICATIONS**

**Name & Title: Laurie Edmonds, Corporate Manager – Economic Development**

**Tel & Email 01277 312500 / laurie.edmonds@brentwood.rochford.gov.uk**

9.1 The local plan is a key vehicle for the delivery of economic growth, in line with the council's objectives to grow the economy. It is important that the delivery of the plan is scrutinised through elected representation.

### **REPORT AUTHOR:**

Name: Jonathan Quilter

Title: Corporate Manager, Strategic Planning

Phone: 01277 312500

Email: jonathan.quilter@brentwood.rochford.gov.uk

## **APPENDICES**

- Appendix A: Local Development Plan Member Working Group Notes, 29 January 2024
- Appendix B: NPPF and Local Plan Review update presentation, 29 January 2024
- Appendix C: Local Development Plan Member Working Group Draft Notes, 4 March 2024
- Appendix D: Call for sites update and overview of approach to climate change and sustainability presentation, 4 March 2024

## **BACKGROUND PAPERS**

None

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Local Development Plan Member Working Group Update, Item 233, Audit and Scrutiny Committee	14/11/2023
Local Plan Update, Item 153, Finance, Assets, Investment and Recovery Committee	13/09/2023
Local Development Plan Member Working Group Update, Item 327, Audit and Scrutiny Committee	08/03/2022
Local Development Plan Member Working Group Update, Item 259, Audit and Scrutiny Committee	12/01/2022
Local Development Plan Member Working Group Update, Item 131, Audit and Scrutiny Committee	28/09/2021
Local Development Plan Member Working Group Update, Item 76, Audit and Scrutiny Committee	06/07/2021

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# Notes

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**Meeting:** Local Development Plan Members Working Group  
**Venue:** Online via Microsoft Teams  
**Date:** 29 January 2024  
**Time:** 18:00-19:30

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**Members Present:** Cllr Keith Barber, Cllr Thomas Bridge, Cllr Martin Cuthbert, Cllr Roger McCheyne, Cllr Philip Mynott

**Officers Present:** Jonathan Quilter (JQ), Corporate Manager – Strategic Planning  
Andrea Pearson (AP), Senior Policy Planner  
Camilla Carruthers (CC), Senior Policy Planner

**Apologies:** Cllr Dr Tim Barrett

## 1. Notes from previous meeting (30/10/2023)

- a) Notes from the previous meeting were agreed with no changes required.

## 2. Overview of NPPF updates (Dec 2023)

- a) JQ provided an overview of the changes made to the NPPF in December 2023.
- b) Cllr Barber asked how frequently Local Plans need to be updated and whether there was a timetable that sets out when the key stages will take place i.e. consultations.
- c) JQ explained that national policy requires Local Plans be reviewed at least every 5 years and that the Local Development Scheme (LDS) provides the timetable for producing the Local Plan Review.
- d) Cllr McCheyne queried what has happened to other Local Authorities that have not submitted a Local Plan.
- e) JQ set out that a number of Local Authorities including Essex authorities (Basildon, Castle Point and Uttlesford) have been threatened with intervention if they do not advance their plans to submission. In the first instance these named authorities have been asked to update their Local Development Schemes (timetables) and remain in close contact with Government on Local Plan progress.

## Notes

- f) Cllr Mynott asked how the 20% buffer works when calculating housing need.
- g) JQ confirmed that where applicable the 20% is added onto the housing need as identified through the government's standard method.
- h) Cllr Barber asked what the risk mitigation is when we are dependent on large sites coming forward, such as Dunton Hills Garden Village (DHGV).
- i) JQ explained that for any Local Plan it is necessary to undertake regular reviews of housing delivery as indicated through the Annual Monitoring Reports that are produced. If sites do not come forward as expected and there is a noticeable impact on meeting a 5 year supply then this could be a reason to trigger an early review in advance of the 5 year review period.
- j) Cllr Mynott requested clarification on what impact there is on the Council when a developer land banks a site and does not bring it forward in line with original projections.
- k) JQ explained that that there are times when there are unexpected delays, however, through the local plan process the Council needs to be provided with evidence from developers that a site is deliverable which is scrutinised by an Independent Inspector at Examination in Public. As a result, the likelihood of this situation arising is minimised.
- l) Cllr McCheyne asked in relation to the current call for sites consultation whether sites within the Green Belt will be rejected.
- m) JQ set out that it is not a reason in itself to reject sites just because they are in the Green Belt. It is important to follow the requirements of National Policy and guidance and follow the necessary steps before decisions on where development is located and meeting housing needs. Exceptional circumstances have to be fully justified to why we wouldn't develop on the Green Belt. We must consider sustainable development if Green Belt releases were to be identified.
- n) Cllr Bridge asked for clarification on what is defined as brownfield and stated the importance of being clear when using terms brownfield, Green Belt and greenfield.
- o) JQ explained that the Council has a requirement to maintain a Brownfield Register and also the approach required in site assessment work. Agreed that it will be important to be as clear as we can in our messaging over the distinctions between

## Notes

brownfield, Green Belt and greenfield.

- p) Cllr McCheyne requested to be kept updated on the number of sites submitted as part of the Call for Sites. Also raised concerns over the potential loss of agricultural land to development which is a national issue. Stated that land that is not producing crops should be focussed on not good quality farming land.
- q) JQ confirmed this will be considered as part of the site assessment work in accordance with national policy.
- r) Cllr Mynott queried the change to paragraph 70 of the NPPF and whether this is concerning the LPA supporting small sites to come forward, considered to be an important change for our communities.
- s) JQ discussed how this is reliant on the desire of the community to bring these sites forward and it is considered a positive step that there is more emphasis on this. The deliverability of small sites is a consideration.
- t) Cllr McCheyne asked in terms of Section 106 and new developments whether the Council can specify where the money is spent and what this means for development that has already taken place.
- u) JQ explained that S106 has to be justified and related to mitigating an identified impact of a specific development. However, through Community Infrastructure Levy (CIL) there is scope to improve broader local infrastructure. Confirmed that a paper on CIL spending and governance arrangements will be brought to a future committee by September 2024 in line with the recommendations when CIL was adopted in September 2023.
- v) Cllr Mynott asked in relation to the densities of development and consideration of local character what constitutes 'wholly out of character' appreciating there is not simple definition.
- w) JQ agreed it is difficult to define and highlighted it will be important to see how the issue is defined through future planning appeals across the country.
- x) **ACTION** JQ to circulate a track changes version of the updated NPPF.
- y) Cllr Barber raised question on parking provision and recent applications that have come forward with no parking provision on the basis of being in a sustainable

## Notes

location. Asked how developments would be refused which provide no parking provision and potentially erode local character.

z) JQ Did not consider there was a simple answer to this and would be one to consider further.

aa) Cllr Mynott Asked if it is the case that the NPPF is putting a hurdle in front of LPA's like Brentwood who are wanting to take more control of local parking standards?

bb) JQ explained that there is not a great deal of flexibility with how far we can go beyond the Essex Parking Standards and National Policy and guidance.

cc) **ACTION** Cllr Mynott requested a view on what the options are available in terms of introducing a stronger position on parking standards and how enforceable these would be at appeals.

dd) **ACTION** Cllr Bridge requested a view on if garages are counted as parking spaces given they are realistically used for storage.

### 3. Local Plan Review Update

a) JQ provided an overview of the emerging process for preparing and adopting new style Local Plans which the Government is providing more details in the autumn. Also provided an explanation of how the standard method is calculated and set out a summary of the key evidence documents that will be required to support the Local Plan Review.

### 4. AOB

b) **ACTION** – Cllr Bridge requested that at the next working group that an update on the call for sites consultation is provided.

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# LDP Member Working Group

29 January 2024

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Appendix B



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# Overview of NPPF updates (Dec 2023)

- The NPPF is national policy which sets out how local plans should be made and how planning applications should be determined.
- On the 19 December 2023 Government published an update to the National Planning Policy Framework (NPPF).



# Summary of changes

## Preparing and maintaining up-to-date Plans is made an explicit priority

- The first paragraph of the NPPF has been updated to emphasise the Government's view that every authority should have an up-to-date plan.

## Greater emphasis on housing delivery

- There are several changes that place greater emphasis on the importance of delivering new housing, including at paragraphs 1 and 7. Paragraph 15 requires Local Plans to 'meet' rather than 'address' housing needs.
- Chapter 5 (Delivering a sufficient supply of homes) deals with this in greater detail and sets out that the overall aim should be to meet as much of an area's identified housing need as possible.

# Summary of changes (Housing need and supply)

## Calculating Housing Need

- The outcome of the Standard Method for establishing a housing requirement is now seen as a starting point – although exceptional circumstances (including relating to the demographic characteristics of an area) are still required to justify an alternative approach. The specific example given of exceptional circumstances (footnote 25) is islands with no land bridge that have a significant proportion of elderly residents.

## Housing Land Supply Buffers

- The 5% and 10% buffers that can be applied to local authority housing land supply calculations has been removed, but where there is a history of under delivery of housing over the previous 3 years, the following happens:
  - Falls below 95% of need: an action plan needs to be produced;
  - Falls below 85% of need: a buffer of 20% is added to the land supply requirement and an action plan is required; and
  - Falls below 75% of need: the presumption in favour of sustainable development applies in addition to 20% buffer and action plan.

# Summary of changes (5 year land supply and Green Belt)

## Five-year Housing Land Supply

- Removal of the requirement on councils to demonstrate a rolling 5-year housing land supply if (a) their local plan is less than 5 years old and (b) the plan when adopted demonstrated a 5-year supply. This is only relevant to planning applications submitted after the 19 December 2023.
- If the local plan is more than 5 years old, but their new emerging local plan has reached regulation 18 stage, the council will only need to demonstrate (and update annually) a 4-year supply.

## Green Belt

Paragraph 145 now has greater emphasis that there is no requirement for Green Belt boundaries to be reviewed or changed when plans are being prepared or updated. There is still allowance for Green Belt boundaries to be reviewed or altered where exceptional circumstances are fully evidenced or justified.

Paragraph 146, which is unchanged (previously paragraph 141) sets out all the other reasonable options that should be examined fully before concluding exceptional circumstances exist to justify changes to Green Belt boundaries. This includes using suitable brownfield and underutilised sites, optimising densities of development including significantly uplifting minimum density standards in town centres and ensuring discussions with neighbouring authorities have explored whether they could meet some identified need.

# Summary of changes (cont.)

## Agricultural Land

- Footnote 62 now emphasises that the availability and quality of agricultural land for food production should be considered when allocating agricultural land for development.

## Community-led developments

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Paragraph 70 now sets out that local planning authorities should seek opportunities to support small sites to come forward for community-led development for housing and self-build and custom-build housing. The NPPF glossary defines community-led development as: A development instigated and taken forward by a not-for-profit organisation set up and run primarily for the purpose of meeting the housing needs of its members and the wider local community, rather than being a primarily commercial enterprise.

- Policies and decisions should support small sites to come forward for community-led development.



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BOROUGH COUNCIL

# Summary of changes (Design and density)

## Design and Local Design Codes

- Throughout the NPPF, additional references to beauty have been added.
- Greater emphasis on the use of local design codes prepared in line with the National Model Design Code as well as beautiful and well-designed places.

## Mansard Roof Extensions

- Specific and detailed requirements for Local Planning Authorities to support proposals to develop mansard roof extensions.

## Density of Development

- Significant uplifts in the average density of residential development are inappropriate where it would be wholly out of character with the existing area.

## Renewable Energy

- Significant weight should be given to the need to support energy efficiency and low carbon heating improvements to existing buildings (including heat pumps and solar panels).

# Future changes to national policy and legislation

Government published details of the proposed new system of plan-making in both the December 2022 consultation and a further focused consultation in July 2023. In summary this indicates the following:

1. All plans submitted after the deadline of 30 June 2025 will need to be prepared in accordance with the new system;
2. The regulations, policy and guidance for the new system should be in place by autumn 2024.
3. Plans under the new system should be:
  - Simpler to understand and use;
  - Prepared more quickly and updated more frequently; and,
  - Make best use of digital technology
4. Plans will focus on only 'locally important' matters, with other matters covered by the National Development Management Policies (NDMPs)
5. There will be a 30-month timeframe for planning authorities to prepare and adopt a local plan, and the process will become more standardised with three new 'gateway' assessments prior to examination.
6. Supplementary plans will be available to help planning authorities to react quickly to changes in their areas.
7. The amount of evidence required to develop a plan and defend it at examination should be reduced.





# Future changes to national policy and legislation

- Government indicated in the July 2023 consultation that there could be a phased roll-out of the new system, where a small cohort of around ten front-runner authorities would prepare new-style local plans, potentially starting from Autumn 2024.
- Remaining authorities could be grouped into ‘waves’ by the date that they have most recently adopted a plan and allocated a 6-month plan-making commencement window.

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Overall, the details of the new system are relatively high-level at this stage. It is not yet known, for example:

1. Which ‘locally important matters’ will fall within the scope of the local plans once the NDMPs come into force;
2. Which authorities will be ‘front-runners’ and which will be assigned into each of the following ‘waves’; and
3. Which evidence base documents may be reduced in scope or no longer required



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# Overview of the Standard method for assessing local housing needs

- The standard method for assessing local housing needs for planning purposes was first introduced in 2018. It was based on the 2014-based Household Projections with a formula uplift for affordability, and then subject to a 'cap' in relation to current plan requirements.
- The method requires LPAs to:
  1. Determine household growth using 2014-based sub national household projections for the area in question, based on the average over a 10-year period.
  2. Adjust this figure upwards according to a published affordability formula (thereby counting some of the same households more than once).
  3. Cap the level of increase that any one LPA can face, depending on the status of its existing plan (thereby excluding some households entirely)
  4. Apply an uplift in certain urban areas of 35% (There is no relationship of this % to the local household projections).

# Local Plan Review update – Key stages

The preparation of a Local Plan follows the key stages outlined below:

- Evidence gathering and early-stage consultation (Regulation 18)
- Pre-Submission publication stage (Regulation 19)
- Submission of Local Plan for independent examination (Regulation 22)
- Inspector's report and adoption (Regulation 24)

# Local Plan Review update - Evidence

- Para 31 of the NPPF states that the preparation and review of all policies in a Local Plan should be underpinned by relevant and up-to-date evidence. The Brentwood Local Plan Review is currently at the evidence gathering stage which is to inform the preparation of a Reg 18 consultation. The relevant evidence includes, but is not limited to the following:

## **Economy and employment**

- Employment Land Study and Needs Assessment

## **Environment**

- Green Belt Assessment
- Strategic Flood Risk Assessment
- Integrated Impact Assessment
- Landscape Assessment

## **Housing**

- Strategic Housing Market Assessment
- Gypsy and Traveller Accommodation Assessment

## **Infrastructure**

- Infrastructure Delivery Plan

# Local Plan Review update - Evidence (cont.)

## Leisure and recreation

- Playing pitch strategy
- Open space, sport and leisure needs assessment

## Retail and town centres

- Retail and Commercial Leisure Study

## Site assessment

- Housing and Economic Land Availability Assessment

## Transport

- Transport Assessment

## Viability

- Local Plan Viability Assessment

# Questions



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# Notes

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**Meeting:** Local Development Plan Members Working Group  
**Venue:** Online via Microsoft Teams  
**Date:** 4 March 2024  
**Time:** 18:00-19:30

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**Members Present:** Cllr Keith Barber, Cllr Dr Tim Barrett, Cllr Thomas Bridge, Cllr Martin Cuthbert, Cllr Roger McCheyne, Cllr Philip Mynott

**Officers Present:** Jonathan Quilter (JQ), Corporate Manager – Strategic Planning  
Andrea Pearson (AP), Senior Policy Planner  
Camilla Carruthers (CC), Senior Policy Planner

**Apologies:** None

## 1. Notes from previous meeting (29/01/2024)

- a) Notes from the previous meeting were agreed with no changes required.
- b) **ACTION** Planning Policy team expecting an update on the ECC Parking Standards later in the month and agreed that an email update will be provided once this has been received.
- c) Cllr Barber raised a question on the Local Plan Review and when more detail will be provided on when certain issues are to be dealt with. Seeking a high level identification of topics and policies that are to be reviewed. Highlighted importance of improving quality of policies to influence the developments coming forward in future.
- d) JQ explained there is a need for these discussions through the LDP MWG. Various factors changing at national level which will also need to be taken into consideration. Provided reassurance that the opportunity will come to allow focus on key issues and the detail around these.
- e) Cllr McCheyne queried whether S106 funds secured for development in Kelvedon Hatch could be used towards additional car parking at the doctors surgery in Doddinghurst. **ACTION** – Update to be provided at the next meeting on what S106 funds have been secured and where they are earmarked to be spent.
- f) JQ explained that S106 requests have to be directly related to mitigating the impacts of the development. This is guided by advice provided by Statutory Bodies and also



# Notes

the Brentwood Infrastructure Delivery Plan that accompanies the Local Plan. Explained Neighbourhood CIL and the difference with S106.

