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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

THURSDAY 23RD MAY 2024

AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

MEMBERS: To be confirmed

AGENDA

1. **Election of Chairman**
2. **Election of Vice-Chairman**
3. **Apologies for Absence and Named Substitutes**
4. **Declarations of Interest and Whipping Arrangements**

To invite Councillors to declare any Disclosable Pecuniary interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.
5. **To confirm the accuracy of the minutes of the Audit, Standards and Governance Committee meeting held on 7th March 2024 (Pages 5 - 18)**
6. **Standards Regime - Monitoring Officer's Report (Pages 19 - 24)**
7. **General Dispensations Report (Pages 25 - 34)**
8. **Annual Update Report on Regulation of Investigatory Powers Act 2000 (RIPA) (Pages 35 - 86)**

9. **Grant Thornton - External Audit Progress Report and Sector Update**
(Pages 87 - 90)
 10. **Internal Audit Plan 2024/2025** (Pages 91 - 102)
 11. **Financial Compliance Report including progress update on Statements of Accounts** (Pages 103 - 114)
- Appendix A to this report will be published in a Supplementary Papers pack.
12. **Financial Savings Monitoring Report** (Pages 115 - 122)
 13. **Quarterly Risk Update Q4 2023/4** (Pages 123 - 142)
 14. **Annual Appointment of Risk Champion**
 15. **Audit, Standards and Governance Committee Work Programme** (Pages 143 - 146)

Sue Hanley
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

15th May 2024

**If you have any queries on this Agenda please contact
Jo Gresham**

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**If you have any questions regarding the agenda or attached papers,
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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

7TH MARCH 2024, AT 6.00 P.M.

PRESENT: Councillors D. J. Nicholl (Chairman), H. D. N. Rone-Clarke (Vice-Chairman), R. Bailes, S. M. Evans, D. J. A. Forsythe, D. Hopkins, B. Kumar, B. McEldowney, S. T. Nock, J. D. Stanley and D. G. Stewart, and M. Worrall (Parish Councils' Representative).

Observers:

Councillor C. A. Hotham – Portfolio Holder for Finance and Enabling (on Microsoft Teams)

Mr J. Murray – Key Audit Partner, Grant Thornton (on Microsoft Teams)

Officers: Mr. P. Carpenter, Mrs. C. Green (on Microsoft Teams), Mr. C. Green (on Microsoft Teams), Mr. B. Ofori-Atta and Mrs. J. Gresham.

60/23

APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

There were no apologies for absence.

61/23

DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS

There were no declarations of interest.

62/23

TO CONFIRM THE ACCURACY OF THE MINUTES OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE MEETING HELD ON 18TH JANUARY 2024

The minutes of the meeting of the Committee held on 18th January 2024 were submitted for Members' consideration.

With reference to minute number 52/23, Standards Regime – Monitoring Officer's report, it was agreed that further details should be added to the third paragraph of that minute. Specifically, this would reflect discussion at the previous meeting about the 'flow' of information to the Committee to ensure consistency of presentation, that the Committee asked for further training about reports due to be included on its agendas and that the Chairman had shared details of the 2-day training event he was due to attend.

Arising from minute number 56/23, Accounting Policies Report Including Update on Council's Statement of Accounts, the Deputy Chief Executive and Section 151 Officer reported that the Head of Finance and Customer Services was due to commence employment in the first week of April.

RESOLVED that the minutes of the meeting of the Committee held on 18th January 2024 be approved as a correct record subject to the addition of the following at the beginning of paragraph 3 of minute number 52/23:

"Members commented that it was important that there was a flow of appropriate and timely information to the Committee and that it was presented consistently to support them in their work. It was suggested that in addition to the pre meetings suggested above, it would also be helpful to have training to understand the purpose of the reports. The Chairman reported that he was attending a 2 day training event to improve his knowledge of the work of the Committee."

63/23

STANDARDS REGIME - MONITORING OFFICER'S REPORT

The Principal Solicitor presented the Monitoring Officer's report and in doing so highlighted that there had been one new member complaint since the last meeting, which was with the Monitoring Officer for consideration. The two Parish Council complaints reported to the previous meeting were ongoing; one was with the Police and the other was likely to reach informal resolution, and both were currently being dealt with by the Monitoring Officer.

Arising from the update about the Member Development Steering Group, the Deputy Chief Executive and Section 151 Officer referred to the less formal style delivered at the recent procurement training event which appeared to have been well received, and asked whether this was an approach that Members would like to see in future. Generally, Members supported this, but suggested for specific finance training it would be helpful to see examples of reports and documents to support relating the learning to what Councillors would deal with subsequently in meetings.

RESOLVED that the Monitoring Officer's report be noted.

64/23

DISPENSATIONS REPORT - INDIVIDUAL MEMBER DISPENSATIONS

The Committee considered the report from the Monitoring Officer setting out requests for dispensations. Requests had been received from Councillors S. Ammar and S. A. Webb in relation to their appointment to the Citizens Advice Bureau and from Councillors A. M. Dale, J. Elledge, and M. Marshall relating to the Artrix.

RESOLVED that

- 1) The Individual Member Dispensations (IMDs) and Outside Body Appointments dispensations requested by Councillors S. Ammar, S. Webb, A.M. Dale, J. Elledge, and M. Marshall as advised by the Monitoring Officer at the meeting, be granted under section 33 (2) of the Localism Act 2011, to allow those Member(s) to participate in and vote at Council and Committee meetings in the individual circumstances detailed in the appendix to these minutes;
- 2) it be noted that all dispensations granted by the Committee take effect on receipt of a written request from Members for such a dispensation and where Members may have a Disclosable Pecuniary Interest in the matter under consideration, which would otherwise preclude such participation and voting; and
- 3) it be noted that the dispensations referred to at resolution (1), will remain valid until the first meeting of the Audit, Standards and Governance Committee following the next District Council Elections in 2027 unless amended by the Committee prior to that date.

65/23

GRANT THORNTON - EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE

The Committee considered a report on the external auditor's progress in delivering its responsibilities as the Council's external auditors. It also set out key audit deliverables and a sector update on matters that were relevant to Local Government.

The External Auditor introduced the update and reported that work was ongoing in terms of reconciling balances transferred from the Council's previous ledger to the new TechnologyOne system. Information supplied by the Council's officers still contained some data where it had not been

possible to reach reconciliation and colleagues were liaising to address these issues.

The External Auditor pointed out that there were currently over seven hundred local authorities that had unaudited accounts for previous years which were outstanding. The Government's consultation about the proposed 'backstop' arrangements for dealing with outstanding local authority accounts closed on the day of the meeting. Under the current Government plans, it appeared likely that accounts which were not completed by the end of September 2024 would be required to be given a qualified opinion by the auditors. It was explained that if this timescale were to be confirmed, then it was highly unlikely that the External Auditors would be able to complete their audit of the 2020/21 to 2022/23 financial years' accounts. It was thus anticipated that backstop disclaimer opinions would then be issued. The Council would need to publish the draft accounts for local electors to inspect before any opinions could be issued and this legal requirement should be factored into timescales as appropriate.

It was noted that the proposed interim fee alterations were set out in the report. Any variation above a standard scale fee would be subject to consideration by the Public Sector Audit Appointments (PSAA). It was anticipated there may be some form of rebate to the Council for the period 2020-21 to 2022-23, as the accounts had not yet been through the audit process, although detail could not be provided at the moment.

The Committee discussed in detail the situation regarding the challenges in producing accounts or at least closing balances in a timely manner. In response to a query about whether sanctions would be imposed if a Council had accounts outstanding at the backstop deadline date, the External Auditor reported that the consultation had not given any indication of penalties being imposed. The proposals aimed to 'draw a line' under the outstanding accounts across the country and enable local authorities to publish their annual accounts from now on in a timely manner. It was likely there would be reputation issues for those councils still affected at the backstop deadline date.

The Deputy Chief Executive and Section 151 Officer reported that there were around 700 authorities which had outstanding accounts unaudited. It was reported that this backlog was due to a lack of resource and capacity in both the councils and accountancy companies undertaking the audits. The Committee noted that the main skills shortages were for employees with relevant local authority/public sector auditing

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experience. Although companies were recruiting trainees, the impact of the lack of experienced resource in this area would be felt for some time.

The implications for the sector of qualified or no opinion accounts were discussed. It was noted that the main impact was likely to be reputational. Also, authorities with trading companies were subject to Companies Act requirements which required up-to-date statements of accounts for the authorities to avoid qualified opinions on the company's accounts. Whilst this did not affect the Council currently, the Council was due to operate a Council company in the next year. The Deputy Chief Executive and Section 151 Officer reported that he was also unclear about how the situation impacted on the Section 24 Notices, since these required annual accounts in order to be addressed. He suggested that the Council needed to determine how much resource to put into completing the 2020/21 – 2022/23 financial years' accounts as it was unlikely that they would be complete by the deadline and would be qualified.

The Cabinet Member for Finance and Enabling suggested that it currently appeared that the Council would have qualified or no opinion accounts unless the backstop date changed. He asked whether the External Auditors should focus further work on minimising unreconciled balances within the Council's financial statements. The External Auditor confirmed that the external auditors were focusing on establishing balances for each year with colleagues in the Finance Team.

In response to a query, the Deputy Chief Executive and Section 151 Officer undertook to set out what Section 24 Notices meant for the Council and to find out how many Councils elsewhere in the country were subject to these currently. The External Auditor pointed out that despite the backlog in the Council's submission of statements of accounts, there was still a requirement to report on Value for Money; the Council was up to date in this regard.

Members queried whether the Council was still dealing with reconciliation issues in the current financial year. It was reported that the cash reconciliation situation was improving incrementally as rules were built into the system. An example was provided that the Council was pursuing Council Tax and Business Rates debt as it was confident in the reconciliation of these accounts.

Further to a comment about the perception of the Council in the community arising from the Section 24 Notices and late accounts, the Committee supported the suggestion that some details should be

published to reassure the public of the overall stability of the Council's finances. The Deputy Chief Executive and Section 151 Officer outlined the background to the current situation which had started during the covid pandemic. He undertook to prepare a briefing note to set out the relevant background details. However, he reiterated that the Council had to address the outstanding statements of accounts balances as a priority.

Members of the Committee expressed their frustration at the continuing issues with the accounts and in particular with not being able to agree the transfer of balances figures to date and asked that their concerns be recorded.

RESOLVED that the updates from the External Auditors be noted.

66/23

INTERNAL AUDIT - PROGRESS REPORT

The Head of Worcestershire Internal Audit Shared Service presented a report updating the Committee on progress with the work of the service for the Council.

Plan delivery to the end of January 2024 in days was 56 per cent, with 4 audits complete and 9 in progress. Delivery was currently behind profile, which was due to a number of vacancies in the team. However, the structure of the service had been reviewed and advertisements had been placed for senior auditor posts. Additional resource had been obtained for 3 months to endeavour to complete the 2023/24 plan and minimise any impact on the 2024/25 financial year.

At its last meeting, in relation to the National Fraud Initiative, the Committee had asked for that future iterations of the internal audit progress report include reporting of statistics on matches and frauds identified. The Head of Worcestershire Internal Audit Shared Service reported that the National Fraud Initiative was one element of the Council's counter fraud, bribery and corruption framework. Officers could bring an annual report about fraud aligned with the required publication of the Council's fraud data which would include this information and details of proactive work undertaken by the service.

During consideration of the report the following were the main points discussed:

- In response to a member query, the Head of Service advised that a critical review referred to a deep dive into an area of work

where changes were being made and advice given. This would usually be followed up with a formal report a year after implementation.

- How likely it was that all the planned reviews would be completed by the end of the financial year. The Head of Service responded that additional resource had been secured by extending the contract of an interim employee, and the service was seeking another employee to complete the work in the Plan. Whilst it was not unusual for some work to roll into the first couple of months of the new financial year the intention was to be able to report completion in time for inclusion in the Annual Opinion.
- A Member suggested that the detail in Appendix 2 of the report did not give an accurate position in terms of the stages that each audit had reached. The Head of Service responded that he was reviewing the content of the report and could amend the information around each audit to indicate the level of complexity and when it was due to be completed.
- Further to a request for further detail relating to the GDPR review, the Head of Service would circulate a written answer to set out what this covered and when it was due to be complete.
- The Chairman referred to the Council's Whistleblowing Policy and how a member of the public would raise concerns since the topic was not on the Council's website. It was responded that the Council would be updating its website shortly and the Policy was also being reviewed as part of the Council's HR policies. It would be uploaded to the refreshed website once the review process had been completed.

RESOLVED that the report be noted.

67/23

QUARTERLY RISK UPDATE

The Deputy Chief Executive and Section 151 Officer introduced the report which set out Council activity to identify, monitor and mitigate risk. He drew the Committee's attention to a new corporate risk which had been included on the Register relating to the wide-ranging requirements of the Environment Act and the implications of the act on the waste collection fleet.

Of the other high level corporate risks, cyber security remained the biggest threat to the Council. The Council was currently conducting a tender exercise for insurance along with the other District Councils in Worcestershire. An emerging risk was fires in flats due to the use of second-hand electrical goods.

The main issues discussed by the Committee included:

- When the new customer facing interface would be completed. It was reported that a new website would be launched within 2 months. In addition, work was being undertaken to reduce the number of times data was handled across the Council which would improve efficiency.
- Detail about the reference to the risk around underperformance of the social prescribing contract was requested – The Deputy Chief Executive and Section 151 Officer would respond to the Committee separately about this in due course.
- A Member asked about the implementation timetable of the Environment Act 2021 and how that impacted on the risk register. It was noted that the Act set out the legal framework for reforms on matters such as refuse collection services which were of main relevance to the Council. It was likely that new requirements in this area would come into force in 2025.
- The reason why the risk for Worcestershire Regulatory Services (WRS) had changed from Amber to Green. It was noted that there had been uncertainty about the continued participation by one of the partner authorities, but it had since been confirmed that they would remain as part of the arrangement. There had also been concern at a potential for a budget reduction at another partner but that it was established that this would not impact the shared service.
- In relation to planning issues, a Member asked what actions had been undertaken. The Deputy Chief Executive and Section 151 Officer responded that training had been carried out and the Council had recently agreed that WRS would carry out initial planning investigations, so there should be improvements to the service. He undertook to obtain a fuller response from the Head of Planning, Regeneration and Leisure Services. The Chairman also asked for confirmation of the timescales for responses to Members on planning queries.
- It was also requested that further details be obtained about the Amber rated Housing risks relating to gas safety inspections, asbestos and mould. As part of this, Members also asked for details about where the responsibilities lay for such services between the Council and the relevant housing associations.
- Levelling up and whether the Council was at risk of missing the 6-month extension to the target for spending the funds. The Deputy Chief Executive and Section 151 Officer responded that since the Council was funding part of the outstanding project, the Levelling

Up funds would be applied first in order to use them prior to the deadline and the Council budget applied after that.

RESOLVED that the present list of Corporate and Departmental Risks be noted.

68/23

ACCOUNTING POLICIES REPORT INCLUDING UPDATE ON STATEMENTS OF ACCOUNTS

The Accounting Policies report was presented for Members' consideration. It was highlighted that the table at paragraph 2.6 of the report set out returns due to the Government and the Council's achievement of these.

The biggest challenge for the Council remained the closure of the accounts for 2020/21, 2021/22 and 2022/23. The key returns which had not been achieved were the Revenue and Capital Outturn forms for 2020/21 and 2021/22 and the VAT returns. Although the Government allowed these returns to be completed based on estimates, the level of uncertainty due to the Cash Receipting issues meant these could not be completed until the External Auditors signed off the Council's take on balances and the Council provided the draft accounts to Audit for each Council.

During consideration of the report members discussed a number of compliance items, including:

- Plans to improve the operation of the TechOne system and the alternative systems which were used for cash receipting elsewhere in the country.
- In response to a question, it was confirmed that the whistleblowing policy would be updated as part of the HR policies update and would be uploaded on to the new website.
- A Member queried the monitoring arrangements for the use of procurement cards and the Deputy Chief Executive and Section 151 Officer explained the current approach where receipts were provided, which was enabling monitoring to continue to take place.
- Reference to the increase in use of contracts under procurement was queried in terms of how it was improving financial monitoring. It was explained that access to details of contracts enabled more accurate purchase orders to be placed and paid. Committee Members asked for data from the system to illustrate how the progress referred to was being achieved.

With reference to assessing the risk appetite of the Council, it was suggested that Councillor B. McEldowney, as the Council's Risk Champion, should be involved to discussions about this at Cabinet level. The Cabinet Member for Finance and Enabling reminded the Committee that all members were welcome to attend Cabinet meetings.

RECOMMENDED that Cabinet invites the Council's Risk Champion to attend its meetings when risk is considered.

RESOLVED that progress on the 2020/21 audit process be noted.

69/23

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE - ANNUAL REPORT 2023-24

The Chairman introduced the Annual Report and thanked Members for their active participation in the work of the Committee and Officers for their support. He highlighted the desire of the Committee to appoint an Independent Member and shared feedback from a recent training event he had attended where other authorities had recruited such a member to their committees.

Arising from consideration of the report, Members referred to the decarbonisation of the council fleet training which had not yet taken place.

The Chairman referred to the frequency of meetings and, in the light of regular reports and consistent member attendance, whether they could be reduced. Members generally supported the suggestion of reducing the number of meetings back to 5, but considered there should be an understanding that additional meetings would be held when necessary. The view was expressed that if issues remained in closing statements of accounts for the 2020/21 to 2022/23 financial years then additional meetings would be required and it was noted that the Committee's terms of reference made provision for these to be arranged.

RESOLVED that:

- 1) That the Audit, Standards and Governance Committee Annual Report 2023-24 be agreed, and
- 2) That the number of meetings of the Committee be reduced to 5 in the next Municipal Year, subject to additional meetings being held where necessary.

70/23

RISK CHAMPION - VERBAL UPDATE REPORT (COUNCILLOR B. MCELLOWNEY)

The Council's Risk Champion, Councillor B. McEldowney, reported that following media coverage of harassment and abuse of Councillors, he considered it would be useful to establish whether District Councillors had experienced any problems. He had discussed this with the Chief Executive who had agreed to work with him to create a questionnaire to circulate to all Councillors. The results would be used to explore offering appropriate support if required.

During consideration of this item, Members suggested that this might be extended to Parish Councils, and this suggestion was supported. The Chairman referred to training about personal safety which had been provided by the Council and suggested this might also be offered to Parish Councillors.

Councillor B. Kumar offered to share with Committee Members a copy of the bullying and harassment policy recently produced by the Parish Council on which he sat.

RESOLVED that the Risk Champion Update be noted.

71/23

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE WORK PROGRAMME

It was noted that the next meeting of the Committee was planned for 23rd May 2024 and items currently scheduled for that meeting were:

- Standards Regime – Monitoring Officer's Report
- Grant Thornton - External Audit Update Report
- Financial Compliance Report
- Internal Audit Plan 2024-25
- Internal Audit Annual Report and Audit Opinion 2023-24
- Risk Champion's Update

RESOLVED that the contents of the Committee's work programme as reported, be noted.

The meeting closed at 8.13 p.m.

Chairman

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Updated List of Dispensations Requested by Members
Audit, Standards and Governance Committee – 7th March 2024

Councillor(s)	Relevant DPI	Reason for dispensation
S. Ammar and S. Webb	Bromsgrove and Redditch Citizens Advice Bureau (CAB)	To allow participation in debates concerning the CAB generally but not in relation to funding issues
A. Dale, J. Elledge and M. Marshall	The Artrix Holding Trust (Bromsgrove Arts Development Trust)	To allow participation in debates concerning the Artrix theatre generally but not in relation to funding issues.

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MONITORING OFFICER'S REPORT

Relevant Portfolio Holder	Councillor K. May
Portfolio Holder Consulted	-
Relevant Head of Service	Claire Felton
Report Author Claire Felton	Job Title: Head of Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	An Effective and Sustainable Council
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Audit, Standards and Governance Committee is asked to RESOLVE that:-

- 1) **subject to Members' comments, the report be noted.**

2. BACKGROUND

- 2.1 This report sets out the position in relation to key standards regime matters which are of relevance to the Audit, Standards and Governance Committee since the last update provided at the ordinary meeting of the Committee in March 2024.
- 2.2 It has been proposed that from 2024-25 a report of this nature be presented to the Committee on a quarterly basis to ensure that Members are kept updated with any relevant standards matters.
- 2.3 Any further updates arising after publication of this report, including any relevant standards issues raised by Parish Councils, will be reported verbally by Officers at the meeting.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications arising out of this report.

4. LEGAL IMPLICATIONS

- 4.1 Chapter 7 of Part 1 of the Localism Act 2011 ('the Act') places a requirement on authorities to promote and maintain high standards of conduct by Members and co-opted (with voting rights) Members of an authority. The Act also requires the authority to have in place arrangements under which allegations that either a district or parish councillor has breached his or her Code of Conduct can be investigated, together with arrangements under which decisions on such allegations can be made.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 It is important to ensure that the Council manages standards regime matters in an appropriate manner. The issues detailed in this report help to ensure that there is an effective and sustainable Council.

Climate Change Implications

- 5.2 There are no specific climate change implications.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no direct implications arising out of this report. Details of the Council's arrangements for managing standards complaints under the Localism Act 2011 are available on the Council's website and from the Monitoring Officer on request.

Operational Implications

Member Complaints

- 6.2 There has been one district complaint since the previous meeting of the Committee and this has been resolved locally.
- 6.3 There have been two Parish Councillor complaints which are currently being managed through the local resolution process.

Constitution Review

- 6.3 The Constitution Review Working Group (CRWG) is responsible for reviewing the content of the Council's constitution. Any proposed changes arising from meetings of the group are reported for the consideration of Council.
- 6.4 Following the extraordinary meeting of Council, held on 20th September 2023, at which Members approved the recommendations made by the Governance Systems Task Group, the CRWG has been meeting on a regular basis to progress the group's proposals.
- 6.5 The last meeting of CRWG took place on 12th March, at which Members discussed proposed amendments to parts of the Council's constitution including Part 7 – Joint Arrangements, Part 12 – Scrutiny Procedure Rules, Part 13 – Audit, Standards and Governance Committee Procedure Rules, Part 14 – Planning Procedure Rules, Part 22 – Member Officer Relations Protocol, and in terms of the terms of reference for the Licensing (Miscellaneous) Sub-Committees A and B.
- 6.6 The proposed recommendations arising from that meeting were considered by the Overview and Scrutiny Board on 22nd April 2024. The Board endorsed the recommendations by the CRWG, subject to an amendment to the proposed changes to the Scrutiny Procedure Rules.
- 6.7 These recommendations including the amendment are due to be considered by full Council on 15th May 2024.

Member Development

Audit, Standards & Governance Committee

23rd May 2024

- 6.8 The Member Development Steering Group (MDSG) is responsible for co-ordinating Member training, induction and ICT support. The group meets throughout the year.
- 6.9 The last meeting of the Member Development Steering Group took place on 11th January 2024. During that meeting, Members received draft guidance notes relating to the use of Microsoft Teams and the Modern.gov app respectively. The group agreed that group leaders should be consulted on the most appropriate arrangements to provide training to their Members in respect of using both Microsoft Teams and the Modern.gov app. Members can also request one-to-one training and requests should be directed to the Democratic Services team.
- 6.10 The next meeting of the MDSG is scheduled to take place on Monday 8th July 2024.

