



# Audit, Governance & Standards Committee

Thu 24 Jul  
2025  
7.00 pm

 **Redditch**  
Borough Council  
Working together for our communities

Oakenshaw Community Centre,  
Castleditch Lane, Redditch, B98 7YB

**If you have any queries on this Agenda please contact  
Mat Sliwinski**

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## ***GUIDANCE ON FACE-TO-FACE MEETINGS***

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**Please note that this is a public meeting. You are able to access the agenda for this meeting from the Committee Pages of the Council's website.**

**If you have any questions regarding the agenda or attached papers, please do not hesitate to contact the officer named above.**

### **GUIDANCE FOR ELECTED MEMBERS AND THE PUBLIC ATTENDING MEETINGS IN PERSON**

Meeting attendees are encouraged not to attend a Committee if they have any of the following common symptoms of flu or covid on the day of the meeting; a high temperature, a new and continuous cough or a loss of smell and / or taste.

### **PUBLIC SPEAKING**

The usual process for public speaking at Committee meetings will continue to be followed subject to some adjustments which allow written statements to be read out on behalf of residents and the virtual participation of residents at meetings of Audit, Governance & Standards Committee.

### **Notes:**

**Although this is a public meeting, there are circumstances when Council might have to move into closed session to consider exempt or confidential information. For agenda items that are exempt, the public are excluded.**

# **Audit, Governance & Standards**

**Thursday, 24th July, 2025**

**7.00 pm**

**Oakenshaw Community Centre**

## **Agenda**

### **Membership:**

Cllrs:

Gemma Monaco  
(Chair)  
Chris Holz (Vice-  
Chair)  
William Boyd  
James Fardoe  
Andrew Fry

Wanda King  
Rita Rogers  
Gary Slim  
Paul Wren

## **1. Apologies and Named Substitutes**

## **2. Declarations of Interest**

To invite Councillors to declare any Disclosable Pecuniary Interests and/or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.

## **3. Minutes (Pages 7 - 16)**

The minutes of the meeting of Audit, Governance and Standards Committee held on 5<sup>th</sup> March 2025 will be considered at this meeting.

## **4. Public Speaking**

Members of the public have an opportunity to speak at meetings of the Audit, Governance and Standards Committee. In order to do so members of the public must register by 12 noon two days prior to the date of the meeting. A maximum of 15 minutes will be allocated to public speaking.

## **5. Feckenham Parish Council Representative's Report - Standards Regime**

To receive a verbal report from the Feckenham Parish Council Representative on standards matters relating to the Parish Council.

## **6. Monitoring Officer's Report - Standards Regime (Pages 17 - 20)**

## **7. Annual Update Report on Regulation of Investigatory Powers Act 2000 (RIPA) (Pages 21 - 70)**

# **Audit, Governance & Standards**

Thursday, 24th July, 2025

- 8. Localism Act 2011 - Standards Regime - Dispensations** (Pages 71 - 80)
- 9. External Audit Onboarding Discussion Update**
- 10. Internal Audit Annual Report and Audit Opinion 2024-25** (Pages 81 - 104)
- 11. Internal Audit Plan 2025-26** (Pages 105 - 112)
- 12. Financial Compliance Report including update on Statements of Accounts**  
(Pages 113 - 124)
- 13. Financial Savings Monitoring Report** (Pages 125 - 134)
- 14. Risk Management Report (Q1 2025-26)** (Pages 135 - 148)
- 15. Annual Appointment of Risk Champion**
- 16. Committee Work Programme** (Pages 149 - 150)



# **Audit, Governance & Standards Committee**

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Wednesday, 5th March,  
2025

## **MINUTES**

### **Present:**

Councillor Gemma Monaco (Chair), Councillor Chris Holz (Vice-Chair) and Councillors Andrew Fry, Joanna Kane, David Munro and Gary Slim  
Parish Council Representative: Cllr Alan Smith

### **Also Present:**

Chris Green – Head of Worcestershire Internal Audit Shared Service

### **Officers:**

Peter Carpenter and Debra Goodall

### **Democratic Services Officers:**

M Sliwinski

## **63. APOLOGIES AND NAMED SUBSTITUTES**

Apologies for absence were received from Councillor Fardoe. Apologies had also been submitted by Councillor Woodall, the Portfolio Holder for Finance.

## **64. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **65. MINUTES**

The minutes of the meeting of Audit, Governance and Standards Committee held on 30<sup>th</sup> January 2025 were submitted for Members' consideration.

### **RESOLVED that**

Chair

# **Audit, Governance & Standards Committee**

---

Wednesday, 5th March, 2025

**the minutes of the Audit, Governance and Standards Committee meeting held on 30<sup>th</sup> January 2025 be approved as a true and correct record and signed by the Chair.**

**66. PUBLIC SPEAKING**

There were no public speakers who registered to speak at this meeting.

**67. FECKENHAM PARISH COUNCIL REPRESENTATIVE'S REPORT - STANDARDS REGIME**

The Chairman of Feckenham Parish Council provided an update on Feckenham Parish Council standards matters and in doing so reported that several parish councillors had recently resigned. One Parish Councillor had resigned due to a code of conduct issue with a replacement now confirmed in place. Another Parish Councillor had to resign due to health issues and there was a further resignation that followed the appointment of the new Parish Councillor. There remained one vacant post on the Parish Council with six councillors in office out of seven.

The Chairman of Feckenham Parish Council commented that due to significant challenges facing the Parish Council he believed there should be a greater councillor representation on the Feckenham Parish Council; however, this could not be increased at present.

Further challenges facing Feckenham Parish were outlined by the Parish Council Chairman including the battery energy storage system development, which was opposed by the Parish Council, and a large residential development taking place. With regard to the energy storage system facility (Greener Grid Park), the Chairman of Feckenham Parish Council expressed his disappointment with the objection submitted in this regard and with the subsequent approval of that application (in relation to an underground cable to connect Feckenham Greener Grid Park to Feckenham Substation) at Redditch Borough Council's Planning Committee meeting in October 2024.

The Feckenham Parish Council Chairman highlighted that as a result of recent changes in membership of the Parish Council, most current Parish Councillors were relatively inexperienced. Assistance was sought from the Borough Council in arranging training for the newer Parish Councillors. The Committee reassured the Parish

# **Audit, Governance & Standards Committee**

---

Wednesday, 5th March, 2025

Council Chairman that Borough Councillors would assist in arranging the training for Parish Councillors.

**RESOLVED that**

**the Feckenham Parish Council's Representative update be noted.**

## **68. RISK MANAGEMENT REPORT (Q3 2024-25)**

[At the request of the Committee, this item was moved from agenda item 8 to item 6]

The Risk Management report was considered which covered the Council's activity to identify, monitor and mitigate risk. It was noted that this was the ninth cycle of reviewing corporate and departmental risks since the original baselining of risks in April 2022. It was noted that risk was managed centrally through the 4Risk System and there was a quarterly risk board attended by officers, with risks reviewed by Corporate Management Team (CMT) and corporate and departmental risks were considered by Members at Audit, Governance and Standards Committee on a quarterly basis. Since the baselining of risks the Council had moved from 'No Assurance' to 'Moderate Assurance' risk level.

It was reported that two new risks had been added to the corporate risk register at quarter 3 2024/25, in relation to Devolution and Local Government Reorganisation (red risk level) and the Council's New Chief and Deputy Chief Executives appointments (amber risk).

For the devolution and local government reorganisation, it was highlighted that local authorities within Worcestershire were working on submitting a joint 'high-level' options proposal to the Government by the deadline of 21<sup>st</sup> March 2025. A detailed statement outlining solutions was required by November 2025. At present, the authorities in Worcestershire differed with regard to the preferred option for local government reorganisation.

It was noted that upper tier local authorities in England were facing rising adult social care (ASC) costs and most upper tier authorities were overspending on their ASC budgets. It was commented that local government reorganisation, with the creation of unitary authorities in the existing two-tier areas, was intended to address the rising ASC costs alongside other issues.

# **Audit, Governance & Standards Committee**

---

Wednesday, 5th March, 2025

In relation to the second new corporate risk, it was noted that the Council's new chief executive officer and new deputy chief executive would both commence their employment at Redditch Borough Council on 31<sup>st</sup> March 2025. Handover meetings were organised with the existing chief and deputy chief executives to ensure a smooth transition in responsibilities.

An overview of departmental risks was provided. It was noted that the number of departmental risks had reduced by one as compared to the previous quarter. Most departmental risks were linked to housing and compliance with statutory duties.

It was reiterated that the Council's insurers were highlighting two major risks, the first being under-insuring of Council's assets due to potential incomplete asset records in some areas, with the Council needing to ensure that assets were valued appropriately and records kept. Also highlighted by insurers was the risk of local authorities utilising artificial intelligence (AI) in such ways that decisions were being made without human intervention. It was noted that AI was not utilised by the Council for taking decisions.

A cyber security risk relating to AI chatbots appearing in Microsoft Teams video calls was highlighted. Members were asked to be vigilant when in Microsoft Teams video calls for any AI chatbot attendees. It was noted that Councillors and Officers should not participate in council meetings where these chatbots appear as attendees and, if such 'virtual' attendees appear on the video call, Members and Officers should ask that they be removed from the meeting, or otherwise leave the meeting. It was requested as an action that an email on AI chatbot risk be circulated to all elected members.

It was noted that the local government reorganisation would result in the liquidation of all district and county councils. In anticipation of the reorganisation, it was predicted that some district authorities would undertake community asset transfers (e.g. of local play areas, community centres etc.) to parish councils as well as voluntary and community organisations. This was intended to retain management of local assets within local communities. It was commented that some authorities within Worcestershire, such as Wyre Forest District Council, had been following such policy for a number of years.

A question was asked with regard to the transfer of assets to parish and town councils and about a possibility of establishing a Redditch



# **Audit, Governance & Standards Committee**

---

Wednesday, 5th March, 2025

Town Council. It was noted that would there be a transfer of an asset to a parish council, such as allotments or sports clubs, the asset become the responsibility of the parish council. It was noted that the local (parish/town) councils had no cap in place on raising precepts. It was restated that currently there was only one parish council within Redditch Borough, the Feckenham Parish Council, however, it was possible that Redditch Town Council could be established prior to the finalisation of local government reorganisation.

A question was raised about departmental risks linked to the corporate risk of non-adherence with the statutory inspection policy, in particular the potential consequences of not delivering to statutory policies, such as risk of loss of life. It was explained that this related mainly to departmental risks of annual gas safety inspections (HOU14) and to fire safety in blocks of flats and communal entrances (HOU22), and that Council performed well in ensuring inspections were being undertaken, but that there could be issues encountered if tenants did not allow access for inspections to be undertaken.

It was explained that in terms of Council's insurance cover, if the Council could document that it followed the appropriate process in requesting permission and trying to access a property for gas and/or other inspection, then the Council would be covered by insurance. This necessitated logging any refusal from tenants to access the property to undertake an inspection.

The Head of Internal Audit commented that the areas discussed by the Committee in relation to this item were currently being audited by internal auditors. This included gas safety inspections and the Council's cyber security arrangements, the latter audit being undertaken by a specialist auditor with expertise in cyber. The results of these audits would be reported to the July meeting of the Committee.

## **RESOLVED that**

**the present list of Corporate and Departmental Risks be noted.**

## **69. INTERNAL AUDIT PROGRESS REPORT**

The Internal Audit Progress Report was presented for Members' consideration. It was reported that at the time of report writing, four audit assignments had been completed, seven were at draft report

# **Audit, Governance & Standards Committee**

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Wednesday, 5th March, 2025

stage, seven were in progress, and two were at planning stage. The two assignments at planning stage were the statement of internal control and the audit of workforce development review. It was highlighted that this year's internal audit was three months ahead compared to progress made at this time of year in last year's internal audit plan.

Progress against the key performance indicators for internal audit service was provided. It was reported that the service was now achieving a productivity figure of 80 per cent and as a result the productivity target would be raised to 85 per cent. The service was expected to deliver the target of 90 per cent delivery of audit days against the full year plan target by the end of the year. This would amount to over 300 audit days.

There were no concerns reported regarding the Council's implementation of internal audit recommendations. There were 23 outstanding recommendations, which was a reduction from the figure of 28 reported at the December 2024 meeting. There were no overdue recommendations.

It was highlighted that Members would be consulted as part of the preparation of the Internal Audit Plan for 2025/26. Members were encouraged to contact the Head of Internal Audit until the end of March to provide input into the 2025/26 Internal Audit Plan.

It was reported that the Council was implementing cyber security training for Members, with online sessions available, and an in-person cyber security training session on Thursday 20<sup>th</sup> March. The in-person session was intended for those Members who were unable to complete the training online.

A question was asked regarding the opinion of internal audit on the main risks facing the Council. It was responded that the local government reorganisation presented a major uncertainty for staff as the district/borough councils would be abolished and the decision on arrangements for the organisation of local government in Worcestershire would remain unknown until the decision was approved by the Government. There was a risk of high staff turnover during the period of transition into new arrangements.

It was commented that it was also currently unknown how the internal audit function would be organised in Worcestershire. Currently, the Worcestershire Internal Audit Shared Service (WIASS) provided the internal audit service to the five district

# **Audit, Governance & Standards Committee**

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Wednesday, 5th March, 2025

authorities in Worcestershire and two Fire and Rescue authorities, however, with the abolition of district councils it was uncertain how the service would operate post-reorganisation.

## **RESOLVED that**

**the Internal Audit Progress Report be noted.**

### **70. FINANCIAL COMPLIANCE REPORT INCLUDING STATEMENTS OF ACCOUNTS**

The Financial Compliance Report was presented which detailed the position regarding legislative reporting requirements and the position on submission of the Council's Statements of Accounts.

It was recapped that the Council had received 'disclaimer opinions' on its 2020/21, 2021/22, 2022/23 Accounts. The draft 2023/24 Accounts had been released for public consultation on 17<sup>th</sup> January 2025 with the consultation having closed on 3<sup>rd</sup> March. The Council had delivered the Accounts one day after the Government's backstop date. The accounting opinion on 2023/24 Accounts could not be made until the Council's External Auditor, Ernst and Young, had been onboarded, however, all elected members had now returned the necessary conflict of interest forms which would help progress the onboarding process.

It was highlighted that as part of this year's budget setting process consultation had been undertaken at Tranche 1 of the budget, which finished in January 2025. Through undertaking the budget consultation, the Council was addressing an improvement recommendation raised as part of Section 24 statement in the Interim Auditor's Annual Report 2020/21.

The Council had delivered to the majority of key legislative deliverables within timeframes and was compliant with national requirements. The key outstanding return was the Council's VAT returns. Final versions of working papers on outstanding VAT returns were provided to the HMRC on 19<sup>th</sup> December 2024 and from January 2025 the Council was submitting its VAT returns on a monthly basis. The Council continued to be in conversation with HMRC to discuss queries as VAT returns were checked but to date HMRC had not reported any concerns.

The Council's Finance System, TechOne, had been updated to the latest 24B version in the last week. This was expected to resolve

# **Audit, Governance & Standards Committee**

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Wednesday, 5th March, 2025

functionality issues around duplication and enable the VAT returns function on the system to work.

It was noted that a forward plan of key decisions and procurement was now being prepared for 2025/26, with the plans designed to provide continuity during the handover process for the Council's new statutory officers (Chief Executive Officer and Deputy Chief Executive and Section 151 Officer).

## **RESOLVED that**

- 1) The Committee note that the 2023/24 Accounts are out for public consultation with this period finishing on the 3<sup>rd</sup> March 2025.**
- 2) The Committee note the position in relation to the delivery of the 2024/25 Accounts.**
- 3) The Committee note the position in regard to other financial indicators set out in this report.**
- 4) The ongoing process for inducting the Council's new External Auditor, Ernst and Young, be noted.**

## **71. FINANCIAL SAVINGS MONITORING REPORT**

The Committee received a report on financial savings monitoring. The Q3 2024-25 position was an anticipated revenue overspend of £138,000 on the full year budget. This was a significant reduction on the overspend of £299,000 predicted at Q2.

The 2023/24 and 2024/25 savings items were presented at Appendix A. In terms of savings items for 2023/24 line, there were amber items relating to establishment (service) reviews, where following review of budgets at Q3 there was an overspend against budget, to the capacity grid, which concerned the recovery of council tax and business rates debt, and to the Town Hall (delivery of savings for 2025/26).

There were red savings items for 2023/24 line relating to Finance Vacancies and Environmental Services Partnership as savings were not delivered in those areas. With regard to finance vacancies savings were not delivered for 2023/24 due to the additional resource being required in order to work on completing the outstanding prior years' accounts. This item would be removed next

# **Audit, Governance & Standards Committee**

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Wednesday, 5th March, 2025

year as the Council had now published its draft accounts for years 2020/21 to 2023/24. The waste fleet replacement programme was resulting in significant overspends in Environmental Services.

In relation to the 2024/25 savings position, the vast majority of savings items linked either to increases in grant, agreed increases in tax or items that would not be delivered until future financial years. Validation of delivery of Fees and Charges income still required careful monitoring.

The largest saving in recent years had been on pension cost which link to the 2023 triennial revaluation. The revised figure was for 3 years and as such there was a risk that from the 2026/27 financial year they could change to Council's detriment. However, the initial advice from actuaries was that it was likely that the next revaluation would not affect the present level significantly.

In relation to the Town Hall redevelopment, it was stated that the delivery of a £400k saving from 2025/26 required securing tenants, and it was noted that at present there was an interest from a public sector organisation to rent the basement of the Town Hall. As part of development, it was reported that additional ten car parking spaces would be added at the Town Hall.

In relation to Bereavement Services and Cremation, it was noted that there was an expected drop in income due to a private provider now operating in the Redditch area.

## **RESOLVED that**

**the Q3 position on the 2024-25 Departmental Savings Programme be noted, including any potential implications for future years.**

## **72. RISK CHAMPION UPDATE**

The Council's Risk Champion, Councillor Kane, provided the risk champion's update. The written update provided to Members at the 30<sup>th</sup> January Committee meeting, regarding the English Devolution White Paper, was recirculated as there were no further information to add at this point.

A written update was also provided specifically for this meeting. It was reported that full Council would be discussing devolution on 17<sup>th</sup> March ahead of the deadline of 21<sup>st</sup> March for submission of

# **Audit, Governance & Standards Committee**

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Wednesday, 5th March, 2025

Worcestershire-wide interim plan for devolution to the Ministry of Housing, Communities and Local Government (MHCLG). The Risk Champion highlighted that although the focus would continue to be on devolution, it was imperative that the Council ensured its processes for delivering 'business as usual' continued in the period between now and the conclusion of local government reorganisation.

It was highlighted that the increase in employer National Insurance, although funded by the Government for local authorities, was a significant issue for both the Council's Contractors and Rubicon, who were not funded for increases. It was noted that this presented a potential key risk for Rubicon and any contractors and needed to be carefully monitored by the Council.