- g) Cllr Mynott agreed with Cllr Barber that it is important for the review process to delve into issues being highlighted now and to identify ways that policies could be improved.
- h) JQ provided reassurance that this point is understood and will be addressed where possible through the plan making process.

## 2. Call for sites update

- a) JQ provided an update on the Call for Sites consultation which is set to close by midnight on 4 March 2024. Consultees were invited to provide comments on the proposed assessment methodology and submit sites for consideration in the Local Plan review process. Outlined the next steps in terms of site assessment work.
- b) Cllr McCheyne and Cllr Bridge asked when information on the sites that have been submitted would be published.
- c) JQ explained that there is a significant amount of work required to firstly check the validity of the individual submissions that have been made and then undertake the first few stages of the assessment process. Certainly, would expect information to be published as part of a Regulation 18 consultation with internal discussions occurring at appropriate stages before then. This would be later in 2024.
- d) Cllr McCheyne raised concerns over the potential loss of good quality agricultural land as a result of any potential development.
- e) JQ explained this will be a consideration within the site assessment methodology and also flagged this is a national issue.
- f) Cllr Bridge queried whether it would create a conflict of interest for members if they were to set out their views on sites suggested for consideration in the Local Plan Review. Concern that if in the future any sites were subsequently allocated and then came to Planning Committee for determination members would not be able to make decisions.
- g) Cllr Mynott stated he always understood that the plan making process is sufficiently separate from the decision making process. This is due to the strategic high level nature of plan making compared to the much more detailed aspects of determining



## Notes

planning applications. This has certainly been the case with the current extant Local Plan.

- h) JQ confirmed that the assessment and any allocation of sites is a long process which is considering the overarching requirements of a strategy as well as a certain level of assumed detail on what could come forward on a given site. Agree that views being made at the plan making stage should not preclude Members from making decisions on any sites at Planning Committee much further down the line.

### 3. Overview of approach to climate change and sustainability

- a) JQ provided an overview of what the current policies in the adopted Brentwood Local Plan that address climate change and sustainability matters.
- b) Cllr McCheyne asked if policies go into the detail on the different types of solar cells that can be used on roofs.
- c) AP explained that policies do not go into that level of detail but certainly encourage renewable energy such as solar to be installed where appropriate.
- d) AP provided a presentation setting out the work that Essex County Council (ECC) are leading on and coordinating with Essex Local Planning Authorities to develop evidence and draft policies on climate change. Explained the detail of the current draft policies developed through this work.
- e) Cllr McCheyne raised concern of the impact of noise from heat pumps.
- f) AP recognised that this is an issue but is likely to improve as the technology advances.
- g) Cllr Bridge asked if there has been any assessment on what the impact of implementing these policies would have on the costs to build.
- h) AP confirmed that viability assessments have been carried out on these policies by ECC which concluded that it would result in an additional £2k per dwelling. Full details of the viability assessment are published on the Essex Design Guide. **ACTION** AP to share links to ECC net zero evidence. [Essex Net Zero Evidence](#) | [Essex Design Guide](#)
- i) JQ Explained that a whole plan viability assessment will also need to be undertaken to support the development of the Local Plan Review. This will factor in the cost



## Notes

implications of all the proposed policies and be subject to scrutiny by Planning Inspector when the plan goes through examination in public.

- j) Cllr Mynott asked in terms of monitoring of policies whether these matters would be something the Local Planning Authority would be expected to undertake.
- k) AP explained that this is something that is still being discussed between ECC and Essex Local Planning Authorities. There are concerns that some of the matters are quite complex and potentially onerous once committed to.
- l) Cllr Mynott highlighted that for electric vehicle charging points that further work needs to be done in improving not just the provision but the layout of sites to provide the best solution.
- m) AP confirmed that the Essex Design Guide provides guidance on electric vehicle charging points in development. In terms of the Local Plan Review certainly an area that can be explored further in terms of any potential updates and improvements.  
[Criteria for Layout at Densities Below 20 Dwellings Per Hectare | Essex Design Guide](#)

#### 4. AOB

- n) **ACTION** – JQ to reinstate LDP MWG as soon as possible in the next civic year following elections.
-

# LDP Member Working Group

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Call for Sites update and  
Overview of approach to Climate Change and Sustainability  
4 March 2024

Appendix D



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# Call for Sites Update

- Consultation opened 18 December 2023 and closes today, 4 March 2024.
- We invited the submission of sites that might be available, suitable and achievable for the following uses:
  - > Housing and other residential uses
  - > Commercial - including employment, retail, sports and leisure and logistics
  - > Infrastructure - including community uses
  - > Green infrastructure - including open spaces and biodiversity net gain.
- We invited comments on our Strategic Land Availability Assessment (SLAA) draft methodology. Prepared in accordance with methodology in the PPG.

# Call for Sites Update

## Responses



- We have so far received:
  - **84 site submissions** across the borough, from a combination of site owners, local residents, planning consultants, agents, developers and community groups.
  - **4 comments** on the Strategic Land Availability Assessment (SLAA) proposed methodology, including those from Essex County Council.
- All site submissions will now need to be processed to check and confirm all information and mapping provided is correct.
- We will need to consider updating the SLAA methodology based on the comments received.

# What happens after the consultation?

## Desktop Review



- The PPG sets out that plan makers need to be proactive in identifying as wide a range of sites and broad locations for development as possible and do not simply rely on sites that they have been informed about through the Call for Sites consultation.

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We now need to undertake a desktop identification of potential sites, which will include (but not limited to) the below data sources:

- Brownfield Land Register
- Planning application records
- National register of public sector land
- Local Authority records
- Discussion with internal stakeholders (Assets / Housing / Leisure & Recreation / elected Members etc..)
- Engagement with strategic bodies



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# What happens after the consultation?

## Stage 2: Assessment



- The sites submitted via the Call for Sites consultation and those sites identified through the desktop review, will be combined for further assessment.

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All sites will then be assessed in accordance with the assessment criteria set out in the SLAA Methodology. The criteria will enable assessment of the site's:

- Suitability
- Availability
- Achievability



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# What happens after the consultation?

## Future stages



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- **Stage 3: Windfall Assessment** - The Council have been able to justify a windfall allowance in recent years. However, the evidence to underpin this will need to be reviewed as part of this assessment.
- **Stage 4: Assessment Review** - As other evidence base documents are prepared to support the Local Plan, including the outcome of the SLAA Stage 2 Assessments, site allocations will be identified.
- **Stage 5: Final Evidence Base** - This will include a published assessment of each site considered and cross referenced to their location on maps.



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# Climate Change and Sustainability

A number of policies are currently place through the adopted Local Plan to help address Climate Change and Sustainability. Key policies to note are:

## **BE01: Carbon Reduction and Renewable Energy**

Policy requires a 10% reduction in carbon above the requirements set out in the Part L Building Regulations for all major developments and a BREEAM rating excellent for all non-residential developments. Major developments are also required to provide a minimum 10% predictive energy through renewable energy. Sustainability Statements are used to address how these policies requirements have been achieved.

## **BE02: Water Efficiency and Manage**

Policy focuses on three core areas – water efficiency, waste water and sewage, and water quality. Minimum water efficiency standards of a limit of 110L of water person per day for residential developments, a BREEAM rating of Excellent under category Wat 01 for non-residentials developments, and high water useage facilities such as hotels to include the use of grey water. Water Cycle Studies are required to address how the three elements of this policy will be achieved.



# Climate Change and Sustainability

## **BE03: Establishing Low Carbon and Renewable Energy Infrastructure Network**

Policy encourages the development of low energy / carbon developments and sets out the heat hierarchy standards that would be acceptable. Energy masterplans are requested for developments of 500 or more.

## **BE04: Managing Heat Risk**

All development proposals should minimise internal heat gain and the risks of overheating through design, layout, building orientation and use of appropriate materials

There are also a number of policies that are included in the Local Plan which support sustainability, including:

## **BE09: Sustainable Passenger Transport**

## **BE11: Electric and Low Emission Vehicles**

## **NE08: Air Quality**

## **MG04: Health Impact Assessment**

# Climate Change: Planning Policy Support Group

- A Climate Change Planning Policy Support Group was established by ECC and supported by the EPOA.
- The Climate Change Officer has been leading on developing evidence base and draft Climate Change policies that all Essex Local Planning Authorities are encouraged to use as they update their Local Plans

Evidence base has been undertaken at a County level, and include:

- Domestic Technical Feasibility Assessment
- Net Zero Viability Assessment
- Net Zero Policy Development Study
- Obtained Legal Advice on the Soundness of the draft policies

# Overarching Net Zero Policy 1:

## Overarching Net Zero Policy

All new buildings should be designed and built to be **Net Zero Carbon in operation**.



**2 Space heating demand**  
 < 15 kWh/m<sup>2</sup>/yr of space heating demand for residential and non-residential developments.  
 Demonstrated using predicted energy modelling.



**3 Fossil fuel free**  
 Fossil fuels, such as oil and natural gas **shall not be used** to provide space heating, hot water or used for cooking.



**4 Energy efficiency**  
 < 35 kWh/m<sup>2</sup>/yr of total metered energy use for residential developments.  
 Meeting EUI targets demonstrated using predicted energy modelling.



**5 Zero operational carbon balance - Renewable energy generation**  
 100% of the energy consumption required by buildings shall be generated using on-site renewables, for example through solar PV.



**6 Monitoring**  
 Energy measurement and verification



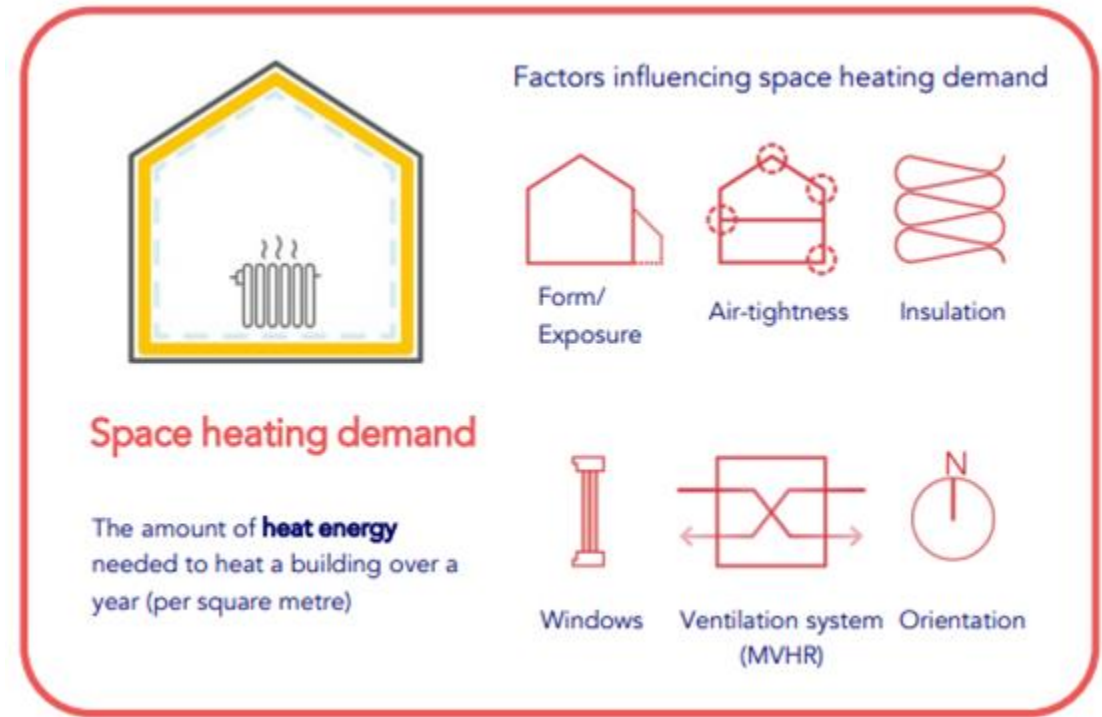
**7 Energy Offsetting**  
 Limit the role and scope of the offset mechanism to a 'renewable energy offset' with the offset price could be expressed in £/kWh instead of £/tCO<sub>2</sub>.

# Climate Change Planning Policy Support Group – Draft Policies continued

## Policy 2: Space Heating Demand

- All non-domestic and domestic building, apart from bungalows achieve a space heating demand of  $15\text{KWh/m}^2_{\text{GIA}}/\text{yr}$
- Bungalows to achieve  $20\text{KWh/m}^2_{\text{GIA}}/\text{yr}$

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# Climate Change Planning Policy Support Group – Draft Policies continued

## Policy 3: Fossil Fuel Free

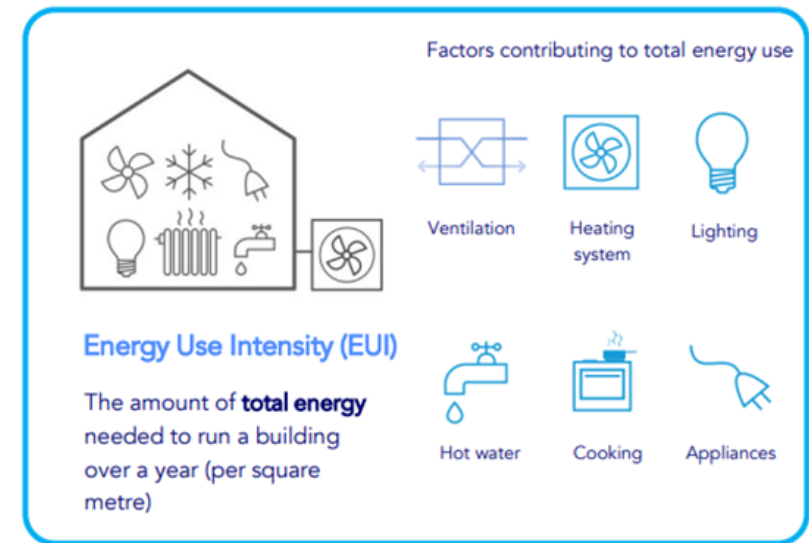
New developments are not to be hooked up to the gas grid and heat provided through low carbon fuels

## Policy 4: Energy Use Intensity (EUI)

Residential – 35 kWh/m<sup>2</sup><sub>GIA</sub>/yr

Non-residential – 35-70 kWh/m<sup>2</sup><sub>GIA</sub>/yr

(Light Industrial 35; Schools 65; Offices 70)



# Climate Change Planning Policy Support Group – Draft Policies continued

## Policy 5: On Site Renewable Energy Generation

- All new developments should generate on-site renewable energy
- PV provision must meet the greater of renewable energy generation (kWh/m<sup>2</sup>/yr) or > EUI (kWh/m<sup>2</sup>/yr)
- Energy generation must be a minimum per year  
At least 80 kWh/m<sup>2</sup> building footprint per annum for all building types
- At least 120 kWh/m<sup>2</sup> building footprint per annum for industrial building