Member Training

- 6.11 A Member training programme has been arranged for 2024/25. This programme has been organised in accordance with arrangements requested by the MDSG. There are a number of training sessions taking place over May and June 2024 (some being held at Oakenshaw Community Centre in Redditch and jointly with Redditch Members, whilst other sessions are bespoke and being delivered to Bromsgrove Members only).
- 6.12 The training sessions that have recently taken place or are due to take place soon include:
- Members' Code of Conduct Training – Thursday 9th May
 - Joint Detailed Planning Training – Monday 13th May
 - Joint Detailed Planning Training – Thursday 16th May
 - Planning Refresher Training (Bromsgrove only) – Monday 20th May
 - Audit, Standards and Governance Committee Training (before Committee meeting – Bromsgrove only) – Thursday 23rd May
 - Mock Planning Committee (Bromsgrove only) – Tuesday 28th May
 - Chairing Skills Training – Thursday 30th May
 - Overview and Scrutiny Training (including work prioritisation session – Bromsgrove only) – Wednesday 5th June
 - Joint Member Licensing Training – Thursday 6th June

- Joint Member Licensing Training – Tuesday 11th June

7. RISK MANAGEMENT

7.1 The main risks associated with the details included in this report are:

- Risk of challenge to Council decisions; and
- Risk of complaints about elected Members.

8. APPENDICES and BACKGROUND PAPERS

No appendices.

Chapter 7 of the Localism Act 2011.

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor K. May Cabinet Member for Strategic Partnerships and Enabling	
Lead Director / Head of Service	Claire Felton - Head of Legal, Democratic and Property Services	
Financial Services	N/A	
Legal Services	Claire Felton - Head of Legal, Democratic and Property Services	

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AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 2024

23rd May

LOCALISM ACT 2011 – STANDARDS REGIME – DISPENSATIONS

Relevant Portfolio Holder	Councillor K. May Cabinet Member for Strategic Partnerships and Enabling
Portfolio Holder Consulted	
Relevant Head of Service	Claire Felton, Head of Legal, Democratic and Property Services
Report Author Jess Bayley-Hill	Job Title: Jess Bayley-Hill, Principal Democratic Services Officer Contact email: jess.bayley-hill@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 Ext: 3072
Wards Affected	All Wards
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	An effective and sustainable Council.
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Committee is asked to RESOLVE that

- 1) (any Individual Member Dispensations (IMDs) and Outside Body Appointments dispensations requested by Members up to the point of the meeting, and as advised by the Monitoring Officer at the meeting, be granted under section 33 (2) of the Localism Act 2011, to allow those Member(s) to participate in and vote at Council and Committee meetings in the individual circumstances detailed;**
- 2) the Audit, Standards and Governance Committee grant a dispensation under Section 33 (2) of the Localism Act 2011 to allow Members to address Council and Committees in circumstances where a member of the public may elect to speak;**

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23rd May

- 3) subject to the caveat set out in paragraph 4.9 of this report in relation to setting the Council's Budget, the Audit, Standards and Committee grants dispensations under Section 33 (2) of the Localism Act 2011 to allow all Members to participate in and vote at Council and Committee meetings when considering the setting of:
 - a) the Budget;
 - b) Council Tax;
 - c) Members' Allowances; and
 - d) Non-Domestic Rates – Discretionary Rate Relief Policy and Guidance affecting properties within the District;

- 4) it be noted that all dispensations granted by the Committee take effect on receipt of a written request from Members for such a dispensation and where Members may have a Disclosable Pecuniary Interest in the matter under consideration, which would otherwise preclude such participation and voting; and

- 5) it be noted that the dispensations referred to at resolutions (1), (2) and (3) will remain valid until the first meeting of the Audit, Governance and Standards Committee following the next District Council Elections in 2027 unless amended by the Committee prior to that date.

2. BACKGROUND

To consider the granting of any new Individual Member Dispensations (IMDs) requested by Members up to the point of the meeting, and which will be detailed by the Monitoring Officer at the meeting. To also consider granting General Dispensations and Outside Body Appointment Dispensations.

3. FINANCIAL IMPLICATIONS

- 3.1 None.

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4. LEGAL IMPLICATIONS

- 4.1 Section 33 of the Localism Act 2011 provides that dispensations can be granted in respect of Disclosable Pecuniary Interests (“DPIs”).
- 4.2 Section 33 (1) requires that a Member must make a written request for a dispensation.
- 4.3 Section 33 (3) provides that a dispensation must specify the period for which it has effect, and that period may not exceed 4 years.

Service / Operational Implications

Background

- 4.4 Under s31 (4) of the Localism Act 2011 a Member who has a DPI in a matter under consideration is not permitted to participate in the discussion or vote on the matter unless they have first obtained a dispensation under s33.
- 4.5 Section 33 (2) includes a number of situations where a dispensation can be considered, but should be granted “only if, after having regard to all relevant circumstances” the Committee considers that one of those situations applies. The consideration of whether to grant a dispensation under s33 was previously delegated to the former Standards Committee.
- 4.6 The statutory grounds under s33 (2) for the granting of a dispensation are where the authority –
 - “(a) considers that without the dispensation the number of persons prohibited by section 31(4) from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business,
 - (b) considers that without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business,

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- (c) considers that granting the dispensation is in the interests of persons living in the authority's area,
 - (d) if it is an authority to which Part 1A of the Local Government Act 2000 applies and is operating executive arrangements, considers that without them dispensation each member of the authority's executive would be prohibited by section 31(4) from participating in any particular business to be transacted by the authority's executive, or
 - (e) considers that it is otherwise appropriate to grant a dispensation."
- 4.7 Since the introduction of the current standards regime in 2012, the Audit, Standards and Governance Committee has been responsible for considering the granting of dispensations in circumstances where the Monitoring Officer feels that a dispensation may be warranted. This function was previously carried out by the former Standards Committee.
- 4.8 Dispensations, all of which require the advance approval of the Committee and a subsequent written request from the Member to the Monitoring Officer, currently fall within four categories:
- (i) General Dispensations
 - (ii) Council Tax Arrears
 - (iii) Individual Member Dispensations
 - (iv) Outside Body Appointment Dispensations
- 4.9 It should be noted that under Section 106 of the Local Government Finance Act 1992 there is a caveat that any Member who is 2 months (or more) in arrears with their Council Tax payments cannot participate in any Council meeting concerning the budget. In the event that any Members were affected by the provisions of section 106, the statutory rule that they be barred from taking part in the budget decisions would prevail and any dispensation granted under this report would not apply.

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4.10 The table below sets out the IMDs and Outside Body appointment dispensations that have been requested in previous years by Members. Further requests for dispensations may be made after the publication of the agenda for this meeting and will be reported by the Monitoring Officer for Members' consideration. Subject to approval by the Audit, Standards and Governance Committee, these dispensations will apply until the next District Council elections in 2027 unless amended by the Committee prior to that date.

Councillor(s)	Relevant DPI	Reason for dispensation
S Baxter	Vice President of the National Association of Local Councils.	To allow participation in debates involving Parish Councils within the district.
S Baxter and B Kumar	President and Chair respectively of the Worcestershire County Association of Local Councils.	To allow participation in debates involving Parish Councils within the district.
B McEldowney	Chair of Bromsgrove and Redditch Area County Association of Local Councils (CALC)	To allow participation in discussions related to Parish Councils within the Bromsgrove District.
A. Dale, J. Elledge, B Kumar, M. Marshall, B McEldowney and D Nicholl	The Artrix Holding Trust (Bromsgrove Arts Development Trust)	To allow participation in debates concerning the Artrix theatre generally but not in relation to funding issues.
S Colella	Employee of South Staffordshire Water	To discuss potable water issues that are related to planning policies and planning matters.

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J. Robinson	Employed by National Highways	To allow participation in Planning Committee where National Highways are a consultee or an applicant.
J. Robinson	Spouse employed by Birmingham City Council	To allow participation in Planning Committee where Birmingham City Council are the applicant or a consultee.
S. Robinson	Employed by Birmingham City Council	To allow participation in Planning Committee where Birmingham City Council are the applicant or a consultee.
S. Robinson	Spouse employed by National Highways	To allow participation in Planning Committee where National Highways are a consultee or an applicant.
S. Ammar and S. Webb	Bromsgrove and Redditch Citizens Advice Bureau (CAB)	To allow participation in debates concerning the CAB generally but not in relation to funding issues

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- 4.11 In relation to IMDs, Officers have contacted all Members to ask whether they wish to seek to add any dispensations.
- 4.12 The latest Local Government Association (LGA) Model Code of Conduct was considered at the Audit, Standards and Governance Committee meeting held on 12th April 2022. It was recommended by the Committee that the Council adopt the new Model Code. The new Model Code of Conduct was subsequently presented at the Council meeting held on 18th May 2022 with Members agreeing to adopt the LGA Model Code of Conduct. As a result of this adoption Members are now required to complete an 'Other Registerable Interests' (ORI) form to declare any ORIs.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The issues detailed in this report help to ensure that there is an effective and sustainable Council.

Climate Change Implications

- 5.2 None.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 None.

Operational Implications

- 6.2 None.

7. RISK MANAGEMENT

- 7.1 The granting of general dispensations by the Committee will, subject to receipt of a written request from Members for such a dispensation, clarify, for the avoidance of any doubt, Members' ability to participate in

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 2024

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and vote at Council and Committee meetings on certain matters as part of the Council's decision-making process, where such Members have a DPI which would otherwise preclude them from so participating / voting.

8. APPENDICES and BACKGROUND PAPERS

- Section 33 of the Localism Act 2011.
- Section 106 of the Local Government Finance Act 1992.
- Reports to Standards Committee on 28th November 2012, 10th October 2013, 9th January 2014 and 9th October 2014.
- Reports to Audit, Governance and Standards Committee on 16th July 2015, 16th June 2016, 15th June 2017, 23rd July 2018 and 30th July 2019.

List of Current Individual Member and Outside Body Dispensations

Councillor(s)	Relevant DPI	Reason for dispensation
S Baxter	Vice President of the National Association of Local Councils.	To allow participation in debates involving Parish Councils within the district.
S Baxter and B Kumar	President and Chair respectively of the Worcestershire County Association of Local Councils.	To allow participation in debates involving Parish Councils within the district.
B McEldowney	Chair of Bromsgrove and Redditch Area County Association of Local Councils (CALC)	To allow participation in discussions related to Parish Councils within the Bromsgrove District.
A. Dale, J. Elledge, B Kumar, M. Marshall, B McEldowney and D Nicholl	The Artrix Holding Trust (Bromsgrove Arts Development Trust)	To allow participation in debates concerning the Artrix theatre generally but not in relation to funding issues.
S Colella	Employee of South Staffordshire Water	To discuss potable water issues that are related to planning policies and planning matters.
J. Robinson	Employed by National Highways	To allow participation in Planning Committee where National Highways are a consultee or an applicant.
J. Robinson	Spouse employed by Birmingham City Council	To allow participation in Planning Committee where Birmingham City Council are the

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		applicant or a consultee.
S. Robinson	Employed by Birmingham City Council	To allow participation in Planning Committee where Birmingham City Council are the applicant or a consultee.
S. Robinson	Spouse employed by National Highways	To allow participation in Planning Committee where National Highways are a consultee or an applicant.
S. Ammar and S. Webb	Bromsgrove and Redditch Citizens Advice Bureau (CAB)	To allow participation in debates concerning the CAB generally but not in relation to funding issues

Annual Update Report on RIPA

Relevant Portfolio Holder		Councillor K. May
Portfolio Holder Consulted		-
Relevant Head of Service		Claire Felton
Report Author	Job Title: Head of Legal, Democratic and Property Services Contact email:c.felton@bromsgroveandreddicth.gov.uk Contact Tel: 07809665536	
Wards Affected		All
Ward Councillor(s) consulted		N/A
Relevant Strategic Purpose(s)		N/A
Non-Key Decision		

1. RECOMMENDATIONS

The Committee is asked to RESOLVE that:-

- 1.1 The Council’s RIPA Policy (version 8.3) as reviewed and updated be endorsed; and**
- 1.2 The update on RIPA activity described in this report be noted.**

2. BACKGROUND

- 2.1 The Regulation of Investigatory Powers Act 2000 [“RIPA”] gave local authorities powers to conduct covert surveillance under certain circumstances. The Act also regulates the use ‘Covert Human Intelligence Sources’ [“CHIS”] and obtaining certain Communications Data.
- 2.2 The revised Code of Practice for Covert Surveillance and Property Interference, 2018, at paragraph 4.47, advised that elected members should, at least on an annual basis, review the RIPA policy and the authority’s use of the Act. This report is published in compliance with that requirement.
- 2.3 Local Authority powers are at the lower end of the scale and changes in legislation since the Act was originally introduced, have resulted in further restrictions on their use:
 - the use of surveillance restricted to criminal investigations;

- the Protection of Freedoms Act 2012 required local authorities to get approval from the Magistrates Court for any proposed surveillance; and
 - the threshold for the level of crime being investigated was raised to include only 'serious crime' (as defined).
- 2.4 The regime is overseen by the Investigatory Powers Commissioner's Office, and includes inspections of organisations by an Inspector appointed by the Commissioner, usually about every three years.
- 2.5 Any organisation which has investigatory powers under RIPA is required to have in place a Policy governing all aspects of the regime, including the need for updating and officer training, regardless of whether the powers are exercised. The Council's Policy is regularly updated to comply with any changes in the legislation, guidance and codes of practice which apply to the regime. Changes are notified to the Council by an external RIPA expert, who also provides training and advice on RIPA issues.
- 2.6 From the outset, the Council's use of RIPA powers was always low. There were a number of reasons for this: A rigid process has to be followed to establish that a proposed surveillance activity is both "necessary" and "proportionate"; a senior officer has to evaluate the proposal against a number of criteria and would then have to be referred to the Magistrates Court to be confirmed. If approved, there would have been major resource implications for any authorised surveillance to have been undertaken.
- 2.7 Since the changes introduced in 2012 as described in 2.3 above, the Council has not exercised its powers under RIPA. The Surveillance Commissioner has noted that in recent years authorities like ours have granted far fewer RIPA authorisations and some have granted none at all.
- 2.8 In light of the low level of RIPA activity, in 2018 rather than carrying out a physical inspection an inspector on behalf of the Surveillance Commissioner conducted a remote light touch review. This was followed in January 2022 by a video and desk-top based inspection.
- 2.9 The January 2022 inspection resulted in recommendations to alter the wording of three aspects of the policy to make it clearer and the necessary alterations were subsequently made to the policy by officers. Overall, the outcome was that the Council was operating a robust policy and the continuation of remote inspections in the future was endorsed.

- 2.10 The last occasion a RIPA update report was considered by the Committee was on 1st June 2023. Officers can update Members that there have been no significant changes or developments since then. There have been no new authorisations of use of RIPA powers. Officers continue to keep the policy under review but there have been no legislative or other changes to update in the last 12 months.
- 2.11 In order to have the option of using RIPA powers in the future if required, the Council must keep the policy up to date and ensure officers are aware of how to use it and the processes to follow. Officers must also be careful to ensure that they follow the parts of the policy that cover other forms of surveillance that fall outside of the strict RIPA regime, and the guidance in the policy around use of social media.
- 2.12 The Council is a member of the National Anti-Fraud Network [NAFN], which is hosted by Thameside MBC and which provides data and intelligence services under the RIPA regime to public sector organisations in relation to fraud investigations. Over 90% of local authorities are members of NAFN. Membership enables the Council to avail of its expertise, without having to have our own staff for the purpose.

3. OPERATIONAL ISSUES

- 3.1 Nothing additional to add to the information above.

4. FINANCIAL IMPLICATIONS

- 4.1 None as a direct result of this report.

5. LEGAL IMPLICATIONS

- 5.1 The Council demonstrated compliance with its statutory obligations under RIPA to the satisfaction of the Surveillance Commissioner at the last inspection in January 2022, and continues to review and update its policy as required and provide training.
- 5.2 This report to Members complies with the Code of Practice requirement that Members should be updated annually on RIPA activity and endorse the policy, including any changes to it, for the coming year.

6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 No direct link to the defined strategic purposes; maintaining the ability to use RIPA powers provides the Council with more options to take effective action to protect its citizens from fraud and criminal activity.

Climate Change Implications

- 6.2 None

Equalities and Diversity Implications

- 6.3 There are no direct implications arising out of this report.

7. RISK MANAGEMENT

- 7.1 The Council is required to comply with the statutory provisions and guidance governing the RIPA regime and any recommendation made by the Inspector on behalf of the Commissioner.

Officers need to be aware of the RIPA powers so that there is no risk of surveillance or CHIS activity being undertaken without the correct approvals being in place.

8. BACKGROUND PAPERS

Report to Audit, Standards and Governance Committee - Annual Update on RIPA – 1st June 2023

The Council's RIPA Policy (version 8.3)

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor K. May	
Lead Director / Head of Service	Claire Felton - Head of Legal, Democratic and Property Services	14 th May 2024
Financial Services	Peter Carpenter – Director of Finance and Resources	14 th May 2024
Legal Services	Nicola Cummings - Principal Solicitor – Governance	14 th May 2024
Policy Team (if equalities implications apply)	Not applicable	
Climate Change Team (if climate change implications apply)	Not applicable	

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Bromsgrove
District Council
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Bromsgrove District Council
And
Redditch Borough Council

Regulation of Investigatory Powers Act 2000
Policy

Version 8.3

Document Control

Organisation	Bromsgrove District Council and Redditch Borough Council
Owner	Principal Solicitor
Protective Marking	Unclassified
Review Due	Annual. See Revision History for date of last update. This Policy is also reviewed by Council Members for approval each year in June.

Revision History

Revision Date	Revised By	Version	Description of Revision
Jan 2013	Sarah Sellers		Not recorded.
30/8/2013	Clare Flanagan	August 2013	<ul style="list-style-type: none"> Document history page added. References to 'urgent oral authority' removed. Appendix 5 (about accessing Comms data) removed, now unnecessary.
1/9/2013	Clare Flanagan	August 2013	Update to Appendix 2 to remove all 'grounds for use' except prevention of crime.
28/8/2015	Nicola Brothwell	V4.0	Version numbering introduced. Removal of mention of staff who have left the Council.
19/1/2016	Nicola Brothwell	V5.0	Minor updates to list of Authorising Officers. OSC guidance on use of social media added.

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RIPA Policy BDC -RBC V8.3 (002)

Revision Date	Revised By	Version	Description of Revision
18/5/2016	Nicola Brothwell	V6.0	Chris Phillips has now left the council, so his name is removed from the policy.
10/04/2017	Sarah Sellers	V7.0	Amalgamated policies of both BDC and RBC into one policy. Updated advice on use of social media and use of non-RIPA surveillance.
11/01/2019	Nicola Brothwell	V7.1	Change authorisation period for juvenile CHIS from 1 to 4 months. IPCO has taken over from IOCCO and OSC, so all references updated.
4/02/2019	Nicola Brothwell	V7.2	Liz Tompkin removed as an Authorising Officer.
16/6/2020	Nicola Brothwell	V7.3	Addition of section 'Obtaining Communications Data'
3/9/2020	Nicola Brothwell	V7.4	'Review Due' field added to Document Control Section.
18/11/2021	Nicola Brothwell	V8.0	New SRO. Changes in line with IPCO requirements outlined in letter 2020, new Data safeguards section in this Policy. RIPA forms removed from Policy. General review re changes required by UK leaving the EU.

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RIPA Policy BDC -RBC V8.3 (002)

Revision Date	Revised By	Version	Description of Revision
1/7/2022	Nicola Brothwell	V8.1	<p>Change of SRO</p> <p>Inclusion in CHIS section of relevant text regarding Public Volunteers, from Covert Human Intelligence Sources Code of Practice 2018.</p> <p>Inclusion in Social Media section of relevant text from Covert Surveillance and Property Code of Practice.</p> <p>Update mention of quarterly RIPA meetings to six-monthly meetings.</p>
18/7/2022	Nicola Brothwell	V8.2	<p>In Data safeguards section, added a timescale for reviews of documentation to comply with the Inspector's recommendation.</p>
14/5/2024	Nicola Brothwell	V8.3	<p>Authorised Officer list updated (removed Kevin Dicks, added Peter Carpenter, and updated Sue Hanley's job title)</p>

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Introduction

The purpose of this policy is to explain the scope of Regulation of Investigatory Powers Act 2000 and the circumstances where it applies to the Council. It provides guidance on the authorisation procedures to be followed in the event that you need to undertake surveillance, setting it into context so that its importance may be appreciated.

The subject covered by this policy is complicated but of major importance. If, having read this document, you are unclear about any aspect of the process, or you have questions which are not answered explicitly by the content of this document, these should be referred either to one of the Authorising Officers or to the Head of Legal and Democratic Services for assistance.

If, having taken advice, doubt exists as to whether the circumstances require an authorisation for consideration under this legislation, you should submit an application form to be authorised. This will demonstrate to any examining body that Bromsgrove District Council / Redditch Borough Council have taken their responsibilities seriously with regards to the protection of a person's privacy against the need for the activity to take place in operational terms. If you do not secure an authorisation it leaves any evidence gathered open to challenge under section 78 of the Police and Criminal Evidence Act 1984 (PACE,) as amended, as well as challenges for breach of privacy against the Council.

To assist with oversight of the Council's RIPA processes Claire Felton, Head of Legal, Democratic and Property Services, has been appointed as the Senior Responsible Officer who will be responsible for the integrity of the process. However it must be stressed that all staff involved in the process must take their responsibilities seriously. This will assist with the integrity of the Council processes and procedures.

On advice from the OSC (now superseded by the IPCO), and to reflect the operation of shared services across the two organisations, the separate RIPA policies for Bromsgrove District Council (BDC) and Redditch Borough Council (RBC) have been merged into one single policy. References made to "the Council" should be read as references to either BDC or RBC as the context requires.

Claire Felton

Head of Legal, Democratic and Property Services

Bromsgrove District Council and Redditch Borough Council

Updated: July 2022

What are the origins of RIPA?

The Human Rights Act 1998 brought into UK law many of the provisions of the 1950 European Convention on Human Rights and Fundamental Freedoms. Article 8 requires the Council to have respect for people's private and family lives, their homes, and their correspondence. These subjects can be referred to as "Article 8 rights".

The Human Rights Act makes it unlawful for any local authority to act in a way which is incompatible with the European Convention on Human Rights. However, these are not absolute rights and there is a specific qualification giving the Council the ability to interfere with a person's Article 8 rights to the effect that:-

Such interference is in accordance with the law if:

- is **necessary**
- and is **proportionate**

These three points are clarified further in the next paragraphs.