**RESOLVED that**

**the Risk Champion update be noted.**

## **73. COMMITTEE WORK PROGRAMME**

The Committee was advised that Members would be asked to decide whether to revert to a quarterly meetings cycle at the next Committee meeting.

It was noted that the internal audit annual report for 2024-25 and the internal audit plan for 2025-26 would be presented to the July meeting of the Committee.

It was stated that due to the above internal audit reports being reported to the July meeting, the necessity for a meeting date at the end of May would be reviewed. Members would be contacted regarding this by the Committee Officer in due course.

**RESOLVED that**

**the Committee's Work Programme be noted.**

The Meeting commenced at 7.05 pm  
and closed at 8.49 pm

**REDDITCH BOROUGH COUNCIL****Audit, Governance  
& Standards Committee****24<sup>th</sup> July 2025****MONITORING OFFICER'S REPORT**

|  |   |
|--|---|
| Relevant Portfolio Holder  | Councillor Jane Spilsbury   |
| Portfolio Holder Consulted   | Yes   |
| Relevant Head of Service   | Claire Felton   |
| Report Author<br>Claire Felton   | Job Title: Assistant Director Legal, Democratic and Property Services<br>Contact email:<br><a href="mailto:c.felton@bromsgroveandredditch.gov.uk">c.felton@bromsgroveandredditch.gov.uk</a> |
| 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, Governance and Standards 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, Governance and Standards Committee since the last update provided at the meeting of the Committee in January 2025.
- 2.2 It has been proposed that 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 on orally by Officers at the meeting.

**3. FINANCIAL IMPLICATIONS**

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

**Audit, Governance  
& Standards Committee****24<sup>th</sup> July 2025**

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**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 Since the last report to the Committee, two complaints have been made by members of the public against a Borough Councillor, both of which were assessed and found not to be code of conduct matters.



**REDDITCH BOROUGH COUNCIL****Audit, Governance  
& Standards Committee****24<sup>th</sup> July 2025**

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One complaint has been made by a County Councillor against a Borough Councillor, which was assessed and found not to be a code of conduct matter.

**Member Support Steering Group**

- 6.3 The Member Support Steering Group (MSSG) is responsible for reviewing Member training, induction and ICT support. Meetings of the MSSG have been arranged for the 2025/26 municipal year, with a meeting due to take place on 23 July 2025.

**Constitutional Review Working Party**

- 6.4 The Constitutional Review Working Party (CRWP) is responsible for reviewing the Council's constitution and makes recommendations to full Council regarding any proposed changes to the content of the constitution. The next CRWP meeting is due to take place on 28 July 2025.

**Member Training**

- 6.6 A number of refresher training sessions and briefings have been provided to elected Members since the start of 2025-26 municipal year, which included:

- Data Protection Training– Tuesday 6<sup>th</sup> May 2025
- Hate Crime Awareness Briefing – Monday 16<sup>th</sup> June 2025
- Local Government Finance Training – Wednesday 25<sup>th</sup> June 2025.

In addition, member briefings and a member engagement session on local government reorganisation (LGR) have been taking place over May and June 2025. These briefings and engagement on LGR will continue to be provided in the run up to the 28 November 2025 when a final proposal for LGR within Worcestershire must be submitted on behalf of all seven Worcestershire councils.

**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.

**Audit, Governance  
& Standards Committee**

**24<sup>th</sup> July 2025**

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**8. APPENDICES and BACKGROUND PAPERS**

No appendices.

Background Papers: Chapter 7 of the Localism Act 2011.

**REDDITCH BOROUGH COUNCIL****Audit, Governance and  
Standards Committee****24 July 2025****Annual Update Report on RIPA**

|                               |   |
|-------------------------------|---|
| Relevant Portfolio Holder     | Cllr Jane Spilsbury   |
| Portfolio Holder Consulted    | Yes   |
| Relevant Head of Service      | Claire Felton   |
| Report Author                 | Job Title: Assistant Director for Legal, Democratic and Procurement Services<br>Contact <a href="mailto:c.felton@bromsgroveandredditch.gov.uk">email: c.felton@bromsgroveandredditch.gov.uk</a><br>Contact Tel: 01527 64252 |
| 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 at Appendix 1 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, 2024, at paragraph 4.47, advises 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;

**REDDITCH BOROUGH COUNCIL****Audit, Governance and  
Standards Committee****24 July 2025**

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- 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 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.
- 2.5 Historically 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.
- 2.6 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.
- 2.7 The regime is overseen by the Investigatory Powers Commissioner's Office ("IPCO"), and includes inspections of organisations by an Inspector appointed by the Commissioner, usually about every three years. Whilst traditionally these inspections took place in person, the IPCO has now moved to a more light touch approach of conducting the inspections remotely.
- 2.8 Following on from the previous inspection in January 2022, in April 2025 the Council was notified that an inspection was due to take place and requested to submit data and records to the inspector appointed by the IPCO. As in 2022, the inspection was carried out remotely consisting of a desk top exercise based on data submitted by officers with conversations with the inspector as required.

**REDDITCH BOROUGH COUNCIL****Audit, Governance and  
Standards Committee****24 July 2025**

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- 2.9 The only follow up issue identified was some updating in relation to the Council's RIPA policy. A review of the policy has since been completed by officers and version 8.6 of the RIPA policy is included in this report at Appendix 1. As set out in recommendation 1.1 Members are being asked to endorse the updated policy.
- 2.10 The last occasion a RIPA update report was considered by the Committee was on 28th May 2024. 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 recent inspection in April 2025 and continues to review and update its policy as required and provide training.

**REDDITCH BOROUGH COUNCIL****Audit, Governance and  
Standards Committee****24 July 2025**

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- 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. APPENDICES AND BACKGROUND PAPERS**

Appendix 1 - RIPA Policy (version 8.6)

Report to Audit, Standards and Governance Committee - Annual Update on RIPA – 28th May 2024



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**Bromsgrove District Council**  
**And**  
**Redditch Borough Council**

**Regulation of Investigatory Powers Act 2000**  
**Policy**

**Version 8.6**

## RIPA Policy BDC - RBC V8.6

**Document Control**

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

**Revision History**

| <b>Revision Date</b> | <b>Revised By</b> | <b>Version</b> | <b>Description of Revision</b>  |
|----------------------|-------------------|----------------|---|
| Jan 2013             | Sarah Sellers     |                | Not recorded.   |
| 30/8/2013            | Clare Flanagan    | August 2013    | <ul style="list-style-type: none"> <li>Document history page added.</li> <li>References to 'urgent oral authority' removed.</li> <li>Appendix 5 (about accessing Comms data) removed, now unnecessary.</li> </ul> |
| 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.<br><br>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.   |



## RIPA Policy BDC - RBC V8.6

| 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.<br><br>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.<br><br>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.<br><br>Changes in line with IPCO requirements outlined in letter 2020, new Data safeguards section in this Policy.<br><br>RIPA forms removed from Policy.<br><br>General review re changes required by UK leaving the EU. |

## RIPA Policy BDC - RBC V8.6

| 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    | In Data safeguards section, added a timescale for reviews of documentation to comply with the Inspector's recommendation.   |
| 14/5/2024     | Nicola Brothwell | V8.3    | Authorised Officer list updated (removed Kevin Dicks, added Peter Carpenter, and updated Sue Hanley's job title)  |
| 1/8/2024      | Nicola Brothwell | V8.4    | Use of Social Media section updated to remove mention of OSC and IPCO guidance.   |
| 24/3/2025     | Nicola Brothwell | V8.5    | <p>Update RBC logo on cover page.</p> <p>Update job title, Claire Felton. Authorised Officer list updated (removed Sue Hanley and Peter Carpenter, added John Leach and Bob Watson)</p>   |
| 27/5/2025     | Nicola Brothwell | V8.6    | <p>IPCO suggested updates from inspection April/May 2025.</p> <p>Deb Poole removed from list of Authorised Officers.</p>  |

## RIPA Policy BDC - RBC V8.6

**Contents**

|   |    |
|---|----|
| Introduction.....                                   | 8  |
| What are the origins of RIPA?.....                  | 9  |
| When does RIPA apply and who does it apply to?..... | 10 |
| The Human Rights Act 1998 .....                     | 11 |
| Definition of core functions .....                  | 11 |
| Private information .....                           | 12 |
| What happens if RIPA is ignored?.....               | 12 |
| Surveillance outside of RIPA.....                   | 13 |
| What is surveillance? .....                         | 13 |
| Surveillance.....                                   | 13 |
| Covert surveillance .....                           | 13 |
| Directed surveillance .....                         | 14 |
| Immediate response to events .....                  | 14 |
| Recording of telephone conversations .....          | 14 |
| Intrusive surveillance:.....                        | 14 |
| Commercial premises and vehicles.....               | 15 |
| Covert Human Intelligence Source (CHIS) .....       | 15 |
| Conduct and use of a source .....                   | 16 |
| Management of sources .....                         | 16 |
| Tasking.....  | 17 |
| Management responsibility .....                     | 17 |
| Security and welfare .....                          | 17 |
| Persons who repeatedly provide information .....    | 18 |
| Public Volunteers.....                              | 18 |

## RIPA Policy BDC - RBC V8.6

|   |    |
|---|----|
| Record management for CHIS .....                                  | 20 |
| RIPA application and authorisation process .....                  | 21 |
| Application, review, renewal and cancellation forms .....         | 21 |
| Applications .....  | 24 |
| Duration of applications .....                                    | 24 |
| Reviews .....   | 25 |
| Renewal .....   | 25 |
| Cancellation .....  | 26 |
| Who can grant a RIPA authorisation? .....                         | 27 |
| Urgent oral authorisations .....                                  | 27 |
| Local sensitivities .....   | 27 |
| Authorising officers' responsibility .....                        | 27 |
| Necessity and proportionality .....                               | 28 |
| Collateral intrusion .....  | 29 |
| Unexpected interference with third parties .....                  | 30 |
| Confidential information .....                                    | 30 |
| Use of CCTV .....   | 31 |
| Use of Social Media .....   | 31 |
| Obtaining Communications Data .....                               | 34 |
| Joint agency surveillance .....                                   | 36 |
| Documentation and central record .....                            | 36 |
| Annual report to Investigatory Powers Commissioner's Office ..... | 38 |
| Storage and retention of material .....                           | 38 |
| Data safeguards .....   | 38 |
| Evidence .....  | 39 |

## RIPA Policy BDC - RBC V8.6

|  |    |
|--|----|
| Reviews .....  | 39 |
| Dissemination of information .....                                     | 39 |
| Copying .....  | 40 |
| Storage .....  | 40 |
| Destruction .....  | 40 |
| Confidential or privileged information .....                           | 40 |
| Items subject to legal privilege .....                                 | 41 |
| Covert surveillance of legal consultations .....                       | 41 |
| Lawyers' material .....  | 41 |
| Handling, retention, and deletion of legally privileged material ..... | 41 |
| Training .....   | 42 |
| Oversight .....  | 42 |
| Reporting to members .....   | 43 |
| Scrutiny and tribunal .....  | 43 |
| Appendix 1 .....   | 44 |
| Appendix 2 .....   | 45 |

## RIPA Policy BDC - RBC V8.6

## 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 Assistant Director 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, Assistant Director 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

Assistant Director, Legal, Democratic and Procurement Services

Bromsgrove District Council and Redditch Borough Council

Updated: July 2022, reviewed May 2025

## 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.

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
- planning
- criminal investigations by audit such as fraud offences

## RIPA Policy BDC - RBC V8.6

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 two separate codes of practice:

- Covert Surveillance and Property Interference
- CHIS

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.



## RIPA Policy BDC - RBC V8.6

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

## RIPA Policy BDC - RBC V8.6

- 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:

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

## RIPA Policy BDC - RBC V8.6

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).

2.21 In many cases involving human sources, the source will not have established or maintained a relationship for a covert purpose. Many sources provide information that they have observed or acquired other than through a relationship. This means that the source is not a CHIS for the purposes of the 2000 Act and no CHIS authorisation is required.

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 is not a CHIS. They are not passing information obtained 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.

2.22 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.



## RIPA Policy BDC - RBC V8.6

2.23 Any such professional or statutory disclosures should not usually 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 obtaining or disclosing such information.

2.24 Tasking a person to obtain information covertly may result in a CHIS authorisation 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 2000 Act, for example, a directed surveillance authorisation, may need to be considered where the activity is likely to result in the public authority obtaining information relating to a person's private or family life.

2.25 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.

2.26 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 or considering whether it would be appropriate to do so.

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 or 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.

2.27 It is possible that a person may become engaged in the conduct of a CHIS without a public authority inducing, asking, or assisting the person to engage in that conduct. However, a CHIS authorisation should be considered, for example, where a public authority is aware that an individual is independently maintaining a relationship (i.e.

## RIPA Policy BDC - RBC V8.6

“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.

## RIPA Policy BDC - RBC V8.6

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 summary of

## RIPA Policy BDC - RBC V8.6

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**

## RIPA Policy BDC - RBC V8.6

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.

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

## RIPA Policy BDC - RBC V8.6

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***

|   |           |
|---|-----------|
| <b>Directed Surveillance</b>            | 3 Months  |
| Renewal                                 | 3 Months  |
| <b>Covert Human Intelligence Source</b> | 12 Months |
| Juvenile Sources                        | 4 Months  |

## RIPA Policy BDC - RBC V8.6

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.

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).

## RIPA Policy BDC - RBC V8.6

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 paragraph 5.24 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 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.

## RIPA Policy BDC - RBC V8.6

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

## RIPA Policy BDC - RBC V8.6

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.

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.

## RIPA Policy BDC - RBC V8.6

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 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.

## RIPA Policy BDC - RBC V8.6

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.

## RIPA Policy BDC - RBC V8.6

It is taken as good professional practice in relation to covert surveillance of SNS 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:

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

## RIPA Policy BDC - RBC V8.6

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 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

## RIPA Policy BDC - RBC V8.6

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 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



## RIPA Policy BDC - RBC V8.6

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](mailto:example@example.co.uk)?" or "who is entitled to post to web space [www.example.co.uk](http://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 Investigatory Powers Commissioner's Office.

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 IPCO.

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 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 or extension 3871.

## RIPA Policy BDC - RBC V8.6

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**

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;

## RIPA Policy BDC - RBC V8.6

- 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

## RIPA Policy BDC - RBC V8.6

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:

## RIPA Policy BDC - RBC V8.6

- 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 to report all covert activity that was not properly authorised to the Investigatory Powers Commissioner's Office (IPCO) 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, Assistant Director



## RIPA Policy BDC - RBC V8.6

of Legal, Democratic and Procurement 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.

Complaints can be addressed to the following address:

Investigatory Powers Tribunal

PO Box 33220

London

SW1 H9ZQ

## Appendix 1

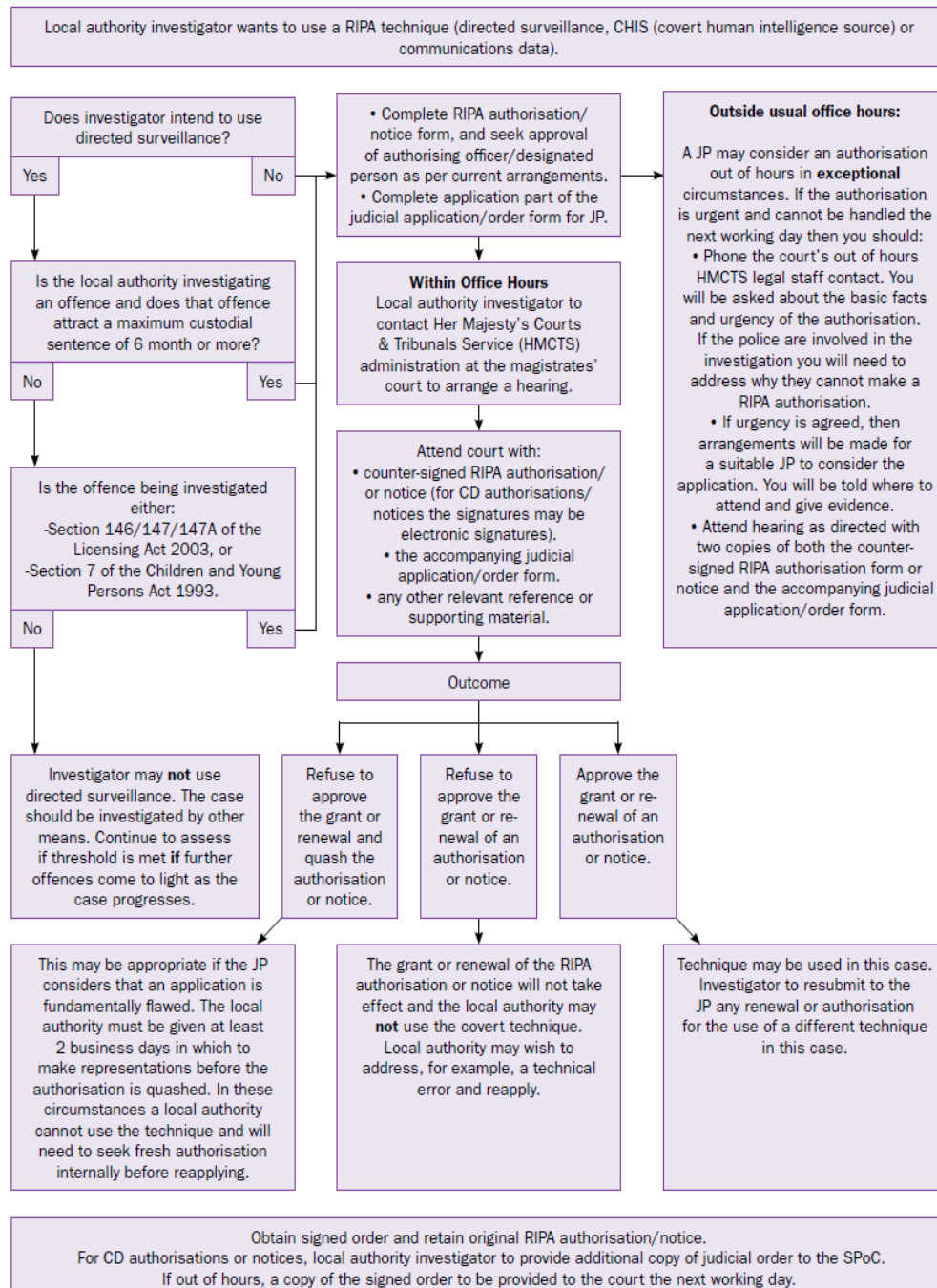
### List of Authorising Officers for Bromsgrove District Council and Redditch Borough Council and authorising levels:

| Name         | Department                                       | Contact Number | Level of Surveillance Authority   |      |                       |
|--------------|--|----------------|---|------|-----------------------|
|              |  |                | Juvenile or Vulnerable CHIS and/or Confidential Material from CHIS or Directed Surveillance | CHIS | Directed Surveillance |
| John Leach   | Chief Executive                                  | Ext 1185       | Yes   | Yes  | Yes                   |
| Simon Wilkes | Head of Regulatory Services                      | 01562 738088   | No  | No   | Yes                   |
| Bob Watson   | Deputy Chief Executive and Director of Resources | Ext 1186       | Yes   | Yes  | Yes                   |

## RIPA Policy BDC - RBC V8.6

## 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



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REDDITCH BOROUGH COUNCIL

**Audit, Governance and Standards Committee  
2025**

**24<sup>th</sup> July**

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**LOCALISM ACT 2011 – STANDARDS REGIME – DISPENSATIONS**

|  |  |
|--|--|
| Relevant Portfolio Holder  | Councillor Jane Spilsbury  |
| Portfolio Holder Consulted   | Yes  |
| Relevant Head of Service   | Claire Felton, Head of Legal, Democratic and Procurement Services  |
| Report Author<br>Jess Bayley-Hill  | Job Title: Principal Democratic Services Officer<br>Contact email:<br><a href="mailto:jess.bayley-hill@bromsgroveandredditch.gov.uk">jess.bayley-hill@bromsgroveandredditch.gov.uk</a><br>Contact Tel: (01527) 64252 Ext: 3072 |
| Wards Affected   | All  |
| 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, Governance and Standards 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;**
- 3) subject to the caveat set out in paragraph 4.9 of this report in relation to setting the Council's Budget, the Audit, Governance and Standards 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**

**Audit, Governance and Standards Committee  
2025****24<sup>th</sup> July****d) Non-Domestic Rates – Discretionary Rate Relief  
Policy and Guidance affecting properties within the  
Borough;**

- 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) (new and re-granted dispensations) will remain valid until the first meeting of the Audit, Governance and Standards Committee following the next Borough Council Elections in May 2026.**

**2. BACKGROUND**

- 2.1 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 There are no specific financial implications.**

**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.**

**Audit, Governance and Standards Committee  
2025****24<sup>th</sup> July**

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- 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 s/he has 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.
- 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,
  - (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 The consideration of whether to grant a dispensation under s33 was previously delegated to the former Standards Committee. This function subsequently transferred to the Audit, Governance and Standards Committee. All dispensations granted are valid until the first meeting of

**Audit, Governance and Standards Committee  
2025****24<sup>th</sup> July**

the Audit, Governance and Standards Committee following the next applicable Borough Council elections.