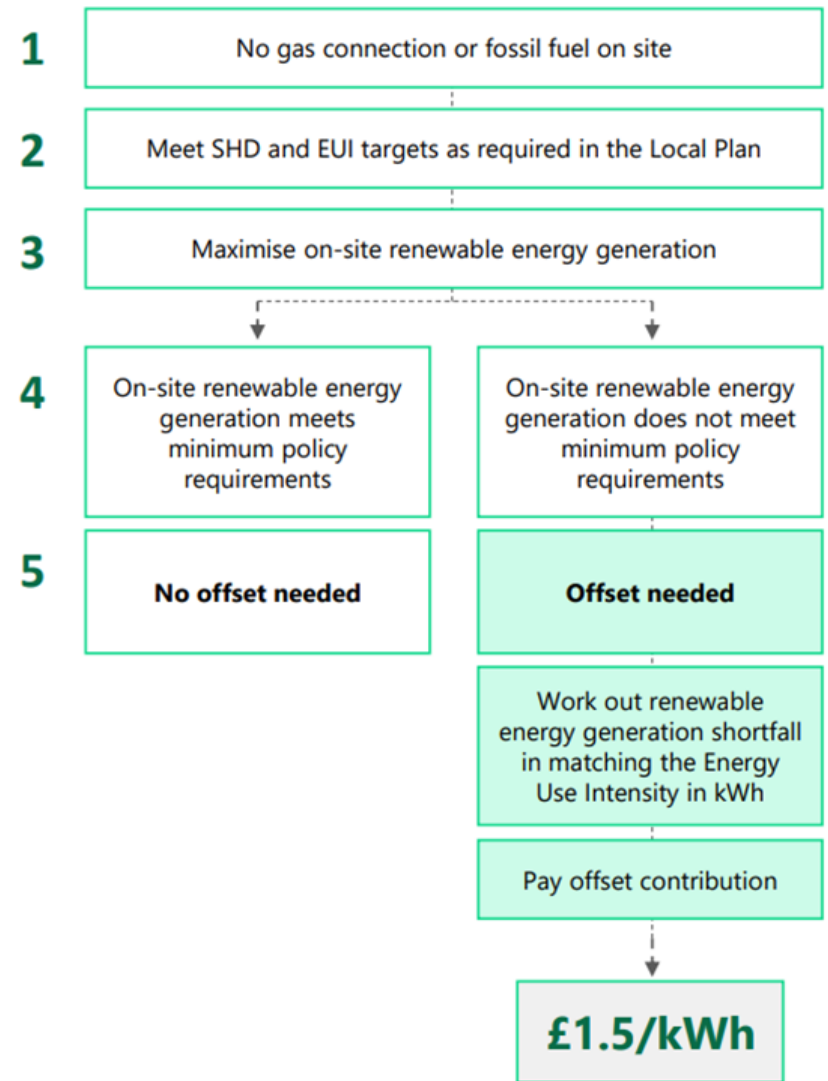
# Climate Change Planning Policy Support Group – Draft Policies continued

## Policy 6: Energy Measurement and Verification

Use of smart metre technology to monitor and verify that the requirements set out in Policy 2 through 5 are being achieved

## Policy 7: Off Setting

Viability Assessment suggests a unit price of £1.5/kWh where the policy requirements are not met in full



# Questions



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## AUDIT AND SCRUTINY COMMITTEE

20 MARCH 2024

<b>REPORT TITLE:</b>	<b>Formal Complaints &amp; Performance Indicator Working Group</b>
<b>REPORT OF:</b>	<b>Greg Campbell, Director - Policy and Transformation</b>
<b>REPORT IS FOR:</b>	<b>Information</b>

## REPORT SUMMARY

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

### SUPPORTING INFORMATION

#### 1.0 OTHER OPTIONS CONSIDERED

1.1 For information only.

#### 2.0 BACKGROUND INFORMATION

2.1 The Committee's Terms of Reference include responsibility for the monitoring of Council service performance including Performance Indicators and Formal Complaints.

#### 3.0 FINANCIAL IMPLICATIONS

**Name & Title: Tim Willis, Director – Resources (Section 151 Officer)**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

3.1 There are no direct financial implications arising from this report.

#### 4.0 LEGAL/GOVERNANCE IMPLICATIONS



- Appendix A: Performance Indicators and Formal Complaints Working Group Report Q3 2023-24

## BACKGROUND PAPERS

None

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
Audit and Scrutiny Committee	14/11/2023
Audit and Scrutiny Committee	23/09/2023
Audit and Scrutiny Committee	07/03/2023
Audit and Scrutiny Committee	24/01/2023
Audit and Scrutiny Committee	08/03/2022
Audit and Scrutiny Committee	07/12/2021
Audit and Scrutiny Committee	28/09/2021
Audit and Scrutiny Committee	11/03/2021

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# Appendix A

**Date: 20 March 2024**

## **Audit & Scrutiny Committee**

### **Performance Indicators and Formal Complaints Working Group Report**

#### **Working Group Members**

Cllr Rigby  
Cllr Pound  
Cllr Mayo  
Cllr Munden  
Cllr Murphy

#### **Scope**

The scope of the Performance Indicators and Formal Complaints Working Group is set out below:

1. To monitor and consider the Council's service Performance Indicators.
2. To consider in detail Formal Complaints received by the Council.
3. To consider how Performance Indicators and Formal Complaints are reported to the Audit & Scrutiny Committee
4. To make recommendations to the appropriate Audit & Scrutiny Committee.

#### **Notes of the meeting on the 4 March 2024**

Attached as Addendum 1 are the notes of the meeting on the 4 March 2024.

#### **Terms of Reference**

The Working Groups Terms of Reference are attached at Addendum 2

#### **1. Report Recommendations**

1.1. The report recommendations are set out in full below.

R.1 That the working group continue to monitor the outcomes of the Formal Complaints for the 4<sup>th</sup> Quarter of 2023/24.

R.2 That the working group continue to monitor the outcomes of the Performance Indicators for the 4<sup>th</sup> Quarter of 2023/24.

R.3 That a Street Scene Officer/Member Working Group be held to discuss Performance.

#### **2. Introduction**

- 2.1 The council operates a two stage complaints process for customers to take issue with any perceived failure to provide a service, failure to respond to requests or failure to adhere to standards on the part of the council and its officers.
- 2.2 The council uses a variety of performance indicators to monitor how well services are performing in meeting the needs of service users. The council has set of key indicators of performance, the "toplines". The topline include a variety of indicators that relate to the delivery of the council's priorities.
- 2.3 The topline measure performance across a range of council activity including: planning, housing, street scene and revenue and benefits.

#### **3. Explanation of Recommendations**

<b>Recommendation 1</b>
-------------------------

That the working group continue to monitor the outcomes of the Formal Complaints for the 4th quarter of 2023/24.
<b>Explanation</b> To continue to monitor formal complaints quarterly to identify common themes, trends or concerns.
<b>Recommendation 2</b> That the working group continue to monitor the outcomes of the Performance Indicators for the 4th quarter of 2023/24.
<b>Explanation</b> To monitor associated annual or quarterly trends and identify areas of performance concern.
<b>Recommendation 3</b> That a Street Scene Officer/Member Working Group be held to discuss performance.
<b>Explanation</b> To monitor trends and identify areas of performance concern with the street scene service.

## Addendum 1

### Performance Indicators and Formal Complaints Working Group Minutes of Meeting 4 March 2023 18:00 Virtual via Microsoft Teams

**Present:** Cllr Rigby  
Cllr Mayo  
Cllr Murphy

**Also present:** Greg Campbell (GC) – Director of Policy & Delivery  
Marcus Hotten (MH) – Director of Environment  
Lauren Stretch (LS) – Director of Housing  
Nichola Mann (NM) – Joint Acting Director of People & Governance  
Eugene Minogue (EM) – Interim Director of Communities  
Stephanie Meek (SM) – Corporate Manager – Customer Services  
Shelley King (SK) – Performance & Digital Transformation Manager

**Apologies:** Cllr Pound  
Cllr Munden  
Jonathan Stephenson (JS) – Chief Executive Officer  
Steve Summers (SS) – Strategic Director  
Emily Yule (EY) – Strategic Director  
Sarah Bennett (SB) – Director of Customer & Data Insight  
Phoebe Barnes (PB) – Director of Assets & Investments  
Tim Wills (TW) – Interim Director of Resources  
Leigh Nicholson (LN) – Interim Director of Place  
Claire Mayhew (CM) – Joint Acting Director of People & Governance

#### 1. Welcome & Introduction

#### 2. Terms of Reference

These are attached to these minutes.

### **3. Performance Indicators – Q3 2023-24**

#### **Summary**

- A summary report provided performance by department for Q3 2023-24. This showed 4% increase in targets met or exceeded compared with the previous quarter, with those measures within tolerance having increased by 11%.

#### **Planning**

- There was 14.28% of appeals allowed against the authority's decision to refuse planning applications.
- Consistently high performance has enabled all Planning performance indicators to meet or exceeded target.

#### **Street Scene and Environment**

- Performance for Street Scene and Environment in Q3 was below target across all indicators with the exception of residual household waste (the data for which is yet to be confirmed by Essex County Council) and garden waste recycling.
- Targets for street scene are to be reviewed to better reflect the service, including a quarter-by-quarter target for garden waste collection, which is affected by the seasons.

#### **Environmental Health**

- The percentage of broadly compliant food premises is below target. Officers were progressing through the inspection programme, however numbers of new food businesses remain a challenge.
- Service requests investigated within target time increased slightly on the previous quarter but is still below target. A new service request investigation procedure had been introduced that details the steps required of officers. There was still a variance between officers and some further work would be required to improve performance across the Borough.
- Mirroring national trends, the service is short on resource. Training and recruitment of food officers is underway to bring the service up to strength.

#### **Housing**

- Average re-let times for local authority housing improved in Q3 but this figure was still below target. The quality of voids being returned in often poor condition had increased which was impacting on the re-let times. An officer working group had been established to consider how to improve rates.
- The number of households in temporary accommodation decreased this quarter to meet its target. Members were advised that the numbers of households in temporary accommodation considerably lower than neighbouring authorities.
- Gas servicing was on target, reaching 100% compliance.
- The number of households on the council's housing and transfer registers had remained relatively stable. There was a slight increase in transfer applicants and a decrease in home seekers this quarter.
- Although up from last quarter, rent arrears had come down significantly from 6 weeks earlier. Officers were concentrating on the numbers in arrears rather than the amount. This would be a slow process to get the arrears down, with more work to do. Court cases were going through at a fast rate and officers were successful in getting evictions for residents who refuse to pay.

#### **Finance**

- Performance indicators for Finance were below target but showed a marked improvement on the previous quarter for payments to suppliers. Finance was working with officers to improve these figures.
- The value of corporate debt was at its highest level for some time due to resources and capacity in the team. Overdue invoices were at £2.4m.



### **Human Resources**

- Performance for the number of days lost to sickness was shown to be worsening in Q3. This is due to a number of factors including long term sickness absences and an increase in sickness cases during the colder months. These were being managed through the council's sickness absence process.

### **Revenues and Benefits**

- Council Tax collection was just below target but all other Revenues and Benefits indicators met or exceeded target due to the proactive measures established.

### **Contact Centre**

- Telephone calls to the Contact Centre had decreased compared to the same time last year.
- Website sessions continued to demonstrate a decline from the same time last year, this was due to a change in website platform affecting the way sessions were recorded rather than a decrease in visitors. Visitors had increased from last quarter, however.
- Amended rotas had reduced the time taken to answer calls, which had now exceeded target for Q3. A new phone system had been installed, which provided the facility for callers to request a call back rather than wait in the queue. This had proven to be popular with service users.

### **WORKING GROUP ACTION**

For the working group to continue to review progress of the quarterly Performance Indicators.

### **4. Formal Complaints**

- The Working Group was presented with information on the complaints received in Q3 2023/24, the number of complaints responded to within the agreed timeframe, and the complaints upheld by Ombudsman.

### **Electoral Registration**

- A call to a customer to obtain sensitive information had been made from a mobile phone. This complaint was upheld at stage 2. A new phone system was being implemented to avoid this reoccurring in the future.

### **Housing**

- Q3 carried a general theme of complaints associated with Housing repairs, ASB and communications. A complaint about disability discrimination relating to aids and adaptations had also been upheld.
- It was recognised that Housing complaints were relatively low. Officers were being more customer-care focussed and advised that this would lead to more complaints being upheld.
- Members felt that this approach should be mirrored across all areas and that officers should feel empowered to record complaints as such.

### **Environment**

- Missed bins and repeated missed bins were the overriding cause of upheld complaints within the Environment service, with 18 complaints upheld in Q3.
- Members were advised that for the last few years, the street scene service had been reliant upon agency staff. These were often unfamiliar with local roads and the intricacies of some routes, which frequently led to missed bins. This was now being addressed with permanent staff being recruited to provide better service for residents.
- It was recognised that as a key service with issues it was suggested that that a street scene group meet to discuss the issues faced.

- Members agreed to make a recommendation from the Performance Indicators and Formal Complaints Working Group to the Audit and Scrutiny Committee that a street scene working group be established to consider performance matters.

#### **Parking**

- A complaint about the new payment system being unsuitable for those without smart phones was upheld at stage 1. A review of the payment methods is underway.

#### **Ombudsman Decisions**

- One complaint had received ombudsman decisions in Q3. This related to errors in the determination of a planning decision including failures in investigation. The complaint was not upheld due to being unlikely to find fault and no significant injustice caused.

**WORKING GROUP ACTION:** For the working group to monitor these complaints against future quarters to identify concerns or themes.

For the working group to make a recommendation to the Audit and Scrutiny Committee to establish a street scene group.

#### **5. Date of next meeting** TBC, likely July 2024

## **Addendum 2**

### **Audit & Scrutiny Committee Performance Indicators & Formal Complaints Working Group**

Members of Working Group:  
Cllrs. Rigby, Pound, Murphy, Mayo Munden

Terms of Reference:

1. To monitor and consider the Council's service Performance Indicators.
2. To consider in detail Formal Complaints received by the Council.
3. To consider how Performance Indicators and Formal Complaints are reported to the Audit & Scrutiny Committee.
4. To make recommendations to the appropriate Audit & Scrutiny Committee.