When we talk of interference being "in accordance with the law", this means that any such interference is undertaken in accordance with the mechanism set down by the Regulation of Investigatory Powers Act (RIPA for short) and the Home Office Covert Surveillance Codes of Practice. The Codes of Practice deals with the use of Covert Surveillance and the use of persons such as informants and Undercover Officers who gather information in a covert capacity (Covert Human Intelligence Source or CHIS for short – refer to Page 15).

However a considerable amount of observations are carried out in an overt capacity by Council employees carrying out their normal functions such as parking enforcement, general patrolling etc. These activities are general and routine and do not involve the systematic surveillance of an individual. RIPA is not designed to prevent these activities or regulate them.

RIPA also applies to the Accessing of Communications Data under Part 1, Chapter 2 of the legislation. The Council has produced separate guidance dealing with the accessing of communications data under the SPOC (Single Point of Contact) provisions.

The Council has numerous statutory duties and powers to investigate the activities of private individuals and organisations within its jurisdiction for the benefit and protection of the greater public. Some of these investigations may require surveillance or the use of a CHIS. These may include

- benefit fraud
- environmental health
- housing

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- planning
- criminal investigations by audit such as fraud offences

RIPA aims to provide a framework to control and supervise covert activities such as surveillance and the use of a CHIS in these criminal investigations. It aims to balance the need to protect the privacy of individuals against the need to protect others by the Council carrying out its enforcement functions. There are three separate codes of practice, Covert Surveillance, CHIS and Property Interference and Surveillance.

Any covert activity carried out under this legislation must meet the test of necessity and proportionality as set out in this policy. .

When does RIPA apply and who does it apply to?

RIPA applies to Public Authorities such as Local Authorities and permits them to conduct Covert Surveillance activities and use Covert Human Intelligence Sources (CHIS) such as informants and undercover officers (see pages 13 and 15) However, on 1 November 2012 two significant changes came into force that affect how local authorities use RIPA.

- **Approval of Local Authority Authorisations under RIPA by a Justice of the Peace:** The amendments in the Protection of Freedoms Act 2012 mean that local authority authorisations under RIPA for the use of Directed Surveillance or use of Covert Human Intelligence sources (CHIS) can only be given effect once an order approving the authorisation has been granted by a Justice of the Peace (JP). **This applies to applications and renewals only, not reviews and cancellations.**
- **Directed surveillance crime threshold:** Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 (“the 2010 Order”) mean that a local authority can now only grant an authorisation under RIPA for the use of **Directed Surveillance** where the local authority is investigating criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933.

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

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

As a local authority Bromsgrove District Council and Redditch Borough Council and its staff have a responsibility to adhere to the RIPA legislation and the Human Rights Act.

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In addition to applying to all staff employed by the two Councils who are engaged in activities that involve the protection and detection of crime, the policy will also apply to the following categories of staff:

- Contract or agency staff working at Bromsgrove District Council / Redditch Borough Council undertaking such activity as is covered by the RIPA and associated legislation and guidance.
- From 01 June 2010 all staff who are employed by Bromsgrove District Council as part of the Worcestershire Regulatory Services.
- All staff employed by Redditch Borough Council but whose duties include performing services for Bromsgrove District Council under any secondment arrangements or under section 113 of the Local Government Act 1972.
- All staff employed by Bromsgrove District Council but whose duties include performing services for Redditch Borough Council under any secondment arrangements or under section 113 of the Local Government Act 1972.

The Human Rights Act 1998

The RIPA Codes of Practice state where there is an interference by a public authority with the right to respect for private and family life guaranteed under Article 8 of the European Convention on Human Rights, and where there is no other source of lawful authority, the consequence of not obtaining an authorisation under the 2000 Act may be that the action is unlawful by virtue of section 6 of the Human Rights Act 1998.

Public authorities are therefore strongly recommended to seek an authorisation under RIPA where the surveillance is likely to interfere with a person's Article 8 rights to privacy by obtaining private information about that person, whether or not that person is the subject of the investigation or operation. Obtaining an authorisation will ensure that the action is carried out in accordance with law and subject to stringent safeguards against abuse.

Definition of core functions

Recent case law has established that a public authority may only use the powers under the 2000 Act when in performance of its core functions. These are defined by section 28(3) of the 2000 Act. It has been held that disciplinary investigations are ordinary functions whereas the investigation of benefit fraud would be a core function. Using the RIPA application and monitoring process when exercising core functions assists with protecting the Council from challenges under section 78 of PACE. However, surveillance in the case of serious disciplinary issue would be outside of RIPA. Any type of surveillance outside of RIPA should still meet the same tests of necessity and proportionality and advice should be sought from Legal Services prior to any such surveillance taking place.

Private information

Private information includes any information relating to a person's private or family life. Private information should be taken generally to include any aspect of a person's private or personal relationship with others, including family and professional or business relationships.

Whilst a person may have a reduced expectation of privacy when in a public place, covert surveillance of that person's activities in public may still result in the obtaining of *private information*. This is likely to be the case where that person has a reasonable expectation of privacy even though acting in public and where a record is being made by a *public authority* of that person's activities for future consideration or analysis.

Private life considerations are particularly likely to arise if several records are to be analysed together in order to establish, for example, a pattern of behaviour, or if one or more pieces of information (whether or not available in the public domain) are covertly (or in some cases overtly) obtained for the purpose of making a permanent record about a person or for subsequent data processing to generate further information. In such circumstances, the totality of information gleaned may constitute *private information* even if individual records do not. Where such conduct includes surveillance, a directed surveillance authorisation may be considered appropriate.

If you need to conduct surveillance or use a CHIS as part of investigating a criminal matter which might result in court proceedings or proceedings before some other form of tribunal, you should consider whether private information is likely to be gained as a result of the activities and whether RIPA applies.

What happens if RIPA is ignored?

If Investigators undertake covert activity to which this legislation applies without the relevant authority being obtained and the case progresses to criminal proceedings, the defence may challenge the validity of the way in which the evidence was obtained under Section 78 of PACE. Should the evidence then be disallowed by a court, the prosecution case may be lost with a financial cost to the Council.

The person who was the subject of your surveillance may complain to the Ombudsman who may order the Council to pay compensation. The activity may also be challenged through the civil courts under the Human Rights Act 2000 for breach of privacy.

There is also a requirement to report errors to the Investigatory Powers Commissioner's Office or IPCO (formerly the OSC), such as surveillance activity which should have been authorised but which was carried out outside of RIPA. (See section on errors)

A properly obtained and implemented authorisation under RIPA will provide the Council with lawful authority to interfere with the rights of the individual. It is not simply enough that an authorisation for surveillance is obtained. It must be properly obtained, implemented, managed, reviewed and cancelled.

Surveillance outside of RIPA

As explained earlier there may be a necessity for the Council to undertake surveillance which does not meet the criteria to use the RIPA legislation such as in cases of serious disciplinary investigations. The Council still must meet its obligations under the Human Rights Act and therefore any surveillance outside of RIPA must still be necessary and proportionate having taken account of the intrusion issues. The decision making process and the management of such surveillance must be well documented.

There is a requirement for the Councils' Senior Responsible Officer (SRO) to regularly monitor surveillance outside of RIPA. Therefore before any such surveillance takes place, advice must be sought from the Head of Legal Services or the Principal Solicitor.

What is surveillance?

Surveillance

Surveillance is defined in paragraph 1.9 of the Revised Codes of Practice as:

Surveillance, for the purpose of the 2000 Act, includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained.

Covert surveillance

Covert Surveillance is defined in paragraph 1.10 of the Revised Codes of Practice as:

Surveillance is covert if, and only if, it is carried out in a manner calculated to ensure that any persons who are subject to the surveillance are unaware that it is or may be taking place.

If activities are open and not hidden from the persons subject to surveillance, such as Officers conducting Council business openly, e.g. a market inspector walking through markets, the RIPA framework does not apply because that is "Overt Surveillance". Equally, if you tell the subject that surveillance may take place, the surveillance is overt.

RIPA does not regulate Overt Surveillance. However, remember the Council's responsibilities to ensure that whatever action is taken is compliant with the Human Rights Act and is a necessary and proportionate response to the issue being dealt with.

RIPA regulates two types of Covert Surveillance which are

- **Directed Surveillance**
- **Intrusive Surveillance**

Directed surveillance

Directed Surveillance is defined in paragraph 2.2. of the Revised Codes of Practice as:

Surveillance is directed surveillance if the following are all true:

- it is covert, but not intrusive surveillance;
- it is conducted for the purposes of a specific investigation or operation;
- it is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation);
- it is conducted otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under Part II of the 2000 Act to be sought.

Thus, the planned covert surveillance of a specific person, where not intrusive, would constitute directed surveillance if such surveillance is likely to result in the obtaining of private information about that, or any other person.

Immediate response to events

There may be occasions when officers come across events unfolding which were not pre-planned which then require them to carry out some form of observation. This will not amount to Directed Surveillance. However it will amount to surveillance outside of RIPA and must still be necessary and proportionate and take account of the intrusion issues. As there is no provision to obtain an urgent oral authorisation it is important that officers do not abuse the process and they must be prepared to explain their decisions in court should it be necessary. Therefore they should document their decisions, what took place and what evidence or information was obtained.

Recording of telephone conversations

The recording of telephone conversations connected to criminal investigations (outside of the Councils monitoring at work policy with its own equipment) falls under RIPA which provides that where one party to the communication consents to the interception, it may be authorised in accordance with section 48(4) of the 2000 Act. In such cases, the interception is treated as directed surveillance.

There may be occasions where this is required such as a witness who has text or voicemail evidence on their mobile telephone and we need to examine the phone.

Intrusive surveillance:

Intrusive surveillance is defined in section 26(3) of the 2000 Act as covert surveillance that:

- is carried out in relation to anything taking place on any residential premises or in any private vehicle; and

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- involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.

Local authorities are not permitted to carry out Intrusive Surveillance.

Where surveillance is carried out in relation to anything taking place on any residential premises or in any private vehicle by means of a device, without that device being present on the premises, or in the vehicle, it is not intrusive unless the device consistently provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle. Thus, an observation post outside premises, which provides a limited view and no sound of what is happening inside the premises, would not be considered as intrusive surveillance.

A risk assessment should be carried out of the capability of equipment being used when filming residential premises and private vehicles to ensure that the activity does not meet the criteria of Intrusive Surveillance.

Commercial premises and vehicles

Commercial premises and vehicles are therefore excluded from the definition of intrusive surveillance. However they are dealt with under the heading of Property Interference contained within the Police Act 1997.

Bromsgrove District Council/ Redditch Borough Council has no authority in law to carry out Intrusive Surveillance or activity under the Police Act 1997.

Covert Human Intelligence Source (CHIS)

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

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

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

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

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

Conduct and use of a source

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

The **conduct of a source** is any conduct falling within section 29(4) of the 2000 Act, or which is incidental to anything falling within section 29(4) of the 2000 Act.

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

When completing applications for the use of a CHIS you are stating who the CHIS is, what they can do and for which purpose.

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

Management of sources

Within the provisions there has to be;

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

At all times there will also be a person who will have responsibility for maintaining a record of the use made of the source.

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

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

- monitoring the source's security and welfare;

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

Tasking

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

In some instances, tasking will not require the source to establish a personal or other relationship for a covert purpose. For example a source may be tasked with finding out purely factual information about the layout of commercial premises. Alternatively, a Council Officer may be involved in the test purchase of items which have been labelled misleadingly or are unfit for consumption. In such cases, it is for the Council to determine where, and in what circumstances, such activity may require authorisation.

Should a CHIS authority be required, all of the staff involved in the process should make themselves fully aware of the contents of the CHIS codes of Practice.

Management responsibility

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

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

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

Security and welfare

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

Persons who repeatedly provide information

It is possible that members of the public repeatedly supply information to Council staff on either one particular subject or investigation or a number of investigations. It is important that Council staff make the necessary enquiries with the person reporting the information to ascertain how the information is being obtained. This will not only assist with evaluating the information but will determine if the person is establishing or maintaining a relationship with a third person to obtain the information, and then provide it to the Council staff. If this is the case, the person is likely to be acting as a CHIS and there is a potential duty of care to the individual which treating them as a duly authorised CHIS would take account of. Therefore Council staff should ensure that they are aware of when a person is potentially a CHIS by reading the below sections. If further advice is required contact the RIPA Coordinating Officer.

Public Volunteers

The following extract from the CHIS Code of Practice is included to assist in understanding when public volunteers may become covert human intelligence sources (CHIS).

2.18 In many cases involving human sources, a relationship will not have been established or maintained for a covert purpose. Many sources merely volunteer or provide information that they have observed or acquired other than through a relationship, without being induced, asked, or tasked by a public authority. This means that the source is not a CHIS for the purposes of the 2000 Act and no authorisation under the 2000 Act is required.⁷ Example 1: A member of the public volunteers a piece of information to a member of a public authority regarding something they have witnessed in their neighbourhood. The member of the public would not be regarded as a CHIS. They are not passing information as a result of a relationship which has been established or maintained for a covert purpose. Example 2: A caller to a confidential hotline (such as Crimestoppers, the HMRC Fraud Hotline, the Anti-Terrorist Hotline, or the Security Service public telephone number) reveals that they know of criminal or terrorist activity. Even if the caller is involved in the activities on which they are reporting, the caller would not be considered a CHIS as the information is not being disclosed on the basis of a relationship which was established or maintained for that covert purpose. However, should the caller be asked to maintain their relationship with those involved and to continue to supply information (or it is otherwise envisaged that they will do so), an authorisation for the use or conduct of a CHIS may be appropriate.

Professional or statutory duty

2.19 Certain individuals will be required to provide information to public authorities or designated bodies out of professional or statutory duty. For example, employees within organisations regulated by the money laundering provisions of the Proceeds of Crime Act 2002 are required to report suspicious transactions. Similarly, financial officials, accountants or company administrators may have a duty to provide information that they have obtained by virtue of their position to the Serious Fraud Office. ⁷ See Chapter 3 of this code for further guidance on types of source activity to which authorisations under Part II of the 2000 Act may or may not apply. ¹³

2.20 Any such regulatory or professional disclosures should not result in these individuals meeting the definition of a CHIS, as the business or professional relationships from which the information derives will not have been established or maintained for the covert purpose of disclosing such information.

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2.21 Furthermore, this reporting is undertaken 'in accordance with the law' and therefore any interference with an individual's privacy (Article 8 rights) will be in accordance with Article 8(2) ECHR.

2.22 This statutory or professional duty, however, would not extend to the situation where a person is asked to provide information which they acquire as a result of an existing professional or business relationship with the subject but that person is under no obligation to pass it on. For example, a travel agent who is asked by the police to find out when a regular client next intends to fly to a particular destination is not under an obligation to pass this information on. In these circumstances, a CHIS authorisation may be appropriate.

Tasking not involving relationships

2.23 Tasking a person to obtain information covertly may result in authorisation under Part II of the 2000 Act being appropriate. However, this will not be true in all circumstances. For example, where the tasking given to a person does not require that person to establish or maintain a relationship for the purpose of obtaining, providing access to or disclosing the information sought or where the information is already within the personal knowledge of the individual, that person will not be a CHIS. Example: A member of the public is asked by a member of a public authority to maintain a record of all vehicles arriving and leaving a specific location or to record the details of visitors to a neighbouring house. A relationship has not been established or maintained in order to gather the information and a CHIS authorisation is therefore not available. Other authorisations under the Act, for example, directed surveillance, may need to be considered where there is a possible interference with the Article 8 rights of an individual.

Identifying when a human source becomes a CHIS

2.24 Individuals or members of organisations (e.g. travel agents, housing associations and taxi companies) who, because of their work or role have access to personal information, may voluntarily provide information to public authorities on a repeated basis and need to be managed appropriately. Public authorities must keep such human sources under constant review to ensure that they are managed with an appropriate level of sensitivity and confidentiality, and to establish whether, at any given stage, they should be authorised as a CHIS.

2.25 Determining the status of an individual or organisation is a matter of judgement by the public authority. Public authorities should avoid inducing individuals to engage in the conduct of a CHIS either expressly or implicitly without obtaining a CHIS authorisation. Example: Mr Y volunteers information to a member of a public authority about a work colleague out of civic duty. Mr Y is not a CHIS at this stage as he has not established or maintained (or been asked to establish or maintain) a relationship with his colleague for the covert purpose of obtaining and disclosing information. However, Mr Y is subsequently contacted by the public authority and is asked if he would ascertain certain specific information about his colleague. At this point, it is likely that Mr Y's relationship with his colleague is being maintained and used for the covert purpose of providing that information. A CHIS authorisation would therefore be appropriate to authorise interference with the Article 8 right to respect for private or family life of Mr Y's work colleague.

2.26 However, the tasking of a person should not be used as the sole benchmark in seeking a CHIS authorisation. It is the activity of the CHIS in exploiting a relationship for a covert purpose which is ultimately authorised by the 2000 Act, whether or not that CHIS is asked to do so by a public authority. It is possible, therefore, that a person will become engaged in the conduct of a CHIS without a public authority inducing, asking or assisting the person to engage in that conduct. An authorisation should be considered, for example, where a public authority is aware that a third party is independently

maintaining a relationship (i.e. "self-tasking") in order to obtain evidence of criminal activity, and the public authority intends to make use of that material for its own investigative purposes

Record management for CHIS

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

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

Please refer to the section headed “Documentation and Central Record” (page 36) for further information regarding the holding of records relating to CHIS sources/ authorisations by the Information Management Team.

RIPA application and authorisation process

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

- **Approval of Local Authority Authorisations under RIPA by a Justice of the Peace:** The amendments in the Protection of Freedoms Act 2012 mean that local authority authorisations under RIPA for the use of Directed Surveillance or use of Covert Human Intelligence sources (CHIS) can only be given effect once an order approving the authorisation has been granted by a Justice of the Peace (JP). **This applies to applications and renewals only, not reviews and cancellations.**
- **Directed surveillance crime threshold:** Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 (“the 2010 Order”) mean that a local authority can now only grant an authorisation under RIPA for the use of Directed Surveillance where the local authority is investigating criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933.

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

Application, review, renewal and cancellation forms

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

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

The procedure is as follows:-

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

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

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summary of the circumstances of the case on the judicial application form, this is supplementary to and does not replace the need to supply the original RIPA authorisation as well.

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

Details of how to contact the local Courts for out of hours applications will be circulated to managers to be passed on to staff when required.

Officers who may present the application at these proceedings will need to be formally designated by the Council under section 223 of the Local Government Act 1972 to appear, be sworn in and present evidence or provide information as required by the JP. The list of officers currently authorised can be found on the RIPA page of Orb. For further authorisations please contact the RIPA Coordinating Officer.

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

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

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

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

The JP may decide to:

- Approve the Grant or renewal of an authorisation
- Refuse to approve the grant or renewal of an authorisation
- Refuse to approve the grant or renewal and quash the authorisation

Approve the Grant or renewal of an authorisation

The grant or renewal of the RIPA authorisation will then take effect and the local authority may proceed to use the surveillance requested.

Refuse to approve the grant or renewal of an authorisation

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

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

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

Refuse to approve the grant or renewal and quash the authorisation

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

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

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

The original RIPA authorisation form and the copy of the judicial application/order form should be forwarded to the Central Register and a copy retained by the applicant and by the AO. This will enable the AO to check what was authorised and monitor any reviews and cancellation to determine if any errors occurred and if the objectives were met.

There is no complaint route for a judicial decision unless it was made in bad faith. If the applicant has any issues they must contact the Legal Department for advice. A local authority may only appeal a JP decision on a point of law by judicial review. If such a concern arises, the Legal team will review the case and consider what action, if any, action should be taken.

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All the relevant forms for authorisation through to cancellation must be in writing using the standard forms which are available from the Intranet site and the Information Management Team, but officers must ensure that the circumstances of each case are accurately recorded on the application form.

If it is intended to undertake both directed surveillance and the use of a CHIS on the same surveillance subject the respective applications forms and procedures should be followed and both activities should be considered separately on their own merits.

An application for an authorisation must include an assessment of the risk of any collateral intrusion or interference (see collateral intrusion on page 29). The Authorising Officer will take this into account, particularly when considering the proportionality of the directed surveillance or the use of a CHIS.

Applications

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

All applications will be submitted to the Authorising Officer via the Line Manager of the appropriate enforcement team, in order that they are aware of the activities being undertaken by the staff. The Line Manager will perform an initial quality check of the application. However they should not be involved in the sanctioning of the authorisation. Completed application forms are to be initialed by Line Managers to show that the quality check has been completed.

Applications whether authorised or refused will be issued with a unique number by the Authorising Officer, taken from the next available number in the Central Record of Authorisations. To obtain this number please contact Information Management Team on 01527 64252 ext. 1661.

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

Duration of applications

Directed Surveillance	3 Months
Renewal	3 Months
Covert Human Intelligence Source	12 Months

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Juvenile Sources	4 Months
Renewal	12 months

All Authorisations must be cancelled by completing a cancellation form. They must not be left to simply expire (see cancellations page 26).

Reviews

The reviews are dealt with internally by submitting the review form to the authorising officer. There is no requirement for a review form to be submitted to a JP.

Regular reviews of authorisations should be undertaken to assess the need for the surveillance to continue. The results of a review should be recorded on the central record of authorisations. Particular attention is drawn to the need to review authorisations frequently where the surveillance provides access to confidential information or involves collateral intrusion.

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

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

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

Renewal

If at any time before an authorisation would cease to have effect, the Authorising Officer considers it necessary for the authorisation to continue for the purpose for which it was given, he may renew it in writing for a further period of three months.

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

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

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

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

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

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

Cancellation

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

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

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

The cancellation process should also be used to evaluate whether the objectives have been achieved and whether the applicant carried out what they stated was necessary in the application form. This check will form part of the oversight function. Where issues are

identified they will be brought to the attention of the line manager and the Senior Responsible Officer (SRO). This will assist with future audits and oversight.

Who can grant a RIPA authorisation?

Officers who are designated “Authorising Officers” may authorise the use of directed surveillance or the use of a CHIS.

Please refer to Appendix 1 for the list of Authorising Officers, to show name, departmental details, contact number and levels of Authority.

The Chief Executive Officer or in their absence the Deputy Chief Executive will authorise cases where confidential information is likely to be gathered or in the case of a juvenile or vulnerable CHIS.

The Head of Legal and Democratic Services will inform the Information Management Team of any changes to the list of Authorising Officers and will amend the policy accordingly. The intranet will also be updated appropriately.

Urgent oral authorisations

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

Local sensitivities

Authorising Officers and Applicants should be aware of particular sensitivities in the local community where the directed surveillance is taking place, or of similar activities being undertaken by other public authorities which could impact on the deployment of surveillance. This should form part of the risk assessment.

It should be noted that although this is a requirement there is no provision made within the application form for this information. Therefore applicants should cover this area where they feel it is most appropriate such as when detailing the investigation or proportionality or within the separate risk assessment form. However it must be brought to the attention of the Authorising Officer when deciding whether to authorise the activity.

Authorising officers’ responsibility

Authorising officers should not be responsible for authorising investigations or operations in which they are directly involved, although it is recognised that this may sometimes be unavoidable such as where it is necessary to act urgently. Where an Authorising Officer authorises such an investigation or operation the Central Record of authorisations (see page 36) should highlight this and it should be brought to the attention of a Commissioner or Inspector should his next inspection.