- 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 are affected by the provisions of section 106, the statutory rule that they be barred from taking part in the budget decisions would prevail.
- 4.10 The table below sets out the Individual Member Dispensations and Outside Body appointment dispensations that have been requested Members prior to the publication of the agenda for this meeting. 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, Governance and Standards Committee, these dispensations will apply until the next Borough Council elections in 2026 unless amended by the Committee prior to that date.

Requests for dispensations submitted before this meeting:

| <b>Councillor(s)</b>     | <b>Relevant DPI</b>   | <b>Reason for dispensation</b>   |
|--------------------------|---|--|
| Councillor Bill Hartnett | The Redditch LGBTQ Support Services and PRIDE Committee (Other Registerable Interest - ORI) | To talk and discuss issues regarding LGBTQ community and PRIDE issues (not including funding for the |



REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee  
2025****24<sup>th</sup> July**

| <b>Councillor(s)</b>     | <b>Relevant DPI</b>   | <b>Reason for dispensation</b>   |
|--------------------------|---|--|
|                          |   | LGBTQ Support Services and Pride Committee)  |
| Councillor Bill Hartnett | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the WMTemps Partnership Board                                     | To participate in discussions and decisions in respect of the WMTemps Partnership Board.   |
| Councillor Bill Hartnett | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the Redditch Town's Fund Board.                                   | To participate in discussions and decisions concerning town centre regeneration and economic development, including in respect of the Town's Fund Board. |
| Councillor Bill Hartnett | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the Local Government Association Assembly                         | To participate in discussions and decisions in respect of the Local Government Association Assembly  |
| Councillor Bill Hartnett | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on West Midlands Combined Authority Housing and Land Delivery Board. | To participate in discussions and decisions in respect of the Local West Midlands Combined Authority Housing and Land Delivery Board.                    |
| Councillor Bill Hartnett | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on PATROL  | To participate in discussions and decisions in respect of PATROL<br><br>Traffic Penalty Tribunal ( <i>Civil Parking Enforcement</i> ).                   |

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee  
2025****24<sup>th</sup> July**

| Councillor(s)            | Relevant DPI   | Reason for dispensation   |
|--------------------------|--|---|
|                          | Traffic Penalty Tribunal ( <i>Civil Parking Enforcement</i> )  |   |
| Councillor Sharon Harvey | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the Local Government Association   | To participate in discussions and decisions in respect of the Local Government Association.   |
| Councillor Sharon Harvey | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the Assembly of the District Councils' Network   | To participate in discussions and decisions in respect of the District Councils' Network.   |
| Councillor Sharon Harvey | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the Redditch Partnership (Local Strategic Partnership including Redditch District Collaborative) | To participate in discussions and decisions concerning town centre regeneration and economic development in respect of the Redditch Partnership (Local Strategic Partnership including Redditch District Collaborative) |
| Councillor Sharon Harvey | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the Redditch Partnership Business Leaders Group  | To participate in discussions and decisions concerning town centre regeneration and economic development, including in respect of the Redditch Partnership Business Leaders Group.                                      |
| Councillor Sharon Harvey | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the Redditch BID Limited   | To participate in discussions and decisions concerning town centre regeneration and economic development, including in respect of the Redditch BID.   |

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee  
2025****24<sup>th</sup> July**

| <b>Councillor(s)</b>     | <b>Relevant DPI</b>  | <b>Reason for dispensation</b>  |
|--------------------------|--|---|
|                          |  |   |
| Councillor Sharon Harvey | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the Waste Management Board                                   | To participate in discussions and decisions in respect of the Waste Management Board.   |
| Councillor Sharon Harvey | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the West Midlands Combined Authority (WMCA) Board            | To participate in discussions and decisions concerning town centre regeneration and economic development, including in respect of the WMCA.   |
| Councillor Sharon Harvey | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the West Midlands Combined Authority – Economic Growth Board | To participate in discussions and decisions concerning town centre regeneration and economic development, including in respect of the West Midlands Combined Authority – Economic Growth Board. |
| Councillor Sharon Harvey | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the Worcestershire Local Enterprise Partnership (LEP)        | To participate in discussions and decisions concerning town centre regeneration and economic development, including in respect of the Worcestershire Local Enterprise Partnership (LEP).        |
| Councillor Sharon Harvey | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the Worcestershire Armed Forces Covenant Partnership         | To participate in discussions and decisions in respect of the Worcestershire Armed Forces Covenant Partnership  |

Table of individual member dispensations granted previously (25 July 2024):

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee  
2025****24<sup>th</sup> July**

| <b>Councillor(s)</b>     | <b>Relevant DPI</b>  | <b>Reason for dispensation</b>   |
|--------------------------|--|--|
| Councillor Joe Baker     | The Redditch LGBTQ Support Services and PRIDE Committee (Other Registerable Interest - ORI)                                      | To talk and discuss issues regarding LGBTQ community and PRIDE issues (not including funding for the LGBTQ Support Services and Pride Committee)         |
| Councillor Joe Baker     | The Council's representative, as an Outside Body appointment, on the Redditch Partnership Business Leaders' Group                | To participate in the debate and vote on issues relating to economic development and local businesses.   |
| Councillor Claire Davies | An employee of UCAS (Universities and Colleges Admission Service)  | To enable participation in discussions around post-16 education.   |
| Councillor Bill Hartnett | Outside Body appointment and Other Registerable Interest (ORI) as the Council's representative on the Redditch Town's Fund Board | To participate in discussions and decisions concerning town centre regeneration and economic development, including in respect of the Town's Fund Board. |

4.11 In relation to Independent Member Dispensations, Officers have contacted all Members to ask whether they wish to seek to add any dispensations.

4.12 The Local Government Association (LGA) Model Code of Conduct was considered at the Audit, Standards and Governance Committee in April 2022. It was recommended by the Committee that the Council adopt the new Model Code, subject to a few amendments. The new Model Code of Conduct was subsequently presented at the Council meeting held in May 2022 with Members agreeing to adopt the LGA Model Code of Conduct incorporating those changes suggested by Members. As a result of this adoption Members are now required to complete an 'Other Registerable Interests' (ORI) form to declare any ORIs and

**Audit, Governance and Standards Committee  
2025**

**24<sup>th</sup> July**

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Members may wish to request Individual Member Dispensations in relation to these ORIs.

**5. OTHER - 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 There are no specific climate change implications.

**Equalities and Diversity Implications**

- 5.3 There are no specific equalities and diversity implications.

**6. RISK MANAGEMENT**

- 6.1 The granting of 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 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.

**7. APPENDICES and BACKGROUND PAPERS**

- Section 33 of the Localism Act 2011.
- Section 106 of the Local Government Finance Act 1992.
- Various reports to the former Standards Committee and Audit, Governance and Standards Committee.

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**THE ANNUAL REPORT OF INTERNAL AUDIT FOR 2024/25**

|  |  |
|--|--|
| Relevant Portfolio Holder  | Councillor Ian Woodall   |
| Portfolio Holder Consulted   | Yes  |
| Relevant Head of Service   | Bob Watson, S151 Officer   |
| Report Author:<br>Chris Green  | Job Title: Head of Internal Audit Shared Service<br>Worcestershire Internal Audit Shared Service<br>Contact email: <a href="mailto:chris.green@worcester.gov.uk">chris.green@worcester.gov.uk</a><br>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, Governance and Standards Committee notes the Annual Report of Internal Audit.**

**2. BACKGROUND**

- 2.1 The Accounts and Audit Regulations and the Internal Audit Standards (the Standards) require the Head of Internal Audit to provide an annual Internal Audit Opinion and report that can be used by the organisation to inform its Annual Governance Statement. The Standards also specify that the report must contain:

- An internal audit opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment);
- A summary of the audit work from which the opinion is derived and any work by other assurance providers upon which reliance is placed; and
- A statement on the extent of conformance with the Standards including progress against the improvement plan resulting from any external assessments.

- 2.2 **Appendix 1** to this report provides the Internal Audit Annual Report; this includes the Head of Internal Audit's opinion on the control environment for 2024/25 and the basis for this opinion. The Head of Internal Audit's overall opinion is that **Reasonable Assurance** can be given that there is an adequate and effective governance, risk and control framework in place, designed to meet the organisation's objectives.

### 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 There are no climate change implications arising from this report.



6. **OTHER IMPLICATIONS**

**Equalities and Diversity Implications**

6.1 There are no implications arising out of this report.

**Operational Implications**

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

7. **RISK MANAGEMENT**

This report provides a reasonable level of independent assurance that the Council has an effective framework in place for the management of risk.

8. **APPENDICES and BACKGROUND PAPERS**

Appendix 1 ~ Annual Report of Internal Audit for 2024/25

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# ANNUAL REPORT OF INTERNAL AUDIT

## 2024/25

Date: June 2025



## 1. BACKGROUND

- 1.1 The Internal Audit Standards (the Standards) require the Head of Internal Audit to provide an annual Internal Audit Opinion and report that can be used by the organisation to inform its Annual Governance Statement.
- 1.2 The Standards specify that the annual report must contain:
  - An Internal Audit opinion on the overall adequacy and effectiveness of the Council's governance, risk management and control framework;
  - A summary of the audit work (including organisational knowledge) from which the opinion is derived and any work by other assurance providers upon which reliance is placed; and
  - A statement of the extent of conformance with the Standards including progress against the improvement plan arising from external assessments.

## 2. INTERNAL AUDIT OPINION 2024/25

- 2.1 The Head of Internal Audit's overall opinion on the Council's system of internal control is that:

**Reasonable assurance** can be given that there is an adequate and effective governance, risk and control framework in place, designed to meet the organisation's objectives.

Of the 13 graded assignments completed in 2024/25, 10 (77%) resulted in an opinion of either Substantial or Reasonable assurance.

The progress made by management in implementing the actions arising from audits has been good. Follow up work completed by Internal Audit has not highlighted any overdue High or Medium priority actions.

The Corporate risk register is regularly reviewed and updated, with trend analysis and good oversight by the Audit, Standards and Governance Committee. However, an internal audit review highlighted that the Risk Management Strategy requires updating and there is scope to improve monitoring of the system including mitigating actions.

The governance framework is deemed to be generally effective, although internal audit work highlighted scope to mandate compliance with Procurement rules, and a need to improve controls around the use and administration of General Purchasing Cards. Management action is in progress to address these issues.



- 2.2 A summary of Internal Audit assurance opinions issued in 2024/25 is shown in Table 1 below:

**Table 1 – Summary of Internal Audit Opinions in 2024/25**

| <b>Assurance Area</b>         | <b>Substantial</b> | <b>Reasonable</b> | <b>Limited</b> | <b>No</b> |
|-------------------------------|--------------------|-------------------|----------------|-----------|
| Financial                     | 1                  | 2                 | 1              | 0         |
| Governance & Ethics           | 0                  | 1                 | 1              | 0         |
| Strategic & Operational Risks | 2                  | 4                 | 1              | 0         |
| <b>Totals</b>                 | <b>3</b>           | <b>7</b>          | <b>3</b>       | <b>0</b>  |

### 3. REVIEW OF AUDIT COVERAGE

- 3.1 The Auditor's Opinion for each assignment is based on the fieldwork carried out to evaluate the design of the controls upon which management rely and to establish the extent to which controls are being complied with. The table below explains what the opinions mean:

**Table 2 – Assurance Categories**

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



The prioritisation of recommendations made by Internal Audit is based upon an assessment of the level of risk exposure. The Auditor's Opinion considers the likelihood of corporate/ service objectives not being achieved, and the impact of any failure to achieve objectives. In order that recommendations can be prioritised according to the potential severity of the risk, a traffic light system is used as follows:

**Table 3 - Definition of Priority of Recommendations**

| Risk Level | Definition  | Matrix  |
|------------|---|---|
| H<br>(7-9) | <p>Immediate control improvement required.</p> <p>Fundamental control weaknesses that present a significant material risk to the function or system objectives and requires immediate attention by Senior Management.</p> | <div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> 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### 3.2 Summary of Internal Audit Work

Table 4 details the assurance levels resulting from all audits completed during the year:

| Audit Area                               | Assurance Opinion |
|--|-------------------|
| <b>Financial</b>                         |                   |
| Accounts Payable                         | Limited           |
| Council Tax                              | Reasonable        |
| Benefits                                 | Substantial       |
| NNDR                                     | Reasonable        |
| <b>Governance &amp; Ethics</b>           |                   |
| Risk Management                          | Reasonable        |
| Procurement & Contract Management        | Limited           |
| <b>Strategic &amp; Operational Risks</b> |                   |
| Business Continuity & Emergency Planning | Reasonable        |
| Cyber Security                           | Reasonable        |
| Statutory Inspections                    | Reasonable        |
| Corporate Credit Cards                   | Limited           |
| Housing Revenue Account                  | Reasonable        |
| Right to Buy                             | Substantial       |
| Follow up reviews                        | Substantial       |

Outlined at pages 11 to 20 is a short summary of the findings of each of the audits completed. It should be noted that many of these findings have previously been reported as part of the defined cycle of progress update reports provided to the Committee.

### 3.3 Adding Value

Much internal audit work is carried out “behind the scenes” and is demand led but is not always the subject of a formal report. Examples include:

- Governance e.g. assisting with the Annual Governance Statement,
- Risk management.
- Completion of certification work for the Bus Operators’ Grant claim.
- Dissemination of information regarding potential fraud cases likely to affect the Council.
- Drawing managers’ attention to specific audit or risk issues.
- Internal audit recommendations: follow up review and advice.
- Day to day audit support and advice for example risk implications arising from proposed changes in controls.
- Networking with audit colleagues in other Councils on professional points of practice.



### 3.4 Service Performance in 2024/25

| Description           | Narrative  | Target | Actual  |
|-----------------------|--|--------|---|
| Delivery              | % of audit days delivered by Year End  | 90%    | 90% (55% last year)   |
| Productivity          | % of available time spent on productive audit work                                   | 80%    | 81% (66% last year)   |
| Effectiveness         | % of agreed recommendations implemented by the agreed date                           | 75%    | 100%  |
| Customer Satisfaction | % of Post Audit Questionnaires which have rated the service as "Very Good" or "Good" | 80%    | 100% (post audit questionnaires)<br><br>92% (result of client survey issued during External Quality Assessment) |

## 4. QUALITY ASSURANCE AND COMPLIANCE WITH PROFESSIONAL STANDARDS

- 4.1 The Public Sector Internal Audit Standards (the Standards) were adopted by the Chartered Institute of Public Finance and Accountancy (CIPFA) from April 2013. The Standards were intended to promote further improvement in the professionalism, quality, consistency and effectiveness of Internal Audit across the public sector.
- 4.2 The objectives of the Standards, which applied until 31<sup>st</sup> March 2025, were to:
- Define the nature of internal auditing within the public sector;
  - Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations; and
  - Establish the basis for evaluation of internal audit performance and to drive improvement planning.
- 4.3 The Standards required that an independent External Quality Assessment (EQA) of the service be completed every 5 years. An EQA was completed in the 2024/25 financial year, and the results confirmed that the service is operating **in General Conformance to the Standards**. This is the highest of the three available assessment grades. The findings of the external assessment were used to develop a continuous improvement action plan which





was presented with a new Quality Assurance policy at the Audit Governance and Standards Committee meeting in September 2024.

- 4.4 As part of the EQA a client satisfaction survey was issued and based upon a response from 15 senior client officers and members, there was a 92% positive satisfaction score. Further quality control measures embedded in the service include individual audit reviews and regular Client Officer feedback. All staff work to a given methodology and have access to the internal audit reference material and Charter which are updated regularly to reflect the requirements of the standards and the changing environment that Internal Audit operates in. On-going dialogue is maintained with the s151 Officer and the Client Officer Group which governs the shared service. The Client Officer Group for the Internal Audit Shared Service comprises all the partners' s151 Officers all whom actively encourage and support the on-going development of the service.
- 4.5 As noted at Paragraph 4.3 above, a new Quality Assurance policy was approved in September 2024. In accordance with the standards, the Head of Internal Audit is required to include a statement on compliance with the policy within this annual report. The Head of Internal Audit can confirm that the service operated in compliance with the policy from the date of its approval to the end of the financial year.

4.6 **Continuous Improvement in 2024/25**

In addition to implementation of the Quality Assurance policy, the following continuous improvements have been implemented by the Service during 2024/25:

- Introduction of a formal set of Key Performance Indicators for the service, with the results reported to the Audit Governance & Standards Committee.
- Completion of an auditor skills review.
- Development of the new internal audit 'universe', aligned with risk registers and corporate objectives. This meets the requirements of the new Standards outlined below and will enable a more strategic approach to audit planning.
- Documented evaluation of fraud risks as a standard requirement for all audits.
- Aligning the grading of internal audit recommendations with those impact definitions used within the Council's risk management process.
- Team training in environmental sustainability audit, and appointment of a service champion for this area.