# Members Working Group Formal Complaints Q3 2023/24

Oct - Dec 2023

## Formal Complaints received annually

Department	2019/20	2020/21	2021/22	2022/23
ASB/Community Safety	1	7	1	3
Assets	3	0	1	1
Building Control	1	0	0	0
Community Services	2	0	1	0
Corporate	0	0	0	1
Customer Service	5	7	1	1
Democratic Services	2	1	0	0
Electoral Services	0	0	1	0
Env Health	4	10	6	1
Finance	0	0	0	0
Housing	75	66	58	62
Human Resources	0	0	1	0
Legal	0	0	0	0
Licensing	0	2	1	0

# Formal Complaints received annually

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Department	2019/20	2020/21	2021/22	2022/23
Parking	3	1	0	1
Planning	16	15	18	21
Revs & Bens	28	8	11	20
Streetscene	44	63	29	55
<b>Total</b>	<b>184</b>	<b>180</b>	<b>132</b>	<b>166</b>



# Ombudsman upheld decisions annually

Department	2018/19	2019/20	2020/21	2021/22	2022/23
Environmental Health			1	2	1
Housing – Local Government Ombudsman	1	1	2	1	1
Housing – Housing Ombudsman			1		
Planning	2				1
<b>Total</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>3</b>

## 2023/24 Formal Complaints received Oct - Dec 2023

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Q3			
Department	Total	Upheld	%
ASB/Community Safety	0	0	
Assets	0	0	
Community Services	0	0	
Customer Services	0	0	
Electoral Services	1	1	100%
Environmental Health	2	0	0%
Housing	21	9	24%
Parking	1	1	100%
Planning	2	0	0%
Revenues & Benefits	4	0	0%
Streetscene	25	18	72%
<b>Total</b>	<b>56</b>	<b>29</b>	<b>52%</b>

YTD			
Department	Total	Upheld	%
ASB/Community Safety	2	2	100%
Assets	1	0	0%
Community Services	1	0	0%
Customer Services	2	2	100%
Electoral Services	1	1	100%
Environmental Health	5	2	40%
Housing	55	21	38%
Parking	3	3	100%
Planning	7	1	14%
Revenues & Benefits	19	5	26%
Streetscene	60	43	72%
<b>Total</b>	<b>156</b>	<b>80</b>	<b>51%</b>

## 2023/24 Formal Complaints responded to within agreed timeframe Oct - Dec 2023

Page 313

Q3	
Department	%
ASB/Community Safety	
Assets	
Community Services	
Customer Services	
Electoral Services	100%
Environmental Health	100%
Housing	86%
Parking	100%
Planning	100%
Revenues & Benefits	100%
Streetscene	60%
<b>Total</b>	<b>77%</b>

YTD	
Department	%
ASB/Community Safety	100%
Assets	100%
Community Services	100%
Customer Services	100%
Electoral Services	100%
Environmental Health	100%
Housing	89%
Parking	100%
Planning	100%
Revenues & Benefits	95%
Streetscene	60%
<b>Total</b>	<b>83%</b>



# Upheld Formal Complaints Oct - Dec 2023

## Electoral Services



No	Complaint	Stage
1	Call to customer to obtain sensitive information was made from a mobile number	2

# Upheld Formal Complaints Oct - Dec 2023

## Housing



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No	Complaint	Stage
1	No response from officer regarding the potential rental of an empty garage near property	1
2	No response to parking issues Various ASB issues Not seen officer on site since complaint made Bin store issues Windows not cleaned	2
3	Damage to property due to a water leak, caused whilst stored in garage	1
4	Disability discrimination relating to aids and adaptations Operative not briefed properly Email and questions not responded to	2

# Upheld Formal Complaints Oct - Dec 2023 Housing



Page 316

No	Complaint	Stage
5	No response since first water leak several weeks ago and no clarification this has been resolved	1
6	Told no callback logged when requested	1
7	No response to email sent to the duty officer	1
8	Incorrect information on letter stating 'refused' a property when it had been deemed unsuitable by Housing provider	2
9	Axis engineer damaged water pipe causing damage to property Damage caused to wiring leaving no lighting upstairs	2

# Upheld Formal Complaints Oct - Dec 2023

## Streetscene



No	Complaint	Stage
1	Repeated missed food collections and not collected once reported	1
2	Repeated missed collections and not collected once reported	1
3	Repeated missed collections	1
4	Unusable garden waste bin not replaced for 3 months	1
5	Bulky waste booking was not collected despite repeated phone calls being told it would be collected next day	1
6	Crew pile rubbish outside property Crew spill waste on area outside property Crew did not care about mess left Bins left obstructing driveway Crew arrive before 7.30am	1

# Upheld Formal Complaints Oct - Dec 2023

## Streetscene



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No	Complaint	Stage
7	Missed collections of garden waste and told due to bin not being Brentwood property despite it having BBC logo	2
8	Repeated missed recycling collections and not collected once reported	2
9	Repeated missed recycling collections	1
10	Repeated missed collections	1
11	Repeated missed collections	1
12	Repeated missed collections and delay of collection once reported	1

# Upheld Formal Complaints Oct - Dec 2023

## Streetscene



No	Complaint	Stage
13	Repeated missed assisted collections	1
14	Repeated missed collections	1
15	Refuse vehicle parked over drive each week restricting access to road Crew member stated that they won't collect customer waste in future	1
16	Reported missed collections not collected	2
17	Repeated missed food waste collections	1
18	Repeated missed collections	1

# Upheld Formal Complaints Oct - Dec 2023

## Parking



No	Complaint	Stage
1	The new payment system unusable for some people e.g. those without smart phones System will cause tail backs when people trying to pay on entry	1

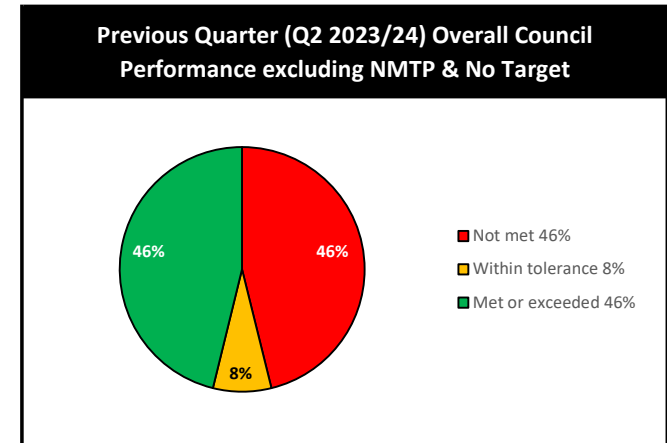
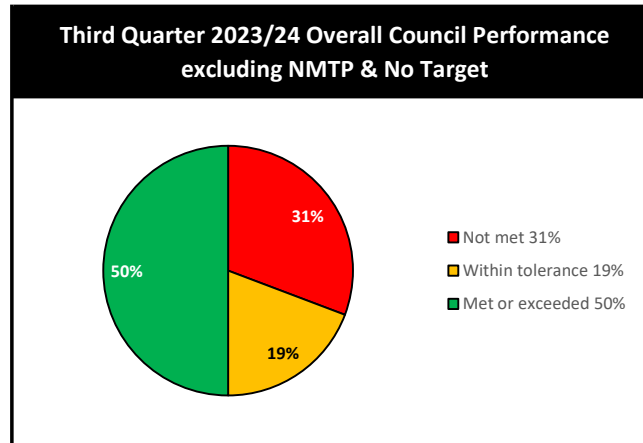
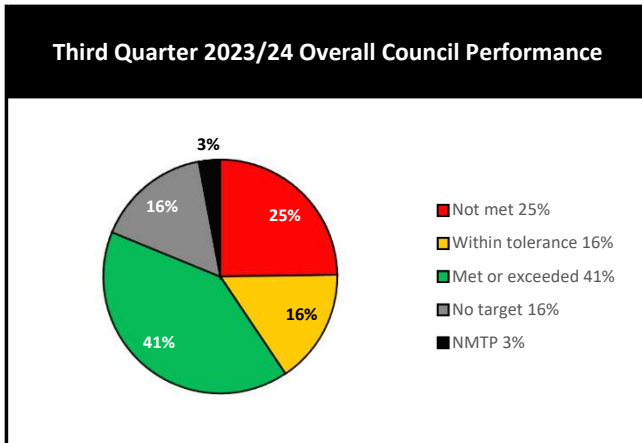
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# Ombudsman Decisions Oct – Dec 2023



	Service	LGO/HO	Complaint	Council's decision	Ombudsman outcome
1	Planning	LGO	Council made errors in the determination of a decision including failures in investigation	Not upheld	Unlikely to find fault and no significant injustice caused



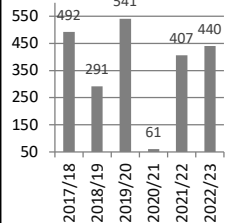
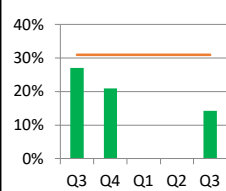
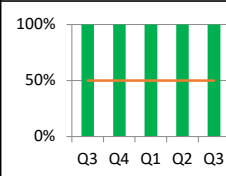
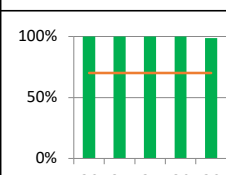



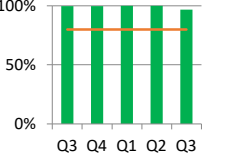


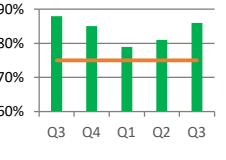

### Third Quarter 2023/24 Performance by Department

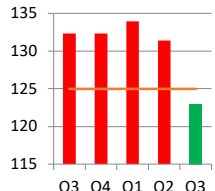
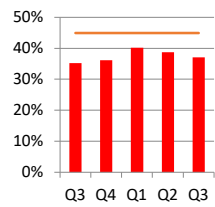
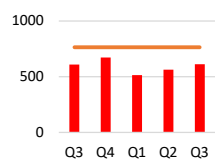
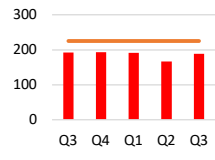
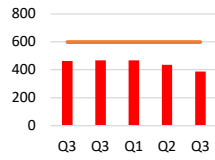
Department	Sub-Department	Red		Amber		Green		No Target		NMTP		Total
		No.	%	No.	%	No.	%	No.	%	No.	%	No.
Economy	Planning	0	0%	0	0%	5	83%	0	0%	1	17%	6
Environment	Street Scene	5	71%	1	14%	1	14%	0	0%	0	0%	7
Communities	Environmental Health	1	50%	1	50%	0	0%	0	0%	0	0%	2
Housing	Housing	2	40%	0	0%	2	40%	1	20%	0	0%	5
Effective	Finance	0	0%	2	67%	0	0%	1	33%	0	0%	3
	Human Resources	0	0%	0	0%	0	0%	1	100%	0	0%	1
	Revenues and Benefits	0	0%	1	20%	4	80%	0	0%	0	0%	5
	Customer Services	0	0%	0	0%	1	33%	2	67%	0	0%	3
<b>Total</b>		<b>8</b>	<b>25%</b>	<b>5</b>	<b>16%</b>	<b>13</b>	<b>41%</b>	<b>5</b>	<b>16%</b>	<b>1</b>	<b>3%</b>	<b>32</b>
<b>Previous Quarter Total</b>		<b>12</b>	<b>38%</b>	<b>2</b>	<b>6%</b>	<b>12</b>	<b>38%</b>	<b>5</b>	<b>16%</b>	<b>1</b>	<b>3%</b>	<b>32</b>


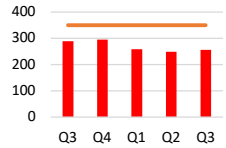


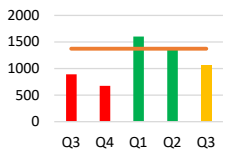

### Key


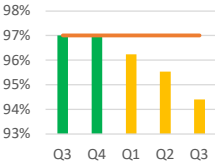


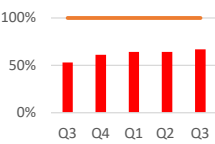

	Current performance is below target by more than the specified target deviation.
	Current performance is below target but is within tolerance.
	Current target has been met or exceeded.
	No target.
	NMTP Not measured this period.
	Performance for the quarter or year to date is improving (up) or deteriorating (down) compared to previous quarter or across the year.


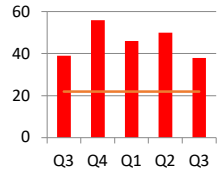


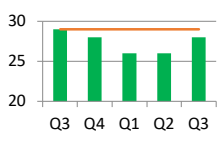


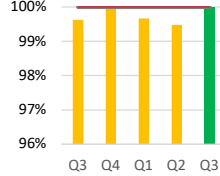


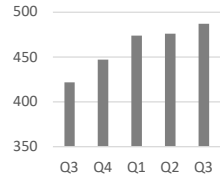

Growing our economy															
Department and PI Code	Performance Indicator	Measure	Previous Quarterly Results				Latest Quarterly Results			Q Status & Trend	Q Graphic	2023/24 Year to Date			Commentary
			Q3 Result	Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Year to Date Result			Year to Date Target	Year to Date Status & Trend		
Planning P01	Number of new homes approved to be built in the Borough	Annual	NMTP	440	NMTP	NMTP	NMTP	NMTP	No target	NMTP		NMTP	No target	NMTP	The gross number of new homes approved to be built in the Borough. Approvals for new homes help towards the Borough's supply of homes, specifically the required five-year housing supply (published annually). Monitoring data has concluded that there are 440 NET new dwellings within the borough for the monitoring period 2022-23. This is an increase from last year likely due to the adoption of the Brentwood Local Plan. The adopted Local Plan states in policy MG01 that we will deliver 300 new homes during this period, so we have over delivered by 140 new dwellings which helps with closing the gap for our previous years' short falls.
Planning P02	% of appeals allowed against the authority's decision to refuse planning applications (percentage)	Quarterly	26.90%	21%	0%	0%	14.28%	31%	Green		4.76%	31%	Green	Monitoring is done to understand why appeals happen and what can be done to reduce them and reduce number of overturns. Also working with agents to understand what we can do to help. An 'Appeals Update' is presented to Planning Committee to provide more detail on appeals. The number of appeals has dropped off so far year to date.	
Planning P03	Processing of planning applications as measured against targets for 'Major' application types	Quarterly	100%	100%	100%	100%	100%	50%	Green		100%	50%	Green	Consistently high performance. Processes and performance are constantly being reviewed to ensure standards remain high. The number of all application types has dropped off.	
Planning P04	Processing of planning applications as measured against targets for 'Minor' application types	Quarterly	100%	100%	100%	100%	98.76%	70%	Green		99.59%	70%	Green	Consistently high performance. Processes and performance are constantly being reviewed to ensure standards remain high. The number of all application types has dropped off.	


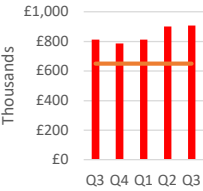

Planning P05	Processing of planning applications as measured against targets for 'Other' application types	Quarterly	99.80%	99.60%	100%	100%	96.73%	80%	Green 		98.91%	80%	Green 	Consistently high performance. Processes and performance are constantly being reviewed to ensure standards remain high. The number of all application types has dropped off.
Planning P06	Percentage of planning applications approved	Quarterly	88%	85%	79.20%	81.00%	86.00%	75%	Green 		82.07%	75%	Green 	This reports approvals of all PS1 and PS2 applications (i.e. excluding pre-applications)

Protecting our environment															
Department and PI Code	Performance Indicator	Measure	Previous Quarterly Results				Latest Quarterly Results			Q Status & Trend	Q Graphic	2023/24 Year to Date			Commentary
			Q3 Result	Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Year to Date Result			Year to Date Target	Year to Date Status & Trend		
Street Scene and Environment E01	Residual household waste per household (kg)	Quarterly	132.34	132.26	133.94	131.39	123.23	125	Green ↑		388.56	375	Red ↑	Figures need to be confirmed with ECC but it appears that residual waste kg per household figures appear to be dropping, although it is too early to draw any conclusions. The rescheduled collections over the Christmas holidays will also have contributed to this quarter's reduced tonnages.	
Street Scene and Environment E02	Percentage of household waste arisings which have been sent by the authority for reuse, recycling, composting or anaerobic digestion	Quarterly	35.28%	36.20%	40.18%	38.74%	37.09%	45%	Red ↓		38.67%	45%	Red ↓	Estimated as statistics to be verified by ECC. Slight drop in recycling rate due to lower tonnage of garden waste being collected.	
Street Scene and Environment E03	Paper and card recycled by tonne	Quarterly	608.3	672.14	513.02	562.703	611.203	763	Red ↑		1686.92	2289	Red ↑	Recycling of paper/card is now recovering but will require further monitoring before any conclusions can be drawn.	
Street Scene and Environment E04	Cans and plastic recycled by tonne	Quarterly	191.9	193.42	191.3	166.86	189.26	225	Red ↑		547.42	675	Red ↑	Collections in last quarter have show an improvement and are more consistent with Q4 and Q1 outturns.	
Street Scene and Environment E05	Mixed glass recycled by tonne	Quarterly	464.1	467.1	468.91	435.656	388.22	600	Red ↓		1292.8	1800	Red ↓	Glass tonnage is consistent with previous quarters of last year. Possibly a review of the target is required.	