Authorising Officers must treat each case individually on its merits and satisfy themselves that the authorisation is in accordance with the law, **necessary** for the prevention and detection of

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crime, that the crime attracts a custodial sentence of a maximum of 6 months or more, or is an offence relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933.

The Authorising Officer must believe the surveillance is **proportionate** to what it seeks to achieve, taking into account the **collateral intrusion** issues, and that the level of the surveillance is appropriate to achieve the objectives. If any equipment such as covert cameras or video cameras are to be used, the Authorising Officer should know the capability of the equipment before authorising its use. This will have an impact on collateral intrusion, necessity and proportionality. They should not rubber-stamp a request. It is important that they consider all the facts to justify their decision. They may be required to justify their actions in a court of law or some other tribunal.

Authorising Officers are responsible for determining when reviews of the activity are to take place (see Reviews on page 25).

Authorising Officers must also pay particular attention to Health and Safety issues that may be raised by any proposed surveillance activity. Under no circumstances, should the Authorised Officer approve any RIPA form unless, and until s/he is satisfied the health and safety of Council employees/agents are suitably addressed and/or risks minimised, so far as is possible, and proportionate to/with the surveillance being proposed.

Before authorising surveillance the Authorising Officer should also take into account the risk of intrusion into the privacy of persons other than those who are directly the subjects of the investigation or operation (collateral intrusion). Measures should be taken, wherever practicable, to avoid or minimise unnecessary intrusion into the lives of those not directly connected with the investigation or operation.

In the absence of your particular Line Manager or Head of Department the application should be submitted to another Authorising Officer for authorisation (see list of Authorising Officers - Appendix 1).

Necessity and proportionality

Obtaining a RIPA authorisation will only ensure that there is a justifiable interference with an individual's Article 8 rights if it is necessary and proportionate for these activities to take place.

It must be necessary for the **prevention and detection of crime and that** the crime attracts a custodial sentence of a maximum of 6 months or more, or is an offence relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933. It must also be shown the reasons why the requested activity is necessary in the circumstances of that particular case. Can you achieve the same end result without the surveillance?

If similar objectives could be achieved by methods other than covert surveillance, then those methods should be used before resorting to surveillance methods, unless it can be justified why they cannot or should not be used.

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

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

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

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

It is important that the staff involved in the surveillance and the line manager manage the enquiry and operation, and constantly evaluate the need for the activity to continue.

Collateral intrusion

Collateral intrusion is an integral part of the decision making process and should be assessed and considered very carefully by both applicants and Authorising Officers.

The Revised Codes state Collateral Intrusion is intrusion into the privacy of persons other than those who are directly the subjects of the investigation or operation such as neighbours or other members of the subject's family. Where it is proposed to conduct surveillance activity specifically against individuals who are not suspected of direct or culpable involvement in the overall matter being investigated, interference with the privacy or property of such individuals should not be considered as collateral intrusion but rather as intended intrusion. Any such surveillance activity should be carefully considered against the necessity and proportionality criteria.

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Intended intrusion could occur if it was necessary to follow a person not committing any offences but by following this person it would lead you to the person who is committing the offences.

Where such collateral intrusion is unavoidable, the activities may still be authorised, provided this intrusion is considered proportionate to what is sought to be achieved. The same proportionality tests apply to the likelihood of collateral intrusion as to intrusion into the privacy of the intended subject of the surveillance.

Prior to and during any authorised RIPA activity, a risk assessment should take place to identify the likely intrusion into the subject and any collateral intrusion. Officers should take continuing precautions to minimise the intrusion where possible. The collateral intrusion, the reason why it is unavoidable and your precautions to minimise it will have to be detailed on any relevant application forms. This will be considered by the Authorising Officer.

Before authorising surveillance the Authorising Officer should take into account the risk of collateral intrusion detailed on the relevant application forms as it has a direct bearing on the decision regarding proportionality.

The possibility of Collateral Intrusion does not mean that the authorisation should not be granted, but you should weigh up the importance of the activity to be carried out in operational terms on the one hand and the risk of collateral intrusion on the other hand.

Unexpected interference with third parties

When you are carrying out covert directed surveillance or using a CHIS, you should inform the Authorising Officer if the investigation unexpectedly interferes with the privacy of individuals who are not the original subjects of the investigation or covered by the authorisation in some other way. It will be appropriate in some circumstances to submit a review form and in other cases the original authorisation may not be sufficient and consideration should be given to whether a separate authorisation is required.

Confidential information

Confidential information consists of matters subject to legal privilege, confidential personal information or confidential journalistic material and applications where there is a likelihood of acquiring such information can only be authorised by the Chief Executive or the Executive Director of Services.

No authorisation should be given if there is any likelihood of obtaining legally privileged material without consulting the shared BDC/ RBC Legal Team.

Confidential personal information is information held in confidence relating to the physical or mental health or spiritual counselling concerning an individual (whether living or dead) who can be identified from it. Such information, which can include both oral and written communications, is held in confidence if it is held subject to an express or implied undertaking to hold it in confidence or it is subject to a restriction on disclosure or an obligation of

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confidentiality contained in existing legislation. Examples might include consultations between a health professional and a patient, or information from a patient's medical records. Journalistic material is also mentioned in the codes however it is highly unlikely that this will be obtained. The definition should it be required can be obtained from the Codes of Practice at Chapter 4.

The following general principles apply to confidential material acquired under authorisations:

- Those handling material from such operations should be alert to anything which may fall within the definition of confidential material. Where there is doubt as to whether the material is confidential, advice should be sought from the Head of Legal, Equalities and Democratic Services before further dissemination takes place;
- Confidential material should not be retained or copied unless it is necessary for specified purpose;
- Confidential material should be disseminated only where an appropriate officer (having sought advice from the Head of Legal and Democratic Services) is satisfied that it is necessary for a specific purpose;
- The retention or dissemination of such information should be accompanied by a clear warning of its confidential nature. It should be safeguarded by taking reasonable steps to ensure that there is no possibility of it becoming available, or its content being known, to any person whose possession of it might prejudice any criminal or civil proceedings related to the information;
- Confidential material should be destroyed as soon as it is no longer necessary to retain it for a specified purpose.

Use of CCTV

The use of the CCTV systems operated by the Council does not normally fall under the RIPA regulations. However it does fall under the Data Protection Act 1998 and the Councils CCTV policy. However should there be a requirement for the CCTV cameras to be used for a specific purpose to conduct surveillance it is likely that the activity will fall under Directed Surveillance and therefore require an authorisation.

On the occasions when the CCTV cameras are to be used in a Directed Surveillance situation either by enforcement officers from relevant departments within the Council or outside Law Enforcement Agencies such as the Police, either the CCTV staff are to have a copy of the application form in a redacted format, or a copy of the authorisation page. It is important that the staff check the authority and only carry out what is authorised. A copy of the application or notes is also to be forwarded to the Information Management Team for filing. This will assist the Council to evaluate the authorisations and assist with oversight.

Operators of the Councils CCTV system need to be aware of the RIPA issues associated with using CCTV and that continued, prolonged systematic surveillance of an individual may require an authorisation.

Use of Social Media

This part of the policy covers the use of social media, including Social Networking Sites (SNS) such as Twitter and Facebook, and selling platforms such as eBay and Gumtree.

Guidance from the OSC (now Investigatory Powers Commissioner's Office, IPCO) on covert surveillance of SNS states that 'Repeat viewing of individual 'open source' sites for the purpose of intelligence gathering and data collation should be considered within the context of the protection that RIPA affords to such activity.'

The fact that digital investigation is routine or easy to conduct does not reduce the need for authorisation. Care must be taken to understand how the social networking site being used works. Authorising Officers must not be tempted to assume that one service provider is the same as another or that the services provided by a single provider are the same.

Whilst it is the responsibility of an individual to set privacy settings to protect unsolicited access to private information from their social media sites and, even though data may be deemed published and no longer under the control of the author, it is unwise to regard it as 'open source' or publicly available. The author has a reasonable expectation of privacy if access controls are applied.

Where privacy settings are available but not applied the data may be considered 'open source' and an authorisation is not usually required. However, repeat viewing of 'open source' sites may constitute directed surveillance on a case by case basis and officers need to be aware of this and seek advice about obtaining an authorisation. For example if someone is being monitored through, for example, their Facebook profile for a period of time and a record of the information is kept for later analysis, this is likely to require a RIPA authorisation for directed surveillance.

If it is necessary and proportionate for the Council to breach covertly access controls, the minimum requirement is an authorisation for directed surveillance.

Officers also need to be aware that if viewing of on-line information progresses to an officer establishing a relationship whether through a friend request or sending an email purporting to be interested in an item to purchase, then a CHIS authorisation will be required. In that scenario the officer themselves would be regarded as acting as a CHIS. Using a third party to contact the subject on behalf of the Council would also require authorisation of the third party as a CHIS.

It is not unlawful for a council officer to set up a false identity, but this should not be done for a covert purpose without significant management consideration and under the control of an authorisation. Using photographs of other persons without their permission to support the false identity infringes other laws.

To further assist in understanding matters pertaining to the use of social media in investigations, the following is included in this policy, from the Covert Surveillance and Property Interference Code of Practice 2018:

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3.10 The growth of the internet, and the extent of the information that is now available online, presents new opportunities for public authorities to view or gather information which may assist them in preventing or detecting crime or carrying out other statutory functions, as well as in understanding and engaging with the public they serve. It is important that public authorities are able to make full and lawful use of this information for their statutory purposes. Much of it can be accessed without the need for RIPA authorisation; use of the internet prior to an investigation should not normally engage privacy considerations. But if the study of an individual's online presence becomes persistent, or where material obtained from any check is to be extracted and recorded and may engage privacy considerations, RIPA authorisations may need to be considered. The following guidance is intended to assist public authorities in identifying when such authorisations may be appropriate.

3.11 The internet may be used for intelligence gathering and/or as a surveillance tool. Where online monitoring or investigation is conducted covertly for the purpose of a specific investigation or operation and is likely to result in the obtaining of private information about a person or group, an authorisation for directed surveillance should be considered, as set out elsewhere in this code. Where a person acting on behalf of a public authority is intending to engage with others online without disclosing his or her identity, a CHIS authorisation may be needed (paragraphs 4.10 to 4.16 of the Covert Human Intelligence Sources code of practice provide detail on where a CHIS authorisation may be available for online activity).

3.12 In deciding whether online surveillance should be regarded as covert, consideration should be given to the likelihood of the subject(s) knowing that the surveillance is or may be taking place. Use of the internet itself may be considered as adopting a surveillance technique calculated to ensure that the subject is unaware of it, even if no further steps are taken to conceal the activity. Conversely, where a public authority has taken reasonable steps to inform the public or particular individuals that the surveillance is or may be taking place, the activity may be regarded as overt and a directed surveillance authorisation will not normally be available.

3.13 As set out in paragraph 3.14 below, depending on the nature of the online platform, there may be a reduced expectation of privacy where information relating to a person or group of people is made openly available within the public domain, however in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by restricting its access by activating privacy settings.

3.14 Where information about an individual is placed on a publicly accessible database, for example the telephone directory or Companies House, which is commonly used and known to be accessible to all, they are unlikely to have any reasonable expectation of privacy over the monitoring by public authorities of that information. Individuals who post information on social media networks and other websites whose purpose is to communicate messages to a wide audience are also less likely to hold a reasonable expectation of privacy in relation to that information.

3.15 Whether a public authority interferes with a person's private life includes a consideration of the nature of the public authority's activity in relation to that information. Simple reconnaissance of such sites (i.e. preliminary examination with a view to establishing whether the site or its contents are of interest) is unlikely to interfere with a person's reasonably held expectation of privacy and therefore is not likely to require a directed surveillance authorisation. But where a public authority is systematically collecting and recording information about a particular person or group, a directed surveillance authorisation should be considered. These considerations apply regardless of when the information was shared online. See also paragraph 3.6. Example 1: A police officer undertakes a simple internet

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search on a name, address or telephone number to find out whether a subject of interest has an online presence. This is unlikely to need an authorisation. However, if having found an individual's social media profile or identity, it is decided to monitor it or extract information from it for retention in a record because it is relevant to an investigation or operation, authorisation should then be considered.

Example 2: A customs officer makes an initial examination of an individual's online profile to establish whether they are of relevance to an investigation. This is unlikely to need an authorisation. However, if during that visit it is intended to extract and record information to establish a profile including information such as identity, pattern of life, habits, intentions or associations, it may be advisable to have in place an authorisation even for that single visit. (As set out in the following paragraph, the purpose of the visit may be relevant as to whether an authorisation should be sought.) Example 3: A public authority undertakes general monitoring of the internet in circumstances where it is not part of a specific, ongoing investigation or 20 operation to identify themes, trends, possible indicators of criminality or other factors that may influence operational strategies or deployments. This activity does not require RIPA authorisation. However, when this activity leads to the discovery of previously unknown subjects of interest, once it is decided to monitor those individuals as part of an ongoing operation or investigation, authorisation should be considered.

3.16 In order to determine whether a directed surveillance authorisation should be sought for accessing information on a website as part of a covert investigation or operation, it is necessary to look at the intended purpose and scope of the online activity it is proposed to undertake. Factors that should be considered in establishing whether a directed surveillance authorisation is required include: • Whether the investigation or research is directed towards an individual or organisation; • Whether it is likely to result in obtaining private information about a person or group of people (taking account of the guidance at paragraph 3.6 above); • Whether it is likely to involve visiting internet sites to build up an intelligence picture or profile; • Whether the information obtained will be recorded and retained; • Whether the information is likely to provide an observer with a pattern of lifestyle; • Whether the information is being combined with other sources of information or intelligence, which amounts to information relating to a person's private life; • Whether the investigation or research is part of an ongoing piece of work involving repeated viewing of the subject(s); • Whether it is likely to involve identifying and recording information about third parties, such as friends and family members of the subject of interest, or information posted by third parties, that may include private information and therefore constitute collateral intrusion into the privacy of these third parties.

3.17 Internet searches carried out by a third party on behalf of a public authority, or with the use of a search tool, may still require a directed surveillance authorisation (see paragraph 4.32). Example: Researchers within a public authority using automated monitoring tools to search for common terminology used online for illegal purposes will not normally require a directed surveillance authorisation. Similarly, general analysis of data by public authorities either directly or through a third party for predictive purposes (e.g. identifying crime hotspots or analysing trends) is not usually directed surveillance. In such cases, the focus on individuals or groups is likely to be sufficiently cursory that it would not meet the definition of surveillance. But officers should be aware of the possibility that the broad thematic research may evolve, and that authorisation may be appropriate at the point where it begins to focus on specific individuals or groups. If specific names 21 or other identifiers of an individual or group are applied to the search or analysis, an authorisation should be considered.

Obtaining Communications Data

The Investigatory Powers Act 2016 governs the lawful obtaining of communications data by public authorities. The term communications data includes the 'who', 'when', 'where', and 'how' of a communication but not the content, that is, what was said or written. A local authority

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cannot make an application that requires the processing or disclosure of internet connection records for any purpose.

Communications data is generated, held or obtained in the provision, delivery and maintenance of communications services, that is, postal services or telecommunications services. All communications data held by a telecommunications operator or obtainable from a telecommunication system falls into two categories of entity data and events data.

Examples of entity data include:

- 'subscriber checks' such as "who is the subscriber of phone number 01234 567 890?", "who is the account holder of email account example@example.co.uk?" or "who is entitled to post to web space www.example.co.uk?"
- subscribers' or account holders' account information, including names and addresses for installation, and billing including payments method(s), details of payments;
- information about apparatus or devices used by, or made available to, the subscriber or account holder, including the manufacturer, model, serial numbers and apparatus codes.

Examples of events data include, but are not limited to:

- information tracing the origin or destination of a communication that is, or has been, in transmission (including incoming call records);
- information identifying the sender or recipient of a communication from data comprised in or attached to the communication;
- itemised timing and duration of service usage (calls and/or connections);
- information about amounts of data downloaded and/or uploaded;

Part 3 of IPA contains provisions relating to authorisations for obtaining communications data. This part of IPA is now in force but the acquisition of communications data was previously covered by RIPA. Under RIPA, local authorities were required to obtain judicial approval in order to acquire communications data. However, the position has now changed and from June 2019, all communication data applications must instead be authorised by the Office for Communications Data Authorisations ("the OCDA").

The Home Office issued 'Communications Data' Code of Practice in November 2018 and chapter 8 covers local authority procedures. A local authority must make a request to obtain communications data via a single point of contact (SPoC) at the National Anti-Fraud Network ("NAFN"). In addition to being considered by a NAFN SPoC, an officer within the local authority of the rank of service manager or above should be aware the application is being made before it is submitted to an authorising officer in the OCDA.

A serious crime threshold applies to the obtaining of some communications data. The Council can only submit an application to obtain events data for the investigation of a criminal offence capable of attracting a sentence of 12 months or more. However, where the Council is looking to obtain entity data this can be done for any criminal investigation where it is necessary and proportionate to do so.

Joint agency surveillance

In cases where one agency is acting on behalf of another, it is usually for the tasking agency to obtain or provide the authorisation. For example, where surveillance is carried out by Council employees on behalf of the Police, authorisation would be sought by the police. If it is a joint operation involving both agencies the lead agency should seek authorisation.

Council staff involved with joint agency surveillance must ensure that all parties taking part are authorised on the authorisation page of the application to carry out the activity. When staff are operating on another organisations authorisation, they should obtain either a copy of the application form (redacted if necessary) or a copy of the authorisation containing the unique number. This will ensure they see what activity they are authorised to carry out. Their line manager should be made aware of the joint surveillance and a copy of the authorisation forwarded to the central register in order that a record can be retained. This will assist with oversight of the covert activities undertaken by Council staff.

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

Documentation and central record

Authorising Officers or Managers of relevant enforcement departments must keep whatever records are necessary to administer and manage the RIPA application process, in compliance with the requirements of the Codes of Practice as reflected in the Safeguarding Policy (see Appendix). The Council holds a centrally held and retrievable record, also in compliance with the Codes of Practice.

This record will be held by the Information Management team and regularly updated whenever an authorisation is refused, granted, renewed or cancelled.. The record will be made available to the relevant Commissioner or an Inspector from the Office of Surveillance Commissioners, upon request.

All original surveillance Authorisations and copies of judicial applications/order forms (whether authorised or refused), Review, Renewal and Cancellation documents will be forwarded electronically to the Information Management team for security purposes. The Information Management team will be responsible for maintaining the Central Record of Authorisations and will ensure that all records are held securely with no unauthorised access. The only persons who will have access to these documents will be the Information Management team, the Senior Responsible Officer and the RIPA Co-ordinating Officer. The Head of Service of the shared Regulatory Service will have access to a read only copy of the

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Central Record of Authorisations. The use, retention and disposal of this information is also governed by the Safeguarding Policy in Appendix

The Information Management team can be contacted on extension 1661 (Nicola Brothwell) or extension 3871 (Julie Smout)

The documents contained in the centrally held register should be retained for at least three years from the ending of the authorisation or for the period stipulated by the Council's document retention policy, whichever is greater. The centrally held register should contain the following information:

- if refused, that the application was not authorised and a brief explanation of the reason why. The refused application should be retained as part of the Central Record of Authorisation.
- if granted, the type of authorisation and the date the authorisation was given and approved by the JP.
- name and rank/grade of the authorising officer.
- the unique reference number (URN) of the investigation or operation.
- the title of the investigation or operation, including a brief description and names of subjects, if known.
- whether the urgency provisions were used, and if so why.
- frequency and the result of each review of the authorisation.
- if the authorisation is renewed, when it was renewed and who authorised the renewal, including the name and rank/grade of the authorising officer and the date approved by the JP.
- whether the investigation or operation is likely to result in obtaining confidential information as defined in this code of practice.
- the date the authorisation was cancelled.
- authorisations by an Authorising Officer in urgent cases where they are directly involved in the investigation or operation (see Authorising Officer Responsibility page 17.) If this has taken place it must be brought to the attention of a Commissioner or Inspector during their next RIPA inspection.
- the date and time when any instruction was given by the Authorising Officer.

As well as the Central Record the Information Management Team will also retain:

each application, review, renewal and cancellation, copy of the judicial application/order form, together with any supplementary documentation of the approval given by the Authorising Officer

- a record of the period over which the surveillance has taken place;

For CHIS applications

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In addition, records or copies of the following, as appropriate, should be kept by the relevant authority:

- the original authorisation form, copy of the judicial application/order form, together with any supplementary documentation and notification of the approval given by the Authorising Officer;
- the original renewal of an authorisation, copy of the judicial application/order form, together with the supporting documentation submitted when the renewal was requested;
- the reason why the person renewing an authorisation considered it necessary to do so;
- any risk assessment made in relation to the source;
- the circumstances in which tasks were given to the source;
- the value of the source to the investigating authority;
- a record of the results of any reviews of the authorisation;
- the reasons, if any, for not renewing an authorisation;
- the reasons for cancelling an authorisation.
- the date and time when any instruction was given by the Authorising Officer to cease using a source.

The records kept by public authorities should be maintained in such a way as to preserve the confidentiality of the source and the information provided by that source. There should, at all times, be a designated person within the relevant public authority who will have responsibility for maintaining a record of the use made of the source.

Annual report to Investigatory Powers Commissioner's Office

The Council is required to provide statistics to the IPCO (was the OSC) every year in March for the purposes of the Annual Report. The Information Manager shall be responsible for completing the return and providing the statistics.

Storage and retention of material

In addition to the need to comply with the data safeguards provisions set out below, all material obtained and associated with an application will be subject of the provisions of the Criminal Procedures Investigations Act 1996 (CPIA) Codes of Practice which state that relevant material in an investigation has to be recorded and retained and later disclosed to the prosecuting solicitor in certain circumstances. It is also likely that the material obtained as a result of a RIPA application will be classed as personal data for the purposes of the Data Protection Act. All officers involved within this process should make themselves aware of the

provisions of both the requirements under the Safeguarding Policy and the CPIA and how it impacts on the whole RIPA process.

Data safeguards

Material obtained through surveillance may include private information, legally privileged information, or other confidential material including journalistic material and constituency business of Members of Parliament. The Council must ensure that any information it obtains through surveillance is handled in accordance with the safeguards the Council has put in place, any relevant frameworks (such as data protection), and the Home Office Codes.

Dissemination, copying and retention of material must be limited to the minimum necessary for authorised purposes. Something is necessary for the authorized purposes where the material:

- a) is (or is likely to become) necessary for the surveillance purposes set out in the legislation
- b) is necessary for facilitating the carrying out of the functions of the Council under the surveillance legislation
- c) is necessary for facilitating the carrying out of any functions of the Commissioner or Investigatory Powers Tribunal
- d) is necessary for the purposes of legal proceedings
- e) is necessary for the performance of the functions of any person by or under any enactment.