#### 4.7 New Global Internal Audit Standards and 2025/26 Improvement Plan

There are new Global Internal Audit Standards which apply for the 2025/26 financial year onwards. The new Standards cover five key areas (domains):

- The purpose of internal auditing
- Ethics and Professionalism
- Governing the Internal Audit function
- Managing the Internal Audit function
- Performing Internal Audit services

4.8 The Head of Internal Audit has reviewed the new Standards with the team and the following actions are planned to ensure compliance with the additional requirements:

| Improvement Action   | Planned Implementation Date   |
|--|---|
| Ensure all members of the team are reminded of the requirements of the Code of Ethics. This covers integrity, objectivity, confidentiality, due care, professional conduct, conflicts of interest, use of information, and professional development. | September 2025  |
| Ensure that additional professional development over and above mandatory corporate training is recorded on individual learning plans.  | September 2025  |
| Update the Internal Audit Charter to incorporate a mandate. The mandate will define why internal audit exists within the organisation. It will also specify the authority, role and responsibilities.  | October 2025. The document will be submitted to the Audit Governance & Standards Committee for approval.  |
| Develop a formal Internal Audit Strategy setting out its vision, strategic objectives and supporting initiatives.  | November 2025. The document will be submitted to the Audit Governance & Standards Committee for approval. |
| As part of audit planning, consider how data analytics and Artificial Intelligence may be used to create more efficient and effective workflows.   | November 2025. This will be considered alongside development of the Internal Audit Strategy.              |
| Review communications to ensure the Service adopts the use of conclusions rather than opinions.  | August 2025   |



## 5. ORGANISATION INDEPENDENCE

If independence or objectivity is impaired in fact or appearance, the Head of Internal Audit is required to disclose this. The Head of Internal Audit can confirm that the Internal Audit service is independent and objective, and this is currently demonstrated in a number of ways:

- The Head of Internal Audit reports directly to the s151 officer at all partner organisations in the Shared Service and the equivalent Audit Committee. He also has direct unfettered access to the Heads of Paid Service, Monitoring Officers and Chairs of the Audit Committees.
- Any attempts to unduly influence the scope of audit reviews or the contents of reports will be reported by the Head of Internal Audit to the Head of Paid Service and the Chair of the Audit Committee.
- All officers responsible for internal audit work are required to complete an annual Declaration of Interests form, which is in turn reviewed by the Head of Internal Audit. In the case of the Head of Internal Audit, the form is reviewed by the Director of Finance & Resources (s151 officer) at Worcester City Council. Auditors are required to report any interests that might compromise the impartiality of their professional judgements – or give rise to a perception that this impartiality has been compromised. Any conflicts of interest are avoided when allocating assignments.
- The Audit Governance & Standards Committee approves any significant consultancy activity included in the Internal Audit Plan.

## 6. LIMITATIONS INHERENT TO THE WORK OF INTERNAL AUDIT

Internal Audit undertakes a programme of work agreed by the Council's senior managers and approved by the Audit Governance & Standards Committee subject to the limitations outlined below.

### ***Opinion***

Each audit assignment undertaken addresses the control objectives agreed with the relevant responsible managers. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of the programme of work, were excluded from the scope of individual internal audit assignments or were not brought to the attention of Internal Audit. As a consequence, the Audit Governance & Standards Committee should be aware that the Audit Opinion for each assignment might have differed if the scope of individual assignments was extended or other relevant matters were brought to Internal Audit's attention.

### ***Internal Control***



Internal control systems identified during audit assignments, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees, management override of controls, and unforeseeable circumstances.

### ***Future Periods***

The assessment of each audit area is relevant to the time that the audit was completed. In other words, it is a snapshot of the control environment at that time. This evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulatory requirements or other factors; or
- The degree of compliance with policies and procedures may deteriorate.

### ***Responsibilities of Management and Internal Auditors***

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance, and for the prevention or detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

Internal Audit endeavours to plan its work so that there is a reasonable expectation that significant control weaknesses will be detected. If weaknesses are detected, additional work is undertaken to identify any consequent fraud or irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and its work should not be relied upon to disclose all fraud or other irregularities that might exist.

## 7. SUMMARY OF INTERNAL AUDIT FINDINGS

| Audit Area       | Assurance Rating | Summary of Findings   |
|------------------|------------------|---|
| Accounts Payable | Limited          | <p>The scope of this review covered:</p> <ul style="list-style-type: none"> <li>• Review of policies and procedures from the initial ordering to payment authorisation.</li> <li>• System controls including segregation of duties and system access rights.</li> <li>• Accuracy of invoices/credit notes received, matching to orders, VAT (number and calculation), addressee etc., and payment in line with the prompt payment code.</li> <li>• New suppliers and amendment of supplier details.</li> </ul> <p>From a test of 90 invoices, we found 9 invoices where the VAT number had not clearly been displayed. Further research found that all 9 suppliers were VAT registered. The Council is unable to reclaim VAT if the supplier provides its registration number, so there is a risk of financial loss. Management has agreed to address this issue.</p> <p>Unfortunately, we were unable to complete this audit in full because some of the information requested was not provided due to capacity issues. It is acknowledged that officers have been working hard alongside the Assistant Director – Finance &amp; Customer Services to produce four sets of statutory accounts over the course of the last year, including completion of all the monthly reconciliations. We were unable to provide assurance in the following areas:</p> <ul style="list-style-type: none"> <li>• Registration of new suppliers, and processing of amendments to supplier details.</li> <li>• Authorisation of BACS payment runs</li> <li>• Arrangements for monitoring late payment of invoices</li> <li>• Testing to identify and assess any potential duplicate payments.</li> </ul> <p>Whilst the audit did not identify any major gaps in control, owing to the audit not being fully completed we were only able to provide Limited assurance.</p> |

| Audit Area  | Assurance Rating | Summary of Findings  |
|-------------|------------------|--|
| Council Tax | Reasonable       | <p>The scope of this review covered the following:</p> <ul style="list-style-type: none"> <li>• Review of policies and procedures.</li> <li>• Assurance that there was an accurate database of taxable properties and liable persons.</li> <li>• Accuracy and completeness of annual billing for 2024/25.</li> <li>• Review of single persons discounts to ensure they are supported by signed declarations from the council taxpayer.</li> <li>• Review of refunds to ensure they are supported by documentary evidence and the refund has been correctly applied.</li> <li>• Debt Management, including the timeliness of debt raising and recovery action.</li> <li>• Review of arrears to ensure they are being pursued in accordance with Council policy.</li> <li>• Assurance that write offs are performed in accordance with the financial regulations.</li> <li>• Review of the void dwelling inspection programme.</li> <li>• Review of the quality assurance processes in place and performance information reporting.</li> </ul> <p>A generally sound system of internal control was found to be in place, which was supported by the results of our sample testing. In particular:</p> <ul style="list-style-type: none"> <li>• The annual update of Council tax bands had been correctly applied by the Council. Furthermore, sample testing found that all bills had been raised for the correct amount in accordance with the property banding.</li> <li>• The reconciliation of the number of bills and amounts was successfully performed prior to the commencement of the 2024/25 financial year.</li> <li>• All write offs were authorised in accordance with the financial regulations.</li> <li>• Monthly performance reporting is well embedded.</li> </ul> <p>The audit also highlighted some areas for improvement in control as follows:</p> <ul style="list-style-type: none"> <li>• Authorisation of refunds.</li> <li>• Follow up of accounts in arrears was not consistent.</li> <li>• A formal review of households in receipt of Single Person Discount had not been completed for 8 years.</li> </ul> |

| Audit Area | Assurance Rating | Summary of Findings   |
|------------|------------------|---|
| Benefits   | Substantial      | <p>The scope of this review covered the following:</p> <ul style="list-style-type: none"> <li>• Review of applicable policies and procedures.</li> <li>• Review of the annual uprating exercise for the 2024/25 benefit rates.</li> <li>• Assessment of new claims ensuring that they are paid at the correct rate.</li> <li>• Review of the processing of a change in a claimant's circumstances.</li> <li>• Local Housing Allowance (LHA) rates are in accordance with Central Government limits.</li> <li>• Review of the classification and recovery of overpayments.</li> <li>• Review of write offs to ensure that they have been authorised in accordance with policy.</li> <li>• Assurance that BACS runs are correct and have been appropriately authorised.</li> <li>• Review of the quality assurance programme in place.</li> </ul> <p>The audit confirmed that a strong control environment was in place. In particular:</p> <ul style="list-style-type: none"> <li>• Central procedures are reviewed and updated on an annual basis, stored on a central drive and are accessible by all employees.</li> <li>• The annual update of benefit rates had been correctly applied by the Council, which was confirmed through agreement of a sample of national rates to the system.</li> <li>• A review of a sample of 50 new benefit claims found that all cases possessed the required evidence to accurately perform an assessment of benefit entitlement.</li> <li>• A review of a sample of 50 benefit claims subject to a change in circumstances found that all changes were supported by documentary evidence.</li> <li>• All write offs were authorised in accordance with the financial regulations.</li> <li>• All overpayments tested were correctly classified.</li> <li>• The procedures in place for chasing benefit arrears were robust and sample testing found that all arrears tested had been pursued in accordance with the policy.</li> <li>• The quality assurance programme ensures that there is coverage of all assessors work and feedback is provided to ensure continuous improvement.</li> </ul> <p>The audit did not identify any significant control weakness and, accordingly, Substantial assurance was provided.</p> |



| Audit Area | Assurance Rating | Summary of Findings  |
|------------|------------------|--|
| NNDR       | Reasonable       | <p>The scope of this review covered the following:</p> <ul style="list-style-type: none"> <li>• Review of policies and procedures.</li> <li>• Review of valuation records to ensure they were correctly updated.</li> <li>• Assurance that billing complies with legislation and that checks were performed prior to the billing run.</li> <li>• Assurance that liability and reliefs are determined in accordance with legislation.</li> <li>• Review of refunds to ensure they are supported by documentary evidence, that interest on the refund was correctly calculated, and that the refund was correctly applied.</li> <li>• Debt Management, including the timeliness of debt raising and recovery action.</li> <li>• Review of the empty premises inspection programme.</li> <li>• Review of the quality assurance processes and performance information reporting.</li> </ul> <p>The audit confirmed that a generally sound system of internal control was in place, supported by the results of our sample testing. In particular:</p> <ul style="list-style-type: none"> <li>• The annual update of NNDR indices had been correctly applied by the Council. Furthermore, sample testing found that all bills had been raised for the correct amount in advance of the commencement of the financial year.</li> <li>• All refunds were agreed to documentary evidence and had been authorised in accordance with the financial regulations.</li> <li>• The reconciliation of the number of bills and amounts was successfully performed prior to the commencement of the 2024/25 financial year.</li> <li>• All write offs were authorised in accordance with the financial regulations.</li> <li>• We confirmed through sample testing that all cases tested of interest on refunds were calculated correctly.</li> <li>• Monthly performance reporting is well embedded.</li> </ul> <p>The audit also highlighted some areas for improvement in control as follows:</p> <ul style="list-style-type: none"> <li>• Follow up of accounts in arrears was not consistent.</li> <li>• There was no quality assurance programme in place at the time of the audit.</li> </ul> |



| Audit Area                        | Assurance Rating | Summary of Findings   |
|-----------------------------------|------------------|---|
| Risk Management                   | Reasonable       | <p>The scope of this review covered:</p> <ul style="list-style-type: none"> <li>• Use and management of the 4Risk system</li> <li>• Operating effectiveness of policies and procedures that support risk management</li> <li>• Monitoring and reporting of risks, and communicating risk information</li> </ul> <p>The review found the following areas of the system were working well:</p> <ul style="list-style-type: none"> <li>• The Audit, Standards and Governance Committee receives regular updates from officers.</li> <li>• There are links between corporate risks and departmental risks.</li> <li>• Views of Committee and Leadership Team receiving risk reports are passed to relevant risk owners and risk champions.</li> </ul> <p>The review also identified some areas for further development including:</p> <ul style="list-style-type: none"> <li>• Administration and monitoring of the 4Risk system. Some staff known to have ceased employment at the Council retained risk/action ownership. Risk and action ownership had not been assigned to some of the risks. Entries for risk control and action required were missing from numerous risks. Risk review and action implementation are not consistently carried out, meaning that action to mitigate risks might not be completed.</li> <li>• The risk management strategy has not been updated in the recent past and does not entirely reflect the current approach to risk management within the Council.</li> </ul> |
| Procurement & Contract Management | Limited          | <p>The full report arising from this review was considered by members in November 2024. The audit found that there had been some improvements in this area, for example, the contracts register was found to be transparent and up to date and procurement was supporting services to achieve full compliance with the rules. However, no compliance deadline had been set, and the rules are not considered by internal audit to be optional. There were also issues with record retention meaning compliance with procurement rules couldn't be evidenced in some cases. None of the issues raised relate to the work of the procurement team or weaknesses in the design of the Council's policy and procedure framework in this area. Internal Audit will perform a follow up review in 2025/26 which will include compliance with new regulations.</p>   |

| Audit Area                               | Assurance Rating | Summary of Findings   |
|--|------------------|---|
| Business Continuity & Emergency Planning | Reasonable       | <p>The scope of this review covered the following:</p> <ul style="list-style-type: none"> <li>• Assurance that the Emergency Response Plan is updated annually.</li> <li>• Assurance that adequate Business continuity arrangements are in place.</li> <li>• A review of the collaborative agreement with Worcester County Council for the provision of Civil Protection Arrangements across Worcestershire.</li> <li>• A review of the membership of the West Mercia Local Resilience Forum, which ensures appropriate risk assessment and plans and frameworks are in place to respond to emergencies and provide coordination in multi-agency response and recovery.</li> <li>• A review Strategic lead arrangements at Senior Leadership Team level.</li> <li>• Review of Strategic Emergency Operational Management Team arrangements.</li> <li>• Assurance that appropriate training is provided to staff.</li> <li>• Assurance that an annual exercise carried out and post incident/exercise debrief conducted to identify lessons learnt and make improvements to our response.</li> <li>• A review of training arrangements for elected members.</li> </ul> <p>The audit confirmed that a generally sound system of internal control is in place, which was supported by the results of our sample testing. In particular:</p> <ul style="list-style-type: none"> <li>• The Emergency plan was refreshed and updated in January 2025 and contains all the expected information that would be required. It is accessible by all stakeholders, including members of the public.</li> <li>• Incident Response training has been provided to Duty Incident Response Officers during the year.</li> <li>• There were 2 training exercises performed during the year. Members were also provided with training in September 2024.</li> </ul> <p>The audit also highlighted that four contact names in the Environmental Services Business Continuity Plan were no longer employed by the Council. In addition the Business Continuity Plan had not been reviewed and updated since July 2022 for four of the five service areas reviewed.</p> |

| Audit Area            | Assurance Rating | Summary of Findings  |
|-----------------------|------------------|--|
| Cyber Security        | Reasonable       | <p>This was a follow up of the audit completed in 2023/24. It was noted that since the previous audit Council Members and staff are receiving Cyber Security training and communication. Members and all staff have access to the Knowbe4 software training package, this system has a reporting facility. A Cyber Attack Response Plan is in place. A new Systems and Data Group has been established to help manage the procurement and implementation of all new systems; this will include the contract management for backups. A responsible Officer to manage this function is still to be appointed. 19 out of the 27 Councillors have completed the Knowbe4 training, and it has recently been agreed that participation in Cyber Security training by Councillors will be mandatory.</p>  |
| Statutory Inspections | Reasonable       | <p>The scope of this review covered:</p> <ul style="list-style-type: none"> <li>• Assurance that inspections and risk assessments are being conducted within statutory time frames and that, where remedial action is required, this is being promptly carried out.</li> <li>• An evaluation of emergency plans and assurance that drills are being conducted.</li> <li>• Assessment of the process for reporting and investigating incidents.</li> <li>• Review the completeness and clarity of health and safety policies.</li> </ul> <p>The audit confirmed that a generally sound system of risk management and control was in place. The review found the following areas were working well:</p> <ul style="list-style-type: none"> <li>• The majority of inspections are being carried out within statutory timescales.</li> <li>• Health and Safety Policy documents, not including Fire Safety discussed separately below, appear suitable for purpose and are readily available to staff.</li> <li>• Inspection deadlines are monitored using partially automated techniques to reduce risk of omissions.</li> </ul> <p>However, fire safety controls were found to be operating inconsistently with sporadic evidence of fire alarm and evacuation drill testing. Key contact details were missing from logbooks, and the Fire Safety Policy had not been reviewed since September 2020.</p> |

| Audit Area             | Assurance Rating | Summary of Findings   |
|------------------------|------------------|---|
| Corporate Credit Cards | Limited          | <p>The scope of this review covered:</p> <ul style="list-style-type: none"> <li>• Governance: Policy and procedures around the use of General Purchasing Cards</li> <li>• Distribution of cards, employee awareness of responsibilities</li> <li>• A review of purchases using the GPC's including Amazon purchases to ensure the process has been followed and that the purchase could not have been made through the purchasing system.</li> <li>• Assurance that purchases made with General Purchasing Cards are reasonable.</li> <li>• Review/monitoring of card usage.</li> <li>• Return of cards.</li> <li>• Analysis of expenditure to ensure that procurement rules are not breached</li> <li>• Assurance that expenses have been correctly recorded within the finance system.</li> </ul> <p>The review found the following areas of the system were working well:</p> <ul style="list-style-type: none"> <li>• There is a policy in place regarding who can have a GPC card and the approval process including the transactional and monthly spending limits.</li> <li>• The authorities hold an up-to-date definitive list of card holders.</li> <li>• Purchases of more than £500 have been recorded correctly and can be viewed on the respective websites.</li> <li>• The sample of purchases reviewed by Internal Audit were reasonable.</li> </ul> <p>The review highlighted that the current process is open for fraud and misuse especially as there are no authorisation controls in place. There is a lack of overall accountability for the process. The review also found lack of evidence supporting the reason for the chosen supplier, and no monitoring to see if any of this expenditure could have been purchased through an existing framework. The review identified that in 50% of transactions reviewed no receipts were available for inspection.</p> <p>Currently purchases and card limits are at the discretion of the service, so the service manager can request the limit on the card be increased in order to purchase an item. The review showed varying spending limits ranging from £500-£9,000. The current process does</p> |

| Audit Area              | Assurance Rating | Summary of Findings  |
|-------------------------|------------------|--|
|                         |                  | <p>not require the budget holder to approve the expenditure; therefore, the council may wish to consider if further controls should be implemented.</p> <p>Management action is in progress to address these issues, including a review to reduce the number of cardholders, and requiring budget holders to approve expenditure in advance.</p>   |
| Housing Revenue Account | Reasonable       | <p>The scope of this review covered:</p> <ul style="list-style-type: none"> <li>• Assurance that rent arrears recovery action is taken in accordance with policy and procedures.</li> <li>• Billing processes.</li> <li>• HRA recharges such as debt and pensions for HRA employees.</li> </ul> <p>The audit confirmed that a generally sound system of internal control was in place, supported by the results of our sample testing. In particular:</p> <ul style="list-style-type: none"> <li>• The procedures that are in place for the chasing of rental arrears were deemed to be robust and sample testing performed found that all tenant arrears tested had been pursued in accordance with the policy.</li> <li>• The annual increase in rental charges had been correctly applied by the Council, which was confirmed through a sample test of properties rental charges.</li> <li>• New tenancies were added to the system on a timely basis; testing confirmed that the average time between the tenant receiving the keys and the tenancy details being uploaded was an average of 3.5 days.</li> <li>• Service charges and non-dwelling charges had been correctly applied to the dwellings tested at the correct rate.</li> </ul> <p>The audit also confirmed that the HRA recharging mechanism dated back to 2020/21 and as such required updating to reflect more up to date data.</p> |

| Audit Area        | Assurance Rating | Summary of Findings  |
|-------------------|------------------|--|
| Right to Buy      | Substantial      | <p>The audit confirmed there were well controlled procedures in place for the sale of Council dwellings through the Right to Buy scheme.</p> <p>Sample testing of sales found that in all cases procedures had been followed, and all properties possessed the required documentation with no omissions to report.</p> <p>Accordingly, substantial assurance was provided.</p> |
| Follow up reviews | Substantial      | <p>The progress made by management in implementing the actions arising from audits has been good. Follow up work completed by Internal Audit has not highlighted any overdue High or Medium priority actions. Implementation of agreed control improvement actions strengthens the organisation's framework of governance, risk management and control.</p>                    |