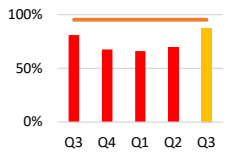
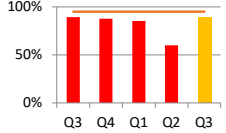
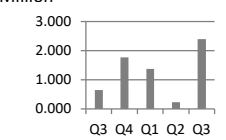
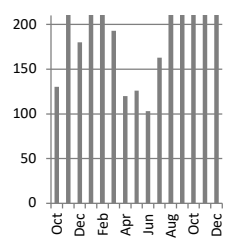
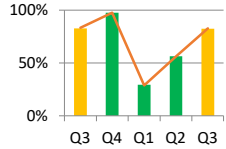
Street Scene and Environment E06	Food waste recycled by tonne	Quarterly	288.8	295.54	258.18	247.82	255.56	350	Red 		761.6	1050	Red 	Food tonnage remains relatively low and will need further monitoring.
Street Scene and Environment E07	Garden waste recycled and diverted from landfill per tonne	Quarterly	895.6	673.12	1603.42	1403.22	1073.6	1375	Amber 		4080.2	4125	Amber 	Lower levels of garden waste tonnage are consistent with the time of year and colder conditions and slower growth.

Developing our communities															
Department and PI Code	Performance Indicator	Measure	Previous Quarterly Results				Latest Quarterly Results			Q Status & Trend	Q Graphic	2023/24 Year to Date			Commentary
			Q3 Result	Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Year to Date Result			Year to Date Target	Year to Date Status & Trend		
Environmental Health EH01	Food safety/ hygiene standards in food premises - % of broadly compliant food premises	Quarterly	97%	97%	96.24%	95.54%	94.40%	97%	Amber 		95.39%	97%	Amber 	Progressing through the inspection programme, however the numbers of new food businesses remain a challenge.	
Environmental Health EH02	Service requests responded to within target time (5 days)	Quarterly	53.10%	61.25%	64.25%	63.70%	66.70%	100%	Red 		64.88%	100%	Red 	The quarter 3 figure has improved by 3 percent from quarter 2. This is thought to be the result of the start of the use of the improved service request investigation procedure that details the steps required of officers. There is still a variation between officers and further work will be required with some officers to improve performance across the borough.	


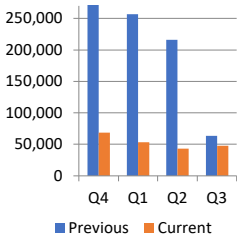


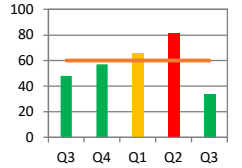

Improving our housing															
Department and PI Code	Performance Indicator	Measure	Previous Quarterly Results				Latest Quarterly Results			Q Status & Trend	Q Graphic	2023/24 Year to Date			Commentary
			Q3 Result	Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Year to Date Result			Year to Date Target	Year to Date Status & Trend		
Housing H01	Average re-let times for Local Authority Housing	Quarterly	39 Days (35 GN, 48 SH, 34 TA)	56 Days (42 GN, 55 SH, 81 TA)	45 Days (29 GN, 67 SH, 51 TA)	Days 50 (49 GN, 49 SH, 54 TA)	Days 38 (31 GN, 44 SH, 46 TA)	22 Days	Red 		45 Days	22 Days	Red 	Whilst the figures for turnaround of voids has reduced, this is mainly due to only two properties being let in December which were deemed major works. We expect to see a return to roughly 40 to 50 days next quarter as lettings pick up after the Christmas period but work continues to improve turnaround times from works through to lettings.	
Housing H04	Households living in temporary accommodation	Quarterly	29	28	26	26	28	29	Green 		26.6	29	Green 	Temporary accommodation has fluctuated with an increase in complex approaches however with an increase in discharge numbers are still relatively low. We have experienced issues with discharge through Housing Association nominations ranging from long void periods to poor conditions which has delayed several TA move ons.	
Housing H05	Gas servicing in Council homes	Quarterly	99.62%	100%	99.51%	99.47%	100%	100%	Green 		99.66%	100%	Amber 	Target achieved on 18th December. All properties due for a landlord gas safety check have been completed.	
Housing H07	No. of applicants on the waiting list for Local Authority housing	Quarterly	422	447	483	476	487	No Target	No Status 		487	No Target	No Status 	Housing Register: 243 Transfer Register: 244  The Council's housing and transfer registers have remained relatively stable this quarter. We have seen a slight increase in transfer applicants and a decrease in homeseekers at the end of the quarter. We continue to work on a weekly bidding cycle to ensure allocations are processed in a timely manner.	

Housing H08	Average Rent Arrears Total (Current Tenants, Garages)	Quarterly	£812,721	£787,893	£812,065	£900,683	£906,627	£650,000	Red 		£873,125	£650,000	Red 	<p>Although up from last quarter, the arrears have come down significantly from 6 weeks ago. At the moment we are still seeing a massive increase with residents struggling with finances. Our use of food banks has massively increased and we are awarding more and more DHP to help people back on their feet. There have also been more people transfer to Universal Credit causing at least a 5 week delay on payments. We are dedicating 1 day a month to scrutinise arrears over £2,000 in addition to our usual weekly arrears processes to keep on top of the people struggling. Our court cases are going through at the fastest rate we've seen for a long time and we are successfully getting evictions for residents who refuse to pay.</p> <p>The Housing Officers have been working tirelessly to ensure we are providing support for residents whilst also being enforcers and getting the rent. We have had some major successes with large payments coming in and will continue to use new an innovative ways to engage with residents and ensure a better payment culture of "rent first" .</p>
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Delivering an effective and efficient council															
Department and PI Code	Performance Indicator	Measure	Previous Quarterly Results				Latest Quarterly Results			Q Status & Trend	Q Graphic	2023/24 Year to Date			Commentary
			Q3 Result	Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Year to Date Result			Year to Date Target	Year to Date Status & Trend		
Finance F01	% of invoices from local suppliers paid within 20 days	Quarterly	80.89%	67.30%	65.98%	69.35%	87.31%	95%	Amber ↑		74.21%	95%	Red ↑	Local invoices are currently below par, but we have seen a increase this quarter with the number of invoices paid within 20 days in term at 87%. A slightly lower performance in October and November caused this variance. Accounts Payable officers have been instructed to work with officers to help assist this figure to increase.	
Finance F02	% of invoices from all suppliers paid within 30 days	Quarterly	89.35%	87.73%	85.40%	59.86%	89.44%	95%	Amber ↑		78.23%	95%	Red ↑	We've seen an increase in invoices compared to last quarter with the percentage of invoices being paid within 30 days going up. Accounts Payable team have been advised to work closely with departments to ensure these invoices are paid on time.	
Finance F03	Value of corporate debt (£m)	Quarterly	£0.654m	£1.764m	£1.374m	£0.233m	£2.4m	Reduction from previous quarter	No Status ↓		£2.4m	Reduction from previous quarter	No Status ↓	The Accounts Receivable Team aim to keep the debt level below £1m. However, due to resources within the team, we have reduced capacity to chase. Overdue invoices are currently at £2.4m as we are seeing an increase in the number of invoices being raised again and with the majority of invoices sitting with Seven Arches Investments.	
Human Resources HR03	Number of days sickness lost per month	Monthly	Oct 130.5 Nov 218 Dec 180	Jan 286.5 Feb 261 Mar 193	Apr 120 May 126 Jun 103	Jul 163 Aug 230 Sep 241	Oct 252 Nov 272 Dec 244	No Target	No Status ↓		1851	No Target	No Status ↓	This PI reflects the number of working days lost to sickness each month. Absence figures for Q3 show an increase in number of days lost. This is due to a number of factors including long term sickness absence cases that are being managed through the council's sickness absence process, it is also common during the colder seasons to have a higher level of sickness absence. As an organisation we continue to offer support to all employees around their wellbeing by way of wellbeing check ins, EAP, regular 1:1s, One You and Team meetings, Mental Health First Aiders, wellbeing Teams channel, lunch and learn sessions and encouraging a form of physical activity. The HR Officers have been monitoring the reporting of absence and encouraging timely reporting. All staff triggered are being managed through the sickness process.	
Revs & Bens CT01	Council Tax collection	Quarterly	82.80%	97.60%	29.40%	56.30%	82.50%	82.80%	Amber ↓		82.50%	82.80%	Amber ↑	We are slightly below target for Q3. We started our bi-annual single resident discount review in November which is an ongoing project. As a result of this we have increased the Council Tax debit by £100k in the month of December. This money will be collected from January onwards. In addition, throughout January we will be removing single resident discounts from customers who have not responded to the review, this will generate additional debt. We will continue to engage with customers to collect as much as possible whilst signposting to support available too.	

Revs & Bens CT03	Housing Benefit and Pensioner Council Tax Support - time taken to process <b>new</b> claims (days)	Quarterly	18	17	17	15	16	18	Green ↓		16	18	Green ↑	Our average days to process New Claims at the end of quarter three is under our target of 18 days which is a fantastic achievement for the team. Especially when most of our New Claims that we receive are supported or temporary housing and the most complicated to process. We will always strive to achieve this target by ensuring we do not delay asking customers for information that is required to process their claim. We will always try to telephone and text customers rather than write, as this builds unnecessary delays in processing.
Revs & Bens CT05	Housing Benefit and Pensioner Council Tax Support - time taken to process Change of Circumstances (days)	Quarterly	5.2	3.2	9	4.5	5	7	Green ↓		6	7	Green ↑	Another great quarter, averaging our processed change of circumstances within 5 days, and achieving our quarter three target which is always pleasing to reach especially around this time of year when change in circumstances can be higher. This is due to customers doing short term or additional work around November and December. We continue to encourage residents to use emails, the website and telephone to let us know of their change in circumstances so that we can ensure they get the correct help they need and within a timely manner. This also helps keeping customer contact to a minimum and supports our residents at this difficult time with the cost of living rising.
Revs & Bens CT07	Council Tax Reduction scheme for working age persons - time taken to process <b>new</b> applications (days)	Quarterly	3	3	2	2	2	3	Green ↔		2	3	Green ↔	We are below target for time to process new applications for Council Tax Reduction which is great for our customers receiving their entitlement in a timely manner.
Revs & Bens CT08	Council Tax Reduction scheme for working age persons - time taken to process change of circumstances (days)	Quarterly	3	3	3	2	3	3	Green ↓		2.6	3	Green ↓	We are at target for time to process changes of circumstances for Council Tax Reduction which is great for our customers receiving their entitlement in a timely manner.
Contact Centre CC02	Telephone calls taken by the Contact Centre for those services undertaken by the Contact Centre	Quarterly	10,351	11,504	10,313	10,331	9,452	No Target	No Status ↓		10,032	No Target	No Status ↓	This figure depicts the number of calls received via the main Council telephone no. 01277 312500 and that have selected the applicable service from the options provided. It does not include calls that have selected option '0'. The services undertaken by the Contact Centre are Environmental Health, Licensing, Planning, Building Control, Parking, Operational Services and Housing Services.

Contact Centre CC04	Website sessions	Quarterly	63,603	68,559	53,390	42,983	47,449	No Target	No Status 	 <table border="1"> <caption>Website Sessions Data</caption> <thead> <tr> <th>Quarter</th> <th>Previous</th> <th>Current</th> </tr> </thead> <tbody> <tr> <td>Q4</td> <td>~220,000</td> <td>~60,000</td> </tr> <tr> <td>Q1</td> <td>~200,000</td> <td>~50,000</td> </tr> <tr> <td>Q2</td> <td>~180,000</td> <td>~40,000</td> </tr> <tr> <td>Q3</td> <td>~50,000</td> <td>~40,000</td> </tr> </tbody> </table>	Quarter	Previous	Current	Q4	~220,000	~60,000	Q1	~200,000	~50,000	Q2	~180,000	~40,000	Q3	~50,000	~40,000	143,822	No Target	No Status 	<p>Website sessions are defined as: A session is the period time a user is actively engaged with your website. By default, if a user is inactive for 30 minutes or more, any future activity is attributed to a new session. Users that leave your site and return within 30 minutes are counted as part of the original session.</p> <p>On 5 Oct 22, the Council changed its website platform, which has dramatically affected the number of sessions recorded. We do not believe that this is an indication of a drop in users, rather a reduction in the number of computer generated hits, leading to false records. This rebaselines the results.</p>
Quarter	Previous	Current																											
Q4	~220,000	~60,000																											
Q1	~200,000	~50,000																											
Q2	~180,000	~40,000																											
Q3	~50,000	~40,000																											
Contact Centre CC05	Time taken to answer calls (seconds)	Quarterly	48	57	66	81	34	60	Green 	 <table border="1"> <caption>Time taken to answer calls Data</caption> <thead> <tr> <th>Quarter</th> <th>Time (seconds)</th> </tr> </thead> <tbody> <tr> <td>Q3</td> <td>~50</td> </tr> <tr> <td>Q4</td> <td>~55</td> </tr> <tr> <td>Q1</td> <td>~65</td> </tr> <tr> <td>Q2</td> <td>~80</td> </tr> <tr> <td>Q3</td> <td>~35</td> </tr> </tbody> </table>	Quarter	Time (seconds)	Q3	~50	Q4	~55	Q1	~65	Q2	~80	Q3	~35	60	60	Green 	<p>Benchmarking across Essex reports varying targets for time to answer. We have set our target relatively low in recognition of the importance of maintaining a good level of customer service.</p> <p>Current trend - Throughout quarter 2 we operated with one vacant post affecting call queue time. We have amended rotas to have a positive affect going forward into quarter 3.</p>			
Quarter	Time (seconds)																												
Q3	~50																												
Q4	~55																												
Q1	~65																												
Q2	~80																												
Q3	~35																												



## COMMITTEE TITLE: AUDIT AND SCRUTINY

DATE: 20<sup>th</sup> March 2024

<b>REPORT TITLE:</b>	Essex County Council Recycling Centres
<b>REPORT OF:</b>	Director of Environment
<b>REPORT IS FOR:</b>	Information Only

### REPORT SUMMARY

At Ordinary Council - 21st June 2023, the Motion was debated regarding Essex County Council introducing a policy of residents having to book to use the Recycling Centres in the Borough of Brentwood and across Essex from March 2023.

Ordinary Council resolved to ask the Audit & Scrutiny Committee to open an investigation into this policy, its impact on the number of fly-tips, the County Council's justification for this policy and the costs incurred to Brentwood taxpayers.

Essex state that the booking process is a cost-effective way to make optimum use of available capacity across the recycling network to support the needs of the current and growing population of Essex.

The Essex Officer recommendation to adopt the booking system was approved by Cabinet at Essex County Council Cabinet Meeting – 27<sup>th</sup> February 2024. [Click Here](#).

In conclusion, there does not appear to be a direct link between the numbers of fly tips that the Borough is experiencing, and the introduction of the booking system at the ECC Recycling Centres.

### SUPPORTING INFORMATION

#### 1.0 BACKGROUND INFORMATION

- 1.1. At Ordinary Council - 21<sup>st</sup> June 2023 a Motion was debated regarding Essex County Council introducing a policy of residents having to book to use the Recycling Centres in the Borough of Brentwood and across Essex from March 2023.
- 1.2 Members raised concern that since March 2023, a continued escalation in fly-tipping has been observed, with many residents being turned away from the Recycling Centres if they have not made an appointment; Further, residents have also not been able to book appointments on the same day, with limited options for multiple trips.

- 1.3 Concern was also raised regarding that the Council is financially responsible for clearing fly-tips on public land, and it is therefore impacting the Council's financial position. Whilst Essex County Council might be making savings, they come at a greater cost to Brentwood Council taxpayers, given that clean-up costs are higher than the costs of legitimate waste disposal.
- 1.4 Ordinary Council resolved to ask the Audit & Scrutiny Committee to open an investigation into this policy, its impact on the number of fly-tips, the County Council's justification for this policy and the costs incurred to Brentwood taxpayers. The result of this investigation to be reported back to Ordinary Council.