Evidence

When information obtained under a surveillance authorisation is used evidentially, the Council should be able to demonstrate how the evidence has been obtained, to the extent required by the relevant rules of evidence and disclosure. Where the product of surveillance could be relevant to pending or future criminal or civil proceedings, it should be retained in accordance with established disclosure requirements

Reviews

As set in this document and within the Home Office Codes, regular reviews of all authorisations should be undertaken during their lifetime to assess the necessity and proportionality of the conduct. Particular attention should be given to the need to review authorisations frequently where they involve a high level of intrusion into private life or significant collateral intrusion, or particularly sensitive information is likely to be obtained.

Dissemination of information

The Council will likely need to share information obtained through surveillance within the Council and between the Council and other public bodies where legally necessary. This must be limited to the minimum necessary. If a summary of the information will be sufficient to meet necessity, no more than that should be disclosed.

When sharing this type of information the Council will ensure that it has appropriate safeguards and agreements in place to ensure compliance.

Copying

Information and material obtained through surveillance must only be copied to the extent necessary. Copying includes direct copies as well as summaries and extracts.

Storage

All information and material obtained through surveillance and all copies, extracts or summaries must be stored securely to minimise the risk of theft or loss. Only those with appropriate legal authority and security clearance should be able to access the information. The Council will ensure that it has in place:

- a) physical security to protect premises where the information is stored or can be accessed
- b) IT security to minimise risk around unauthorised access to IT systems

Destruction

Information obtained through surveillance, and all copies, extracts and summaries which contain such material, should be scheduled for deletion or destruction and securely destroyed as soon as they are no longer needed for the authorised purpose(s). If such information is retained, it should be reviewed at appropriate intervals, and at least every six months, to confirm that the justification for its retention is still valid.

Confidential or privileged information

Where the material contains information that is legally privileged, confidential journalistic material or where material identifies a journalist's source, where material contains confidential personal information or communications between a Member of Parliament and another person on constituency business ["confidential constituent information"], authorisations can only be granted by the Head of Paid Service.

The reasons for acquiring information of this type must be clearly documented and the specific necessity and proportionality of doing so must be carefully considered.

Material which has been identified as confidential personal or confidential constituent information should be retained only where it is necessary and proportionate to do so in accordance with the authorised purpose or where otherwise required by law. It should be securely destroyed when its retention is no longer needed for those purposes.

Where confidential personal or constituent information is retained or disseminated to an outside body, reasonable steps should be taken to mark the information as confidential. Where there is any doubt as to the lawfulness of the proposed handling or dissemination of confidential information, advice should be sought from a legal adviser to the Council before any further dissemination of the material takes place.

Items subject to legal privilege

The acquisition of material subject to legal privilege is particularly sensitive and is therefore subject to additional safeguards which provide for three different circumstances where legally privileged items will or may be obtained. They are:

- a) where privileged material is intentionally sought
- b) where privileged material is likely to be obtained
- c) where the purpose or one of the purposes is to obtain items that, if they were not generated or held with the intention of furthering a criminal purpose, would be subject to privilege

Further details and guidance about each of the above circumstances are set out in the Home Office Codes.

Covert surveillance of legal consultations

The 2010 Legal Consultations Order provides that surveillance that is carried out in relation to anything taking place on so much of any premises specified in article 3(2) of the Order as is, at any time during the surveillance, used for the purposes of 'legal consultations', shall be treated for the purposes of Part II of RIPA as intrusive surveillance. **As a result, such authorisations are not available to the Council.**

Lawyers' material

Where a lawyer, acting in this professional capacity, is the subject of surveillance, it is possible that a substantial proportion of any material which will or could be acquired will be subject to legal privilege. In addition to considering the applicability of the 2010 Legal Consultations Order, the Council will need to consider which of the three circumstances that apply when items subject to legal privilege will or may be obtained is relevant, and what processes should therefore be followed.

Any case involving lawyers' material should also be notified to the Commissioner during their next inspection, and any material which has been retained should be made available to the Commissioner on request.

Handling, retention, and deletion of legally privileged material

Additional arrangements apply to legally privileged items where the intention is to retain them for a purpose other than their destruction:

- a) A legal adviser to the Council must be consulted and is responsible for determining whether that material is privileged;
- b) Material which has been identified as legally privileged (and is being retained for purposes other than its destruction) should be clearly marked as subject to legal privilege; and
- c) the Investigatory Powers Commissioner must be notified of the retention of the items as soon as reasonably practicable

Training

There will be an on-going training programme for Council Officers who will need to be aware of the impact and operating procedures with regards to this legislation. The training officer will be required to retain a list of all those officers who have received training and when the training was delivered.

Authorising Officers must have received formal RIPA training before being allowed to consider applications for surveillance and CHIS.

Errors

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

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

Oversight

It is important that all staff involved in the RIPA application process take their responsibilities seriously. Careful management and adherence to policy and procedures will assist with maintaining oversight and reducing unnecessary errors. The policy and use of RIPA will be monitored on an on-going basis through the quarterly meetings referred to below.

Senior Responsible Officer and RIPA Co-ordinating officer

Overall oversight within the Council will fall within the responsibilities of the Senior Responsible Officer (SRO) for the Council. The Senior Responsible Officer is Claire Felton, Head of Legal, Democratic and Property Services. To assist the SRO with monitoring, ensuring the policy is kept up to date, liaising with the Office of Surveillance Commissioner and organising training for staff, the Principal Solicitor has been identified as the RIPA Co-ordinating Officer. The SRO and the RIPA Co-ordinating Officer will meet on a six-monthly basis to review the RIPA activity that has taken place, consider any changes to legislation or guidance and to review the policy and processes for RIPA and the training programme. This six-month review has been agreed by the Surveillance Commissioner's Inspector as adequate oversight for our council.

Reporting to members

Quarterly returns of all surveillance activity undertaken by Council staff including joint surveillance and Directed Surveillance using the CCTV system will be compiled by the Senior Responsible Officer and the RIPA Co-ordinating Officer and reported to the Portfolio Holder for Resources in line with the current advice in the Codes of Practice. As with the above reviews, this will also be six-monthly. It will be the role of the Portfolio Holder to report to the Cabinet any issues of concern arising out of the quarterly returns. Members will also receive an annual report to keep them updated as to the levels of RIPA activity, legislative changes, staff training and any issues regarding the RIPA policy.

Scrutiny and tribunal

Scrutiny will be provided by the Investigatory Powers Commissioner's Office or IPCO (formerly provided by the Office of the Surveillance Commissioner). The Commissioner will periodically inspect the records and procedures of the Authority to ensure the appropriate authorisations have been given, reviewed, cancelled, and recorded properly.

It is the duty of any person who uses these powers to comply with any request made by a Commissioner to disclose or provide any information the Office requires for the purpose of enabling them to carry out their functions.

A tribunal has been established to consider and determine complaints made under RIPA if it is the appropriate forum. Persons aggrieved by conduct, e.g. directed surveillance, can make complaints. The forum hears application on a judicial review basis. Claims should be brought within one year unless it is just and equitable to extend that period.

Agenda Item 8

RIPA Policy BDC -RBC V8.3 (002)

Complaints can be addressed to the following address:

Investigatory Powers Tribunal

PO Box 33220

London

SW1 H9ZQ

Appendix 1

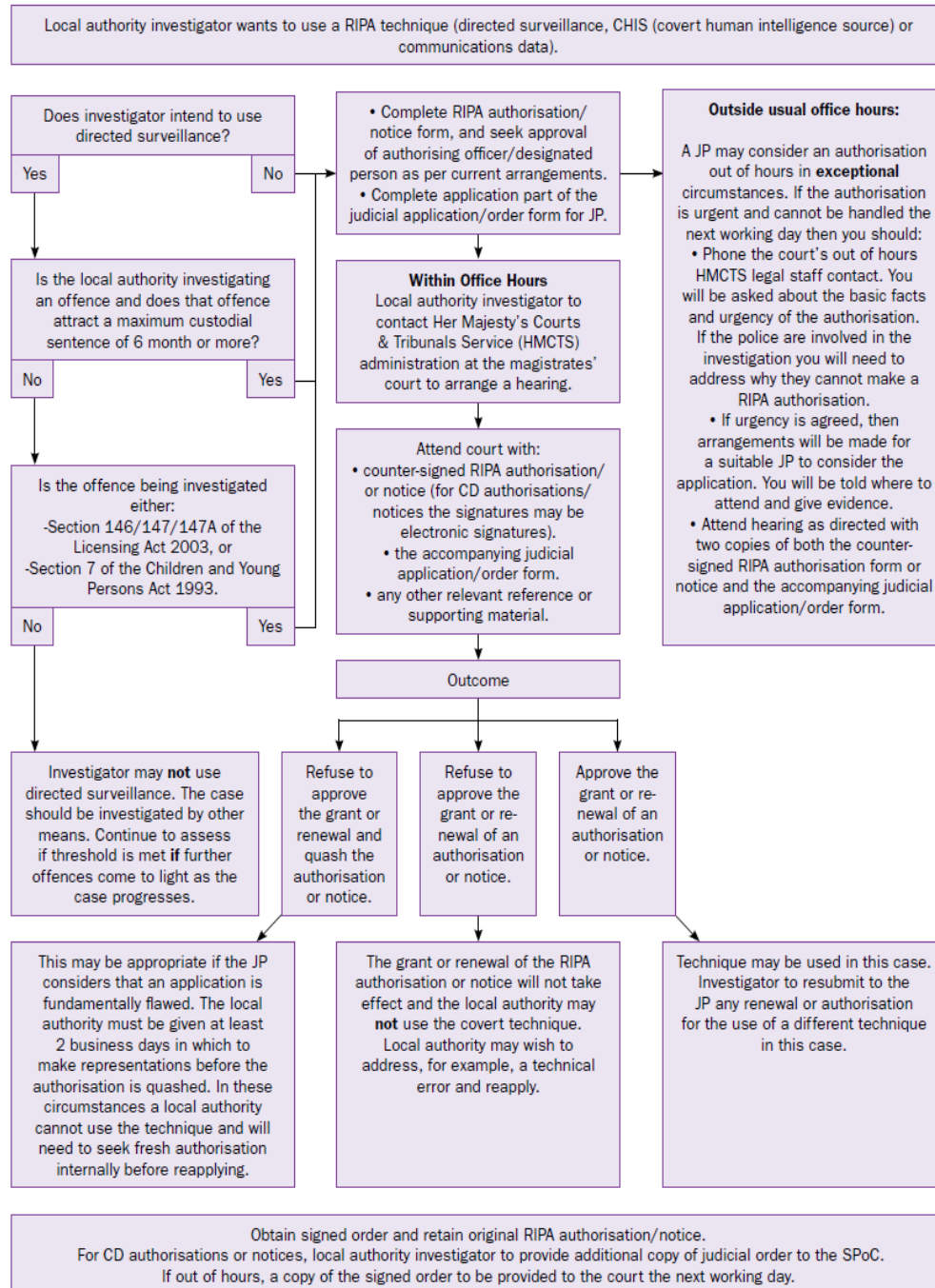
List of Authorising Officers for Bromsgrove District Council and Redditch Borough Council and authorising levels:

Name	Department	Contact Number	Level of Surveillance Authority		
			Juvenile or Vulnerable CHIS and/or Confidential Material from CHIS or Directed Surveillance	CHIS	Directed Surveillance
Sue Hanley	Chief Executive	Ext 1483	Yes	Yes	Yes
Deborah Poole	E-Government & Customer Services	Ext 1256	No	Yes	Yes
Simon Wilkes	Head of Regulatory Services	01562 738088	No	No	Yes
Peter Carpenter	Deputy Chief Executive and Director of Resources	01527 64252 ext 3205	Yes	Yes	Yes

RIPA Policy BDC -RBC V8.3 (002)

Appendix 2

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



Bromsgrove District Council Audit Progress Report

May 2024



Progress at May 2024

Data migration

Officers provided a reconciliation between the old and new systems using a three-stage approach, which identified a total of £3k of transactions unreconciled between the two systems. We understand the approach taken in this reconciliation exercise and are satisfied that it is appropriate and reasonable. As reported in our 2020/21 audit plan, our materiality level was £900k and our clearly trivial level was £45k. We would therefore not have any significant concerns over the data transfer with this level of reported unreconciled transactions.

Our IT audit colleagues sought to reperform the exercise produced by officers, based upon the system transaction listing that we obtained with the support of the system providers, and using the ledger code converter also provided to us by officers which mapped the old and new ledger codes to one another. The aim of this was to ensure that the data used in the reconciliation was complete and accurate and by proving this, we would be in a position to conclude our work.

We raised further queries with officers as whilst almost half of the codes reconciled with no issues identified, the other half reported some variances between our data and that used in the reconciliation provided to us. The Council has reconciled at a lower code combination level than ourselves, that took in board changes that happened on implementation and has shown how those differences map. As per the papers presented to Audit, Standards and Governance Committee this evening, their S151 Officer now has the confidence from this work to formally issue the 2020/21 accounts for Audit. We asked for sample of codes that had material differences to understand those differences and these have been provided to us to review.

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BROMSGROVE DISTRICT COUNCIL

Date: 23rd May 2024

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

B THE 2024/25 INTERNAL AUDIT PLAN

Relevant Portfolio Holder	Councillor S. Colella
Portfolio Holder Consulted	Yes
Relevant Head of Service	Peter Carpenter, S151 Officer
Report Author	Job Title: Head of Internal Audit Shared Service Worcestershire Internal Audit Shared Service Contact email: chris.green@worcester.gov.uk Contact Tel: 07542 667712
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	Good Governance & Risk Management underpins all the Strategic Purposes.
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATION

- 1.1 **The Audit, Standards and Governance Committee approves the 2024/25 Internal Audit Plan subject to any agreed amendments.**

2. BACKGROUND

- 2.1 The aims and objectives of the Worcestershire Internal Audit Shared Service are to:

- examine, evaluate and report on the adequacy and effectiveness of internal control, governance and risk management across the council and recommend arrangements to address weaknesses as appropriate.
- examine, evaluate and report on arrangements to ensure compliance with legislation and the council's objectives, policies and procedures.
- examine, evaluate and report on procedures to check that the council's assets and interests are adequately protected and effectively managed.

Date: 23rd May 2024**AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

- undertake independent investigations into allegations of fraud and irregularity in accordance with council policies and procedures and relevant legislation; and
- advise upon the control and risk implications of new systems or other organisation changes, e.g. transformation.

2.2 Formulation of the Annual Plan

WASS operates an Internal Audit Charter which sets out the standards to which it operates for this Council. The Internal Audit Plan for 2024/25, which is included at Appendix 1, is a risk-based plan which considers the adequacy of the Council's risk management, governance, performance management, other assurance processes as well as organisational objectives and priorities. It has been based upon the risk priorities per the Corporate and Service risk registers, as reported to the Audit, Standards and Governance Committee in March 2024. Large spend budget areas have also been considered, along with direct association to the Council Plan 2020-2024. The Internal Audit Plan for 2024/25 has been agreed with the s151 Officer, considered by the Senior Management Team, and is brought before Committee in draft form. It has been formulated with the aim to ensure Bromsgrove District Council meet its strategic purposes, delivers its promises and has directly linked the various aspects to identify the 'golden thread' regarding the objectives and risk identification to Service delivery. It is brought before the Audit, Standards and Governance Committee in draft format as the involvement of the Committee is considered an important facet of good corporate governance, contributing to the internal control assurance given in the Council's Annual Governance Statement.

Internal Audit recognises that there are other review functions which may provide other sources of assurance, both internally and externally, (e.g. ICT Public Service Network, Cyber Essentials, assurance testing) over aspects of the Council's operations. Where possible internal audit will seek to place reliance on such work thus increasing the coverage without adding additional costs.

To try to reduce duplication of effort internal audit understands the importance of working with the External Auditors. The audit plan is available to the external auditors for information.

By bringing a plan of work before the Audit, Standards and Governance Committee which had been formulated with the aim to ensure Bromsgrove District Council meets its strategic purposes it allows Members to have a positive input into the audit work programme and make suggestions as to where they feel audit resources

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may be required under direction of the s151 Officer and within the finite resource available. Due to the continuing changing environment that exists in Local Government the plan must be seen as a framework for internal audit work for the forthcoming year. There is a need for improved flexibility in the plan due to a constantly changing risk profile. To ensure flexibility there is the possibility that the plan will be updated during the year to address such challenges and any emerging risks. It is planned that a regular review before Senior Management Team will take place to ensure the audit plan remains risk focussed, and any required changes can be considered. This is in line with the requirements of the Public Sector Internal Audit Standards (PSIAS). Any changes will be submitted to the Audit, Standards and Governance Committee for consideration and approval, in line with its role as Gatekeeper.

2.3 Resource Allocation

The Internal Audit Plan has been based upon a resource allocation of 230 chargeable days, an allocation which has been agreed with the council's s151 Officer. This is the same as the resource allocation for 2023/24. The Head of Internal Audit has reassessed the level of management time required and reduced it by 8 days (29%), reallocating this to productive audit work. A summary of the days as well as the detailed plan provision has been included at Appendix 1. Although all areas have been considered an assessment has been made whether to include in the plan based on the overall risk and governance profile. The Head of Internal Audit Shared Service is confident that, with this resource allocation, he can provide management, external audit and those charged with governance with the assurances and coverage that they require over the system of internal control, annual governance statement and statement of accounts.

Due to the changing internal environment, ongoing transformation and more linked up and shared service working between Bromsgrove District Council and Redditch Borough Council the plan continues to be organised in a smarter way to exploit the efficiencies that this type of working provides. Although the audit areas will have an allocation of audit days the reviews will continue to be more cross cutting than before and will encompass the different service perspectives. All or part of the budgeted days will be used on a flexible basis depending on the risk exposure the result being better corporate coverage and ownership of the audit outcomes.

The Internal Audit Plan for 2024/25 is set out at Appendix 1.

2.4 Monitoring and reporting

Operational progress against the Internal Audit Plan for 2024/25 will be closely monitored by the Head of Internal Audit and will be reported to the Shared

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Service's Client Officer Group (which comprises the s151 officers from partner organisations), and, to the Audit, Standards and Governance Committee on a quarterly basis.

3. Financial Implications

3.1 There are no direct financial implications arising out of this report.

4. Legal Implications

4.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2018 to "maintain in accordance with proper practices an adequate and effective system of internal audit of its accounting records and of its system of internal control".

To aid compliance with the regulation, the Institute of Internal Auditors Public Sector Internal Audit Standards (as amended) details that "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".

5. STRATEGIC PURPOSES - IMPLICATIONS**Relevant Strategic Purpose**

5.1 Good governance along with risk management underpin all the Corporate strategic purposes. This report provides an independent assurance over certain aspects of the Council's operations.

Climate Change Implications

5.2 The actions proposed do not have a direct impact on climate change implications.

6. OTHER IMPLICATIONS**Equalities and Diversity Implications**

6.1 There are no implications arising out of this report.

Operational Implications

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6.2 There are no new operational implications arising from this report.

7. RISK MANAGEMENT

The main risks associated with the details included in this report are:

- Insufficiently complete the planned programme of audit work within the financial year leading to an inability to produce an annual opinion; and,
- a continuous provision of an internal audit service is not maintained.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 ~ Internal Audit Plan 2024/25

BROMSGROVE DISTRICT COUNCIL

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AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

APPENDIX 1

SUMMARY OF INTERNAL AUDIT PLAN

Audit Area	Planned Days
Financial	44
Corporate Risks including Governance	72
Service Delivery and Operational Risks	42
Sub total	158
Plan management, advice and support	24
Completion & finalisation of audits which were in progress as at 1 st April 2024	48
Sub total	
Total Audit Days	230

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<u>AUDIT AREA</u>	<u>CORPORATE LINK</u>	<u>RISK REGISTER REFERENCE</u>	<u>RESOURCE BUDGET (DAYS)</u>	<u>COMMENTS</u>	<u>INDICATIVE REPORTING DATE</u>
Financial Audits					
Council Tax	Effective & Sustainable Council	Cost of living crisis Reduced collection rates	10		September 2024
Benefits	Effective & Sustainable Council Work & Financial Independence	Cost of living crisis Failure to resource the service to meet demand. Benefits subsidy Failure to meet audit requirements.	12		November 2024
NNDR	Effective & Sustainable Council	Cost of living crisis Reduced collection rates	10		September 2024
General Ledger	Effective & Sustainable Council	Failure to provide adequate support to managers to manage their budgets	12		March 2025
Sub Total - Financial			44		

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<u>AUDIT AREA</u>	<u>CORPORATE LINK</u>	<u>RISK REGISTER REFERENCE</u>	<u>RESOURCE BUDGET (DAYS)</u>	<u>COMMENTS</u>	<u>INDICATIVE REPORTING DATE</u>
Corporate Risks including Governance					
Risk Management Embedding	Effective & Sustainable Council	Underpins effective management of risk throughout the organisation	8		November 2024
Cyber & Data Security including Disaster Recovery	Effective & Sustainable Council	Protection from Cyber attack Failure to identify, maintain and test adequate Disaster Recovery arrangements	12		November 2024
Workforce Planning	Effective & Sustainable Council	Adequate workforce planning	8	Consultancy review, examining arrangements for delivery of the 82-point plan and comparison with other local authorities.	January 2025
Insurance	Effective & Sustainable Council	Avoidable damage to fleet	12	Including review of claims prevention and management, and the strategic approach to	November 2024

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<u>AUDIT AREA</u>	<u>CORPORATE LINK</u>	<u>RISK REGISTER REFERENCE</u>	<u>RESOURCE BUDGET (DAYS)</u>	<u>COMMENTS</u>	<u>INDICATIVE REPORTING DATE</u>
		Non-compliance with Health & Safety legislation		minimising the costs of cover.	
Constitution Compliance – Decision Making	Effective & Sustainable Council	Underpins effective management of risk throughout the organisation	10	Assurance that decisions made by Officers are in accordance with the Constitution & Scheme of Delegation.	March 2025
Business Continuity and Emergency Planning	Effective & Sustainable Council	Failure to identify, maintain and test adequate management and recovery arrangements	10		March 2025
Fraud Investigations including NFI	Effective & Sustainable Council	No direct links	8		N/A
Statements of Internal Control	Effective & Sustainable Council	Underpins effective management of risk throughout the organisation	4		N/A
Sub-Total – Corporate Risks including Governance			72		
Service Delivery and Operational Risks					
Statutory Inspections	Effective & Sustainable Council	Non-compliance with health & safety	10		January 2025

BROMSGROVE DISTRICT COUNCIL

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<u>AUDIT AREA</u>	<u>CORPORATE LINK</u>	<u>RISK REGISTER REFERENCE</u>	<u>RESOURCE BUDGET (DAYS)</u>	<u>COMMENTS</u>	<u>INDICATIVE REPORTING DATE</u>
		legislation and with Statutory Inspection policy			
Corporate Credit Cards including Petty Cash	Effective & Sustainable Council	No direct links	12		January 2025
HR Processes	Effective & Sustainable Council	Adequate workforce planning	10		March 2025
Follow up reviews	Effective & Sustainable Council	Underpins effective management of risk throughout the organisation	10	Assurance that agreed actions from previous audits have been implemented.	May 2025
Sub-Total – Service Delivery and Operational Risks			42		
Other Areas of Support					
Advice and Consultancy			4		
Audit Management Meetings			7	8-day reduction compared with 2023/24	
Corporate Meetings & Reading			5		
Annual Plans, Reports and Committee Attendance			8		
Sub-Total – Additional Areas of Support			24		
Completion of previously agreed audits which are already in progress	Accounts Receivable & Payable – 13 days Treasury Mgmt. – 5 days Procurement & Contract & Project Mgmt. – 13 days Anti-Fraud & Corruption – 7 days Data Quality & Usage – 10 days		48		July 2024

BROMSGROVE DISTRICT COUNCIL

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<u>AUDIT AREA</u>	<u>CORPORATE LINK</u>	<u>RISK REGISTER REFERENCE</u>	<u>RESOURCE BUDGET (DAYS)</u>	<u>COMMENTS</u>	<u>INDICATIVE REPORTING DATE</u>
Total Resource Requirement – 2024/25			230		

Explanatory Note:

As part of the joint and shared service working between Bromsgrove District Council and Redditch Borough Council the audit budgets and areas will feature in both internal audit plans and be consolidated to deliver a single piece of work covering both Councils. Where practically possible the days will be split equally between the plans. Weighting will, however, be applied if it is considered the focus of the work will major on one Council.