**THE 2025/26 INTERNAL AUDIT PLAN**

|  |  |
|--|--|
| Relevant Portfolio Holder  | Councillor Ian Woodall   |
| Portfolio Holder Consulted   | Yes  |
| Relevant Head of Service   | Bob Watson, S151 Officer   |
| Report Author:<br>Chris Green  | Job Title: Head of Internal Audit Shared Service<br>Worcestershire Internal Audit Shared Service<br>Contact email: <a href="mailto:chris.green@worcester.gov.uk">chris.green@worcester.gov.uk</a><br>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, Governance and Standards Committee approves the 2025/26 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;
  - 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 2025/26, 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, Governance and Standards Committee. Large spend budget areas have also been considered, along with direct association to the Council Plan. The Internal Audit Plan for 2025/26 has been formed in discussion with the s151 Officer, considered by the Senior Leadership Team, and is brought before Committee in draft form. All services and areas of potential audit have been considered and discussed; this was achieved by developing a new 'long list' of potential audit areas. The intention is to have a high level of coverage over the next 3 years. The annual plan has been formulated with the aim of supporting the Council to meet its strategic objectives. It is brought before the Audit, Governance and Standards 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, External Audit 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.

Bringing a plan of work before the Audit, Governance and Standards Committee allows Members to have a positive input and make suggestions as to where they feel audit resources 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. A regular review 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 Internal Audit Standards. Any changes will be submitted to the Audit, Governance and Standards 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 250 chargeable days, an allocation which has been agreed with the Council's s151 Officer. 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.

The Internal Audit Plan for 2025/26 is set out at Appendix 1.

### 2.4 Monitoring and reporting

Operational progress against the Internal Audit Plan for 2025/26 will be closely monitored by the Head of Internal Audit and will be reported to the Shared Service's Client Officer Group (which comprises the s151 officers from partner organisations), and, to the Audit, Governance and Standards 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 Internal Audit Standards 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**

- 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 2025/26

**INTERNAL AUDIT PLAN 2025-26 - REDDITCH BOROUGH COUNCIL- APPENDIX 1**

**Corporate/ Cross Cutting Areas**

| <u>Audit Title</u>                             | <u>Strategic Priorities/ Links</u>      | <u>Risk Register Links</u>   | <u>Audit Theme/s</u>                      | <u>Coverage</u>  | <u>Indicative Budget (Days)</u> | <u>Comments</u>   | <u>Indicative Reporting Date</u> |
|--|---|--|---|--|---------------------------------|---|----------------------------------|
| Completion & Finalisation of Prior Year Audits | Underpins all priorities                | All  | All                                       | As per the agreed audit briefs   | 28                              | This work has already been completed.                               | July 2025                        |
| Follow up of recommendations                   | Underpins all priorities                | Links to all recorded risks  | Governance. Corporate Risks.              | Provision of assurance that actions agreed as a result of previous audits have been implemented.   | 13                              | Work is carried out throughout the year.                            | March 2026                       |
| Corporate Health & Safety                      | Relevant to all Visions and Priorities. | COR-9 Non Compliance with Health and Safety Legislation                    | Governance. Corporate Risks               | Assurance that appropriate policies and procedures are in place and operated effectively, and that appropriate staff training, monitoring and remedial action is taken where necessary.  | 15                              |   | November 2025                    |
| Anti-Fraud Bribery & Corruption                | Relevant to all Visions and Priorities. | None identified  | Governance. Corporate Risks               | Assurance that the Strategy and response framework is operating effectively. To include arrangements for assessing fraud, bribery & corruption risks.  | 10                              |   | September 2025                   |
| Agency Staff                                   | Relevant to all Visions and Priorities. | COR-19 Adequate Workforce Planning   | Governance. Corporate Risks Service Risks | Assurance that use of Agency Staff is for appropriate reasons, authorised in advance, and not used to circumvent procedures such as restrictions on filling vacant positions. Assurance that use is not for extended periods of time. Review of accountancy treatment of consultants and agency staff. | 12                              | To be completed as one audit.                                       | November 2025                    |
| Consultancy Expenditure                        | Relevant to all Visions and Priorities. | COR-20 Financial Position Rectification<br>FIN-7 Purchasing Non-Compliance | Governance. Corporate Risks               | Assurance that expenditure on consultants is appropriately controlled, that there are clear terms of reference, that intended outcomes are delivered and Value for Money is secured.   |                                 |   |                                  |
| Contract Management                            | Relevant to all Visions and Priorities. | COR-16 Management of Contracts   | Governance. Corporate Risks               | Contract manager training, compliance with Contract Standing Orders, financial, project and risk management. Review of arrangements to monitor supplier resilience. Could include Starting Well and/ or Social Prescribing contracts.  | 8                               | Best practice advisory review. Including follow up of 2024/25 audit | January 2026                     |

|  |   |                                     |  |   |    |   |                |
|--|---|-------------------------------------|--|---|----|---|----------------|
| Data Protection/ GDPR/ Law Enforcement Directive | Relevant to all Visions and Priorities. | COR-18 Protection from Cyber Attack | Governance.<br>Corporate Risks.<br>Service Risks | Assurance that the Council operates in compliance with the Data Protection principles when storing and sharing data.  | 12 |   | January 2026   |
| Local Government Transparency Code               | Relevant to all Visions and Priorities. | None identified                     | Governance.                                      | Assurance that the Council is, as a minimum, operating in compliance with the mandatory elements of the Code  | 8  | Desktop review.   | September 2025 |
| Procurement                                      | Relevant to all Visions and Priorities. | None identified                     | Governance.<br>Corporate Risks.<br>Service Risks | Design and operation of controls designed to ensure that the Council complies with statutory and policy requirements, and to ensure that value for money is demonstrated throughout procurement activities. | 12 | Follow up of 2024/25 review plus review of compliance with new regulations. Work to be completed towards the end of the financial year. | April 2026     |
| Environmental Impact Assessments                 | Relevant to all Visions and Priorities. | None identified                     | Governance.<br>Corporate Risks                   | Assurance that assessments are properly carried out and that the results are appropriately considered when the Council makes its decisions. Assurance that assessments are reviewed where required.         | 10 |   | October 2025   |
| Statements of Internal Control                   | Relevant to all Visions and Priorities. | Links to all recorded risks         | Governance.<br>Corporate Risks                   | Co-ordination of the completion of annual assurance statements.   | 4  |   | April 2026     |
| Bus Operators Grant                              | Environment & Infrastructure            | None identified                     | Service Risks                                    | Review and certification of the Bus Operators' Grant claim. Completed every 6 months.   | 12 |   | December 2025  |
| Use of Grant Monies                              | Relevant to all Visions and Priorities. | None identified                     | Governance.<br>Corporate Risks                   | Assurance that grant monies received are delivering the expected outcomes and that funds are used for the intended purposes.  | 8  | Certification work as and when required.  | March 2026     |

**Service Areas – Environmental & Community**

| <u>Audit Title</u> | <u>Strategic Priorities Links</u> | <u>Corporate Risk Register Links</u> | <u>Audit Theme/s</u> | <u>Coverage</u>   | <u>Indicative Budget (Days)</u> | <u>Comments</u> | <u>Indicative Reporting Date</u> |
|--------------------|-----------------------------------|--------------------------------------|----------------------|---|---------------------------------|-----------------|----------------------------------|
| Trade Waste        | Environment & Infrastructure      | None identified                      | Service Risks        | Accuracy and completeness of billing, value for money of the service, financial sustainability of the service, collection and recovery of outstanding income. | 12                              |                 | December 2025                    |

|              |   |  |                                   |   |    |  |              |
|--------------|---|--|-----------------------------------|---|----|--|--------------|
| Safeguarding | Relevant to all Visions and Priorities. | COM-3 Safeguarding - inadequate child and adult protection systems/process | Corporate Risks.<br>Service Risks | Assurance that safeguarding policies and procedures are adequate and enabling the provision of safeguarding services. | 10 |  | January 2026 |
|--------------|---|--|-----------------------------------|---|----|--|--------------|

**Service Risks – Finance and Coporate Resources**

| <b><u>Audit Title</u></b>       | <b><u>Strategic Priorities Links</u></b> | <b><u>Corporate Risk Register Links</u></b> | <b><u>Audit Theme/s</u></b>    | <b><u>Coverage</u></b>   | <b><u>Indicative Budget (Days)</u></b> | <b><u>Comments</u></b>  | <b><u>Indicative Reporting Date</u></b> |
|---------------------------------|--|---|--------------------------------|--|--|---|---|
| Creditors/ Accounts Payable     | Economic Development                     | None identified                             | Corporate Risks                | Accuracy and timeliness of payments, system accuracy, recovery of duplicate payments, accuracy of accounting records.  | 15                                     | Limited assurance in 2024/25. Full follow up audit.                     | March 2026                              |
| Treasury Management             | Economic Development                     | None identified                             | Governance.<br>Corporate Risks | Authorisation of transactions, compliance with Treasury Management Practices, assurance that there is an appropriate strategy in place, system access controls, accuracy and completeness of accounting records.                                     | 12                                     | There are high transaction values in this area.                         | January 2026                            |
| Tenant Recharges                | Housing                                  | None identified                             | Service Risks                  | Assurance that recharges are accurate and complete, and correctly reflect the Council's expenditure incurred when carrying out repairs. Assurance that there are appropriate arrangements in place to maximise the collection of outstanding income. | 8                                      | Being covered with Housing Repairs audit                                | September 2025                          |
| Housing Repairs including Voids | Housing                                  | None identified                             | Service Risks                  | Assurance that the repairs system is delivering its expected outcomes. Assurance that appropriately designed controls are in place, consistently applied. To include a review of performance management arrangements.                                | 15                                     |   | September 2025                          |
| Housing Repairs Stock Control   | Housing                                  | None identified                             | Service Risks                  | Assurance that appropriately designed and embedded stock control and stock taking procedures are in place.   | 10                                     | Being covered with Housing Repairs audit                                | September 2025                          |
| Insurance                       | Relevant to all Visions and Priorities.  | None identified                             | Corporate Risks                | Assurance that administration of the insurance function is efficient and effective and represents value for money.   | 12                                     | Previously agreed for inclusion in 2025/26. Tender just been completed. | November 2025                           |
| Payroll                         | Relevant to all Visions and Priorities.  | None identified                             | Corporate Risks                | Payroll processing including deductions, administration of starters and leavers, system access controls, accuracy and completeness of accounting records.  | 15                                     | High expenditure system   | March 2026                              |

**Audit Plan Management & Support**

|    |   |
|----|---|
| 32 | Includes audit plan management, corporate meetings, audit plan development and monitoring, reporting to and attendance at Audit & Governance Committee. |
| 15 | Contingency/ advisory time.   |

|                              |            |
|------------------------------|------------|
| <b>TOTAL AUDIT PLAN DAYS</b> | <b>308</b> |
|------------------------------|------------|

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee 24<sup>th</sup> July 2025****Financial Compliance Report**

|  |  |
|--|--|
| Relevant Portfolio Holder  | Cllr Ian Woodall<br>Executive Member for Finance   |
| Portfolio Holder Consulted   | Yes  |
| Relevant Head of Service   | Debra Goodall  |
| Report Author  | Job Title: Assistant Director Finance & Customer Services<br>Contact email: <a href="mailto:debra.goodall@bromsgroveandredditch.gov.uk">debra.goodall@bromsgroveandredditch.gov.uk</a> |
| Wards Affected   | All  |
| Ward Councillor(s) consulted   | No   |
| Relevant Strategic Purpose(s)  | All  |
| Non-Key Decision   |  |
| If you have any questions about this report, please contact the report author in advance of the meeting. |  |
| <b>Exempt Information – None</b>   |  |

**1. RECOMMENDATIONS**

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

- 1) The Committee note that the 2023/24 Accounts public consultation period finished on 3 March 2025.
- 2) The Committee note the position in relation to the delivery of the 2024/25 Accounts and the auditing of the 2023/24 accounts.
- 3) The Committee note the position in regard to other financial indicators set out in this report.
- 4) The current position with the Council's new External Auditor, Ernst and Young, be noted.
- 5) Note the introduction of a Financial Stability Plan following the successful delivery of the Financial Improvement Plan.

To **RECOMMEND** to Executive

- 6) Any areas of concern within this key compliance report for consideration.

**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, Governance and Standards Committee on the 23<sup>rd</sup> March 2023 set out the Financial Governance Framework, and associated references to key documentation, that the Council, its Member and Officers work to. These are (in summary):

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee 24<sup>th</sup> July 2025**

- **The Budget and Policy Framework Procedure Rules.** These set out: The framework for Executive 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 14 of the Constitution. These “operational policies” run to 36 pages and set out how the organisation financially runs its “day to day” business. A full review of these is being undertaken as part of the Financial Stability Plan, discussed in further detail in a separate section of this report.
- **Finance Protocols** which set out requirements and expectations of the Finance Team and Services in terms of financial administration and demarcation of duties.

- 2.2 This year, Audit Committee training was undertaken on the 24<sup>th</sup> July, and Local Government Finance training was given on the 25<sup>th</sup> June.
- 2.3 One of the legislative reporting requirements the Council had not achieved is the delivery of the 2020/21, 2021/22 and 2022/23 Statement of Accounts which resulted in the issuing of a Section 24 Statement for the Council. Bromsgrove District Council (BDC) were also issued with a Section 24 Statement for the same non delivery of these accounts which is understandable given that officers support both Councils via a shared service.
- 2.4 Following the issuing of the original Section 24 Statements and a review of why this happened, which was undertaken by the Bromsgrove Audit Committee, the decision was taken to increase the frequency of Audit Committee meetings to six times a year until the Council rectified the situation. The Committee have agreed to continue to meet six times a year until the new Deputy Chief Executive / Section 151 Officer is established into post.
- 2.5 The 2024/25 budget was approved at Council on the 26th February 2024.

**Legislative Requirements**

- 2.6 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.
- 2.7 Attached as Appendix A are the key legislative deliverables, which were circulated by the Government for the 2025/26 financial year. The Council has delivered against all of the deadlines to date.
- 2.8 Appendix B reflects a wider set of deliverables (outside the 2025/26 MHCLG Listing). These have now been fully delivered.



**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee 24<sup>th</sup> July 2025****Financial Stability Plan**

- 2.9 Following the successful completion of the Financial Improvement Plan and the delivery of the Accounts for 2020/21 – 2023/24, the Council will now look to develop of Financial Stability Plan. This will cover a number of areas including; the Tech One system; financial rules; training plans; procurement processes. A separate report will be taken to a future meeting of this Committee.

**Update on the Statement of Accounts**

- 2.10 Following the General Election in July 2024, the New Minister of State for Housing, Communities and Local Government Jim McMahon OBE MP wrote to Councils noting the significant and unacceptable backlog of unaudited accounts. This situation undermines trust and transparency in the way taxpayers' money is being spent and auditors cannot focus on up-to-date accounts, where assurance is most valuable.
- 2.11 To tackle the backlog, The Minister has laid secondary legislation, and this legislation was approved on the 9<sup>th</sup> September to provide for an initial backstop date of 13 December 2024 for financial years (FYs) up to and including 2022/23 and five subsequent backstop dates: 2015/16 through to 2019/20 must be signed off by the 30<sup>th</sup> December 2023.

| <b>Financial Year</b> | <b>Backstop date</b> |
|-----------------------|----------------------|
| 2023/24               | 28 February 2025     |
| 2024/25               | 27 February 2026     |
| 2025/26               | 31 January 2027      |
| 2026/27               | 30 November 2027     |
| 2027/28               | 30 November 2028     |

- 2.12 The Council, as set out at the meeting on the 10<sup>th</sup> December has received “Disclaimer Opinions” for the 2020/21, 2021/22, and 2022/23. The 2023/24 Accounts are currently being audited by Ernst and Young. An update is given in a later section of this report.
- 2.13 The Council's position on these key Closure deliverables are as follows:
- Closure 2020/21 - Reported as per the 10<sup>th</sup> December Audit Committee and Disclaimer Opinion received and approved.
  - Closure 2021/22 - Reported as per the 10<sup>th</sup> December Audit Committee and Disclaimer Opinion received and approved.
  - Closure 2022/23 - Reported as per the 10<sup>th</sup> December Audit Committee and “Disclaimer Opinion” received and approved following the completion of the public consultation period on the 22<sup>nd</sup> January 2025.
  - Closure 2023/24 - Draft Accounts have been available for public consultation since the 17<sup>th</sup> January. This closed on the 3<sup>rd</sup> March. Ernst & Young, the External

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee 24<sup>th</sup> July 2025**

Auditors, have now finished their onboarding checks and have started to begin their audit. However, they are expecting to issue a 'disclaimer opinion' for these accounts.

- Closure 2024/25 – completed by 30<sup>th</sup> June deadline as required for public inspection period.