#### Introduction of Booking System for Recycling Centres

- 1.5 Since 2022, Essex County Council has been running a pilot using Rayleigh Recycling Centre to understand if a booking process at the recycling centres can reduce queuing and local congestion, enhance operational efficiency, improve customer satisfaction, and encourage more recycling.
- 1.6 The final phase of the pilot introduced a booking process for all vehicles at all recycling centres in March 2023. During the operation of the pilot the approach has been adjusted in response to feedback from users and site operatives. This has dealt with many of the issues raised by Council Members in the Motion, and the responses are set out below:
  - Same day bookings were made available at all sites from the start of the extended pilot in March 2023. This enables users to make a booking as little as 15 minutes prior to arrival (subject to booking availability).
  - Essex users have not been limited on the number of visits they make (subject to booking availability) providing they are disposing of their own waste. For clarity, there is no restriction in the booking system on the number of bookings a user may make in a given period.
  - During the booking pilot no users from Essex have been refused entry because they have failed to book. Users without a booking may be asked to wait if the site is already at full capacity, but they will be given access as soon as possible.
  - During the pilot, pedestrians, cyclists and Blue Badge holders have not been required to book.

#### Evaluation by Essex County Council

- 1.7 To understand the operational impact of implementing a booking process, data was collected by Essex between 17 March and 30 September 2023, and a final evaluation report has been produced by ECC.
- 1.8 Overall, Essex concluded that the evaluation shows that the booking process has had a range of operational and customer benefits, particularly as a result of reducing queuing and congestion, with no discernible impact on perceived areas of concern such as fly-tipping and recycling rates.

- 1.9 The final evaluation report link is [Here](#). A summary of the key findings of the Final Evaluation Report are set out below:

#### Fly tipping

- 1.10 The impact of a booking process on the level of fly-tipping has been a key concern for some residents. No direct link has been identified between the introduction of the booking process and the level of reported fly-tipping in Essex.
- 1.11 Government national data indicates that fly-tipping fluctuates year on year. In January 2023 DEFRA undertook a study to explore if there were links between recycling centre booking systems and incidents of fly-tipping and did not find a link between booking systems and fly-tipping.
- 1.12 Analysis shows that fly-tipping was increasing prior to the roll-out of the booking process and has fluctuated throughout the pilot period, with no discernible pattern across the County.

#### User Feedback and surveys:

- 1.13 A public consultation was conducted by Essex for six weeks from 9 October to 19 November 2023. The purpose was to seek residents views on retaining a booking process. A total of 18,123 responses to the consultation were received from across the County.
- 1.14 Independent analysis of the consultation response indicates overall agreement to retain a booking system for cars was 58% (with 39% disagreeing) and for vans 72% agreed (with 14% disagreeing). Although levels of agreement varied by locality, the level of agreement to retain a booking system exceeded 50% for both cars and vans for residents of Brentwood, and users of the Coxtie Green and Mountnessing sites.

#### Current Essex Position

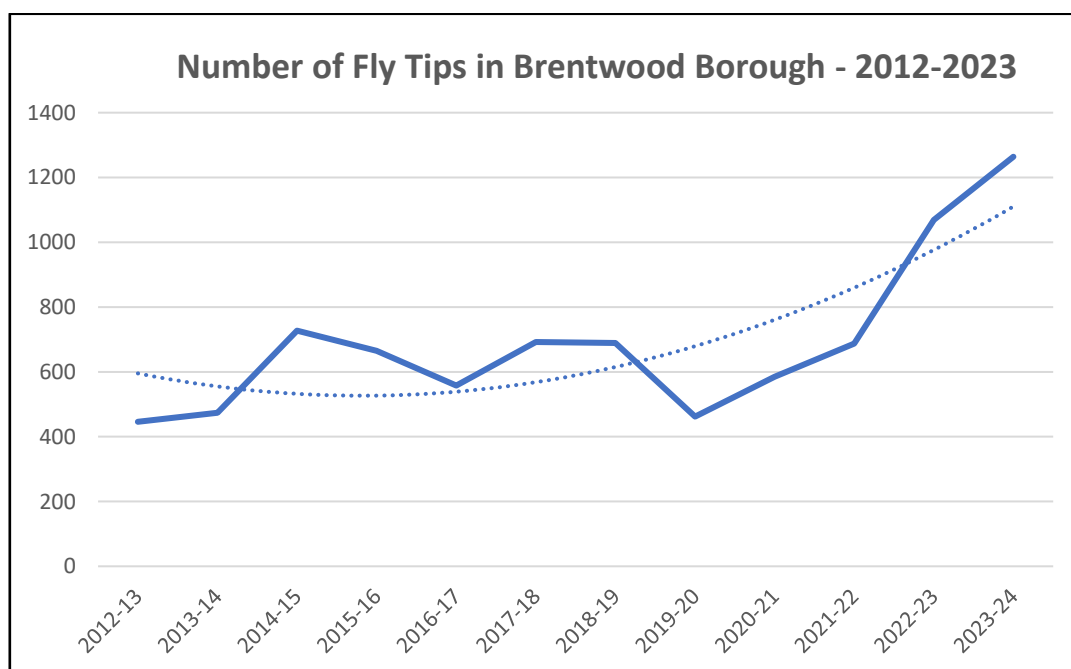
- 1.15 Essex state that the booking process is a cost-effective way to make optimum use of available capacity across the recycling network to support the needs of the current and growing population of Essex.
- 1.16 It has helped manage demand across the recycling centre network to reduce the queues and congestion that were being experienced at peak times and increase operational efficiency.
- 1.17 Managing demand across the recycling centre network has in turn delivered additional benefits. For example, better on-site safety and a more positive environment to encourage recycling, with staff more available to help customers and advise on where different type of waste should be deposited
- 1.18 Customer satisfaction with the booking system, is high, with 93% of respondents to the most recent User Survey (summer 2023) reporting they were satisfied or better with the overall customer experience when using the

booking system and 93% of respondents satisfied or better with the ease of access, queuing and traffic control at recycling centres.

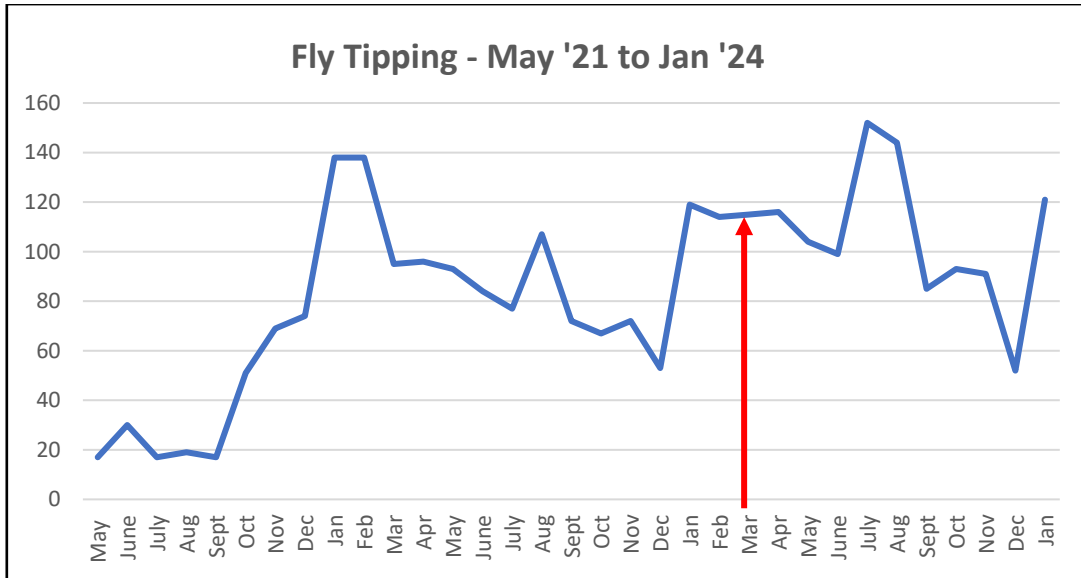
- 1.19 The results of the public consultation show a 58% net agreement with the proposal to retain county-wide for cars, compared to 39% in net disagreement. For vans, this rises to 72% net agreement, with net disagreement falling to 14%.
- 1.20 The Officer recommendation to adopt the booking system was approved by Cabinet at Essex County Council Cabinet Meeting – 27<sup>th</sup> February 2024. [Click Here](#).

### Fly tipping in Brentwood Borough

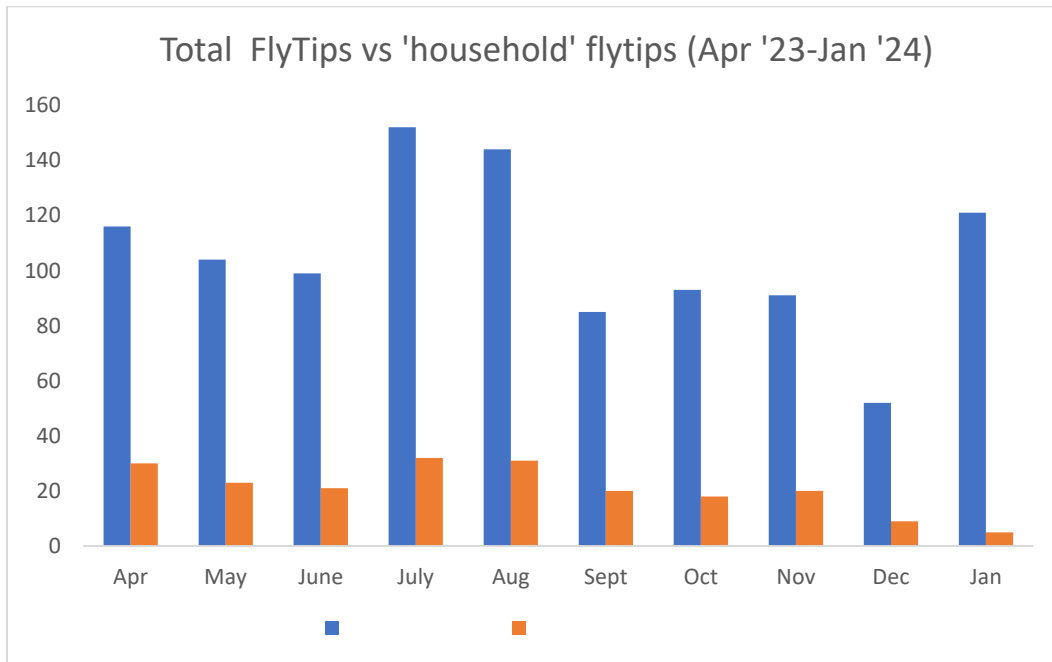
- 1.21 From 2012 to 2021 the number of fly-tips that the Borough experienced had remained fairly constant, with approximately 600 fly-tips per year. In the last two-years, the Borough has experienced a two-fold increase in the number of fly-tips. The resource allocated to fly tip clearance has remained the same through that period of time.



- 1.22 A more detailed monthly analysis of the last two and half years reveals a significant uprise in the fly tipping numbers approximately 15 months prior to the introduction of the pilot booking system at the recycling centres (represented by the red arrow).



“1.23 The size and approximate content of each fly tip collected in the borough has been recorded since April 2023. The graph below demonstrates fly-tips recorded each month, with a separate record for those fly-tips that would have been accepted into the recycling centre should the offender have wished to visit the recycling centre rather than illegally fly tip.



1.24 Two things can be observed, firstly the relatively low number of ‘household’ fly tips in any given month- that is fly tips that would have been accepted in the recycling centre. In comparison to the vast majority of fly tips consisting of larger loads and, or, containing waste that would be rejected at a recycling centre.



- 1.25 The second, perhaps tentative observation is that number of 'household' fly tips appears to be reducing, although the data set is too short-term to say this with any confidence. Unfortunately, this level of detail is not readily available for the period prior to the introduction of the pilot booking scheme.
- 1.26 In Conclusion, there does not appear to be a direct link between the numbers of fly tips that the Borough is experiencing, and the introduction of the booking system at the ECC Recycling Centres.

## **2.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**  
**Tel & Email: 01277 312500 / [tim.willis@brentwood.rochford.gov.uk](mailto:tim.willis@brentwood.rochford.gov.uk)**

- 2.1 There are no direct financial implications arising from the report.

## **3.0 LEGAL/GOVERNANCE IMPLICATIONS**

**Name & Title: Claire Mayhew, Joint Acting Director People & Governance & Monitoring Officer**  
**Tel & Email 01277 312500 / [claire.mayhew@brentwood.rochford.gov.uk](mailto:claire.mayhew@brentwood.rochford.gov.uk)**

- 3.1 There are no direct legal implications arising from the report.

## **4.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 4.1 There are no direct resource implications arising from the report.

## **5.0 RELEVANT RISKS**

- 5.1 There are no direct risks arising from the report.

## **6.0 ENGAGEMENT/CONSULTATION**

- 6.1 Not applicable.

## **7.0 EQUALITY IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**  
**Tel & Email 01277 312500 [kim.anderson@brentwood.gov.uk](mailto:kim.anderson@brentwood.gov.uk)**

- 7.1 There are no direct equality implications arising from the report.

## **8.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

**Name & Title: Henry Muss, Climate & Sustainability Manager**  
**Tel & Email 01277 312500 / [henry.muss@brentwood.rochford.gov.uk](mailto:henry.muss@brentwood.rochford.gov.uk)**

- 8.1 There are no direct environment and climate change implications arising from the report.

**REPORT AUTHOR:**

**Name: Marcus Hotten**

**Title: Director of Environment**

**Phone: 01277 312500**

**Email: [Marcus.hotten@brentwood.gov.uk](mailto:Marcus.hotten@brentwood.gov.uk)**

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## AUDIT & SCRUTINY COMMITTEE

20<sup>th</sup> March 2024

<b>REPORT TITLE:</b>	Ordinary Council Motions June -December 2023
<b>REPORT OF:</b>	Claire Mayhew – Joint Acting Director of People & Governance and Monitoring Officer
<b>REPORT OF FOR:</b>	INFORMATION ONLY
<b>WARDS:</b>	ALL

### REPORT SUMMARY

At a previous meeting of Audit & Scrutiny held on 6<sup>th</sup> 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 last Audit and Scrutiny of the Municipal year to ensure transparent governance and open to scrutiny.

Appendix A shows a total of seven motions approved by Ordinary Council from June 2023 until December 2023. Any further motions approved in the municipal year 2023/2024 will be reported accordingly.

### SUPPORT ING INFORMATION

#### 1.0 BACKGROUND INFORMATION

1. Any one or more Members of the Council may, by notice received by the Monitoring Officer no later than 10.00 am eleven working days before the day of the Council meeting, require the Council to consider a motion about a matter relating to which the Council has powers or duties or which affects the Council's area. A notice of motion may be accompanied by a statement of not more than 200 words setting out the reason for the proposed motion.

2. The Monitoring Officer will record all notices of motions (not including a rejected notice) in the order in which they are received, and such record shall be open to public inspection on request.
3. Motions can be rejected by the Monitoring Officer if: -
  - (a) it does not comply with the requirements of this Rule;
  - (b) the notice of motion is defamatory of an individual, offensive, or otherwise infringes the proper conduct of local government; or
  - (c) the recommendation in the notice of motion would be illegal.
4. A motion or amendment in similar terms to one that has been rejected at a meeting of Council in the past six months cannot be moved except in accordance with Rules 8.3.17.
5. The Council shall not debate any motion which would give rise to a significant change to the income of the Council, to its expenditure or to contract terms, unless it has received a report from the Chief Finance Officer or the Monitoring Officer, as appropriate, setting out the legal or financial effect of the motion.
6. Motions of Council will not be accepted at Annual Council, Extra Ordinary Council or Ordinary Council (Budgetary Framework).