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BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Performance Committee 23rd May 2024

Financial Compliance Report including progress update on Statements of Accounts

Relevant Portfolio Holder	Councillor Steve Colella Finance and Enabling Portfolio Holder
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Author	Job Title: Interim Head of Finance & Customer Services Contact email: Debra.Goodall@bromsgroveandredditch.gov.uk Contact Tel:
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Key Decision / Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Audit, Standards and Governance and Committee **RECOMMEND** that:

- 1) Progress on the 2020/21 Audit process be noted.
- 2) Any areas of concern within this key compliance report are raised with Cabinet.

2. BACKGROUND

2.1 From a Governance point of view, the financial framework under which the Council works is set out in the Constitution. In addition to this there are legislative reporting requirements which set out what needs to be done and by when. The Accounting Policies report which was tabled at the Audit, Standards and Governance Committee on the 1st June set out the Financial Governance Framework, and associated references to key documentation, that the Council, it's Member and Officers work to. This are (in summary):

- **The Budget and Policy Framework Procedure Rules.** These set out: The framework for Cabinet Decisions, Decisions outside the budget or policy framework, Urgent Decisions outside of the Budget or Policy Framework, Virement rules, In-year changes to policy framework and, Call-in of decisions outside the budget or policy framework. These rules set out how decisions can be made, by whom and how they can be challenged.
- **Financial Procedure Rules** which are set out in Part 15 of the Constitution. These "operational policies" run to 36 pages and set out how the organisation financially runs it's "day to day" business.
- **Finance Protocols** which set out requirements and expectations of the Finance Team and Services in terms of financial administration and demarcation of duties.

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Performance Committee 23rd May 2024

- 2.2 One of the legislative reporting requirements the Council has not achieved is the delivery of the 2020/21 Statement of Accounts. As such, the Council was issued with a Section 24 Statement. Redditch Borough Council (RBC) were also issued with a Section 24 Statement for the same non delivery of the 2020/21 accounts which is understandable given that officers support both Councils via a shared service.
- 2.3 As reported in previous Audit, Standards and Governance Committee meetings in January, March, July, September, November and January draft 2020/21 accounts will be presented to the Council's External Auditors once they have completed their work on the data take on balances. An update on this work is contained in this report.
- 2.4 The 2024/5 budget was approved at Council on the 21st February 2024.

Legislative Requirements

- 2.5 The previous section sets out how the Council works, however equally important are the Central Government Legislative Requirements to which we deliver to and are compared to other Councils across the Council. This section lists those key deliverables.
- 2.6 The following are key legislative deliverables, which were circulated by the Government in December 2023 for the period December 2023, through the 2024/5 financial year. Delivery against these requirements will be set out in the final column of the table.

Form	Code	Description	Proposed Dispatch	Deadline	Proposed Publication	Position
Capital Payments & Receipts - Q3	CPR3	Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2023-24	15-Dec-23	19-Jan-24	15-Feb-24	Delivered 26/1/24
Non-Domestic Rates Forecast	NNDR1	Billing authority forecasts of the amount of non-domestic rates to be collected in the 2024-25	15-Dec-23	31-Jan-24	21-Feb-24	Delivered 9/2/24 (Civica issue)
Council Tax & NDR Collection - Q3	QRC3	Quarterly return of how much council tax and non-domestic rates are collected in Q3 2023-24	15-Dec-23	12-Jan-24	14-Feb-24	Delivered 15/2/24 (Civica issue)
Quarterly Borrowing & Lending - Q3	QB3	Local authority borrowing and investments from all local authorities to the end of Q3 2023-24	15-Dec-23	08-Jan-24	15-Feb-24	Delivered 17/1/24
Quarterly Revenue Update - Quarters 3 & 4	QRU3	Quarter 1 to 3 2023-24 data and forecast end year local authority revenue expenditure update.	15-Dec-23	26-Jan-24	07-Mar-24	Delivered 19/2/24
Council Tax Requirement/ Parish Council Tax	CTR1/2/3/4	Information on council tax levels set by local authorities in 2024-25 and Council tax levels for 2024-25 set by parishes.	02/02/2024 (tbc)	11-Mar-24	21-Mar-24	Delivered 26/2/24

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Performance Committee 23rd May 2024

of which: Parish council tax	-	-	-	11-Mar-24	08-May-24	Delivered 26/2/24
Revenue Account Budget	RA	Local authority revenue expenditure and financing for 2024-25 Budget	16-Feb-24	05-Apr-24	20-Jun-24	Draft completed. 8/4/24
Capital Estimates Return	CER	Capital forecast for 2024-25	23-Feb-24	22-Mar-24	13-Jun-24	Delivered 22/3/24
Non-Domestic Rates Outturn-unaudited	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2023-24- provisional data	28-Mar-24	30-Apr-24	10-Jul-24	Draft delivered to Pool 14/4
Non-Domestic Rates Outturn-audited	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2023-24- final data	n/a	30-Sep-24	15-Nov-24	
Quarterly Borrowing & Lending - Q4	QB4	Local authority borrowing and investments from all local authorities to the end of Q4 2023-24	22-Mar-24	05-Apr-24	13-Jun-24	Delivered 5/4/24
Capital payments & receipts Q4 and provisional outturn	CPR4	Cumulative capital expenditure and receipts for Q1, Q2, Q3, and Q4 2023-24. Expanded collection, used as provisional outturn.	22-Mar-24	19-Apr-24	13-Jun-24	Delivered 29/4/24
Council Tax & NDR Collection - Q4	QRC4	Annual data of levels of council tax and non-domestic rates collected by local authorities in 2023-24 and Q4 2023-24	12-Apr-24	03-May-24	19-Jun-24	Needed
Capital Outturn Return	COR	Final capital outturn figures for 2023-24	26-Apr-24	26-Jul-24	10-Oct-24	
Revenue Outturn suite - provisional	RO	Local authority revenue expenditure and financing for 2023-24 Outturn (provisional)	26-Apr-24	28-Jun-24	29-Aug-24	
Revenue Outturn suite - certified	RO	Local authority revenue expenditure and financing for 2023-24 Outturn (final)	n/a	11-Oct-24	12-Dec-24	
Exit payments	-	Local authority exit payments 2023-24	03-May-24	07-Jun-24	18-Jul-24	
Quarterly Borrowing & Lending - Q1	QB1	Local authority borrowing and investments from all local authorities to the end of Q1 2024-25	24-Jun-24	05-Jul-24	08-Aug-24	
Quarterly Revenue Update - Q1	QRU1	Q1 2024-25 data and forecast end year local authority revenue expenditure update	28-Jun-24	02-Aug-24	12-Sep-24	
Capital Payments & Receipts - Q1	CPR1	Cumulative capital expenditure and receipts for Q1 2024-25	21-Jun-24	19-Jul-24	08-Aug-24	

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Council Tax & NDR Collection - Q1	QRC1	Quarterly return of how much council tax and non-domestic rates are collected in Q1 2024-25	21-Jun-24	05-Jul-24	14-Aug-24	
Local Government Pension Funds	SF3	Collect information on income and expenditure on local government pension schemes for 2023-24	05-Jul-24	13-Sep-24	23-Oct-24	
Council Tax Base/ Supplementary	CTB	Information about the 2024 council tax base for each billing authority.	20-Sep-24	11-Oct-24	06-Nov-24	
Quarterly Borrowing & Lending - Q2	QB2	Local authority borrowing and investments from all local authorities to the end of Q2 2024-25	23-Sep-24	04-Oct-24	14-Nov-24	
Quarterly Revenue Update - Q2	QRU2	Quarter 1 & 2 2024-25 data and forecast end year local authority revenue expenditure update	20-Sep-24	25-Oct-24	05-Dec-24	
Capital Payments & Receipts - Q2	CPR2	Cumulative capital expenditure and receipts for Q1 and Q2 2024-25	20-Sep-24	20-Oct-24	14-Nov-24	
Council Tax & NDR Collection - Q2	QRC2	Quarterly return of how much council tax and non-domestic rates are collected in Q2 2024-25	20-Sep-24	04-Oct-24	20-Nov-24	
Capital Payments & Receipts - Q3	CPR3	Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2024-25	13-Dec-24	17-Jan-25	13-Feb-25	
Non-Domestic Rates Forecast	NNDR1	Billing authority forecasts of the amount of non-domestic rates to be collected in the 2025-26	13-Dec-24	31-Jan-25	19-Feb-25	
Quarterly Revenue Update - Quarters 3 & 4	QRU3	Quarter 1 to 3 2024-25 data and forecast end year local authority revenue expenditure update.	13-Dec-24	24-Jan-25	06-Mar-25	
Quarterly Borrowing & Lending - Q3	QB3	Local authority borrowing and investments from all local authorities to the end of Q3 2024-25	13-Dec-24	06-Jan-25	13-Feb-25	
Council Tax & NDR Collection - Q3	QRC3	Quarterly return of how much council tax and non-domestic rates are collected in Q3 2024-25	13-Dec-24	10-Jan-25	12-Feb-25	
Council Tax Requirement/ Parish Council Tax	CTR1/2/3/4	Information on council tax levels set by local authorities in 2025-26. Council tax levels for 2025-26 set by parishes	Early Feb 2025	12-Mar-25	20-Mar-25	
of which: Parish council tax	-	-	Early Feb 2025	12-Mar-25	07-May-25	

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Revenue Account Budget	RA	Local authority revenue expenditure and financing for 2025-26 Budget	14-Feb-25	04-Apr-25	19-Jun-25	
Capital Estimates Return	CER	Capital forecast for 2025-26	21-Feb-25	21-Mar-25	12-Jun-25	
Monthly Borrowing & Lending	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	5 working days before 1st working day of the month	Day 5 of each month	for quarter months only, see QB1, QB2, QB3, QB4 dates	
Local Government Finance Statistics	LGFS33	Annual compilation of finance data collected from local authorities covering out-turn data for 2022-23	N/A	N/A	Spring 2024	

2.7 In wider sets of deliverables (outside the 2024/5 DLUHC Listing) we have the following returns that have been delivered:

- **Budget**
 - Delivered by 11th March in preceding financial year – **2024/5 Budget and MTFP delivered 21st Feb 2024**
 - Council Tax Base – Yearly – **2024/25 delivered in 17th January 2024**
 - Council Tax Resolution – **Yearly 2024/5 delivered in 21st February 2024**
 - Council Tax Billing – Yearly (2 weeks before 1st DD is due to be taken) – **Bills distributed in March 2024**
- **Policies**
 - Treasury and Asset Management Strategies
 - 24/25 Strategy Approved **delivered 21st Feb 2024**
 - 23/24 Half Yearly Report **delivered November 23.**
 - 22/23 Draft Outturn Report **delivered September 23**
 - 24/5 Council Tax Support Scheme **approved on 24th January 2024.**
 - Minimum Revenue Provision – yearly – **Approved as part of the 2024/5 MTFP.**
 - Financial Monitoring – **delivered quarterly to Cabinet – Q1 in October, Q2 in November 2023. Q3 In March 2024.**
 - Risk Management – **Delivered quarterly to this Committee (Q4 delivered today)**
 - Savings Report – **Delivered quarterly to this Committee (Q4 delivered today)**
 - Financial Controls (still in development)
 - Clearance of suspense accounts – See the chart at the end of this Report for progress.
 - Bank Reconciliation - **linked to above point although a separate stream assessing/clearing 2023/4 and prior year items.**
 - Over £500 spending.
 - **Updated to February 2024.**

The following deliverables, prior to December 2023 are still to be delivered:

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- **Closure**
 - Draft Accounts for 2020/21, 2021/22 and 2022/23.
 - 2020/21 Audit *see the later section.*
- Government Returns
 - VAT – Monthly
 - **Still to be delivered for 20/21 – dependent on closure of accounts, discussions ongoing with HMRC.**
 - Revenue Outturn Reports – July
 - **Still to be delivered for 20/21 and 21/22 – dependent on closure of accounts**
 - Whole of Government Accounts Returns – August
 - **Still to be delivered for 20/21, 21/22 and 22/23 – dependent on closure of accounts**

2.8 The key returns that have still not been delivered are the Revenue and Capital Outturn forms for 2020/21 and 2021/22 and the VAT returns. Although the Government now allow these returns to be completed based on estimates, the level of uncertainty due to the Cash Receipting means these cannot be completed until the External Auditors sign off the Councils take on balances and the Council provides the draft accounts to Audit for each Council.

Update on the Statement of Accounts

2.9 The key Closure deliverables for each financial year are set out below:

- **Closure 2020/21**
 - Agreement of Treatment of Take on Balances – There is a report from the External Auditors Grant Thornton on the Opening Balances on today's agenda. Given the difference between eFin to the Opening Balances on TechOne is only £3k, which is significantly below the Council's trivial materiality level **the view of the S151 Officer is that The 2020/21 Accounts can now be published as he has the necessary confidence in the underlying figures.** This has been done on the Website with the associated public access requirements.
 - **The draft 2020/21 Accounts are presented in Appendix A to this committee.**
- **Closure 2021/22**
 - Updated Outturn position – This will be provided as part of the wider Outturn Report that will be presented to Cabinet on the 26th June.
 - Draft 21/22 Accounts are now being prepared and a draft (without any 2020/21 Audit Adjustments) is expected in June. Once ready with will be published on the Council's Website with the appropriate disclaimers.
 - Audit and Sign-Off of the Accounts following Audit of 2020/21 Accounts dependent on the Governments proposed Statutory Closure deadlines.
- **Closure 2022/23**
 - Draft Provisional Outturn Report – Cabinet Report delivered in October 2023. Updated report will be delivered as part of the wider Outturn Report being presented to Cabinet on the 26th June.

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- Draft 22/23 Accounts (without any 2020/21 or 2021/22 Audit Adjustments) is expected in August. Once ready with will be published on the Council's Website with the appropriate disclaimers.
- Audit and Sign-Off of the Accounts following Audit of 2020/21 Accounts dependent on the Governments proposed Statutory Closure deadlines.
- **2023/4 Accounts**
 - "Nuts and bolts" closure being completed for the end of May 2024.
 - Accounts must be completed and Audited under the present updated rules by the 31st March 2025.
- **Closure Process being undertaken (high level view)**
 - The Council are closing 3 years in parallel and concurrently.
 - DG has updated the 21/2 and future years formats so easier to manipulate and complete.
 - IAS19 Pension Reports have been received and will be addressed on a concurrent basis.
 - Still awaiting valuations. All three years will be provided at the same time and will be combined into a single document.
 - NNDR/Council Tax (Collection Fund) – Journals awaiting actioning.
 - Reconciliations – significant team of 5 now working on these over all open financial years.
 - Bank Reconciliation – Banks have been reconciled although the correcting journals have not been actioned.
 - VAT working plan required in order to move from central assessment in Q2 2024/5.
- **Value for Money Opinions for 2021/22 and 2022/23**
 - External Auditors delivered their joint Value for Money Opinions in November 2023:
 - S24 Recommendation still in place and extended for 2021/2 and 2022/3 Accounts.
 - 5 of the 6 2020/21 Key Recommendations either delivered or now linked to Improvement Recommendations.
 - 9 of 13 2020/21 Improvement Recommendations either fully or partially delivered.
 - One new Key Recommendation – linked to Workforce Strategy.
 - Ten updated Improvement Recommendations.

2.10 As reported in the July and September Reports, DLUHC have stated that they are moving to rectify these backlogs by changing how audits are performed over the medium term. DLUHC are concerned that the most time should be spent on auditing more recent accounts, so scopes of audits will be reduced (still to be confirmed) however Auditors will still be expected to serve S114 and other Statutory Recommendations. The governments' view is that Audits will be given statutory deadlines for completion as follows:

- All accounts up to 2022/23 to be completed by the 30th September 2024.
- Year ended 31 March 2024: 31 May 2025.
- Year ended 31 March 2025: 31 March 2026.

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- Year ended 31 March 2026: 31 January 2027.
- Year ended 31 March 2027: 30 November 2027.
- Year ended 31 March 2028: 30 November 2028.

The Council replied to consultations from DLUHC and the NAO in early March. To date there has been **no update** on the process following the consultation period.

- 2.11 Bishop Fleming, our Auditors for 23/4 onwards, are still waiting for the formal outcomes of the various consultations (NAO, DLUHC and CIPFA) which took place earlier this year and therefore don't know exactly what this will mean for any audits which are likely to have disclaimed audits up to and including 2022/23. Their view is that it is better for them to pause issuing any audit plans for now. When they have the outcomes, they will be in a better position to set out what work they as auditors need to do on disclaimed audits. (They had hoped by this stage (May) they would have this information but clearly this has not been the case.)
- 2.12 The Council is now on the latest version of TechOne although because Redditch and Bromsgrove are still the only Council's on Cash Receipting, when the weekly updates come in they have to do additional checks to ensure the functionality is working as expected. The Council will now update to the latest version of TechOne every summer.

Update On 2024/25 Budget

- 2.13 The Council's 2024/25 Budget was approved on the 21st February 2024 at Council. Budgets will be loaded onto TechOne in March.
- 2.14 Quarter One 2023/4 financial and performance monitoring went to Cabinet in October and the Quarter Two Monitoring went to Cabinet on the 22nd November. The financial monitoring for Quarter 2 was delivered for the first time directly from the TechOne system with budget managers data input onto it and not into spreadsheets. Quarter Three Monitoring was presented to Cabinet in March.
- 2.15 To increase capacity, a number of the finance posts presently covered by Agency have been advertised internally and externally. Interviews for these posts took place on the 25th and 26th of January and 6 offers have been accepted.

Compliance Items

- 2.16 In their meeting in January 2024, Members requested further training to ensure they were informed in their decision making in this committee. The first of these training sessions

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has been set up in advance of the May Audit, Standards and Governance Meeting at 5pm on Thursday 23rd May.

- 2.17 There are a number of areas where compliance will be measured going forwards. Compliance to process and timetable is a key underlying theme of the Draft External Audit Report 2020/21. These items are being measured to improve how we work and change behaviours. This will lead to an improved financial health/knowledge across both Councils. Not all these measures can be put in place instantly but there should be the full suite by the middle of the summer (Debt indicators depend on the clearing of suspense and the updating of the bank reconciliations).

Training:

- Closure Training took place in March with 83 attending.
- Mandatory Budget Manager Training (including the use of TechOne) took place in September 2023 – upskilling budget managers with the tools to input their forecasts directly onto TechOne.
- Mandatory Financial Awareness Training for managers took place in August and September.
- Payments Purchase Order Training takes place monthly.

Treasury Management

- The Half Yearly Treasury Management Report was presented to Cabinet on the 22nd November.

Audit VFM Report Requirements

- More Budget Consultation.
- Wider savings monitoring will be undertaken by this Committee quarterly.
- Capital and its deliverability will be reviewed as part of the Budget Tranche 2.
- Benchmarking is now incorporated into the budget process (using LG Futures data).
- The Internal Audit Service will be externally assessed in early 2024.
- The Council will seek an independent Audit Committee member and ensure the Committee remains apolitical in nature.
- The whistleblowing policy will be updated before the end of the financial year.
- Procurement and contract rules will be updated by the end of the financial year (to reflect changes to legislation happening in April 2024).
- Performance Indicators will be reviewed and updated following Strategic Priority setting sessions.

The Council is still to run sessions to assess its “risk appetite”.

Errors:

- Non delivery of GPC Card Data (monthly basis) – still to be started.
- Miscoding on TechOne per month – by Service Area - will begin once the cash receipting suspense has been cleared.

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Procurement:

- The new 'No Compliance No Order' process has been live since April 2023.
- The number of contracts in place is growing regularly and we are confident that this process is having a positive effect. We hope that eventually we get to the place where the number of orders coming to procurement for approval as contracts are not in place are minimal.
- Council in February approved an increase of the Key Decision Level from £50k to £200k. The Q1, Q2 and Q3 Finance and Performance Monitoring Reports now set out:
 - All contracts requiring renewal over the next year that are over the present £200k threshold and these are placed on the forward plan.
 - All contracts requiring renewal over the next year that are between £50k and £200k for reference.
 - All contracts that are being procured by Redditch over this period that relate to Bromsgrove Services.

2.18 Work is ongoing on the clearance of the Cash Receipting suspense accounts. As reported to this committee, the Council are working to have clear the backlog linked to the timetable set out in section 2.9 above. Present progress is set out in the table below. This progress will be updated verbally at the Committee meeting. Note, significant numbers of large items on values over £1,000 are treasury transactions which are undertaken manually.

Row Labels	Number of Items under £1000	Value	Number of Items over £1,000	Value	Reconciled Items	Reconciled value	Total Items to Resolve	Total Value to Resolve
20/21 items	5,346	-150,197.64	102	-244,999.61	24,954	11,693,050.58	30,402	11,297,853.33
21/22 Items	27,207	214,783.54	261	4,723,679.65	6,814	-46,132,548.83	34,282	-41,194,085.64
22/23 Items	6,520	-82,541.29	550	140,124,905.14	18,693	-43,885,713.17	25,763	96,156,650.68
23/24 Items	10,501	86,782.18	594	-55,864,203.73	6,032	78,325,213.32	17,127	22,547,791.77
Grand Total	49,574	68,826.79	1,507	88,739,381.45	56,493	1.90	107,574	88,808,210.14

Summary

2.19 This report sets out the policies (local and national) that underpins the Council finances and the key deliverables. The 20/21 Accounts have now been submitted for Audit and the report sets out the Plan for the delivery of other years accounts. This report is now updated for data as at the end of April and is delivered to each Audit, Standards and Governance Committee at Bromsgrove to updates it on progress against targets and also alert them to any issues and risks.

3. FINANCIAL IMPLICATIONS

3.1 This paper sets out the financial frameworks within which the Council works.

4. LEGAL IMPLICATIONS

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- 4.1 There are no direct legal implications arising as a result of this report, however the frameworks are generally linked to statute or the Council's Constitution.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The Strategic purposes are included in the Council's Corporate Plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the District and our communities. Our Financial monitoring and strategies are integrated within all our Strategic Purposes.