- 2.14 As per the requirement of the Draft External Auditors Report 21/22 and 22/23 on the 27<sup>th</sup> November 2023, the External Auditors made a further written recommendation of the Authority under section 24 of the Local Audit and Accountability Act 2014 in relation to its financial systems and governance arrangements. They recommended that the authority should produce “true and fair” draft accounts for 2020/21, 2021/22 and 2022/23 signed off by the S151 Officer and supported by high quality working papers. This has now been complied with although given the instigation by the Government of the backstop date and the requirement of “disclaimer opinion” audits across the Country it is not clear how the new Auditors will frame their 2023/4 External Audit Report in respect of this matter
- 2.15 As has been reported previously the combined 2021/21 & 2022/23 Draft External Audit Report set out that:
- The S24 Recommendation still in place and extended for 2021/2 and 2022/3 Accounts.
  - All 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.
  - There was one new Key Recommendation – linked to Workforce Strategy. This is being delivered as part of the workforce strategy.
  - There were ten updated Improvement Recommendations. The Council has met 7 of these.
- 2.16 In terms of those Draft External Audit Reports the following progress has been made against recommendations (Key and Improvement):
- The Accounting Policies Report goes to every Audit Committee.
  - The key closure deliverables for each financial year are clearly set out. The owners of these deliverables are the S151 and Deputy S151 Officers.
  - Progress on key financial and compliance indicators are reported monthly to CMT and to both Audit Committees by the S151/Deputy 151 Officers. There is a requirement to report all finance deliverables as per the Recommendations of the Audit Task Group.
  - Delivery of Financial training detailed in this document will move staff to right level of skills.
  - TechOne has been upgraded to version 24B in March 2025.
  - Quarterly combined financial and performance monitoring started in the 2022/23 financial year and has continued in 2024/25.
  - The 2024/25 and 2025/26 MTFP process has been completed in both Councils.
  - Risk workshops are still to be run to assess Risk Appetite of Executive and Audit Committees. This will happen across both Council now the Redditch elections have been completed.
  - A Treasury Management strategy, half yearly report, and outturn report are now part of the work programme. 2024/5 Half Yearly Reports have been delivered and an Outturn Report will go to July Executive.

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee 24<sup>th</sup> July 2025**

- To address staffing issues, additional posts have been recruited to as the team looks to start to move any from its reliance on external agency/consultants.

In terms of more specific items:

- More Budget Consultation has been addressed in Tranche 1 of the budget through a targeted consultation process which finished in January 2025.
- Wider savings monitoring is being undertaken by this Committee quarterly.
- Capital and its deliverability has been reviewed as part of the 2025/6 Budget Tranche 2. A further assessment of Capital deliverability will be undertaken over the summer.
- Benchmarking is now incorporated into the budget process (using LG Futures data).
- The Internal Audit Service has been externally assessed in early 2024 and passed that assessment.
- The Council is seeking an independent Audit Committee member and ensures the Committee remains apolitical in nature.
- The whistleblowing policy has been updated.
- Procurement and contract rules have been updated (to reflect changes to legislation in February 2025).
- Performance Indicators have been reviewed and updated following the Strategic Priority and business plan sessions.

2.17 It was confirmed by the PSAA that Ernst and Young would become the Councils External Auditors on the 24<sup>th</sup> October. The onboarding process has now completed and Ernst and Young have begun their checks on the 2023/24 Statement of Accounts. They have confirmed that they expect these to be fully disclaimed. The Government are publishing a list of all Councils who did not comply with publishing their accounts in accordance with this date. Although Bromsgrove and Redditch Councils will be included on this list, it will be noted that this was due to them not having External Auditors at the time.

2.18 In terms of the 2024/5 Closure position, the draft accounts were ready for Public Consultation at the end of June 2025 as per existing Government legislation. The Public Consultation end date is Monday 11 August. Auditing of these accounts will depend on Ernst and Young and the planning process but is expected to be close to the Government backstop date of 27 February 2026.

**Update on the Budget and ongoing Monitoring.**

2.19 The Councils 2025/26 Budget was approved on the 24<sup>th</sup> February 2025 at Council. Budgets will be loaded onto TechOne in July.

2.20 Quarter One and Two 2024/5 Financial and Performance monitoring reports went to Executive in September and November 2024. Q3 went to Executive in March and the Outturn position will go to Executive in July.

**Compliance Items**

2.21 There are a number of areas where compliance will be measured going forwards. Compliance to process and timetable is a key underlying theme of both the Draft External

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee 24<sup>th</sup> July 2025**

Audit Report 2020/21 and the Combined 2021/22 & 2022/23. 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.

**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. This will be reviewed again as part of the Financial Stability Plan.
- Mandatory Financial Awareness Training for managers took place in August and September.
- Payments Purchase Order Training takes place monthly.
- Mandatory Purchase Order Retraining is now taking place annually.

New tranches of training are being organised.

**Treasury Management**

- The 2023/24 Outturn Report was approved by Council in September 2025.
- The 2025/26 Strategies were approved by Council in February.
- The Q1, Q2 and Q3 2024/25 positions have been reported in the Finance and Performance Reports. The Outturn report will be reported to Council in September.
- The 2024/25 Outturn Report will be presented to Council in September 2025.

**Errors:**

- Non delivery of GPC Card Data (monthly basis) – now being completed on a monthly basis
- Miscoding on TechOne per month – by Service Area – work is ongoing to clear the miscoding on a monthly basis in conjunction with work going on to reconcile previous years.

**Procurement:**

- The new 'No Compliance No Order' process has been live since April 2023.
- The number of contracts in place is growing regularly. 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 approved an increase of the Key Decision Level from £50k to £200k. 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 Bromsgrove over this period that relate to Redditch Services.

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee 24<sup>th</sup> July 2025**

- 2.22 The issues with cash receipting work are ongoing but the closure of 2020/21 through to 2023/24 has reallocated over £125m of income wrongly allocated to suspense accounts. This ongoing work will be picked up as part of the Financial Stability Plan.

**Summary**

- 2.23 This report sets out the policies (local and national) that underpins the Council finances and the key deliverables. The 2020/21 to 2023/24 draft Accounts have now been submitted for Public Inspection and Audit and the report sets out the Plan for the delivery of other years accounts. This report is now up to date as at the end of June 2025 and delivered to each Audit, Governance and Standards Committee at Redditch to update 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. The Closure of accounts process and the associated audit process confirms the overall financial position of the Council

**4. LEGAL IMPLICATIONS**

- 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 Borough 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 2025/26 MTFP, quarterly monitoring and the Closedown process.

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee 24<sup>th</sup> July 2025****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.
- 7.2 The Impact of the government imposed "backstop position", which has led to "disclaimer opinions here and also at numerous other Councils is still to be understood and remains a significant risk.
- 7.3 Deliver of financial data to government is important in their allocation of resources process. It is key that the Council deliver this information to timetable and the required standards

**8. BACKGROUND PAPERS**

Interim Auditors Annual Report on Redditch Borough Council 2021/22 & 22/23 – Audit Governance and Standards Committee November 2023, Council December 2023.

Section 24 Report to Audit and Council – November 2022, November 2023.

Accounting Policies Report – March, June, July, September, November 2023 and January, March, May, July and December 2024, January 2025 Audit, Governance and Standards Committee.

Finance Recovery Report – June 2023 and October 2023, January and September 2024 – Executive

Programme Management Office Requirements – July 2023 – Executive

Approvals to Spend Report - July 2023 – Executive

**9. Appendices**

Appendix A – DLUHC Deliverables timetable

Appendix B – Timetable of other deliverables

# REDDITCH BOROUGH COUNCIL

## Appendix A Audit, Governance and Standards Committee 14<sup>th</sup> July 2025

| Return   | Council | Return Type | Code  | Description  | Period End                | Submission Deadline | Completed? |
|--|---------|-------------|-------|--|---------------------------|---------------------|------------|
| Revenue Account Budget                                 | BDC/RBC | GVT         | RA    | Local authority revenue expenditure and financing for 2025-26 Budget   | 2025-26                   | 04-Apr-25           | Complete   |
| Quarterly Borrowing & Lending - Quarter 4              | BDC/RBC | GVT         | QB4   | Local authority borrowing and investments from all local authorities to the end of Q4 2024-25  | Q4 2024-25                | 07-Apr-25           | Complete   |
| Capital payments & receipts Q4 and provisional outturn | BDC/RBC | GVT         | CPR4  | Cumulative capital expenditure and receipts for Q1, Q2, Q3, and Q4 2024-25. Expanded collection, used as provisional outturn.  | Y/E 2024-25               | 25-Apr-25           | Complete   |
| Monthly Borrowing & Lending                            | BDC/RBC | GVT         | MB    | Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go in to the ONS/HMT monthly publication Public Sector Finance Statistics                   | 31-Apr-2025               | 08-May-25           | Complete   |
| Council Tax & NDR Collection - Quarter 4               | BDC/RBC | GVT         | QRC4  | Annual data of levels of council tax and non-domestic rates collected by local authorities in 2024-25; and receipts collected in Q4 and local council tax support claimants at the end of Q4 | Q4 2024-25                | 09-May-25           | Complete   |
| Non Domestic Rates Outturn - unaudited                 | BDC/RBC | GVT         | NNDR3 | Collects information from all billing authority on the amount of non-domestic rates collected in 2024-25-provisional data  | Prov'n Outturn 2024-25    | 31-May-25           | Complete   |
| Monthly Borrowing & Lending                            | BDC/RBC | GVT         | MB    | Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go in to the ONS/HMT monthly publication Public Sector Finance Statistics                   | 31-May-25                 | 06-Jun-25           | Complete   |
| Exit payments  | BDC/RBC | GVT         | exit  | Local authority exit payments, 2024-25   | Y/E 2024-25               | 06-Jun-25           | Complete   |
| Monthly Borrowing & Lending                            | BDC/RBC | GVT         | MB    | Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go in to the ONS/HMT monthly publication Public Sector Finance Statistics                   | 30-Jun-25                 | 07-Jul-25           | Complete   |
| Quarterly Borrowing & Lending - Quarter 1              | BDC/RBC | GVT         | QB1   | Local authority borrowing and investments from all local authorities to the end of Q1 2025-26  | Q1 2025-26                | 07-Jul-25           | Complete   |
| Council Tax & NDR Collection - Quarter 1               | BDC/RBC | GVT         | QRC1  | Quarterly return of how much council tax and non-domestic rates are collected in Q1 2025-26; Number of local council tax support claimants at the end of Q1 2025-26                          | Q1 2025-26                | 11-Jul-25           |            |
| Revenue Outturn suite - provisional                    | BDC/RBC | GVT         | RO    | Local authority revenue expenditure and financing, 2024-25 Outturn (first release)   | Prov'n Outturn 2024-25    | 25-Jul-25           |            |
| Capital Payments & Receipts - Quarter 1                | BDC/RBC | GVT         | CPR1  | Cumulative capital expenditure and receipts for Q1 2025-26   | Q1 2025-26                | 25-Jul-25           |            |
| Quarterly Revenue Update - Quarter 1                   | BDC/RBC | GVT         | QRU1  | Q1 2025-26 data and forecast end year local authority revenue expenditure update   | Q1 2025-26                | 01-Aug-25           |            |
| Monthly Borrowing & Lending                            | BDC/RBC | GVT         | MB    | Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go in to the ONS/HMT monthly publication Public Sector Finance Statistics                   | 31-Jul-25                 | 07-Aug-25           |            |
| Capital Outturn Return                                 | BDC/RBC | GVT         | COR   | Final capital outturn figures for 2024-25  | Outturn 2024-25           | 22-Aug-25           |            |
| Monthly Borrowing & Lending                            | BDC/RBC | GVT         | MB    | Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go in to the ONS/HMT monthly publication Public Sector Finance Statistics                   | 31-Aug-25                 | 05-Sep-25           |            |
| Local Government Pension Funds                         | BDC/RBC | GVT         | SF3   | Collect information on income and expenditure on local government pension schemes for 2024-25  | Outturn 2024-25           | 12-Sep-25           |            |
| Monthly Borrowing & Lending                            | BDC/RBC | GVT         | MB    | Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go in to the ONS/HMT monthly publication Public Sector Finance Statistics                   | 30-Sep-25                 | 07-Oct-25           |            |
| Quarterly Borrowing & Lending - Quarter 2              | BDC/RBC | GVT         | QB2   | Local authority borrowing and investments from all local authorities to the end of Q2 2025-26  | Q2 2025-26                | 07-Oct-25           |            |
| Revenue Outturn suite - certified                      | BDC/RBC | GVT         | RO    | Local authority revenue expenditure and financing, 2024-25 Outturn (second release)  | Certified Outturn 2024-25 | 10-Oct-25           | 9          |
| Council Tax Base/ Supplementary                        | BDC/RBC | GVT         | CTB   | Information about the 2025 council tax base for each billing authority.  | 2025                      | 10-Oct-25           |            |
| Council Tax & NDR Collection - Quarter 2               | BDC/RBC | GVT         | QRC2  | Quarterly return of how much council tax and non-domestic rates are collected in Q2 2025-26; Number of local council tax support claimants at the end of Q2 2025-26                          | Q2 2025-26                | 10-Oct-25           |            |

## REDDITCH BOROUGH COUNCIL

### Appendix A Audit, Governance and Standards Committee 14<sup>th</sup> July 2025

| Return                                      | Council | Return Type | Code       | Description   | Period End       | Submission Deadline | Completed? |
|---|---------|-------------|------------|---|------------------|---------------------|------------|
| Quarterly Revenue Update - Quarter 2        | BDC/RBC | GVT         | QRJ2       | Quarter 1 & 2 2025-26 data and forecast end year local authority revenue expenditure update   | Q2 2025-26       | 17-Oct-25           |            |
| Capital Payments & Receipts - Quarter 2     | BDC/RBC | GVT         | CPR2       | Cumulative capital expenditure and receipts for Q1 and Q2 2025-26   | Q2 2025-26       | 24-Oct-25           |            |
| Monthly Borrowing & Lending                 | BDC/RBC | GVT         | 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 | 31-Oct-25        | 07-Nov-25           |            |
| Monthly Borrowing & Lending                 | BDC/RBC | GVT         | 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 | 30-Nov-25        | 05-Dec-25           |            |
| Monthly Borrowing & Lending                 | BDC/RBC | GVT         | 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 | 31-Dec-25        | 08-Jan-26           |            |
| Quarterly Borrowing & Lending - Quarter 3   | BDC/RBC | GVT         | QB3        | Local authority borrowing and investments from all local authorities to the end of Q3 2025-26   | Q3 2025-26       | 08-Jan-26           |            |
| Council Tax & NDR Collection - Quarter 3    | BDC/RBC | GVT         | QRC3       | Quarterly return of how much council tax and non-domestic rates are collected in Q3 2025-26; Number of local council tax support claimants at the end of Q3 2025-26       | Q3 2025-26       | 16-Jan-26           |            |
| Capital Payments & Receipts - Quarter 3     | BDC/RBC | GVT         | CPR3       | Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2025-26   | Q3 2025-26       | 23-Jan-26           |            |
| Quarterly Revenue Update - Quarters 3 & 4   | BDC/RBC | GVT         | QRJ3       | Quarter 1 to 3 2025-26 data and forecast end year local authority revenue expenditure update.   | Q3 2025-26       | 23-Jan-26           |            |
| Non Domestic Rates Forecast                 | BDC/RBC | GVT         | NNDR1      | Billing authority forecasts of the amount of non-domestic rates to be collected in the 2026-27  | 2026-27 Forecast | 31-Jan-26           |            |
| Monthly Borrowing & Lending                 | BDC/RBC | GVT         | 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 | 31-Jan-26        | 06-Feb-26           |            |
| Monthly Borrowing & Lending                 | BDC/RBC | GVT         | 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 | 28-Feb-26        | 06-Mar-26           |            |
| Council Tax Requirement/ Parish Council Tax | BDC/RBC | GVT         | CTR1/2/3/4 | Information on council tax levels set by local authorities in 2026-27. Council tax levels for 2026-27 set by parishes   | 2026-27 Forecast | 11-Mar-26           |            |
| of which: Parish council tax                | BDC/RBC | GVT         | -          | Information on council tax levels set by parish and town councils in 2026-27. This data is collected on the CTR1 form but published later                                 |                  | 11-Mar-26           |            |
| Capital Estimates Return                    | BDC/RBC | GVT         | CER        | Capital forecast for 2026-27  | 2026-27 Forecast | 27-Mar-26           |            |
| Revenue Account Budget                      | BDC/RBC | GVT         | RA         | Local authority revenue expenditure and financing for 2026-27 Budget  | 2026-27 Forecast | 03-Apr-26           |            |
| Monthly Borrowing & Lending                 | BDC/RBC | GVT         | 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 | 31-Mar-26        | 07-Apr-26           |            |



**REDDITCH BOROUGH COUNCIL****Appendix B Audit, Governance and Standards Committee 14<sup>th</sup> July 2025****Budget**

- Delivered by 11<sup>th</sup> March in preceding financial year – **2025/26 Budget and MTFP delivered 24<sup>th</sup> Feb 2025**
- Council Tax Base – Yearly – **2025/26 delivered on 14<sup>th</sup> January 2025**
- Council Tax Resolution – **2025/26 delivered on 24<sup>th</sup> February 2025**
- Council Tax Billing – Yearly – **Bills distributed in March 2025**
- **Policies**
  - Treasury and Asset Management Strategies
    - 2023/4 Outturn Report **delivered in September 24.**
    - 2025/26 Strategy **Approved at Council 24<sup>th</sup> February 2025.**
    - 24/25 Q1 and Q2 reports **delivered 3<sup>rd</sup> Sept and 26<sup>th</sup> Nov 2024. Q3 delivered on 18<sup>th</sup> March 2025. Outturn delivered on 8 July 2025.**
  - Council Tax Support Scheme – **25/6 Approved at Executive in January 2025.**
  - Minimum Revenue Provision – yearly – **Approved as part of the MTFP, with 2025/6 included in the 25/26 Treasury and Asset Management Strategy.**
- Financial Monitoring – **Q1 24/5 in Sept 2024. Q2 in Nov 24, Q3 in March 25, Outturn in July 25, Outturn in July 25.**
- Risk Management – **Q1 24/5 delivered July 24, Q2 delivered Dec 24, Q3 delivered in March 25, Q4 in July 25.**
- Savings Report – **Q1 24/5 delivered in September, Q2 delivered in December, Q3 delivered in March 25, Q4 delivered in July 25**
- VAT – Monthly
  - **discussions ongoing with HMRC since mid-summer 2024, final versions provided to get transactions up to date on the 19th December 2024. Conversations are ongoing. Submissions from December 2024 onwards are now being made on a monthly basis.**
- Whole of Government Accounts Returns
  - **Still to be delivered for future years – no longer required for previous years**
- Revenue Outturn Reports
  - **Delivered for all years up to and including 2024/25**
- Over £500 spending.
  - **Updated to May 2025.**

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**Audit, Governance and Standards Committee****24th July 2025****Financial Savings Monitoring Report Q4**

|  |   |
|--|---|
| Relevant Portfolio Holder  | Cllr Ian Woodall<br>Executive Member for Finance  |
| Portfolio Holder Consulted   | Yes   |
| Relevant Head of Service   | Debra Goodall   |
| Report Author  | Job Title: Assistant Director of Finance & Customer Services<br>Contact email: <a href="mailto:debra.goodall@bromsgroveandredditch.gov.uk">debra.goodall@bromsgroveandredditch.gov.uk</a> |
| 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, Governance and Standards Committee RECOMMEND that:**

- 1) The Outturn position on the 2024/25 Departmental Savings Programme be noted, including any potential implications for future years.**

**2. BACKGROUND**

- 2.1 As part of the 2024/25 budget, which was agreed at Council in February 2024, 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**. To these those 2023/4 savings items relating to future years have been added.
- 2.2 Additionally, an Improvement Recommendation in the Interim Auditors Annual Report on Redditch Borough 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. This was delivered in the 2023/24 financial year and this is the first report of the 2024/25 year. Going forward from 2025/26, this will be included in the Finance and Performance Monitoring Report.
- 2.3 The Quarter 3 2024/25 Finance and Performance Monitoring report was reviewed by Executive in March 2025. This reflected a £138k overspend position.
- 2.4 The Quarter 4 Outturn position is a £4k underspend. The £10.8m full year revenue budget included in the table below is the budget that was approved by Council in February 2024.