## **2.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

7. There are no direct financial implications.

## **3.0 LEGAL/GOVERNANCE IMPLICATIONS**

**Name & Title: Claire Mayhew, Acting Joint Director – People & Governance & Monitoring Officer**  
**Tel & Email 01277 312500 / claire.mayhew@brentwood.rochford.gov.uk**

8. There are within the body of the report.

#### **4.0 ECONOMIC IMPLICATIONS**

**Name & Title: Laurie Edmonds – Corporate Manager (Economic Development)**  
**Tel & Email 01277 312500 / laurie.edmonds@brentwood.gov.uk**

9. There are no direct economic implications arising from this report.

#### **5.0 EQUALITY & HEALTH IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**  
**Tel & Email 01277 312500 /kim.anderson@brentwood.gov.uk**

10. All Council decisions to reflect the Council's Section 149 duty.

#### **6.0 ENVIRONMENTAL IMPACT**

**Name & Title: Henry Muss, Sustainability & Climate Officer**  
**Tel & Email 01277 312500 /henry.muss@brentwood.gov.uk**

11. There are no direct environmental implications.

<b>REPORT AUTHOR:</b>	<b>Name:</b>	Claire Mayhew
	<b>Title:</b>	Joint Acting Director of People & Governance and Monitoring Officer
	<b>Phone:</b>	01277 312500
	<b>Email:</b>	claire.mayhew@brentwood.rochford.gov.uk

#### **APPENDICES**

**Appendix A: Ordinary Council Motions June 2023 – December 2023**

#### **BACKGROUND PAPERS**

None

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit & Scrutiny	8 <sup>th</sup> March 2022

## Motions from Ordinary Council June 2023 – December 2023

No	Date	Motions	Mover	Seconder	RAG	Comments
1	21.6.2023	<ul style="list-style-type: none"> <li>• ‘Chairs Reports and Questions’ at Ordinary Council should provide democratic accountability of its leadership.</li> <li>• Recently, Leaders have chaired PRED committees, allowing a very broad range of questions to be put to them. This may not be the case when a Leader chairs a Policy Committee with a more focused remit, or none at all.</li> <li>• This motion therefore calls for immediate amendment to Procedural Rule 7.2 that limits the scope of questions to (and omits specific inclusion of) the Council Leader.</li> </ul> <p>This council resolves to:</p> <ol style="list-style-type: none"> <li>1. Require the council’s leader to be fully involvement in chairs questions sessions across all areas of Council activity to promote public trust, encourage robust discussions, and enable greater scrutiny of actions and policies;</li> <li>2. Introduce with immediate effect changes to fully include the Council Leader in Ordinary Council’s ‘Chairs Report and Questions’ session (to be renamed Leaders and Chairs’ Report and Questions) to cover “all areas of</li> </ol>	Cllr White	Cllr Bridge		<p>Following a motion at Ordinary Council on 21 June 2023, a report by the CWG was taken to Ordinary Council on Sept 2023.</p> <p>Cllr Laplain <b>MOVED</b> and Cllr White <b>SECONDED</b> the recommendations in the report. A vote was taken and it was <b>RESOLVED UNANIMOUSLY</b></p> <p>R1 To adopt the Leader’s Report under the chapter 4 paragraph 7, 1-3 to form part of the Chair’s Reports and Questions within the Constitution.</p> <p>R2 The Monitoring Officer to make the change required to the Constitution with immediate effect.</p>



		<p>Council responsibility within the council's area";</p> <p>3. Request the monitoring officer, in liaison with the Constitution Working Group, to bring forward to the next Ordinary Council the necessary changes Procedural Rule 7 (Chair Report and Questions) to give effect to this change.</p> <p>Cllr Mynott <b>MOVED</b> an <b>AMENDMENT</b> to move this motion to the Constitutional Working Group and <b>SECONDED</b> by Cllr Dr Barrett.</p> <p>The <b>AMENDED</b> motion was <b>CARRIED</b>. And should be noted that the report on this referral to the CWG will be brought back to the next meeting of Council as is appropriate constitutionally.</p>				
2	21.6.2023	<p>Essex County Council introduced a policy of residents having to book to use the Recycling Centres in the Borough of Brentwood and across Essex in March 2023. Since then, a continued escalation in fly-tipping has been observed. Many residents have been turned away from the Recycling Centres if they have not made an appointment. Residents have also not been able to book appointments on the same day, and there have been limited options for multiple trips.</p>	Cllr Kendall	Cllr Naylor		<p>Communication has been sent by the Leader of the Council, to the appropriate Cabinet Member of Essex County Council, Cllr Schwier, regarding the booking trial that is being undertaken at the Recycling Centres across Essex. The communication outlined the concerns of this council, its impact upon residents, and asked for the</p>

Brentwood Borough Council is financially responsible for clearing fly-tips on public land, and it is therefore impacting the Council's financial position. Whilst Essex County Council might be making savings, they come at a greater cost to Brentwood Council taxpayers, given that clean up costs are higher than the costs of legitimate waste disposal.

Brentwood Borough Council resolves to:

1. Call upon the Cabinet Member for Waste Reduction and Recycling at Essex County Council to reverse the decision that forces residents to book appointments when visiting Recycling Centres. The response to this request to be shared with Ordinary Council.
2. Call upon the officers to write to Essex County Council expressing this Council's opposition to the "booking" policy and asking for an urgent meeting between the Chair of the Clean & Green Committee and the Cabinet Member to discuss our concerns. The outcome of this meeting to be reported back to Ordinary Council.
3. Ask the Audit & Scrutiny Committee to open an investigation into this policy, it's impact on the number of fly-tips, the County Council's justification for this policy and the costs incurred to Brentwood taxpayers. The result of this investigation to be reported back to Ordinary Council.

Cabinet Member to consider the reversal of the decision before the pilot scheme is finalised. Further, a request to the Cabinet Member to meet and discuss with the Leader was made. At the time of writing, a holding reply has been received from Cllr Schwier.

A report is to be present to the Audit & Scrutiny Committee, 20<sup>th</sup> March

		The motion was <b>CARRIED</b> .				
3	21.6.2023	<p>This council notes:</p> <ul style="list-style-type: none"> <li>• Brentwood operates a much valued weekly black bag service for residents' residual waste and this helps to maintain cleanliness and hygiene across our local community.</li> <li>• Weekly black bag collection ensures that residual waste is properly disposed of, reduces risk to health and environmental hazards from prolonged retention - including vermin and unpleasant odours.</li> <li>• Many residents lack the necessary physical space in their properties that would be required to store black bags securely for longer.</li> <li>• Any change to the frequency of residual waste collection has the potential to lead to increased instances of fly-tipping and vermin.</li> <li>• The council has a strong record of promoting and supporting recycling across the Borough to help reduce landfill.</li> </ul> <p>This council resolves to:</p> <ul style="list-style-type: none"> <li>• reaffirm its commitment to providing a high-quality waste disposal service that meets the needs and expectations of residents;</li> <li>• not make any significant change to the expenditure on black bag collections and maintain the current weekly collection service for residual waste;</li> </ul>	Cllr Barber	Cllr Russell		<p>Council budget for 24/25 reaffirms no planned change to the black sack collection service.</p> <p>Current Waste Strategy Working Group are reviewing the waste &amp; recycling collection service.</p> <p>Report presented to Clean &amp; Green Committee – 26<sup>th</sup> February 2024 – outlining potential options to be modelled.</p> <p>Further Working Group scheduled for April, with a further report to follow to the next available Clean &amp; Green Committee.</p>

- request that officers investigate opportunities to encourage further waste reduction and promote recycling which do not compromise the frequency of black bag collections

Cllr Dr Barrett **MOVED** an **AMENDMENT** and Cllr Aspinell **SECONDED** it to the following:

*This council resolves to:*

- 1. Affirm the Administration's commitment to providing a high-quality waste disposal service that meets the needs and expectations of its residents;*
- 2. Commit to maintaining Brentwood's weekly black bag and food waste collection throughout the 2023/24 year and in the 2024/25 budget process;*
- 3. Request that officers investigate opportunities to encourage further waste reduction and promote recycling which do not compromise the frequency of black bag and food waste collections, and bring a report on this topic to a future meeting of the Clean and Green Committee.*

This amendment was accepted by the original mover Cllr Barber.

		The amended motion was <b>CARRIED</b> .				
4	27.9.2023	<p>Brentwood High Street was redeveloped into its current form over a decade ago, at a cost of over fourteen million pounds, and considerable negative impact on local businesses during the implementation of the works.</p> <p>Currently large areas of paving slabs on the High Street are broken, dislodged sunken or move. The Road condition also suffers from major dips and sunken sections.</p> <p>Brentwood Access Group has consistently raised concerns over the state of the High Street and its impact on local residents. Residents, businesses and Councillors have also raised numerous issues regarding the state of repair of the High Street both directly and indirectly with appropriate stakeholders.</p> <p>Motion: This Council believes:</p> <ul style="list-style-type: none"> <li>- Brentwood residents and businesses deserve a High Street environment that is in good order and a beacon for the Borough.</li> <li>- The current state of Brentwood High Street is unacceptable and is causing a direct negative impact on both resident enjoyment</li> </ul>	Cllr Dr T Barrett	Cllr Apsinell		<p>The Leader has passed this matter to the Head of Highways at ECC for an Audit. Still waiting on a response from County on this matter.</p> <p>There have been some minor repairs to the pavement slabs and has also spoken to SEPP regarding implementation of Red Route.</p>

and economic development of our main retail area.

The Council resolves:

- To demand Essex County Council, as the Highway Authority, acts on their responsibility to maintain Brentwood High Street to a good standard.

- That it will request Essex County Council completes a full audit of the high street and within three months produce a schedule of repairs to be made publicly available.

- That Brentwood Borough Council will provide all appropriate assistance necessary to deliver this audit and any repairs programme.

- That we will work with SEPP on any element that requires changes to parking, waiting areas or enforcement activity to assist in this programme of repairs.

An AMENDMENT to the motion was MOVED by Councillor White and SECONDED by Councillor Hirst:

- To work with all relevant bodies such as Essex County Council, Brentwood Bid, SEPP, bus companies, retailers and our own

environment and enforcement teams to improve Brentwood High Street.

- To work with Essex County Council, as the Highway Authority, to ensure it acts on its responsibility to maintain Brentwood High Street to a good standard.
- To complete a full audit of the high street and submit this to Essex CC within three months to assist it in production of a schedule of repairs to be made publicly available.
- That Brentwood Borough Council will provide all appropriate assistance necessary to deliver this audit and any repairs programme.
- That we will work with SEPP on any element that requires changes to parking, waiting areas or enforcement activity to assist in this programme of repairs.

The original mover and seconder did not accept the full amendment but did accept to include:

- *To work with all relevant bodies such as Essex County Council, Brentwood Bid, SEPP, bus companies, retailers, Pubwatch and our own environment and enforcement teams to improve Brentwood High Street.*

The mover and seconder of the amendment withdrew all other amendments.

		<p>The substantive motion with an inclusion of:  <i>- To work with all relevant bodies such as Essex County Council, Brentwood Bid, SEPP, bus companies, retailers, Pubwatch and our own environment and enforcement teams to improve Brentwood High Street.</i>  was CARRIED.</p> <p><i>(Cllr Aspinell declared an interest as an Essex County Councillor)</i></p>				
5	27.9.2023	<p>The situation regarding pigeon droppings under the Shenfield Railway Bridge has deteriorated badly over the summer months and has become totally unacceptable. Such waste material contains harmful fungal spores which can lead to respiratory disease.</p> <p>Effective measures such as erecting wire and fencing, use of a falcon or deployment of sound devices can all help to provide a solution.</p> <p>It is the council's view that the health risks to members of the public from the current unhygienic situation cannot be allowed to persist.</p> <p>This Council resolves to :</p> <p>i) Deploy the necessary resources to treat the affected area to effect a deep clean and maintain a</p>	Cllr Heard	Cllr Barber		<p>Previously, the Route Engineer for Network Rail prepared a remit for repair works to the existing proofing over the footways, to mitigate the present issues with pigeon ingress within the proofing. Separately from this, Network Rail also issued an estimate to Essex County Council for Network Rail to proof over the carriageway at ECC's expense. Since both sets of works would involve a possession of the railway line (i.e. closure to rail traffic) and a road closure which Network Rail would seek to undertake simultaneously. The value of the estimate sent to Essex County Council</p>



- regular cleaning regime until adequate measures are taken to deter the pigeons from the area.
- ii) Arrange an urgent meeting with Network Rail and the relevant Borough Council officers to secure delivery of the necessary work to both the Bridge and the Railway Station roof to deter pigeons from nesting.
- iii) Bring back a report to the Clean and Green Committee with the details of steps taken and progress made.

An **AMENDMENT** was **MOVED** by Councillor Worsfold and **SECONDED** by Cllr N Cuthbert:

In 1st line after “Shenfield Railway Bridges” (add an s) insert “and the two railways bridges that cross Alexander Lane”

New third paragraph: “We are very disappointed that Network Rail has still not produced a plan or estimate for replacing the netting under the Hutton Road bridges a year after undertaking to do so. We are also frustrated at the lack of response from Greater Anglia about the need to deal with the pigeons nesting around the station

for extending proofing over the carriageway areas at Hutton Road is £178,692.44. This quote was sent to the previous Cabinet Member of Highways - Essex County Council, Cllr Lee Scott, however, a response was never received. A meeting with the current Cabinet Member, Cllr Cunningham, was arranged by the Leader to discuss a number of highways issues, including the matter of pigeon ingress.

Further to the meeting, as requested by Cllr Cunningham, the email was forwarded by Network Rail to Cllr Cunningham outlining the costs. A further reminder has now been sent by the Council Officers. At the time of writing, a holding reply has been received from Cllr Cunningham.

Once a reply has been received we will be in apposition to understand

		<p>building despite several approaches by ward councillors.”</p> <p>In point 1 i) amend “area” to “areas”</p> <p>Replace point 2 ii) with: “Arrange an urgent meeting with Network Rail, Greater Anglia, Essex County Council and the relevant Borough Council officers to secure delivery of the necessary work to all four bridges and the railway station roof to deter pigeons from nesting.”</p> <p>This amendment was accepted by the original mover and seconder subject to a change in:  Replace point 2 ii) with: “Arrange an urgent meeting with Network Rail, Greater Anglia, Essex County Council <del>and the relevant Borough Council officers</del> <i>and any other organisations</i> to secure delivery of the necessary work to all four bridges and the railway station roof to deter pigeons from nesting.”</p> <p>The amended motion was <b>CARRIED</b>.</p>				whether Essex can assist in its progression.
6	27.9.2023	This Council recognises the critical importance of a healthy natural environment to the overall wellbeing and quality of life of our residents, and the pressing need to protect nature.	Cllr White	Cllr Hirst		With regards to Biodiversity Net Gain any uplift from the statutory minimum of 10% will need to be evidenced including as to local need for

The coronavirus (COVID-19) pandemic lockdowns raised awareness of how human health and wellbeing is intrinsically linked to the health of the natural environment. Use of parks and public green space, such as woodland, increased as people sought solace, exercise and recreation in nature.

Considering the responsibility this Council has for the management of local parks, local planning policies and land it owns, this Council resolves to:

1. Establish a climate and nature advisory committee to guide Members and council officers.
2. Include ecological impact assessments alongside climate and sustainability considerations in all committee and council reports.
3. Work towards making nature recovery a top strategic priority in planning policies and design guidelines for new developments. This includes:
  - a. Identifying suitable areas for habitat restoration, establishing 'green allocated sites' and embedding Local Nature Recovery Strategies (LNRSs) in local plans and policies.

a higher percentage, local opportunities for a higher percentage and any impacts on viability for development. If evidence does justify this there will also need to be consideration given to how the policy will be implemented e.g. Local Plan Review. This approach is prescribed within National Planning Practice Guidance.

Establish a climate and nature advisory committee – This is become a standing agenda on the Climate Emergency Committee.

Include ecological impact assessments alongside climate and sustainability considerations in all committee and council reports – this will form part of the could this be part of the current climate/environment impacts. A scoring system will be developed.

With regards to requiring new developments to commit to a

b. Promoting Biodiversity Net Gain (BNG), extending the minimum requirement from 10% to 20%.

c. Minimising the impact of development on existing habitats.

d. Enhancing access to nature-rich green spaces within a 10-minute radius for all residents.

e. Requiring new developments to commit to a minimum of 30% tree canopy cover.

f. Increasing tree canopy cover in existing housing estates where it is below the 16% urban average for England.

4. Support initiatives, including community run tree nurseries, to increase the supply of local saplings.

5. Prioritise the use of council land holdings, for habitat creation and restoration, by transitioning where appropriate from maintaining grass to planting trees. Finally, Council urges all stakeholders to come together to protect and restore our natural assets, recognising their intrinsic role in securing a sustainable future for our community.

An **AMENDMENT** to the motion was **MOVED** by Councillor Aspinell and **SECONDED** by Councillor Worsfold:

minimum of 30% tree canopy coverage whilst this can be encouraged this will need to be established by appropriate evidence and through the adoption of policies as part of the Local Plan Review process before it could become a formal requirement in the determining of planning applications.

For clause 5 any habitat enhancement and creation will need to be informed by the appropriate evidence (such as the Local Nature Recovery Strategy) to ensure appropriate habitat types are provided across the borough. In some instances, grass habitats can be more ecologically valuable than trees/woodlands.

At end of first sentence add: “We also recognise the important contribution protecting nature and promoting biodiversity will make to achieving our ambitious Net Zero objectives.”

In third paragraph add between “this Council” and “resolves”: “acknowledges the work of the Clean and Green Committee and its Working Groups (established this year by the Joint Administration) to address all the issues detailed below within its Constitution and”

Add at end of clause 3(b): “which should be sustainable for at least 30 years.”

Add at end of clause 3 (d): “including promoting the establishment of new footpaths, bridleways and cycle routes.”

**New clauses:**

6. Identify potential sites for new permanent and temporary allotments, especially in the parts of the borough currently poorly served by allotment provision.

7. Ensure all of these issues are prioritised in the review of the Local Development Plan and communicated urgently to all developers looking at building on sites in the borough.

The amendment was accepted by the original mover and seconder subject to change below:

In third paragraph add between “this Council” and “resolves”: “acknowledges the work of the Clean and Green Committee and its Working Groups (established this year by the Joint Administration) and those of the previous administration to address all the issues detailed below within its Constitution and”

The amended motion was **CARRIED** as follows:

*This Council recognises the critical importance of a healthy natural environment to the overall wellbeing and quality of life of our residents, and the pressing need to protect nature. We also recognise the important contribution protecting nature and promoting biodiversity will make to achieving our ambitious Net Zero objectives.*

*The coronavirus (COVID-19) pandemic lockdowns raised awareness of how human health and wellbeing is intrinsically linked to the health of the natural environment. Use of parks and public green space, such as woodland, increased as people sought solace, exercise and recreation in nature.*

*Considering the responsibility this Council has for the management of local parks, local planning policies and land it owns, this Council acknowledges the work of the Clean and Green Committee and its Working Groups (established this year by the Joint Administration and those of the previous administration) to address all the issues detailed below within its Constitution resolves to:*

*1. Establish a climate and nature advisory committee to guide Members and council officers.*

*2. Include ecological impact assessments alongside climate and sustainability considerations in all committee and council reports.*

*3. Work towards making nature recovery a top strategic priority in planning policies and design guidelines for new developments.*

*This includes:*

*a. Identifying suitable areas for habitat restoration, establishing 'green allocated sites' and embedding Local Nature Recovery Strategies (LNRSs) in local plans and policies.*

*b. Promoting Biodiversity Net Gain (BNG), extending the minimum requirement from*

10% to 20% which should be sustainable for at least 30 years.

c. Minimising the impact of development on existing habitats.

d. Enhancing access to nature-rich green spaces within a 10-minute radius for all residents including promoting the establishment of new footpaths, bridleways and cycle routes.

e. Requiring new developments to commit to a minimum of 30% tree canopy cover.

f. Increasing tree canopy cover in existing housing estates where it is below the 16% urban average for England.

4. Support initiatives, including community run tree nurseries, to increase the supply of local saplings.

5. Prioritise the use of council land holdings, for habitat creation and restoration, by transitioning where appropriate from maintaining grass to planting trees. Finally, Council urges all stakeholders to come together to protect and restore our natural assets, recognising their intrinsic role in securing a sustainable future for our community.

6. Identify potential sites for new permanent and temporary allotments, especially in the



		<p>parts of the borough currently poorly served by allotment provision.</p> <p>7. Ensure all of these issues are prioritised in the review of the Local Development Plan and communicated urgently to all developers looking at building on sites in the borough.</p> <p><i>Finally, Council urges all stakeholders to come together to protect and restore our natural assets, recognising their intrinsic role in securing a sustainable future for our community.</i></p>				
	13.12.2023	<p>TRANSPARENCY Council workers deliver services to the public using tax payers' money, and as such the council expects these staff to exhibit exemplary standards of behaviour. They should behave with integrity and demonstrate an honest, open and transparent attitude to their work.</p> <p>The Principles of Public Life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government and a range of other public bodies and services.</p> <p>A 2019 Review by the Committee on Standards in Public Life 'Local Government</p>	Cllr White	Cllr Slade		Motion to be added the Constitution Working Group Workplan.

Ethical Standards' "...identified a number of risks in the sector: the current rules Page 79 Agenda Item 16 around conflicts of interest, gifts, and hospitality are inadequate; and the increased complexity of local government decision-making is putting governance under strain."

This motion seeks to identify best practice in Local Government transparency, in particular for Senior staff with formal delegated decision-making powers, or those staff appointed as Directors of organisations on the Councils behalf – and requires the Chief Executive and Monitoring Officer to work with the administration and political groups to propose a suitable register of interests for senior staff.

This Council Notes:

1. The Principles of Public Life apply to anyone who works as a public office[1]holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in local government;
2. Of these, the principal of Openness is that: 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;

3. There is considerable variation in the codes of conduct of Local authorities; 4. Bodies such as the GLA have a registration of interests in a common format for Members and Senior Staff, which reflects the standard template used across the GLA Group; 5. The Local Authority's constitution and its governance / financial framework vests a number of senior staff with delegated authority or roles where they 'act as a director in a company that the Council owns or has shares in.

This Council Resolves:

1. That the Head of Paid Service and Monitoring Officer work with the Chair of Audit and Scrutiny, and Leaders of each Political Group to review the Council's codes of Ethics & Standards for staff and compare these to best practice in the UK.
2. That the review should consider any relevant advice, guidance and reports from: the LGA, the Committee on Standards in Public Life, obligations and statutory duties on local government officers, the National Joint Council for Local Government Services (the Green Book) and the Constitution Salaries Conditions of Service (Joint Negotiating Committee for Chief Officers of Local Authorities) and other sources as may be considered relevant.

3. The review include the development of an appropriate register of interests (e.g. all directorships for senior staff) for senior staff.

4. Officers should report back to the next full council on the development of updated staff codes and the register of interests.

An **AMENDMENT** was **MOVED** by Cllr Worsfold and **SECONDED** by Cllr Kendall:

This Council Resolves:

1. That the Head of Paid Service and Monitoring Officer work with the Chair of Audit and Scrutiny, and Leaders of each Political Group to review the Council's codes of Ethics & Standards for staff *and members* and compare these to best practice in the UK.
2. That the review should consider any relevant advice, guidance and reports from: the LGA, the Committee on Standards in Public Life, obligations and statutory duties on local government officers, the National Joint Council for Local Government Services (the Green Book) and the Constitution Salaries Conditions of Service (Joint Negotiating Committee for Chief Officers of Local Authorities) and other

sources as may be considered relevant.

3. The review include the development of an appropriate register of interests (e.g. all directorships for senior staff) for senior staff *and ensure the requirement for members are aligned with this.*
4. Officers should report back to the next full council on the development of updated staff codes and the register of interests.

The **AMENDMENT** was **ACCEPTED** by the mover and seconder of the motion.

The amended motion became the substantive motion and was discussed. Cllr Laplain **MOVED** and Cllr Mynott **SECONDED** that this should be referred to the Constitution Working Group. Members voted by a show of hands and this was **CARRIED**.



## AUDIT & SCRUTINY COMMITTEE

20th March 2024

<b>REPORT TITLE:</b>	Authority's Statutory Obligations
<b>REPORT OF:</b>	Claire Mayhew – Joint Acting Director of People & Governance and Monitoring Officer
<b>REPORT OF FOR:</b>	INFORMATION ONLY
<b>WARDS:</b>	ALL

### REPORT SUMMARY

At Ordinary Council on 21<sup>st</sup> September 2023, Cllr White presented a written question to the Chair of Audit and Scrutiny Committee which stated:

*“Will the Chair of Audit and Scrutiny publish a list of the Authority’s Statutory Obligations (primary and secondary legislation) confirming for each one which Committee under the Administration’s new structure is responsible for the appropriate oversight, performance or compliance monitoring and what second-line assurance mechanisms are in place to oversee this; can these be reported on at the next, or the subsequent, Audit and Scrutiny Committee meeting”?*

Cllr Sankey confirmed It is good practice for the Council to ensure that the Authority’s Statutory Obligations are compliant. A report and an assurance matrix will be presented at a future Audit & Scrutiny Committee and then reported on a yearly basis.

### SUPPORT ING INFORMATION

#### 1.0 BACKGROUND INFORMATION

1. Local authorities are bound by statute. Their functions are set out in numerous Acts of Parliament and many of these functions have associated legal duties. As there had been no point in recent history of a collation of a comprehensive list of legal duties placed on local authorities in March 2011 the Department of Communities and Local Government advised they would be leading a cross Government review of statutory duties placed on local authorities by central

government. The Government therefore agreed with the Local Government Association that they should compile a list of these duties to give clarity about what these are.

2. On 30 June 2011, a summary of the responses and the latest revised list of duties were published. This exercise successfully enabled a clearer picture of the requirements on local authorities and created a valuable record that had previously not existed. It was agreed that any future consideration of whether to remove specific duties or associated guidance will be a separate exercise, and Government will consult further as appropriate.
3. Attached at Appendix A is a list of the Authority's Statutory Obligations.

## **2.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

4. There are no direct financial implications.

## **3.0 LEGAL/GOVERNANCE IMPLICATIONS**

**Name & Title: Claire Mayhew, Acting Joint Director – People & Governance & Monitoring Officer**  
**Tel & Email 01277 312500 / claire.mayhew@brentwood.rochford.gov.uk**

4. There are within the body of the report.

## **4.0 ECONOMIC IMPLICATIONS**

**Name & Title: Laurie Edmonds – Corporate Manager (Economic Development)**  
**Tel & Email 01277 312500 / laurie.edmonds@brentwood.gov.uk**

5. There are no direct economic implications arising from this report.

## **5.0 EQUALITY & HEALTH IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**  
**Tel & Email 01277 312500 /kim.anderson@brentwood.gov.uk**

6. All Council decisions to reflect the Council's Section 149 duty.

## 6.0 ENVIRONMENTAL IMPACT

**Name & Title:** Henry Muss, Sustainability & Climate Officer

**Tel & Email** 01277 312500 /henry.muss@brentwood.gov.uk

7. There are no direct environment implications arising from this report.

**REPORT AUTHOR:**

**Name:** Claire Mayhew

**Title:** Joint Acting Director of People & Governance and Monitoring Officer

**Phone:** 01277 312500

**Email:** claire.mayhew@brentwood.rochford.gov.uk

## APPENDICES

**Appendix A:** *List of the Authority's Statutory Obligations - To follow*

## BACKGROUND PAPERS

None

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
Ordinary Council	21st Sept 2023



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## AUDIT & SCRUTINY COMMITTEE

20<sup>th</sup> March 2024

<b>REPORT TITLE:</b>	Scrutiny Work Programme 2023/24
<b>REPORT OF:</b>	Emily Yule, Strategic Director
<b>REPORT IS FOR:</b>	Decision

### REPORT 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.

### RECOMMENDATION

- R1. That the Committee considers and agrees the 2023/24 Scrutiny work programme as set out in Appendix A with any additions agreed by the committee at the meeting.**

### SUPPORT ING INFORMATION

#### 1.0 REASON FOR RECOMMENDATION

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

#### 2.0 BACKGROUND INFORMATION

At the Annual Council it was agreed that the committee structure would include the introduction of an Audit & Scrutiny Committee.

In relation to new scrutiny matters under its Terms of Reference any scrutiny matter identified by members must be agreed Audit and Scrutiny Committee.

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.

The Scrutiny work programme should not include management or staffing, issues which are the responsibility of the Head of Paid Service.

### **3.0 OTHER OPTIONS CONSIDERED**

None.

### **4.0 RELEVANT RISKS**

None.

### **5.0 ENGAGEMENT/CONSULTATION**

None.

### **6.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

There are no direct financial implications arising from this report.

### **7.0 LEGAL/GOVERNANCE IMPLICATIONS**

**Name & Title: Claire Mayhew, Acting Joint Director of People & Governance & Monitoring Officer**  
**Tel & Email 01277 312500 / claire.mayhew@brentwood.rochford.gov.uk**

There are no direct legal implications from this report.

### **8.0 EQUALITY & HEALTH IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**  
**Tel & Email 01277 312500 kim.anderson@brentwood.gov.uk**

None.

### **9.0 ECONOMIC IMPLICATIONS**

**Name & Title: Leigh Nicholson, Interim Director - Place**  
**Tel & Email 01277 312500 / leigh.nicholson@brentwood.rochford.gov.uk**

There are no direct economic implications from this report.

## 10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

**Name & Title:** Henry Muss, Sustainability & Climate Officer

**Tel & Email** 01277 312500 [henry.muss@brentwood.gov.uk](mailto:henry.muss@brentwood.gov.uk)

There are no direct environment and climate implications from this report.

### REPORT AUTHOR:

**Name:** Emily Yule

**Title:** Strategic Director

**Phone:** 01277 312500

**Email:** emily.yule@brentwood.rochford.gov.uk

### APPENDICES

Appendix A: Draft Scrutiny Work Programme – March 2024

### BACKGROUND PAPERS

None.

### SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Scrutiny Committee	23.01.24
	14.11.23
	26.9.2023
	11.7.2023
	7.3.2023
	24.1.2023
	15.11.2022
	26.9.2022
	25.7.2022
	5.7.2022

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**Mar-24**

## Audit & Scrutiny Committee

### 2023-24 Draft Scrutiny Work programme

Subject Matter	July	August	September	October	November	December	January	February	March
Local Development Plan									
Scope	1. Review the Council's Plan making process as required by the National Planning Policy Framework (NPPF). 2. Review efforts to ensure that necessary cooperation on strategic cross boundary matters have been made. 3. Review subjects and issues covered by LDP evidence base to ensure it is appropriate and proportionate.								
Membership 2023/2024	Cllrs Dr Barrett, M Cuthbert, Mynott, Barber, Bridge and McCheyne								
<b>Detailed timeline</b>									
1. Working Group Meeting - 30.10.23									
2. Report to Audit & Scrutiny Committee - 14.11.23									
3. Working Group Meeting - 11.12.23; 29.01.24;									
4. Report to Audit & Scrutiny Committee - 20.03.24									
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	Cllrs Rigby, Pound and Murphy, Munden and Mayo								
<b>Detailed timeline</b>									
1. Working Group meeting		31.08.23							
2. Report to Audit & Scrutiny Committee			26.09.23						
3. Working Group meeting				24.10.23					
4. Report to Audit & Scrutiny Committee					14.11.23				
5. Working Group meeting									04.03.24
6. Report to Audit & Scrutiny Committee									20.03.24

<b>Subject Matter</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>
<b>Community Safety Partnership</b>									Report to Committee
<b>Subject Matter</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>
<b>Council Motions</b>									Report to Committee
<b>Subject Matter</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>
<b>Review of s106 contributions</b>	Report to Committee				Report to Committee				Report to Committee
<b>Subject Matter</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>
<b>Implications of appointment system for recycling centres (Motion to Council - June)</b>									Report to Committee
<b>Subject Matter</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>
<b>Review of Legislation Governing Council activity and which Committee has responsibility (Motion to Council - June)</b>									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

- 1) 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.

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