Climate Change Implications

- 5.2 There are no direct climate change implications arising as a result of this report.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no direct equalities implications arising as a result of this report.

Operational Implications

- 6.2 Operational implications have been dealt with as part of the 2023/24 MTFP and 2024/25 MTFP, quarterly monitoring and the Closedown process.

7. RISK MANAGEMENT

- 7.1 The financial stability and sustainability of the Council is a core underlying theme of the Council's Risk Management Strategy.

8. BACKGROUND PAPERS

Interim Auditors Annual Report on Bromsgrove District Council 2021/22 & 2/22/23 – Audit Standards and Governance Committee November 2023, Council December 2023.
Section 24 Report to Audit and Council – November/December 2022.
Accounting Policies Report – March, July, September and November 2023, January and March 2024 – Audit, Standards and Governance Committee
Finance Recovery Report – July 2023, October 2023 – Cabinet
Programme Management Office Requirements – June 2023 – Cabinet
Approvals to Spend Report - July 2023 – Cabinet

9. Appendices

Appendix A – 2020/21 Statement of Accounts

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Financial Savings Monitoring Report

Relevant Portfolio Holder		Councillor Colella – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted		Yes
Relevant Head of Service		Debra Goodall
Report Author	Job Title: Head of Finance & Customer Services Contact email: debra.goodall@bromsgroveandredditch.gov.uk Contact Tel:	
Wards Affected		All
Ward Councillor(s) consulted		No
Relevant Strategic Purpose(s)		All
Key Decision / Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. **RECOMMENDATIONS**

The Audit, Standards and Governance **RECOMMEND** that:

- 1) The final position on the 2023/24 Departmental Savings Programme be noted, including any potential implications for future years.

2. **BACKGROUND**

- 2.1 As part of the 2023/24 budget, which was agreed at Council in February 2023, there were a number of savings options approved through the two-tranche process to deliver the balanced budget for the year. Savings from both tranches of the budget process have been combined in Appendix A.
- 2.2 Additionally, an Improvement Recommendation in the Interim Auditors Annual Report on Bromsgrove District Council 2021/22 and 2022/23 was that “savings delivery is monitored independently of basic budget monitoring at a Corporate level”. As such savings monitoring will be part of the Audit, Governance and Standards Committee on a quarterly basis.
- 2.3 The Quarter 3 2023/24 Finance and Performance Monitoring report was reviewed by Cabinet in March 2024. The final Outturn Report for 2023/4 will be presented to the first Cabinet Committee of this financial year on the 26th June.
- 2.4 The Quarter 3 position was a £221k overspend position, after allowing for the application of the 2023/4 Utilities Reserve. The opening £13.8m full year revenue budget was approved in February 2023.

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	2023/24 Approved Budget	2023/24 Forecast	2023/24 Forecast
Business Transformation and Organisational Development	1,745,422	1,518,712	(226,710)
Community and Housing GF Services	1,058,122	636,933	(421,188)
Corporate Financing	1,455,265	1,455,265	0
Corporate Services	1,378,418	1,555,756	177,338
Environmental Services	3,598,710	3,971,278	372,569
Financial and Customer Services	1,214,717	1,487,524	272,808
Legal, Democratic and Property Services	1,727,443	1,701,077	(26,366)
Planning, Regeneration and Leisure Services	1,384,643	1,809,362	424,720
Regulatory Client	259,337	258,701	(636)
Grand Total	13,822,076	14,394,609	572,533
Utilities Reserve		(351,000)	(351,000)
Overall Total	13,822,076	14,043,609	221,533

2.5 The full year effect of a £572k overspend will be mitigated in part by the application of £351k from the Utilities Reserve as approved at Quarter 1. **This leaves a £221k overspend position.** The ongoing 2023/24 pay increases position has been reflected as a budget pressure in the 2024/25 MTFP process. This is a £200k improvement over the Q2 monitoring.

2.6 Forecasting for Quarters 2, 3 and 4 have been delivered on TechOne following a series of training sessions in August and September 2023. This is the first time that budget managers had been asked to directly input their forecast financial positions into the system since the implementation of TechOne, and budget managers have been supported by the Finance Team throughout this process.

2.7 This forecast overspend is predominantly due to:

- the implications of the 2023/24 pay award - £1,925 level per pay point plus on costs has been offered by the Employers and was agreed on 1st November 2023. This was paid in the December payroll.
- temporary and interim staff requirements - whilst there are several vacancies within teams across the Council, some posts are being covered by temporary staff and this has therefore resulted in some cost pressures.
- the impact of homelessness and the cost of temporary accommodation costs.
- higher than expected subscriptions, professional fees, and employee costs in Corporate Services.
- high than expected employee and fleet hire costs in Environmental Services
- higher than expected professional fees and lower than expected income in Planning and Leisure

This overspend is offset in part by:

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- a forecast underspend against the utilities budget provision due to utilities inflation running at 70%. In the 2023/24 budget we assumed a 100% increase in budget and set up a reserve for the same amount.
- additional grants receipts and income for Community and Housing.
- lower than expected ICT purchases and additional grant income in Business Transformation and Organisational Development.

2.8 As previously reported in the Quarter 2 report, vehicle hire has put a pressure on the revenue budgets this year, as the refurbishment project on the Refuse fleet is requiring vehicles on hire to continue the work. There have also been issues with the fleet unrelated to the refurbishment project that has resulted in higher rental costs as well. Overall, it is anticipated that this will result in a cost pressure in the region of £300k for the year.

2.8 Departmental Savings are shown to be on track for delivery as per the data contained in Appendix A. There were two items highlighted in the January Report in yellow which require careful monitoring and one in red.

- Service Reviews (£140k in 23/4).
- Finance Vacancies (£100k in 23/4).
- Capacity Grid old debt recoupment (£200k in 23/4).

The position at year end is that the two Amber items still require careful monitoring:

- The Service Review figure as per the text in the table is more than covered by the difference between Establishment Staffing vacancies and Agency staff. However, this savings figure increases significantly in 2024/5 but should still be covered by the difference. A full Council Establishment Review is being undertaken in May 2024 which will confirm the ongoing position and also put in place processes which keep tight control of staffing changes – which account for almost 50% of the Council's controllable budgets.
- The Capacity Grid project, recouping old Council Tax and Business Rates debt is in mid flow. Presently levels for pre 2023/4 are £196k of Council Tax and £10k of Business Rates. We are assessing £1.9m of Council Tax Debt and £360k of Business Rates debt.

The red items will not be delivered. additional resource has been bought in to get the accounts up to date. Following a recruitment drive in Q4, 5 staff have been recruited and they all start early in the 2024/5 financial year. This will reduce costs over the present Agency charges. The plan is that the accounts will be bought up to date by the end of the Summer and as such the team should be at Establishment and the ongoing budget position rectified.

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The Grants section has been updated for the Grant amounts included in the 2024/5 MTFP, although it should be noted that the Local Government Settlement was only one year.

The largest savings are on pension costs which link to the 2023 triennial revaluation. These revised figures run for three years. There is a risk for the 2026/7 financial year that these figures will go up when the next triennial revaluation takes place.

3. FINANCIAL IMPLICATIONS

- 3.1 The savings have significant financial implications if not delivered.
- 3.2 The Council presently has an estimated £5.213m in General Fund Reserves to cover one off issues, and £6.379m in Earmarked Reserves for specific purposes as per the MTFP report that went to Council in February. These are the only recourse, apart from additional reductions in spending/additional income, that the Council has to mitigate the present overspend position. The £5.213m General Fund figure includes accounting for the additional overspend.

4. LEGAL IMPLICATIONS

- 4.1 There are no direct legal implications arising as a result of this report.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The Strategic purposes are included in the Council's Corporate Plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the borough and our communities. Our Financial monitoring and strategies are integrated within all our Strategic Purposes.

Climate Change Implications

- 5.2 The green thread runs through the Council Plan. 2023/24 savings options which had implications on climate change would have been addressed at that time.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no direct equalities implications arising as a result of this report. Any implications will have been dealt with as part of the 2023/24 Budget process.

Operational Implications

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6.2 Operational implications will have been dealt with as part of the 2023/24 Budget process.

7. RISK MANAGEMENT

7.1 Non delivery of savings options, depending on their financial magnitude can have either a small or significant effect on the Council's finances. As such mitigations need to be in place to deal changes to what was agreed by Council in February 2023.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Bromsgrove Savings Monitoring 2023/24

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Colella	
Lead Director / Head of Service	Pete Carpenter	
Financial Services	Debra Goodall	
Legal Services	Claire Felton	
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)		

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Appendix A – Bromsgrove Savings Monitoring 2023/24

	2023/24 £000	2024/25 £000	2025/26 £000	RAG Status	Narrative
Phase 1 Savings					
Environmental Services Partnership	0	-25	-50		This savings starts in 2024/5
Service Reviews	-140	-330	-405		Establishment review is now taking place in May 2024. Monitoring position is £2.9m of vacancies covered by £1.6m of Agency staff. This is being evaluated for the savings required as part of the Establishment Review process as savings increase in 24/5 significantly.
Town Hall	-70	-70	-70		On track at Redditch for savings delivery
Finance Vacancies	-100	-100	-100		This savings will not be delivered in 2023/4 as additional resource has been bought in to get the accounts up to date. Following a recruitment drive in Q4, 5 staff have been recruited and they all start early in the 2024/5 financial year. This will reduce costs over Agency charges. The plan is that the accounts will be bought up to date by the end of the Summer and as such at that point the team should be at Establishment
MRP	-100	-100	-100		On Track for Delivery
Pension Fund	-663	-663	-663		On track as per actuarial triennial report
Engage Capacity Grid (One Off)	-200	-200	0		Presently levels for pre 2023/4 are £196k of Council Tax and £10k of Business Rates. We are assessing £1.9m of Council Tax Debt and £360k of Business Rates debt.
10% Increase in Fees and Charges	-382	-389	-390		On Track - Implemented and being monitored
Tranche 1 Total	-1,655	-1,877	-1,778		
Phase 2 Savings					
Additional Pensions Savings	-356	-356	-356		On track as per updated actuarial triennial report
Conversion of 50% of Utilities to a Reserve	-351	-351	-351		Reserve change done as part of 23/4 budget process
Tranche 2 Total	-707	-707	-707		
Total Departmental Savings	-2,362	-2,584	-2,485		
Government Funding					

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New Homes Bonus	-127	-237			Confirmed figure for 24/5
Services Grant	-68	-11			Confirmed figure for 24/5 – combine with Funding Guarantee figure
Funding Guarantee	-1,027	-1,261			Confirmed figure for 24/5 – combine with Services Grant figure
C Tax Base Reduction	24	30			Is a baseline adjustment of £30k in 24/5 MTFP
Business Rates/Investment Inc Re-baseline	-300	-437	-350		As per 24/5 MTFP, 25/6 is an estimate
Future Years Settlements - assumption			-1,000		This is an estimate as settlement was only 2024/5.
Total Government Funding	-1,498	-1,916	-1,350		

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Quarterly Risk Update Q4 2023/4

Relevant Portfolio Holder		Councillor Colella
Portfolio Holder Consulted		Yes
Relevant Head of Service		Debra Goodall, Head of Finance and Customer Services
Report Author Peter Carpenter	Job Title: Director of Resources/Deputy Chief Executive Contact Pete Carpenter email: peter.carpenter@bromsgroveandredditch.gov.uk Contact Tel:	
Wards Affected		All
Ward Councillor(s) consulted		N/A
Relevant Strategic Purpose(s)		Aspiration, work and financial independence
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. SUMMARY

This report sets out Council activity to identify, monitor and mitigate risk.

2. RECOMMENDATIONS

The Committee/Cabinet is asked to consider:

- The present list of Corporate and Departmental Risks and request any additional risks to be considered.

3. KEY ISSUES

Background

- 3.1 In 2018/19, an audit of Risk Management provided an assurance level of limited assurance due to weaknesses in the design and inconsistent application of controls. As a result of the audit, a review was commissioned and undertaken by Zurich Municipal to consider the Council's risk management arrangements and to advise of any recommendations. In response to the Zurich review a Risk Management Strategy was produced for both Bromsgrove District Council and Redditch Borough Council.
- 3.2 A follow-up review was carried out by Internal Audit in March 2021 (Final Report June 2021) with the purpose of identifying what progress had been made against the Risk Management Strategies. At that time there was a lack of evidence that the actions within the Risk Management Strategies had been fully completed and embedded within the Councils and therefore no assurance could be given.

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- 3.3 This is now the seventh cycle of reviewing Corporate and Departmental Risks since the original baselining of Risks in April 2022. Over this period, we have seen:
- Departmental ownership of risks and reviews at Management Teams on a monthly basis.
 - Active review, mitigation, and reduction of risks – ensuring they become managed as part of business as usual.
 - Updating of the 4Risk System – as the Authorities repository of this information.
 - That the Officer Risk Group have actively reduced risk numbers through their work and that a common approach to risk is now being embedded within the organisation.
 - That the Risk Level has moved to a **Moderate Assurance** level in May 2023.

The Definition of a Corporate Risk

- 3.4 The Council has existing Corporate and Departmental Risks. Members of the Risk Board were not sure of the link on how Risks on system had become Corporate in nature.
- 3.5 The following definition of a of how Risks move from being “departmental” to being “corporate” in nature was recommended by the Risk Group and approved by CMT.

“For a **Risk** to move from being **Departmental** in nature to being **Corporate** in nature that it ***must have significant impact on Councils finances, be cross departmental in nature and/or result in Serious reputational damage.*** The Officer Risk Board will vet departmental risks using this definition to move then to Corporate Risks at their quarterly meetings.”

- 3.6 At the June 2022 Officer Risk Board it was agreed that “Green” Departmental Risks should be taken off this list if they have been to two consecutive meetings and mitigating actions have been fully put into place for them. This report takes account of this requirement being six meetings since the original baseline was reported.

Corporate Risks

- 3.7 Corporate Risks are summarised in the following table. There is now an additional corporate risk linked to the General and Local Elections that will take place within the next 10 months. Depending on the level of change this could lead to a period of uncertainty. As the table below highlights, a number of the existing risks have been revised due to impacts of mitigations in those areas and the national economic and political position.

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	Pos Q1	Pos Q2	Pos Q3	Pos Q4	Corporate Risk Description
Both	COR 9	COR 9	COR 9	COR 9	Non-Compliance with Health and Safety Legislation
Both	COR 10	COR 10	COR 10	COR 10	Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence
Both	COR 14	COR 14	COR 14	COR 14	Nonadherence with Statutory Inspection Policy
Both	COR 15	COR 15	COR 15	COR 15	Impact from Changes to Partner Funding Arrangements
Both	COR 16	COR 16	COR 16	COR 16	Management of Contracts
Both	COR 17	COR 17	COR 17	COR 17	Resolution of the Approved Budget Position
Both	COR 18	COR 18	COR 18	COR 18	Protection from Cyber Attack
Both	COR 19	COR 19	COR 19	COR 19	Adequate Workforce Planning
Both	COR 20	COR 20	COR 20	COR 20	Financial Position Rectification
Brom	COR 21	COR 21	COR 21	COR 21	BROMSGROVE DC Being placed into special measures due to quality of planning application decisions
Both	COR 22	COR 22	COR 22	COR 22	Delivery of Levelling Up, UK SPF Initiatives
Both	COR 23	COR 23	COR 23	COR 23	Cost of Living Crisis
Both	COR 24	COR 24	COR 24	COR 24	New Customer Facing Interface
Both			COR25	COR25	Environment Bill
Both				COR26	General and Local Election

Note, Appendix A sets out the complete listing of Departmental Risks. These have been linked to Corporate Risks where relevant.

3.8 Mitigating factors for the Corporate Risks are:

Non-Compliance of Health and Safety Data Standard Operating Procedures - SOP (H&S etc) Health and Safety Committee meets regularly H & S training for staff Health checks DSE assessment and reporting software First Aid training in place Safeguarding

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Policy and procedures Risk Assessments Updated inspection policy Regular review of policies Continued updates to Health and Safety Committee Data on intranet. The Council's Health & Safety arrangements are in the process of being audited externally and a report will be forthcoming.

There are four departmental risks linked to this corporate risk.

Projects being informed by robust data and evidence –

Cabinet have now approved an updated Project Management Process and extra resource, based on work initially highlighted by the Audit Task Group work in February 2023. Due to this risk level has reduced from Amber to Green. Once the new structure is in steady running it will come off this register as those risks will be dealt with locally as that framework will be in place.

Non-Adherence with the statutory inspection policy - Specialist resource in place to support delivery actions.

- Further review of monitoring arrangements
- Further implementation of insurance recommendations
- Contracts reviewed to ensure suppliers undertake roles
- Training plan developed to ensure staff clear of responsibilities
- Development of robust action plan

There are nine departmental risks linked to this corporate risk. Should this not be delivered the consequences are significant, including threat to life.

Impact from changes to partner funding arrangements - Council Members are on WRS Board and S151 Officer is the S151 Officer for the WRS therefore will know of issues well before they happen. There is a reserve, which required approval for use from all partners. This remains a Corporate Risk as the impact of a partner leaving or stopping services might make delivery unviable for others. This had been increased to an amber rating due to budgetary pressures at Partner organisations however agreement has now been reached and the level is again green.

Management of contracts - Procurement Strategy was updated by C Young and training provided. Service Protocols, setting out expectations of service user and procurement went live 1st Jan 23 and now being monitored. No PO No Pay Policy went live on the 1st April 2023 and reports are going to Cabinet quarterly setting out new requirements in terms of contracting and transparency for the upcoming year as part of the quarterly Finance and Performance Report. The changes to procurement legislation due on the 1st April 2024 will now take place in October 2024 and processes will be updated accordingly. This remains a key Corporate Risk due to the magnitude of contracts under management and the impact of the changes that will come into effect in October.

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There are four departmental risks linked to this corporate risk.

Resolution of the approved budget position - MTFP process is now two stages, and this was followed for both the 2023/4 and 2024/5 budgets. The final MTFP contains the S151 Officer's robustness statement which is key to sign off of a sustainable budget. Budget working group in both councils scrutinise proposals before Cabinet. Certainty of medium-term government support means this remains a significant risk for the authority. However, given that both Councils have balanced budgets for the present 3-year MTFP periods, especially compared to neighbouring Councils and the opinion of our Bankers that we are in a comparatively strong position, we have reduced the risk level to the lowest level. This might change but will be linked to the new Local and General Election Risk.

Protection from cyber-attack – weekly penetration test, annual PSN Security Audit, regular internal audits, occasional LGA audit, Cyber Insurance requirements. In addition, we are also implementing KnowBe4, a new software tool for both officers and Members. Cyber Insurance has also been extended for a further year but importance and risks in this area have moved this risk to red despite all the mitigations in place. A recent Internal Audit has highlighted possible risk areas across a number of systems which will now require mitigating.

There are two departmental risks linked to this corporate risk.

Adequate workforce planning - Workforce plan was launched in the summer and services now know their high-risk areas and the wider scheme is there to help mitigate risk through loss of staff. The challenges remain on delivering to these high-risk areas. Three departmental risks are linked to Workforce Planning. There is now a specific workstream, linked to Projects risk, on the implementation of this initiative. This needs to be integrated into or wider management processes.

There are three departmental risks linked to this corporate risk.

Financial position rectification - Audit Committee reports set out progress on the financial recovery process back to Cabinet, Audit & Council. Risk has now been uprated to Red due to lack of clarity from the Government over Audit deadlines. An updated S24 Statement was issued in October 2023 and the Councils both hold significant risk in that they will run out of time for the 20/21, 21/22 and 2022/23 Audit processes. Quarterly Operational reporting is taking place and Council is delivering to the Key Recommendations of the 2020/21 and 2021/22 & 2022/23 Draft External Audit Reports. The issues in relation to debt management will remain until the suspense accounts are cleared which is programmed to take place by the end of the Calendar year. It should be noted that once the opening balances are signed off, the Council will be in the same position of the majority of other Councils in England – for which over 700 Audits up to 2022/3 remain outstanding.

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Bromsgrove Planning Issues - Decisions which could influence statistics are discussed at management level. Principal officers aware of risk. Statistics are monitored quarterly. External advice re good practice and member training provided. This issue is still not resolved and additional work is being undertaken to establish present quality thresholds, however a decision is understood to be imminent. Although it is now unlikely that the Council will breach these thresholds their impact would be significant.

Delivery of Levelling Up, and UKSPF Projects – There is a monthly project Board overseeing all projects. Formal governance structures for levelling up and Towns Fund projects. The biggest issue in all these workstreams remains delivery before the funding deadlines and present cash flow show one project out of the three not being able to deliver within present Grant Funding timescales. Bromsgrove have now received an extension for its Levelling Up funding until September 2025. All these schemes are presently in design and about to move into delivery – there is the significant risks that costs might rise considerably which could lead to significant cost engineering/redesign and eat into limited time for delivery.

Cost of Living Crisis - Housing Register Access to Housing Benefit and Universal Credit Council budget. We are also noting an increase in insurance claims due to fires which are linked to this. Our Partnership Boards also guide people to alternate providers of support. We understand this impacts different stakeholder Groups in different ways and need ways of evaluating the impact on them and the Council's services.

New Customer facing interface - Presently delivered by a number of systems that are not linked together and require manual intervention for internal reporting. This has increased in risk to Red due to the volume of work required in relation to the ensuring the Council's data is up to date and can be used directly by our customers in self-service interfaces. A work stream is due to report back in Q1 of 24/5 that sets out data deficiencies and rectification routes.

The Environment Bill - New Statutory Requirements for delivery of a dedicated Food Waste Service, and changes to materials requiring collection by both Domestic & Commercial Waste Services. Financial impact on Councils to deliver new services. Primarily increased revenue costs on staff and vehicle operation and maintenance. Offset by Capital funding from Central Government to support assets related to "new burdens". Mitigation is partnership working with Worcestershire Waste Board and Members Task group to review requirements and future service delivery direction. Jointly funded partnership role by all Worcestershire LAs to support this work, alongside support from WRAP (Environmental NGO specialising in the Waste Industry)

General and Local Elections - The General Election has the implications of significant policy and funding changes for the Local Government sector. To mitigate risks the Council

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has election protocols, induction processes, and runs a two stage MTFP process, however the magnitude of change might well lead to a period of uncertainty.

It should be noted that there are potentially two other corporate risks. One is Terrorism Protection, where government guidance is about to come out. The other is the financial position at Birmingham which we are already seeing the impact in terms of fly tipping on the Councils stakeholders and services.

Departmental Risks

3.9 The Council procured the 4Risk system to manage its risks. Risks are subdivided into Corporate Risks and then Departmental Risks. Each risk has an individual record applied to it to ensure all the pertinent information is captured.