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee****24th July 2025**

- 2.5 This is mainly due to additional fleet costs, additional costs and reduced income relating to bereavement services and additional costs of supporting the finance service in order to complete the Accounts. This compares to an overspend position of £138k at Q3 (a £144k decrease).

| <b>Service Description</b>                             | <b>2024-25<br/>Approved<br/>Budget</b> | <b>2024-25<br/>Actual<br/>Spend</b> | <b>2024-25<br/>Variance</b> |
|--|--|-------------------------------------|-----------------------------|
| Business Transformation and Organisational Development | 1,781,837                              | 1,850,478                           | 68,641                      |
| Community and Housing GF Services                      | 1,742,562                              | 1,367,045                           | -375,517                    |
| Corporate Services                                     | -1,996,267                             | -2,834,560                          | -838,294                    |
| Environmental Services                                 | 2,701,088                              | 4,082,067                           | 1,380,979                   |
| Financial and Customer Services                        | 2,067,408                              | 3,169,918                           | 1,102,509                   |
| Legal, Democratic and Property Services                | 2,098,369                              | 2,399,120                           | 300,751                     |
| Planning, Regeneration and Leisure Services            | 1,067,182                              | 1,313,223                           | 246,041                     |
| Regulatory Client                                      | 562,038                                | 663,281                             | 101,243                     |
| Rubicon Client   | 777,747                                | 1,023,283                           | 245,536                     |
| <b>Grand Total</b>                                     | <b>10,801,965</b>                      | <b>13,033,854</b>                   | <b>2,231,889</b>            |

| <b>Service Description</b> | <b>2024-25<br/>Approved<br/>Budget</b> | <b>2024-25<br/>Actual<br/>Spend</b> | <b>2024-25<br/>Variance</b> |
|----------------------------|--|-------------------------------------|-----------------------------|
| Corporate Financing        | -10,801,965                            | -13,038,347                         | -2,236,382                  |
| <b>Grand Total</b>         | <b>-10,801,965</b>                     | <b>-13,038,347</b>                  | <b>-2,236,382</b>           |
| <b>TOTALS</b>              | <b>0</b>                               | <b>-4,494</b>                       | <b>-4,494</b>               |

- 2.6 The above overspends of £2.232m are offset by additional income of £2.236m in Corporate Financing largely from additional grant income together with increased investment interest receivable and a small amount lower interest payable.
- 2.7 This includes variations as follows:

**Business Transformation & Organisational Development – outturn position £69k overspend**

Within Business Transformation & Organisational Development the overspend of £69k is due to:

- Human Resources overspent by £66k due to additional costs of Professional Fees (£15k), ICT Purchases (£10k), Insurance (£6k) and a reduction in Shared Service income of £35k.
- ICT overspent by £25k due to Telephone costs.

These overspends were offset by lower-than-expected costs by £22k in those areas where the Council is charged for the Shared Service arrangements in place.

**Audit, Governance and Standards Committee****24th July 2025**

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**Community and Housing General Fund Services - outturn position £376k underspend**

Within the Community and Housing General Fund Services the underspend of £376k is due to a number of factors:

- Community Safety underspent £460k due to savings of £22k on Furniture & Equipment Maintenance, £10k of Telephones plus additional grant income of £89k. There were also higher charges by £339k within the area where the Council is charged for the Shared Service arrangement in place.
- Housing & Enabling underspent by £592k due to additional funding of £90k received, savings of £60k on Salaries due to vacant posts and increased income of £442k due to the recharges generated from the services it operates as a Shared Services.
- Community Transport (including shop mobility) overspent by £153k due to increased Salaries of £45k, drop of income against budget of £61k, additional costs on Fleet Maintenance of £25k, Electricity Costs of £6k together with a number of smaller variances of £16k.
- Housing Options overspent by £270k due to increased Salary costs of £206k and increased Grant payments of £64k.
- Lifeline overspent by £253k due to increased Salary costs of £62k, insurance of £7k, Furniture & Equipment purchase and maintenance of £45k together with unachieved Shared Service income of £139k.

**Corporate Services – outturn position £838k underspend**

Within Corporate Services, there is a large underspend due to the necessary reallocation of corporate provisions on salaries, inflation, and utilities. The Council is currently undergoing an establishment exercise which will ensure the correct allocation of these provisions across all services. This will now be actioned for the 25/26 budget.

**Environmental Services – outturn position £1.381m overspend**

Within Environmental Services, the overspend of £1.381m is due to:

- Bereavement Services overspent by £393k due to a loss of income amounting to £192k, additional expenditure on Furniture & Equipment maintenance and purchase of £103k, spend on Materials and Others of £52k and an additional spend on Professional Fees of £46k to various suppliers.
- Car Park/Civil Enforcement overspent by £15k due to £50k additional spend with Wychavon District Council offset by additional income of £24k and lower spend on Building Maintenance of £11k.
- Depot overspent by £58k due to additional Fleet Maintenance of £16k and an overspend on Equipment Maintenance and Materials of £42k.

**Audit, Governance and Standards Committee****24th July 2025**

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- Engineering overspent by £143k due to £80k in Insurance claims and £63k on Shared Service Arrangements.
- Place Teams overspent by £300k due to £72k on Fleet Maintenance and Fuel, £14k loss of Income on Bulky Waste, £35k additional spend on Insurance, £11k on Materials and £168k from recharges for the Shared Service Arrangements.
- Tree & Woodland Management overspent by £152k due to additional spend on Tree Works.
- Waste Operations overspend of £320k due to an additional spend of £170k on Fleet Fuel & Maintenance and £150k from recharges for the Shared Services.

**Financial & Customer Services - outturn position £1.103m overspend**

Within Financial & Customer Services, the overspend of £1.103m is due to:

- Audit Services overspent by £26k due to additional Internal Audit costs.
- Benefits underspent by £131k due to saving of £76k on salaries due to vacant posts and savings on general costs of £55k.
- Finance overspent by £853k due to the recruitment of agency staff to clear the backlog of Statement of Accounts which is now complete. There are also mitigating factors as far as there are difficulties countrywide in the recruitment of staff which has now been made more difficult due to Local Government Reform. There was also an overspend on TechOne system support of £85k together with other overspends on Asset Valuations (£47k), Professional Fees (£115k on VAT support) and ICT Costs (£295k on TechOne and E-Fin licences).
- Revenues overspent by £355k including £83k on agency costs and £272k on Civica System.

**Legal, Democratic and Property Services – outturn position £301k overspend**

Within Legal, Democratic and Property Services there was an overspend of £301k due to:

- Business Development had an underspend of £69k due to savings on Salaries.
- Democratic Services showed an overspend of £31k due to additional Shared Service costs charged to the Council.
- Facilities Management overspent by £339k which is made up of £218k overspend on Salaries and Agency costs, Insurance of £50k, surveyors fees of £21k, Building Maintenance of £34k and Contract Payments of £16k.

**Audit, Governance and Standards Committee****24th July 2025**

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**Planning, Regeneration and Leisure Services – outturn position £246k overspend**

Within Planning, Regeneration and Leisure Services there is an overspend of £246k due to:

- Development Control overspent by £54k due to a drop in Planning Income.
- Economic Development overspend of £77k is due to a number of smaller variances within the service such as increased Property Income of £35k offset by increased spend on Utilities of £35k but the main overspend is due to Shared Services as a result of charges dating back over the period 2021 - 2024.
- Parks, Open Spaces and Events overspend of £81k due to £29k additional spend on Agency Costs, £27k on Insurance, £10k on Fleet Maintenance and £15k other net variations.
- Planning Policy overspend of £50k due to additional Professional Fees of £26k and Shared Services of £24k.
- Town Centre underspend of £16k due to additional Grant Income received.

**Regulatory Client – outturn position £101k overspend**

Within Regulatory Client, the overspend of £101k is due to additional management costs of Worcestershire Regulatory Services (WRS).

**Rubicon Client – outturn position £246k overspend**

Within Rubicon Client, there was an overspend of £50k on Building Maintenance due to the age of the buildings, £30k relating to VAT, £67k on Insurance and £100k in additional management charges.

**2023/24 Position**

2.8 The position at year end 2023/24 in terms of departmental savings was that the two Amber items still required careful monitoring:

- The Service Review figures have been analysed following Establishment Review work undertaken in the second half of 2024. The combination of spending on establishment salaries and Agency is above the budgeted figures and as such this is still a significant risk.
- The Capacity Grid project, recouping old Council Tax and Business Rates debt is nearing the end of its allocated time. As per the Council Tax Resolution Report that went to Council on the 24 February 2025 we have a surplus in the collection fund of £1.004m, of which £0.125m relates to Redditch Borough Council. Overall amounts for all members of the collection fund are significantly higher than expected.

**Audit, Governance and Standards Committee      24th July 2025**

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- 2.9    The Red item in relation to finance will not be delivered. Additional resources have been bought in, and all accounts up to the 2023/24 financial year have now been closed. This task was completed in January 2025. In 2025/26 we will now be able to move back to the correct establishment.

**2024/25 Outturn Position**

- 2.10   The 2024/25 position is shown in Appendix A. The vast majority of savings items link either to increases in grant, agreed increases in Tax or items that will not be delivered until future financial years.
- 2.11   As has been stated in previous reports, the largest savings in recent years have been on pension cost which link to the 2023 triennial revaluation. These revised figures run for three years and as such are a risk from the 2026/7 year if they change. Initial advice from actuaries in December 2024 was that it is highly likely that these will not change from present levels in the next revaluation.
- 2.12   The following items still require careful tracking going forward:
- The Service Review figures have been analysed following Establishment Review work undertaken in the second half of 2024. The combination of spending on establishment salaries and Agency is above the budgeted figures and as such this is still a significant risk and has been flagged as red. It will be closely monitored throughout 2025/26.
  - Now that the Financial Recovery Plan has been delivered, the savings target in relation to Finance will need to be considered in light of the Finance Stability Plan that is being introduced. Work is ongoing to scope this and identify the level of resources required to carry out this work.
  - Movement to fill the £400k Town Hall savings with new tenants. Strip out work has started on the building but securing a new anchor tenant must be a priority.
  - Validation of delivery of Fees and Charges income. There are delivery issues in a few areas highlighted in Appendix A.
  - Increasing Waste Costs and their linkage to the possible Waste partnership. This now might be impacted by Local Government Re-organisation.

**3.    FINANCIAL IMPLICATIONS**

- 3.1    The savings have significant financial implications if not delivered.
- 3.2    The Council presently has, following the closure of the 2023/24 accounts, an estimated £7.312m in General Fund Reserves to cover one off issues, and £14.868m in Earmarked Reserves for specific purposes as per the MTFP that



**Audit, Governance and Standards Committee      24th July 2025**

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was approved in February 2025. These are the only recourse, apart from additional reductions in spending/additional income, that the Council has to mitigate a potential overspend position.

**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. 2024/25 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 2024/25 Budget process.

**Operational Implications**

- 6.2      Operational implications will have been dealt with as part of the 2024/25 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 2024.

**Audit, Governance and Standards Committee****24th July 2025**

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**8. APPENDICES and BACKGROUND PAPERS**

Appendix A – Redditch Savings Monitoring 2024/25

**9. REPORT SIGN OFF**

| <b>Department</b>   | <b>Name and Job Title</b> | <b>Date</b> |
|---|---------------------------|-------------|
| Portfolio Holder  | Cllr Ian Woodall          | 09/07/2025  |
| Lead Director / Head of Service                               | Bob Watson                | 08/07/2025  |
| Financial Services  | Debra Goodall             | 07/07/2025  |
| Legal Services  | Claire Felton             | 08/07/2025  |
| Policy Team (if equalities implications apply)                | N/A                       |             |
| Climate Change Officer (if climate change implications apply) | N/A                       |             |

# REDDITCH BOROUGH COUNCIL

## Audit, Governance and Standards Committee 24th July 2025

### Appendix A – Redditch Savings Monitoring 2024/25/2

|                                    | 2023/24<br>£000 | 2024/25<br>£000 | 2025/26<br>£000 | 2026/27<br>£000 | RAG<br>Status | Narrative  |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|---------------|--|
| <b>23/4 Line Items</b>             |                 |                 |                 |                 |               |  |
| Service Reviews                    | -140            | -330            | -405            | -405            |               | This position, following the establishment review and a review of budgets in 2025/26, is an overspend against budget and is a risk to be mitigated.  |
| Finance Vacancies                  | -100            | -100            | -100            | -100            |               | This savings was not delivered in 2023/24 and 2024/25 as additional resource has been bought in to get the accounts up to date.                      |
| Engage Capacity Grid (One Off)     | -300            | -300            | 0               | 0               |               | As per the 2025/26 Council Tax Resolution the Council has a Collection Fund surplus of £1.004m of which £125k related to Redditch.                   |
| Environmental Services Partnership | 0               | -25             | -50             | -50             |               | As per the Outturn Report for 2024/25, there is a significant overspend in this area (Waste) and the envisioned partnership has not yet materialised |
| Move to All Out Elections          | 0               | 0               | -170            | -170            |               | This needs to be reviewed in 2025/26 budget and the impending Local Government Reorganisation.   |
| Town Hall                          | 0               | 0               | -400            | -400            |               | Not an issue for 2024/25, although over £150k is already being delivered. Issue is in the following year.  |
| <b>Total 23/4 Items</b>            | <b>-540</b>     | <b>-755</b>     | <b>-1,125</b>   | <b>-1,125</b>   |               |  |
| <b>24/5 Line Items</b>             |                 |                 |                 |                 |               |  |
| Utilities increase                 |                 | -228            | -228            | -228            |               | Only 60% drawn down in 23/4 – this is the 40% remainder.   |
| 23/4 Inflation Budget              |                 | -269            | -274            | -274            |               | Not drawn down in 23/4, £125k put in for 24/5  |
| 7% increase Fees & Charges         |                 | -238            | -241            | -243            |               | Significant area of difficulty highlighted in Outturn Report returns are in Bulky Waste and Bereavement Services.                                    |
| 2% C Tax Increase 25/6             |                 |                 | -144            | -144            |               | This is the present allowable increase level   |

**REDDITCH BOROUGH COUNCIL**

**Audit, Governance and Standards Committee      24th July 2025**

|                                      |      |              |               |               |  |  |
|--------------------------------------|------|--------------|---------------|---------------|--|--|
| 2% C Tax Increase 26/7               |      |              |               | -147          |  | This is the present allowable increase level   |
| 2% Fees & Charges 25/6               |      |              | -69           | -71           |  | This is future years   |
| 2% Fees & Charges 26/7               |      |              |               | -74           |  | This is future years   |
| Gov Grant at 23/4 Levels             | -148 | -148         |               | -148          |  | As per Government Guidance   |
| Council Tax increase to 3%           | -67  | -67          |               | -67           |  | Allowable in 2024/5  |
|                                      |      |              |               | -60           |  | Not included in original fees and Charges. This was at 23/4 income level at 6 months but not to the level of the 25% increase. |
| Planning income 25%                  | -60  | -60          |               |               |  |  |
| 22/23 Pay Award savings              | -100 | -100         |               | -100          |  | Based on budget review in January  |
| Impact of Budgets on Pay Award       | -150 | -150         |               | -150          |  | Based on budget review in January  |
| Changes in other Central Grants      | -244 | -140         |               | -140          |  | As per Government Guidance   |
| Additional Government Grant (Feb 24) | -103 | -103         |               | -103          |  | As per Government Guidance   |
| <b>Total 24/5 Items</b>              |      | <b>-1609</b> | <b>-1,725</b> | <b>-1,949</b> |  |  |

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee****24 July 2025****Corporate Risk Update July 2025**

|  |  |
|--|--|
| Relevant Portfolio Holder  | Councillor Woodall   |
| Portfolio Holder Consulted   | Yes  |
| Relevant Assistant Director  | Debra Goodall, Assistant Director Finance and Customer Services  |
| Report Author<br>Bob Watson  | Job Title: Deputy Chief Executive and Chief Finance Officer<br>Contact Bob Watson<br>email: <a href="mailto:bob.watson@bromsgroveandredditch.gov.uk">bob.watson@bromsgroveandredditch.gov.uk</a> |
| 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 at a corporate level.

**2. RECOMMENDATIONS**

**The Committee is asked to:**

- Consider the strategic risks detailed in the Corporate Risk Register.
- Consider and comment on the changes to risk scores and removal/additional of new risks.

**3. KEY ISSUES****Background**

- 3.1 The Corporate Risk Register must continue to ensure that the Council's most significant strategic risks in relation to achievement of corporate priorities and objectives are identified, managed, monitored and reported.
- 3.2 The Corporate Risk Register is reviewed by the Corporate Risk Management Officers Group (CRMOG) quarterly, changes and updates to the register to be reviewed by AS&G Committee quarterly in accordance with the Risk Management Strategy. Notes of the latest meeting are attached at Appendix 1.

REDDITCH BOROUGH COUNCILAudit, Governance and Standards Committee24 July 2025

- 3.3 A result of audit reports and reviews in both 2021 and 2023 processes have been introduced:
- Departmental ownership of service risks and reviews at service management teams on a monthly basis.
  - Regular review and development of active risk mitigation to reduce the impact of the risks – ensuring the Council moves to an embedded process where risk becomes managed as part of normal business.
  - Recently upgrading the '4Risk System', which is the Councils' repository of risk information and management.
  - That the Corporate Risk Management Officer Group has actively reduced risk numbers through their work and that a common approach to risk is now being embedded within the organisation.
- 3.4 The latest audit of Risk Management Embedding 2024-25 dated 1 June 2025 was a risk-based systems audit of the Risk Management as operated by both Bromsgrove District Council and Redditch Borough Council; this produced an audit opinion of 'Reasonable Assurance'.

The Definition of a Corporate Risk

- 3.5 The following definition of a of how risks move from being "departmental" to being "corporate" in nature was recommended by the CRMOG approved by CLT:

*"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."*

Corporate Risks

- 3.6 Corporate Risks are summarised in the following table. As the table below highlights, a number of the existing risks have been revised due to impacts of mitigations in those areas.
- 3.7 Corporate Risk 9 relates to Bromsgrove Council only, and is shown as greyed out in the matrices.