The original Risk Baseline in April 2022 was (as shown in Appendix B):

- 105 Departmental Risks – 15 Red, 35 Amber, 55 Green.
This reduced through the first set of reviews in June 2022 to:
- 82 Departmental Risks – 2 Red, 29 Amber, 51 Green.
The next set of reviews in December reduced this number further to
- 55 Departmental Risks – 2 Red, 21 Amber, 32 Green.
The third Set of reviews in March 23 reduced this number to
- 51 Departmental Risks – 1 Red, 25 Amber, 25 Green.
The fourth set of reviews in June 23 reduced the number to
- 43 Departmental Risks - 1 Red, 26 Amber, 16 Green
The fifth set of returns in September 23 the number remained at 43
- 43 Departmental Risks - 1 Red, 26 Amber, 16 Green
- The sixth set of returns in December 23 the number reduced to 39

3.10 **Position as at the 31st December 2023**

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	6	4	11
Finance	0	1	0	1
Environmental Services	0	5	1	6
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	0	2

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Planning Services	0	1	0	1
Housing	0	6	2	8
Community Services	0	0	3	3
HR	0	0	1	1
Total	1	25	13	39

3.11 Position at the 31st March 2024 is 43 departmental risks.

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	2	5	3	11
Finance	0	2	1	1
Environmental Services	0	6	1	6
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	0	2
Planning Services	0	1	0	1
Housing	0	6	3	8
Community Services	0	2	2	3
HR	0	0	1	1
Total	2	28	13	43

3.12 The table at Appendix A sets out the detail of these departmental Risks and links them where relevant to Corporate Risks.

The Red Risk are now 2. One continues to be REV7 - Revenues - Performance Indicator data is not robust. The other is Revenue Data Compliance.

WRS risks, as per their Board Pack for June 2023 are attached at Appendix C.

3.13 This is an increase of 4 risks since the last report.

3.14 This report sets out the position a year following the initial baselining of council risks. This is the seventh review, following the implementation of the Action Plan due to the “No Assurance” internal Audit reports. The key point a year in is to ensure that risk management is embedded within the organisations:

- Officer Risk Board continues to take place quarterly to embed processes and validate Risks on the register.
- Each department has nominated a representative to a Risk Board. These report back to management teams who ensure Departmental Risk Registers are updated at least quarterly and discussed at management teams monthly.

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- The Audit Committees of both Councils reviewed Risk Registers on a quarterly basis. These reports have also been presented to Cabinet although this has stopped after June 2023 as this should be a function of the Audit Committees.
- CMT are updated on risk management issues in their monthly “assurance” meeting, which is a week after the Risk Board meets on a quarterly basis.
- The Corporate Risk Register is now discussed as an early item on the agenda at meetings of the Audit, Standards and Governance Committee, as per the Audit Task Group’s recommendation.
- The Risk Level has moved from a Limited Assurance in March 2022 to a Moderate Assurance in May 2023.

In terms of departmental lists:

- 3.15 Community risks, even though many are green, are still all relevant as departmental and cannot be moved to the lower level of “business as usual”. The most significant risk is now the Safeguarding Risk which affects all service areas. There is a new Red Risk linked to data quality in Revenues services. There have recently been two issues that are linked to safeguarding. Because of these end-to-end processes are being reviewed.
- 3.16 The majority of Housing risks are compliance led.
- 3.17 There is a new risk in finance linked to staff non-compliance of procurement processes. This will be mitigated by additional training.
- 3.18 The Building Control risk will become more focused towards the end of the financial year as if Building Control staff are not accredited, we cannot use them. This will also possibly limit the number of staff available in the agency market.
- 3.19 Given the significant cyber risks faces by Council’s, as noted in the Corporate Risks section, it is important Members and Officers engage to mitigate this risk. Using KnowBe4 functionality is assisting and the associated penetration tests is assisting in mitigating this risk for both Members and Staff. As noted earlier, the Council have successfully renewed their cyber insurance policy.
- 3.20 We are reviewing all our assets as there is a significant impact on EPC (Energy) ratings and what will be allowable after 2026. This could have significant cost impacts for the Council.

Insurance

- 3.21 We have successfully renewed our Cyber insurance. It seems that the markets have settled down following the issues we had in renewing in 2022 and the premium has only increased marginally.

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- 3.22 The Council are in their final year of the present insurance contracts, these will be renewed next year. The Council is now running a year after other Worcestershire Councils who are renewing in this financial year. As such, the Council is just renewing/extending its contracts for a single year. An issue remains Property information. Insurers are now requesting significantly more detail and it will take 12 months to get data to the required standard. This issue does highlight a deficiency in property data capture – which links to the Corporate Customer Risk linked to data.
- 3.23 In assessing renewal data we have seen a large reduction in trips/slips, although this could be due to more of the population working from home and potholes is not the issue in Bromsgrove that it is in other areas.

The Risk Management Framework

- 3.24 Risk Management Training. Given the active management of risks by service departments, we have seen numbers of departmental risks reduced by over 50% although Corporate Risks have increased by 20%. There is the requirement for Corporate Risk training (Members and Officers) and existing processes need further embedded in the organisations to increase assurance.

4. Legal Implications

- 4.1 No Legal implications have been identified.

5. Financial Implications

- 5.1 The Council spend significant sums insuring itself and must also hold Reserves to mitigate the costs of risks should they happen. A comprehensive Risk Management approach ensures risk and its consequences, including financial ones, are minimised.

6. Strategic Purpose Implications

Relevant Strategic Purpose

- 6.1 A comprehensive Risk Management approach ensures **Risk and its Consequences** is minimised for the Council.

Climate Change Implications

- 6.2 The green thread runs through the Council plan. This includes risks linked to activities and actions that link to our climate.

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7. Other Implications

Customer / Equalities and Diversity Implications

- 7.1 If risks are not mitigated it can lead to events that have Customer/Equalities and Diversity implications for the Council.

Operational Implications

- 7.2 Risks are inherent in almost all the Councils operational activities and therefore significant risks need to be identified, monitored and mitigated.

8. RISK MANAGEMENT

- 8.1 This report is about Risk Management.

9. APPENDENCES

Appendix A – Present Departmental Risks
Appendix B – Previous Risk Management Reports
Appendix B – WRS Risk Report

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Appendix A - Present Departmental Risks

Council	Q1	Q2	Q3	Q4	Risk Description	Corp Risk
Both	BEN 1	BEN 1	BEN 1	BEN 1	Fail to effectively resource the service to meet demand	COR 9
Both	BEN 3	BEN 3	BEN 3	BEN 3	Impact of Welfare Reform Act	
Both	BEN 6	BEN 6	BEN 6	BEN 6	Impact of ELF scheme	
Both	BEN 7	BEN 7	BEN 7	BEN 7	Benefits subsidy	
Both	BEN 9	BEN 9			Failure to meet Audit requirements	
Both	CUS 3	CUS 3	CUS 3		Failure to deal with complaints to customers satisfaction	
Both	CUS 7	CUS 7	CUS 7	CUS 7	RBC/BDC Fail to ensure the adequate security arrangements for Customer Service Centres	COR 9
Both	REV 4	REV 4	REV 4	REV 4	Failure to effectively manage change	
Both	REV 7	REV 7	REV 7	REV 7	Performance Information data is not robust	
Both	REV 11	REV 11	REV 11	REV 11	Reduced collection rates	
Both	REV 12	REV 12			Failure to meet Audit requirements	
Both	REV 16	REV 16	REV 16		Maintenance and Recovery of Collection Performance Post Covid	
Both	REV 17	REV 17	REV 17	REV 17	Failure of corporate Fraud and Compliance team	
Both				Rev18	Data Compliance	COR24
Both	FIN 1	FIN 1	FIN 1	FIN 1	Fail to provide adequate support to managers to manage their budgets	COR10
Both	FIN 4	FIN 4		FIN4	Fail to effectively manage high value procurements resulting in breach of EU procurement rules.	COR16

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Both				FIN7	Purchasing Non-Compliance	COR16
Both	ENV 7	ENV 7	ENV 7	ENV 7	Fail to adequately maintain and manage car parking and On Street enforcement	
Both	ENV 9	ENV 9	ENV 9	ENV 9	Avoidable damage to fleet arising from staff behaviour and non-compliance	
Both	ENV 10	ENV 10	ENV 10	ENV 10	Fail to ensure adequate Health & Safety across the service	COR 9
Both	ENV 11	ENV 11	ENV 11	ENV 11	Fail to engage with the WCC regarding land associated with highway maintenance	
Both	ENV 20	ENV 20	ENV 20	ENV 20	Workforce planning	COR19
Both	ENV 22	ENV 22	ENV22	ENV 22	PDMS - New Environmental database	
Both				ENV 23	Environmental Enforcement	
Both	L&C 2	L&C 2	L&C 2	L&C 2	Fail to ensure the health & safety of the Public / Staff and visitors using services (meeting regulatory requirements)	COR 9
Both	LED 9	LED 9	LED 9	LED 9	Failure to ensure that Council Owned buildings, Property Assets and Facilities remain fit for purpose now and for the future.	
Both	LED 10	LED 10	LED 10	LED 10	Fail to optimise the income from Commercial properties	
Both	LED 11	LED 11	LED 11	LED 11	Fail to effectively manage property assets	
Both	LED 12	LED 12	LED 12	LED 12	Fail to effectively manage the disposal of assets as part of asset disposal programme	
Both	LED 13	LED 13	LED 13	LED 13	Bromsgrove Leisure Contract	COR16
Both	ICT 4	ICT 4			Breach of Data Protection – disclosure of data / staff not aware of guidelines	COR18

Agenda Item 13

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Both	ICT 7	ICT 7	ICT 7	ICT 7	Failure to identify, maintain and test adequate disaster recovery arrangements	COR18
Both	ICT 15	ICT 15	ICT 15	ICT 15	Members and Data protection Training	
Both	PLA 11	PLA 11	PLA 11	PLA 11	Loss of effective Building Control service due to changes in legislation / Hackett / Grenfell	COR19
Red	HOU 2	HOU 2	HOU 2	HOU 2	Fail to effectively manage housing repairs and maintenance	COR14
Both	HOU 7	HOU 7	HOU 7	HOU 7	Fail to manage impact of increasing homelessness cases and Recruitment challenges	COR19
Both	HOU 10	HOU 10	HOU 10	HOU 10	Fail to effectively manage capital projects (also the right contracts are put in place, internal and external)	
Both	HOU 14	HOU 14	HOU 14	HOU 14	Failure to complete annual gas Safety Inspections	COR14
Both	HOU 19	HOU 19	HOU 19	HOU 19	Failure to comply with Charter for Social Housing and the Regulator	COR14
Both	HOU 21	HOU 21	HOU 21	HOU 21	Non-compliance with Asbestos Regulations	COR14
Both	HOU 22	HOU 22	HOU 22	HOU 22	Non-compliance with Regulatory Reform (Fire Safety) Order 2005 - Blocks of flats and communal entrances	COR14
Both	HOU 27	HOU 27	HOU 27	HOU 27	Failure to comply with IEE regulations	COR14
Both	HOU 28	HOU 28	HOU 28	HOU 28	Damp and Mould In Council Housing	COR14
Both	COM 3	COM 3	COM 3	COM 3	Safeguarding - Inadequate child and adult protection systems/process.	COR14
Red	COM 16	COM 16	COM 16	COM 16	Lifeline - Impact of the telephony network digital upgrade on the service	
Both	COM 17	COM 17	COM 17	COM 17	Starting Well Partnership – underperformance of contract	COR16

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Both	COM 18	COM 18	COM 18	COM 18	Social Prescribing – underperformance of contract	COR16
Both	HR 2	HR 2	HR 2	HR 2	Fail to monitor and respond to changes in employment legislation	COR14

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Appendix B - Previous Quarters Risk Reports

The baseline risks April 2022 are included in the following table – this is prior to any Risk Board meetings.

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	12	20	13	45
Finance	0	0	4	4
Environmental Services	0	2	11	13
Leisure & Cultural Services	0	3	3	6
Legal, Equalities and Democratic Services	0	0	7	7
ICT	2	4	5	11
Planning Services	0	1	1	2
Housing	0	4	5	9
Community Services	1	1	5	7
HR	0	0	1	1
Total	15	35	55	105

After the Risk Board on the 22nd June, the following changes have been made which saw the number of risks reduce as follows to 82 risks

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	0	6	12	18
Finance	0	2	2	4
Environmental Services	0	2	11	13
Leisure & Cultural Services	0	3	3	6
Legal, Equalities, Democratic Services & Property	0	3	9	12
ICT	2	6	2	10
Planning Services	0	2	1	3
Housing	0	3	4	7
Community Services	0	2	6	8
HR	0	0	1	1
Total	2	29	51	82

The two departmental red risks are:

- ICT 7 - Failure to identify, maintain and test adequate disaster recovery arrangements
- ICT 11 - System functionality to manage records

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After the Risk Board on in December 22, the following changes have been made which saw the number of risks reduce as follows to 55 Risks:

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	5	10	16
Finance	0	2	2	4
Environmental Services	0	5	3	8
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	1	1	5	7
ICT	0	2	2	4
Planning Services	0	1	0	1
Housing	0	3	4	7
Community Services	0	1	5	6
HR	0	0	1	1
Total	2	21	32	55

Red Risks – 2 in total

- REV7 - Revenues - Performance Indicator data is not robust.
- LED13 - Legal – Bromsgrove Leisure Contracts.

The previous two ICT Risks have been mitigated.

After the Risk Board on in March 23, the following changes have been made which saw the number of risks reduce as follows to 51 Risks:

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	6	9	16
Finance	0	2	0	2
Environmental Services	0	5	3	8
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	1	3
Planning Services	0	1	0	1
Housing	0	4	4	8
Community Services	0	1	5	6
HR	0	0	1	1
Total	1	25	25	51

Red Risks – 1 in total

REV7 - Revenues - Performance Indicator data is not robust

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Position as at the 22nd June 2023

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	6	6	13
Finance	0	2	0	2
Environmental Services	0	5	1	6
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	1	3
Planning Services	0	1	0	1
Housing	0	6	2	8
Community Services	0	0	3	4
HR	0	0	1	1
Total	1	26	16	43

Red Risks – 1 in total

REV7 - Revenues - Performance Indicator data is not robust

Position as at the 30th September 2023

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	6	6	13
Finance	0	2	0	2
Environmental Services	0	5	1	6
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	1	3
Planning Services	0	1	0	1
Housing	0	6	2	8
Community Services	0	0	3	4
HR	0	0	1	1
Total	1	26	16	43

Red Risks – 1 in total

REV7 - Revenues - Performance Indicator data is not robust

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Governance Committee 23rd May 2024

Appendix C - Worcester Regulatory Services Risks

Risk Description	Consequences	When is this likely to happen	Current Position			Control measures
			Likelihood	Impact	Matrix RAG Status	
Loss of Data through IT failures	Disruption to Service Provision. Inability to produce records and data.	On-going	Low	High	Green	Wyre Forest ICT has effective processes and business continuity plans in place. WFDC upgraded relevant systems including Windows. The service moved to Office 365 during 2021/22, which provides better access to a range of provisions including Microsoft Teams and Power BI.
Issues with the WRS database system	Impact on work planning. Self-help may not enable savings required Hidden costs with add-on features	On-going	Low	High	Amber	Current contract due to be re-negotiated in February 2023. Work has commenced on negotiating new contract. The cost of moving systems is prohibitive currently and, whilst the system has its faults, it provides the necessary functionality and will allow the enablement of data transfer from electronic forms.
Effective and efficient Business Continuity arrangements in place	Disruption to service if e.g., Major Power failures or other reasons that access to Wyre Forest House is not possible.	On-going	Very Low	Medium	Amber	The pandemic has shown that we were well prepared for the need to maximise working from home and now all staff, including some previously regarded as office based can do this. Touchdown stations remain available in partner council locations. WRS Managers do need to redraft contingency plans in the event of a prolonged IT failure or cyber-attack that will allow services to be maintained. Existing BC Plans need updating and reviewing.
Maintain our capacity to achieve service delivery	Disruption to service e.g., Major staff sickness (e.g., flu pandemic) or Unable to recruit or retain suitably qualified staff.	On-going	Low	Medium	Amber	The pandemic response has shown that the service was well-placed to respond to what was required.. Consultants are available to provide short term cover and, whilst this worked well in peacetime to cover peak demand periods, the pandemic has revealed the
					Amber	limits to this type of capacity. These pressures will only be resolved in the longer term by local and central government investing in additional capacity and additional training to bring more people into the regulatory professions. Having taken on contracts with additional authorities the demand has increased, and neighbouring authorities have lost the ability to assist with some technical specialisms. This is the double-edged sword of effectively operating as a centre of excellence. Whilst we have good resource of our own, in event of an issue, there are limits to who we can ask for help. Regional and sub-regional groups are in place so can provide shared resources for local authorities if required. Effective training and development processes are in place to ensure recruitment and retention of staff. There is increased training budget pressure, reduced technical knowledge in neighbouring authorities and increased importance in maintaining heightened skills for contractual obligations and commercial edge. Regular inventory and maintenance of equipment is undertaken. In the future, budget for replace may be an issue but would be a relatively small amount for partners to share.
Pest contractors cease operations.	Disruption to service. Negative media coverage. Increased public health risks	On-going	Low	High	Green	The Pest control framework contract has multiple pest control suppliers so the loss of one allows work to be moved to the others. This should limit or eliminate risk, although the unlikely loss of multiple companies might create capacity issues.

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Effective and efficient contract arrangement for dog control	Disruption to service if no kennels available. Negative media coverage. Increased public health risks	On-going	Low	High	Amber	The Out of Hours and Kennelling contracts were re-tendered to enhance the existing arrangements and provide resilience however there are increases in numbers of stray dogs, dog disease and contracts are restricted by geographical location. Retendering for additional kennels remains difficult and consideration may be given to creating our own capacity.
Hosting support does not deliver necessary financial and HR support to ensure efficient management	Efficiency of management reduced; staffing issues remain unaddressed, and performance suffers	On-going	Low	High	Amber	Issues with the new BDC finance system have mainly been resolved, however some workarounds remain in place due to some unforeseen issues. Development of a self serve recruitment platform has improved recruitment systems.
One or more partners continue to be under great financial pressure and may consider alternatives to the partnership to deliver their service	Creates reputational issues for remaining partners and increases the need to manage overheads. Difficulties in delivering highly varied levels of service	On-going	Medium	High	Amber	New legal agreement limits variations in contribution before partners must move to contractual relationship but this is quite high before it kicks in (20%.) Leanness of organisation minimises overheads and focuses resource at the front line. Growth strategy should generate income to support partners in the future but there are limits to this without additional capacity being added to the system. Invest to save capacity has been committed by partners to see if this achieves the necessary outcomes but even this is now fully occupied.
Robust arrangements in place in relation to obtaining legal advice and monitoring legislative changes.	Loss of cases is costly and damages reputation.	On-going	Low	Medium	Green	Continued close working with BDC legal team and other partners who don't use BDC for advocacy. Technical and legal training days for staff. Difficulty in keeping informed of Case Law developments. Membership and attendance of Officer Technical Groups outside the County does assist.
Service provision complies with Government requirements	Adverse comments following audits e.g., FSA	On-going	Low	High	Amber	Limited detail of what is required for statutory minima can make decision making difficult around what is required in law as a minimum.
	Intervention by Government bodies i.e., FSA, whilst highly unlikely, is damaging to reputation.				Amber	The LGA is clearly aware of impact of budget reductions on regulation and has made it clear Government cannot expect what it had previously. Fewer interventions/ audits by government. The Service has developed systems that follow the principles of the requirements of bodies like FSA so can show some level of compliance, but service isn't operating to the letter of the current Code. The Code is however currently going through major changes and likely to move to a point where it is closer to the WRS model of operation. Environmental reporting for Local Air Quality Management, Pollution Prevention and Control and Private Water Supply Inspection reports to Defra and DWI have received positive responses with no issues of concern raised by these bodies.
Failure to deliver external contract work at the level expected by the business or local authority with whom we have the contract	Damage to reputation, loss of future income streams, financial impact of paying damages Loss of key staff or skills	On-going	Low	High	Green	Ensure contract negotiations are clear on performance criteria and these are clearly recorded in the final documentation. Monthly reviews against performance criteria. Select staff to ensure competence of those undertaking work outside Worcestershire. Maintain strong links with the customer's monitoring staff. Intervene early with corrective action. Ensure contingency plans in place if key staff leave to enable contract delivery, to include contractors, staff development and apprenticeship

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AUDIT, STANDARDS & GOVERNANCE COMMITTEE – WORK PROGRAMME 2024/25

As per resolution made by the Committee on 7th March 2024 (Minute No. 69/23 refers), it was agreed that the number of scheduled meetings for 2024-25 be reduced to five meetings instead of the current six. The Committee is asked to consider whether to have one meeting in Autumn instead of two as per current schedule printed below.

23rd May 2024

- Election of Chairman
- Election of Vice-Chairman
- Standards Regime – Monitoring Officer's Report
- General Dispensations Report
- Annual Update Report on Regulation of Investigatory Powers Act 2000 (RIPA)
- Grant Thornton – External Audit Progress Update
- Internal Audit Plan 2024/25
- Financial Compliance Report including update on Statements of Accounts
- Financial Savings Monitoring Report
- Quarterly Risk Update Q4 2023/4
- Annual Appointment of Risk Champion
- Committee Work Programme

15th July 2024

Standing items:

- Financial Compliance Report including update on Statements of Accounts
- Risk Management Report / Quarterly Risk Update
- Risk Champion Update
- Committee Work Programme

Other items:

- Internal Audit Annual Report & Audit Opinion 2023/24
- Whistleblowing Policy Update (TBC)
- Annual Review from the Local Government Ombudsman (TBC)

19th September 2024 (Date TBC)

Standing items:

- Standards Regime – Monitoring Officer's Report
- Risk Management Report / Corporate Risk Register
- Grant Thornton – External Audit Progress Update
- Internal Audit Progress Report
- Financial Compliance Report including update on Statements of Accounts

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS & GOVERNANCE COMMITTEE – WORK PROGRAMME 2024/25

- Financial Savings Monitoring Report
- Risk Champion Update
- Committee Work Programme

Other items:

-

7th November 2024 (Date TBC)

Standing items:

- Risk Management Report / Quarterly Risk Update
- External Audit (Grant Thornton) – Progress Update
- Internal Audit Progress Report
- Financial Compliance Report including update on Statements of Accounts
- Risk Champion Update
- Committee Work Programme

Other items:

-

16th January 2025

Standing items:

- Standards Regime – Monitoring Officer's Report
- External Audit (Grant Thornton) – Progress Update
- Submission of Statements of Accounts (Verbal Update)
- Internal Audit Progress Report
- Financial Compliance Report including update on Statements of Accounts
- Risk Champion Update
- Committee Work Programme
- Financial Savings Monitoring Report

Other items:

- Capital Strategy 2025-26 including Treasury Management Strategy

20th March 2025

- Standards Regime – Monitoring Officer's Report
- Risk Management Report / Corporate Risk Register
- External Audit (Grant Thornton) – Progress Update
- Submission of Statements of Accounts (Verbal Update)
- Internal Audit Progress Report
- Financial Compliance Report including update on Statements of Accounts

AUDIT, STANDARDS & GOVERNANCE COMMITTEE – WORK PROGRAMME 2024/25

- Risk Champion Update
- Committee Work Programme

Other items:

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