# REDDITCH BOROUGH COUNCIL

## Audit, Governance and Standards Committee

**24 July 2025**

### RISK TREE REPORT

| 00. CORPORATE RISKS (14) |  |              |                |        |          |          |     |
|--------------------------|--|--------------|----------------|--------|----------|----------|-----|
| Reference                | Risk Title   | Risk Owner   | Risk Lead      | Status | Inherent | Residual |     |
| COR0001                  | Non Compliance with Health and Safety Legislation  | Bob Watson   | Bob Watson     | ● Open | 12       | 9        | 🔗 ▼ |
| COR0002                  | Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence | Bob Watson   | Helen Mole     | ● Open | 16       | 6        | 🔗 ▼ |
| COR0003                  | Non adherence with Statutory Inspection Policy   | Simon Parry  | Simon Parry    | ● Open | 20       | 16       | 🔗 ▼ |
| COR0004                  | Management of Contracts  | Bob Watson   | Claire Felton  | ● Open | 6        | 6        | 🔗 ▼ |
| COR0005                  | Resolution of the Approved Budget Position   | Bob Watson   | Debra Goodall  | ● Open | 6        | 6        | 🔗 ▼ |
| COR0006                  | Protection from Cyber Attack   | Bob Watson   | Mark Hanwell   | ● Open | 20       |          | 🔗 ▼ |
| COR0007                  | Adequate Workforce Planning  | Bob Watson   | Becky Talbot   | ● Open | 12       | 9        | 🔗 ▼ |
| COR0008                  | Financial Position Rectification   | Bob Watson   | Debra Goodall  | ● Open | 6        | 6        | 🔗 ▼ |
| COR0009                  | BROMSGROVE DC Being placed into special measures due to quality of planning application decisions                          | Ruth Bamford | Ruth Bamford   | ● Open | 9        |          | 🔗   |
| COR0010                  | Delivery of Levelling Up, Towns Fund, UK SPF Initiatives   | Rachel Egan  | Debra Goodall  | ● Open | 12       | 12       | 🔗 ▼ |
| COR0011                  | Cost of Living Crisis  | Bob Watson   | Debra Goodall  | ● Open | 16       | 12       | 🔗 ▼ |
| COR0012                  | New Customer Facing Interface  | Bob Watson   | Mark Hanwell   | ● Open | 16       | 16       | 🔗 ▼ |
| COR0013                  | Environment Act 2021   | Simon Parry  | Matthew Austin | ● Open | 16       | 16       | 🔗 ▼ |
| COR0014                  | Devolution & LGR   | John Leach   | Bob Watson     | ● Open | 20       |          | 🔗 ▼ |

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee****24 July 2025**

Risk Matrix – before mitigation

|                          |                    |                       |                      |                                   |                     |
|--------------------------|--------------------|-----------------------|----------------------|-----------------------------------|---------------------|
| 5<br>Major               | Medium (5)         | Medium (10)           | Medium (15)          | High (20)<br>R3, R6               | High (25)           |
| 4<br>Serious             | Low (4)            | Medium (8)            | Medium (12)<br>R1    | High (16)<br>R2, R11,<br>R12, R13 | High (20)<br>R14    |
| 3<br>Significant         | Low (3)            | Low (6)<br>R4, R5, R8 | Medium (9)<br>R7, R9 | Medium (12)<br>R10                | Medium (15)         |
| 2<br>Minor               | Low (2)            | Low (4)               | Low (6)              | Medium (8)                        | Medium (10)         |
| 1<br>Insignificant       | Low(1)             | Low (2)               | Low (3)              | Low (4)                           | Medium (5)          |
| Impact ↑<br>Likelihood → | 1<br>Very unlikely | 2<br>Unlikely         | 3<br>Likely          | 4<br>Very likely                  | 5<br>Almost certain |



Risk Matrix – after mitigation

|                          |                    |                                      |                             |                                      |                         |
|--------------------------|--------------------|--------------------------------------|-----------------------------|--------------------------------------|-------------------------|
| 5<br>Major               | Medium (5)         | Medium (10)                          | Medium (15)                 | High (20)<br><b>R6</b>               | High (25)               |
| 4<br>Serious             | Low (4)            | Medium (8)                           | Medium (12)<br><b>R7</b>    | High (16)<br><b>R3, R12,<br/>R13</b> | High (20)<br><b>R14</b> |
| 3<br>Significant         | Low (3)            | Low (6)<br><b>R2, R4, R5,<br/>R8</b> | Medium (9)<br><b>R1, R9</b> | Medium (12)<br><b>R10, R11</b>       | Medium (15)             |
| 2<br>Minor               | Low (2)            | Low (4)                              | Low (6)                     | Medium (8)                           | Medium (10)             |
| 1 Insignificant          | Low(1)             | Low (2)                              | Low (3)                     | Low (4)                              | Medium (5)              |
| Impact ↑<br>Likelihood → | 1<br>Very unlikely | 2<br>Unlikely                        | 3<br>Likely                 | 4<br>Very likely                     | 5<br>Almost certain     |

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee****24 July 2025****Service (departmental) Risks**

3.7 There are 47 service risks identified on the '4Risk' system; these are summarised in the following table:

| <b>Service Area</b>              | <b>Red following mitigation</b> | <b>Amber following mitigation</b> | <b>Green following mitigation</b> | <b>Total number of risks</b> |
|----------------------------------|---------------------------------|-----------------------------------|-----------------------------------|------------------------------|
| Customer Services                |                                 | 1                                 |                                   | 1                            |
| Revenues                         | 1                               | 2                                 | 1                                 | 4                            |
| Benefits                         |                                 | 1                                 | 3                                 | 4                            |
| Finance                          |                                 | 2                                 | 1                                 | 3                            |
| Environmental Services           |                                 | 5                                 | 1                                 | 6                            |
| Leisure & Cultural Services      |                                 | 1                                 |                                   | 1                            |
| Regeneration & Property Services |                                 | 3                                 | 2                                 | 5                            |
| ICT                              |                                 | 2                                 |                                   | 2                            |
| Planning                         |                                 | 1                                 |                                   | 1                            |
| Housing                          |                                 | 9                                 | 7                                 | 16                           |
| Community Services               |                                 | 1                                 | 2                                 | 3                            |
| HR                               |                                 |                                   | 1                                 | 1                            |
| <b>Total departmental risks</b>  | <b>1</b>                        | <b>28</b>                         | <b>18</b>                         | <b>47</b>                    |

3.8 Details of all risks are on the new '4Risk' system, and access can be given on request from Sarah Carroll ([sarah.carroll@bromsgroveandredditch.gov.uk](mailto:sarah.carroll@bromsgroveandredditch.gov.uk))

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee****24 July 2025****Insurance**

- 3.9 The Councils successfully renewed the insurance contracts last month (June). The Council is now running a year after other Worcestershire Councils who renewed last financial year. Insurers are now requesting significantly more detail and there was a great deal of effort put in by the insurance officer and her team to get data to the required standard. This issue highlighted a deficiency in property data capture – which links to the Corporate Customer Risk linked to data.

**The Risk Management Framework**

- 3.10 Risk Management Training. There remains a 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 Effective risk identification, and management of those risks, is integral to the delivery of effective and efficient services to residents and businesses. Risk impacts can be both financial and reputational.
- 5.2 The Council spends 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.

**7. Other Implications****Customer / Equalities and Diversity Implications**

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee****24 July 2025**

- 7.1 If risks are not mitigated it can lead to events that could 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.

Governance implications

- 7.3 The Corporate Risk Management Officer Group is chaired by the Council's Senior Information Risk Officer (SIRO) who is the Deputy Chief Executive and Chief Finance Officer. The group is made up of the key heads of service and meet quarterly to review the register. The risk register is reported to both the Senior Leadership Team and the Corporate Leadership Team every three months and/or additionally when a new risk is identified or a risk rating has fundamentally changed.

**8. Risk Management**

- 8.1 The Corporate Risk Register includes high level risks. Each risk is rated between 1 and 5 as to how likely it is to occur and also between 1 and 5 as to the potential financial and/or reputational impact. The product of these two numbers gives the initial rating. Mitigation is then put in place to help reduce the risk rating.

**9. APPENDICES**

Appendix 1 – Minutes of Corporate Risk Management Officer Group – 27 June 2025

**AUTHOR OF REPORT**

Name: Bob Watson, Deputy Chief Executive and Chief Finance Officer  
E Mail: [bob.watson@bromsgroveandredditch.gov.uk](mailto:bob.watson@bromsgroveandredditch.gov.uk)

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee****24 July 2025****Appendix 1****Corporate Risk Management Officer Group****Meeting****27<sup>th</sup> June 2025**

| <b>Risk</b>   | <b>Notes</b>   |
|---|--|
| <b>Corporate</b>  |  |
| <b>Non Compliance with Health and Safety Legislation</b>  | <b>No Change</b>   |
| <b>Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence</b> | <b>No Change</b>   |
| <b>Non adherence with Statutory Inspection Policy</b>   | <b>No Change</b>   |
| <b>Management of Contracts</b>  | <b>No Change – Bob &amp; Claire to discuss</b>   |
| <b>Resolution of the Approved Budget Position</b>   | <b>No Change – Bob &amp; Deb to discuss</b>  |
| <b>Protection from Cyber Attack</b>   | <b>No Change</b>   |
| <b>Adequate Workforce Planning</b>  | <b>A discussion took place as to whether this could reduce due to embedding in service planning.</b>   |
| <b>Financial Position Rectification</b>   | <b>No Change – Accounts 24/25 are being published and budget books have been created.</b>  |
| <b>BROMSGROVE DC Being placed into special measures due to quality of planning application decisions</b>                          | <b>Update - Applications which may be the subject of a refusal are presented to Managers/Assistant Director as an additional level of scrutiny</b><br><br><b>Managers support maintaining a good turnover of major applications, so as to provide a stable numerical base</b><br><b>Managers continue to closely monitor appeal decisions</b><br><b>planning committee members are now provided with performance information via</b> |

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee****24 July 2025**

| <b>Risk</b>   | <b>Notes</b>  |
|---|---|
|   | a report at Committee. This is done on a quarterly basis.           |
| <b>Delivery of Levelling Up, Towns Fund, UK SPF Initiatives</b> | Jane Berry to look at mitigations.                                  |
| <b>Cost of Living Crisis</b>                                    | Risk to be updated due to funding.                                  |
| <b>New Customer Facing Interface</b>                            | No Change   |
| <b>Environment Act 2021</b>                                     | The main risk is financial as the funding is unknown for new costs. |
| <b>Devolution &amp; LGR</b>                                     | The risk was updated to include LGR.                                |
| <b>New CX &amp; Deputy CX</b>                                   | To be closed.   |

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee****24 July 2025****Service Risks**

| <b>Risk</b>  | <b>Notes</b>   |
|--|--|
| <b>Customer Services</b>   |  |
| <b>Non Compliance RBC/BDC Fail to ensure the adequate security arrangements for Customer Service Centres</b> | <b>No Change</b>   |
| <b>Benefits</b>  |  |
| <b>Fail to effectively resource the service to meet demands</b>  | <b>No Change</b>   |
| <b>Impact of Welfare Reform Act</b>  | <b>No Change</b>   |
| <b>Impact of ELF scheme</b>  | <b>No Change – This may need to be reviewed and look at criteria of funding.</b> |
| <b>Benefits subsidy</b>  | <b>No Change</b>   |
| <b>Revenues</b>  |  |
| <b>Performance Information data is not robust</b>  | <b>No Change</b>   |
| <b>Reduced collection rates</b>  | <b>No Change</b>   |
| <b>Failure of corporate Fraud and Compliance team</b>  | <b>No Change</b>   |
| <b>Data Compliance</b>   | <b>No Change</b>   |
| <b>Finance</b>   |  |
| <b>Fail to provide adequate support to managers to manage their budgets</b>                                  | <b>Residual Risk to be reviewed.</b>   |
| <b>Fail to effectively manage high value procurements resulting in breach of EU procurement rules.</b>       | <b>Carmen to look at wording</b>   |
| <b>Purchasing Non Compliance</b>   | <b>No Change</b>   |
| <b>Environmental Services</b>  |  |
| <b>Fail to adequately maintain and manage car parking and On Street enforcement</b>                          | <b>This risk will be transferred to Regeneration &amp; Property Services.</b>    |
| <b>Avoidable damage to fleet arising from staff behaviour and non-compliance</b>                             | <b>No Change</b>   |
| <b>Fail to ensure adequate Health &amp; Safety across the service</b>  | <b>No Change</b>   |

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee****24 July 2025**

| <b>Risk</b>  | <b>Notes</b>  |
|--|---|
| <b>Workforce planning</b>  | <b>No Change</b>  |
| <b>Risk</b>  | <b>Notes</b>  |
| <b>PDMS - New Environmental database</b>   | <b>No Change</b>  |
| <b>Environmental Enforcement</b>   | <b>This risk will be monitored for 12 months.</b>   |
| <b>Fail to ensure the health &amp; safety of the Public / Staff and visitors using services (meeting regulatory requirements)</b>    | <b>No Change</b>  |
| <b>Regeneration &amp; Property Services</b>  |   |
| <b>Failure to ensure that Council Owned buildings, Property Assets and Facilities remain fit for purpose now and for the future.</b> | <b>No Change</b>  |
| <b>Fail to effectively manage property assets</b>  | <b>No Change</b>  |
| <b>Fail to optimise the income from Commercial properties</b>  | <b>No Change</b>  |
| <b>Fail to effectively manage the disposal of assets as part of asset disposal programme</b>   | <b>No Change</b>  |
| <b>Bromsgrove Leisure Contract</b>   | <b>No Change</b>  |
| <b>ICT</b>   |   |
| <b>Failure to identify, maintain and test adequate disaster recovery arrangements</b>  | <b>No Change</b>  |
| <b>Members and Data protection Training</b>  | <b>No Change</b>  |
| <b>Planning</b>  |   |
| <b>Loss of effective Building Control service due to changes in legislation / Hackett / Grenfell</b>                                 | <b>Building Control has now concluded an audit with the Gov Regulator. Certain recommendations relate to the effective monitoring of staff competency. This will result in controls being added to this</b> |



**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee****24 July 2025**

| <b>Risk</b>  | <b>Notes</b>                                 |
|--|--|
|  | current risk once approved by the regulator. |
| <b>Housing</b>   |  |
| Fail to effectively manage housing repairs and maintenance   | No Change                                    |
| Fail to manage impact of increasing homelessness cases and Recruitment challenges                              | No Change                                    |
| <b>Risk</b>  | <b>Notes</b>                                 |
| Inability to collect rent and rent arrears   | No Change                                    |
| Fail to effectively management leaseholder properties  | No Change                                    |
| Fail to effectively manage capital projects (also the right contracts are put in place, internal and external) | No Change                                    |
| Potential for an increase in right buys  | No Change                                    |
| Failure to Achieve CQC Compliance at St Davids House   | No Change                                    |
| Failure to complete annual gas Safety Inspections  | No Change                                    |
| Risk of legionella in housing with communal facilities   | No Change                                    |
| Housing Revenue Account  | No Change                                    |
| Failure to comply with Charter for Social Housing and the Regulator  | No Change                                    |
| Non compliance with Asbestos Regulations   | No Change                                    |
| Non compliance with Regulatory Reform (Fire Safety) Order 2005 - Blocks of flats and communal entrances        | No Change                                    |
| Failure to comply with IEE regulations   | No Change                                    |
| Damp and Mould In Council Housing  |  |
| Passenger Lifts  | No Change                                    |
|  |  |

**REDDITCH BOROUGH COUNCIL****Audit, Governance and Standards Committee****24 July 2025**

| <b>Risk</b>  | <b>Notes</b>         |
|--|----------------------|
| <b>Community Services</b>  |                      |
| <b>Safeguarding - Inadequate child and adult protection systems/process.</b> | <b>No Change</b>     |
| <b>Starting Well Partnership – underperformance of contract</b>              | <b>To be closed.</b> |
| <b>Social Prescribing – underperformance of contract</b>                     | <b>To be closed.</b> |
| <b>HR</b>  |                      |
| <b>Fail to monitor and respond to changes in employment legislation</b>      | <b>No Change</b>     |

**Possible New Risks**

Insurance for Property – Julie Heyes

Climate Change – Matthew Eccles

**Actions**

1. Sarah to look at the hierarchy of the service areas
2. All to look at how the system is and feedback at the next meeting
3. Training to be arranged for all system users

**Any Other Business**

Nothing to report.

**REDDITCH BOROUGH COUNCIL****AUDIT, GOVERNANCE AND STANDARDS COMMITTEE –  
WORK PROGRAMME 2025-26**

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**24<sup>th</sup> July 2025**

## Standing items:

- Monitoring Officer's Report – Standards Regime
- Feckenham Parish Council Representative's report - Standards Regime
- External Audit Onboarding Update
- Financial Compliance Report
- Financial Savings Monitoring Report
- Risk Management Report (Q1 2025-26)
- Committee Work Programme

## Additional Items:

- Annual Update Report on Regulation of Investigatory Powers Act 2000 (RIPA)
- Localism Act 2011 – Standards Regime - Dispensations
- Internal Audit Annual Report and Audit Opinion 2024-25
- Internal Audit Plan 2025-26
- Annual Appointment of Risk Champion

**23<sup>rd</sup> October 2025**

## Standing items:

- Monitoring Officer's Report – Standards Regime
- Feckenham Parish Council Representative's report - Standards Regime
- External Audit Update Report
- Internal Audit Progress Update
- Financial Compliance Report
- Financial Savings Monitoring Report
- Risk Management Report (Q2 2025-26)
- Risk Champion Update
- Committee Work Programme

## Additional Items:

- Annual Review Letter of Local Government and Social Care Ombudsman

**REDDITCH BOROUGH COUNCIL****AUDIT, GOVERNANCE AND STANDARDS COMMITTEE –  
WORK PROGRAMME 2025-26**

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**20<sup>th</sup> January 2026**

## Standing items:

- Monitoring Officer's Report – Standards Regime
- Feckenham Parish Council Representative's report - Standards Regime
- External Audit Update Report
- Internal Audit Progress Update
- Financial Compliance Report
- Financial Savings Monitoring Report
- Risk Management Report (Q3 2025-26)
- Risk Champion Update
- Committee Work Programme

## Additional Items:

- Capital Strategy 2025-26 including Treasury Management Strategy

**9<sup>th</sup> April 2026**

## Standing items:

- Monitoring Officer's Report – Standards Regime
- Feckenham Parish Council Representative's report - Standards Regime
- External Audit Update Report
- Internal Audit Progress Update
- Financial Compliance Report
- Financial Savings Monitoring Report
- Risk Management Report (Q4 2025-26)
- Risk Champion Update
- Committee Work Programme

## Additional Items: