



**DARLINGTON**  
Borough Council

# Audit Committee Agenda

10.00 am

Wednesday, 29 September 2021

Committee Room No. 2, Town Hall, Darlington. DL1 5QT

**Members of the Public are welcome to attend this Meeting.**

1. Introductions/Attendance at Meeting
2. Declarations of Interest
3. To approve the Minutes of this Committee held on 28 July 2021 (Pages 3 - 8)
4. ICT Strategy - Implementation Progress Report –  
Report of the Assistant Director, Xentrall Shared Services  
(Pages 9 - 12)
5. Information Governance Programme Progress Report –  
Report of the Group Director of Operations  
(Pages 13 - 20)
6. Mid Year Prudential Indicators and Treasury Management Monitoring Report 2020/21 –  
Report of the Group Director of Operations  
(Pages 21 - 36)
7. Audit Services - Activity Report –  
Report of the Audit and Risk Manager  
(Pages 37 - 58)
8. Anti-Fraud and Corruption Strategy 2021/22 –  
Report of the Audit and Risk Manager  
(Pages 59 - 72)

9. Ethical Governance and Member Standards - Update Report –  
Report of the Assistant Director, Law and Governance Monitoring Officer  
(Pages 73 - 82)
10. The Local Government Association Model Code of Conduct –  
Report of the Assistant Director, Law and Governance Monitoring Officer  
(Pages 83 - 114)
11. SUPPLEMENTARY ITEM(S) (if any) which in the opinion of the Chair of this Committee are  
of an urgent nature and can be discussed at this meeting
12. Questions



**Luke Swinhoe**  
**Assistant Director Law and Governance**

**Tuesday, 21 September 2021**

**Town Hall**  
**Darlington.**

**Membership**

Councillors Baldwin, Bartch, Crudass, Lee, McEwan and Paley

If you need this information in a different language or format or you have any other queries on this agenda please contact Allison Hill, Democratic Officer, Operations Group, during normal office hours 8.30 a.m. to 4.45 p.m. Mondays to Thursdays and 8.30 a.m. to 4.15 p.m. Fridays E-Mail : [Allison.hill@darlington.gov.uk](mailto:Allison.hill@darlington.gov.uk) or telephone 01325 405997

**AUDIT COMMITTEE**  
Wednesday, 28 July 2021

**PRESENT** – Councillors Baldwin, Bartch, Crudass, Lee and McEwan

**APOLOGIES** – Councillor Paley

**OFFICERS IN ATTENDANCE** – Peter Carrick (Finance Manager Central/Treasury Management), Luke Swinhoe (Assistant Director Law and Governance), Seth Pearson (Partnership Director), Andrew Barber (Audit and Risk Manager, Stockton Borough Council) and Allison Hill (Democratic Officer)

**A1 APPOINTMENT OF CHAIR FOR THE MUNICIPAL YEAR 2021/22**

**RESOLVED** – That Councillor Lee be appointed Chair of this Audit Committee for the Municipal Year 2021/22.

**A2 APPOINTMENT OF VICE CHAIR FOR THE MUNICIPAL YEAR 2021/22**

**RESOLVED** – That Councillor Crudass be appointed Vice Chair of this Audit Committee for the Municipal Year 2021/22.

**A3 DECLARATIONS OF INTEREST**

There were no declarations of interest reported at the meeting.

**A4 TO CONSIDER TIMES OF MEETINGS OF THIS COMMITTEE FOR THE MUNICIPAL YEAR 2021/22 ON THE DATES AGREED IN THE CALENDAR BY CABINET AT MINUTE C97/FEB/21**

**RESOLVED** – That meetings of this Audit Committee be held at 10.00 a.m. for the remainder of the Municipal Year 2021/22.

**A5 MINUTES**

Submitted – The Minutes (previously circulated) of the meetings of this Audit Committee held on 21 April 2021.

**RESOLVED** – That the Minutes of the Audit Committee held on 21 April 2021 be approved as a correct record.

**A6 ANNUAL REVIEW OF SIGNIFICANT PARTNERSHIPS 2020/21**

The Chief Executive submitted a report (previously circulated) presenting the outcome of the annual review of significant partnerships to enable this Committee to consider the partnerships that the Council was involved with and to ensure that they had adequate governance arrangements in place.

It was reported that, through the principles of the partnership toolkit, the Council had an established approach to monitoring the significant partnerships it was involved with and, as a

result, there were good governance arrangements in place for these partnerships and that they were delivering well against their objectives.

It was also reported that the toolkit had been effective in identifying high level concerns of the significant partnerships and the pandemic introduced urgent priorities for a number of the Partnership which in the case of the 11 to 19 partnership needed to take precedence over attending to governance actions. However, lead officers had not reported any divergence from established governance procedures.

The Chair confirmed that it was the role of the Audit Committee to monitor the work of the partnership.

**RESOLVED** – That the review of significant partnerships be endorsed and the actions being taken to address outstanding issues be noted

#### **A7 ANNUAL RISK MANAGEMENT REPORT 2020/21**

The Chief Executive submitted a report (previously circulated) to update Members on the approach to and outcomes from the Council's Risk Management processes.

It was noted that positive progress continued to be made within the Authority regarding the management of key strategic risks and with the work undertaken by Officers to manage operational risk.

Particularly discussion ensued on the risks identified as above the risk appetite line in Corporate Risk in relation to Covid-19; Children and Adults Services; and Economic Growth and Neighbourhood Services

It was also reported that in relation to Operational Risk Outcomes the Insurance Group continues to meet representatives of the Council's insurers to examine insurance claims who are able to provide the group with an update in relation to trends and operational risks to enable continuous improvement to the health and safety culture within the organisation.

The Chair requested more information on a new risk identified in relation to additional funding provided by MHCLG for homelessness services and questioned if this had been received, how much and if this was sufficient for the authority's needs.

The Chair also raised a question on an area highlighted to watch in the coming year of Musculoskeletal absence from employees working from home and asked what was available for Members who were also spending more time using IT equipment.

**RESOLVED** – That the submitted report be noted.

#### **A8 MANAGERS' ASSURANCE STATEMENTS**

The Group Director of Operations submitted a report (previously circulated) advising Members of the outcome of the 2020/21 Managers' Assurance Statements (MAS).

It was reported that the MAS was a key element of the Council's corporate governance

arrangements and, based on the 2020/21 returns, had identified an overall positive position.

It was also reported that although no common improvement themes had been highlighted in the 2020/21 returns a number of improvements to process /controls were identified and these matters will be progressed by Assistant Directors during 2021/22.

**RESOLVED** – That the report be noted.

#### **A9 FINAL ACCOUNTS UPDATE FOR THE YEAR ENDED 31 MARCH 2021**

The Group Director of Operations submitted a report (previously circulated) to provide Members with an update on the situation with regards to the Council's Annual Statement of Accounts (SoA) and Annual Governance Statement (AGS) for 2020/21.

It was reported that due to the ongoing Covid 19 pandemic the Accounts and Audit (Amendment) Regulations 2021 had been issued to update the statutory deadlines for publication of annual accounts. Whereas the original date for publication (and approval) was 31 July 2021 this had now been amended to 30 September 2021 as was mentioned in a report on the Redmond review to this Committee on 27 January 2021.

It was further reported that the unaudited SoA and AGS will be on the website by 31 July 2021, the external auditors Ernst and Young (EY) had informed the authority that they will not be in a position to deliver the audit by 30 September 2021 and will look to perform the audit throughout October and early November. An open letter to Chief Finance Officers and Audit Committee Chairs setting out the national stance of EY and the circumstances and background behind the position taken was also submitted with the report.

Members agreed to arrange a meeting with EY in September to provide an opportunity to raise any questions Members may have on the Audit.

**RESOLVED** – (a) That the position be noted.

(b) That, with the approval of the Chair, a special meeting of this Audit Committee be arranged in December 2021 to ensure the SoA and AGS is approved as quickly as possible.

#### **A10 EXTERNAL AUDIT PLAN 2020/21**

The Group Director of Operations submitted a report (previously circulated) together with a copy of the 2020/21 External Audit Planning Report (also previously circulated) which had been prepared by the Council's appointed external auditors, Ernst and Young (EY).

**RESOLVED** – That the External Audit Plan for 2020/21 be noted.

#### **A11 INTERNAL AUDIT ACTIVITY 2020/21**

The Audit and Risk Manager submitted a report (previously circulated) to provide Members with a progress report of activity and proposed activity for the next period.

The submitted report outlined progress to date on audit assignment work, consultancy/contingency activity and highlighted the change in approach from traditional audit assignments to individual control testing and reporting and the different approach in terms of reporting on activity to be developed further in the coming months; and the move away from annual audit planning to quarterly planning to enable the service to respond more effectively to the changing risk environment.

Also previously circulated was detailed feedback on the performance of the service and the position in relation to completion of audit work.

**RESOLVED** – That the activity be noted.

## **A12 INTERNAL AUDIT ANNUAL REPORT AND OPINION**

The Audit and Risk Manager submitted a report (previously circulated) to provide Members with the annual report of the testing undertaken in the previous 12 months in accordance with Audit Services' role and terms of reference.

The submitted report outlined progress to date on audit assignment work, consultancy/contingency activity and performance indicators; and in relation to Audit Services' and highlighted that all agreed work had been completed.

It was reported that the shared service was a new service beginning 1 April 2017 and brought together two teams from different organisations as well as a new approach to delivering the audit opinion.

It was also reported that the Annual Report should be considered in the context of fulfilling the function to monitor the adequacy and effectiveness of the Council's internal control environment and the Internal Audit service provided.

**RESOLVED** – That the annual report of the results of testing during the previous 12 months and the overall opinion statement be noted.

## **A13 TREASURY MANAGEMENT OUTTURN AND PRUDENTIAL INDICATORS 2020/21**

The Group Director of Operations submitted a report (previously circulated) to provide important information regarding the regulation and management of the Council's borrowing, investments and cash-flow, as a requirement of the Council's reporting procedures and outlined treasury activity for 2020/21.

The report also sought Members approval of the Prudential Indicators for 2020/21 in accordance with the Prudential Code.

It was reported that the financial year 2020/21 was an unprecedented year with regard to treasury management due to the ongoing Covid-19 pandemic. Cost of borrowing remained low throughout 2020/21 and due to the Covid-19 pandemic the cost of shorter term borrowing was anticipated to remain low for a number of years in the future. However, as Members are aware due to the recent low returns for cash investments new ways to improve investment returns are continually being sought.

The submitted report summarised the capital expenditure and financing for 2020/21; the Council's underlying borrowing need; the Treasury position as at 31 March 2021; prudential indicators and compliance issues; the economic background for 2020/21; a summary of the Treasury Management Strategy agreed for 2020/21; and performance and risk benchmarking.

It was also reported that the Council's treasury management activity during 2020/21 had been carried out in accordance with the Council policy and within legal limits; financing costs had been reduced during the year and a saving of £0.265m had been achieved from the original Medium-Term Financial Plan.

**RESOLVED** – (a) That the outturn 2020/21 Prudential Indicators within the submitted report and those in Appendix 1 be noted.

(b) That the Treasury Management Annual Report for 2020/21 be noted.

(c) That the submitted report be forwarded to Cabinet and Council in order for the 2020/21 Prudential Indicators to be noted.

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**AUDIT COMMITTEE  
29 SEPTEMBER 2021**

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**ICT STRATEGY – IMPLEMENTATION PROGRESS REPORT**

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**SUMMARY REPORT**

**Purpose of the Report**

1. The Chief Officer's Board (COB) is required to report six-monthly to the Audit Committee on progress in relation to the implementation of the ICT Strategy.

**Summary**

2. The current ICT Strategy focusses on three strategic priorities:
  - (a) ICT Governance and Service Development
  - (b) ICT Strategic Architecture
  - (c) Council Service Development and Transformation
3. This report summarises progress on the main activities within each of these priorities.

**Recommendation**

4. It is recommended that progress on the implementation of the ICT Strategy be noted.

**Reasons**

5. The recommendation is supported to provide the Audit Committee with evidence to reflect on progress in delivery of the Council's ICT Strategy.

**Ian Miles  
Assistant Director – Xentrall Shared Services**

**Background Papers**

Darlington ICT Strategy 2017

Ian Miles – Extension 157012

S17 Crime and Disorder	There is no specific crime and disorder impact.
Health and Well Being	There is no specific health and well-being impact.
Carbon Impact and Climate Change	Some of the initiatives contained within ICT Strategy will help contribute towards the carbon reduction commitments.
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally.
Budget and Policy Framework	Financial implications will be considered in the Medium-Term Financial Plan. This report does not affect the policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
Council Plan	The ICT strategy supports the business of the Council in delivering the Council Plan
Efficiency	There will be efficiency savings generated as a result of implementing the ICT Strategy. The introduction of new technology is key to providing efficiency savings within Council services.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

## MAIN REPORT

6. Progress on the themes of the ICT Strategy are described below. The strategy itself is to be reviewed.

### ICT Governance and ICT Service Development

7. The Systems and Information Governance Group (which is the Chief Officers Board of Assistant Directors but chaired by the Group Director of Operations) undertakes an ICT Strategy monitoring role as well as overseeing and approving the ICT Work Plan, which covers all service based and corporate ICT projects. As well as this forum, updates on major ICT projects are also given to the Group Director of Operations and to the meetings of the Xentrall Executive Board on which she sits.
8. In terms of ICT service development and related to the two ISO certifications ICT hold for Information Security and Quality Management Systems, all ICT service improvement activities are identified in the ICT Service Improvement Programme and this continues to be managed and monitored by the ICT Management Team, supported by the ICT Security & Process Excellence Officer. This group reviews the progress and priorities of this extensive and continual programme which is resourced through a combination of business-as-usual activities and planned projects within ICT. The majority of these activities relate to internal ICT procedures and standards which ultimately deliver improvements to the services ICT users receive.

### ICT Strategic Architecture

9. Progress has been made on a large number of significant architecture projects during the last six months, many of which take place behind the scenes. Notable projects have included:
  - (a) Further upgrades to the Council's security and protection systems, including the system which applies security patches to all servers.
  - (b) Completed a review and procurement to upgrade our existing virtual servers and storage resulting in increased capacity and storage, taking us to 2024/25.
  - (c) Planning improvements to our disaster recovery site at Stockton based upon the freeing up of some servers from the upgrade at the main Darlington site (as above).
  - (d) Reviewed and renewed contracts for our on-site backup platform and also deployed a cloud-to-cloud off-site backup solution.
  - (e) Procured and installed new UPS batteries at the main Darlington data centre which removes the risk of "brown-outs" and supports the starting of the generator in "black-outs".
  - (f) Completed the upgrade of wireless infrastructure at remote sites which had been initially delayed due to the pandemic and difficulties with site access.

- (g) Continued developments surrounding the migration and deployment of the Microsoft Office 365 suite of systems and associated platform across the Council. Currently this is focussing on the file management aspects of Teams.

### **Council Service Development and Transformation**

10. The service-based Information & Systems Strategies inform the ICT Work Plan, and this drives customer projects within the ICT service. As well as the management and monitoring of individual projects, the overall ICT Work Plan is monitored on a monthly cycle at the Systems and Information Governance Group (as described in paragraph 7 above). These ICT projects underpin many of the Council's business change activities.
11. As well as some of the central ICT architecture projects listed above, a further nine service specific projects have been completed since the last progress report to this committee. These have included various system upgrades, plus:
  - (a) Streetscene Replacement Refuse Equipment Request Management – An in-house development to support the fulfilment of requests from residents for refuse & recycling equipment. The solution has been developed in such a way that other services could be brought on board by DBC services with little input from ICT Services.
  - (b) Customer Services Telephony Review - A replacement of the telephony system used by both Darlington & Stockton Customer Services and the ICT Service Desk, resulting in an improved suite of customer engagement and intelligent automation solutions which makes it easier to manage and progress calls from members of the public.
  - (c) Qmatic Appointment Module Implementation - Additional module to the existing Qmatic system to allow members of the public to book appointments with the Council and receive text/email reminders and support contactless queue ticketing.
12. As part of the Microsoft Office 365 roll-out and the features this brings, ICT have been working with the Council's Information Governance Manager to review existing record management practices and the identification of improved methods through the exploitation of features within Office 365. The migration of user files and folders to OneDrive is now complete and Microsoft Teams sites have been trialled with the Web, Systems and Information Governance teams and are now being rolled out to Democratic and Transport teams.
13. Xentrall ICT are continuing to support the Council during the pandemic as services continue to work in an office/home hybrid situation and assistance will be given to any recovery planning and activities which take place.

### **Outcome of Consultation**

14. There has been no formal consultation in the preparation of this report.

**AUDIT COMMITTEE  
29 September 2021**

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**INFORMATION GOVERNANCE PROGRAMME PROGRESS REPORT**

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**SUMMARY REPORT**

**Purpose of the Report**

1. The Systems and Information Governance Group (SIGG) is required to report six monthly to the Audit Committee on progress and planned developments of the information governance programme.

**Summary**

2. The ongoing delivery of our information governance programme continues to provide the assurance required to reduce our information risks to an acceptable level.
3. Ongoing work includes:
  - (a) Preparing for data protection after the EU Exit transition period ends.
  - (b) The Microsoft Office 365 Programme.
  - (c) NHS Data Security and Protection Toolkit.
  - (d) Review of the Council's Information Asset Register (IAR) and Privacy Notices.
  - (e) Provision of advice to ensure the Council's CCTV is compliant with the General Data Protection Regulations/Data Protection Act 2018 and the Protection of Freedoms Act 2012.
  - (f) Work to achieve our target for the completion of on-line mandatory information governance training courses.
4. The area of highest priority in the information governance programme is:
  - (a) Provision of advice to ensure the Council's CCTV is compliant with the General Data Protection Regulations/Data Protection Act 2018 and the Protection of Freedoms Act 2012.

**Recommendation**

5. It is recommended that progress on the implementation of the Information Governance Programme be noted.

## Reasons

6. To provide the Audit Committee with a status report on the delivery of the Council's Information Governance Programme.

**Elizabeth Davison**  
**Group Director of Operations**

Lee Downey, Complaints & Information Governance Manager: Extension 5451

## Background Papers

S17 Crime and Disorder	There is no specific crime and disorder impact.
Health and Well Being	There is no specific health and well being impact.
Carbon Impact	There is no specific carbon impact.
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally.
Budget and Policy Framework	This report does not recommend a change to the Council's budget or policy framework.
Key Decision	This is not a key decision.
Urgent Decision	For the purposes of the 'call-in' procedure this does not represent an urgent matter.
Corporate Plan	There is no specific relevance to the strategy beyond a reflection on the Council's governance arrangements.
Efficiency	Implementation of effective information governance systems and procedures has a positive impact on efficiency.
Impact on Looked After Children and Care Leavers	There is no specific impact on Looked After Children and Care Leavers.

## MAIN REPORT

### Background

7. Delivery of our information governance programme has provided the assurance required to reduce our information risks to an acceptable level. While that is the case it must be recognised that the data processing activities of the Council continually evolve and must be kept under review. The processes implemented by the Council include review mechanisms to ensure this takes place.

### Current Position

#### Preparing for data protection after the EU Exit transition period ends

8. On 15 October 2020 SIGG approved an action plan developed in response to the Government's guidance: Preparing for data protection after the EU Exit transition period ends: Guidance for Local Authorities. The action plan aimed to mitigate the impact of the UK not being granted an adequacy decision by the EU under the General Data Protection Regulation (GDPR) before 31 December 2020 and ensure data flows from the EU/EEA to the UK could legally continue. Work to implement the action plan was completed and the Council did not experience any adverse effects in relation to its processing of personal data as a result of Brexit. On 28 June 2021 the European Commission announced that adequacy decisions for the UK had been approved. Meaning the EU has determined the UK's data protection laws to be robust enough to ensure data can safely flow to the UK from the EU (and EEA).
9. A transfer of personal data outside the protection of the UK GDPR known as a restricted transfer, most often involves a transfer from the UK to another country. UK GDPR permits the transfer of personal data from UK to the EEA and to any countries which, as at 31 December 2020, were covered by a European Commission 'adequacy decision'. This is to be kept under review by the UK Government who have the power to make their own 'adequacy decisions' in relation to third countries and international organisations. In the UK regime these are now known as 'adequacy regulations'.
10. In the absence of adequacy regulations the Council can continue to rely, in part, on the current EU Standard Contractual Clauses (SCCs) which we can amend so they make sense in a UK context for restricted transfers. However, as a result of the European Court of Justice decision in the case of the Data Protection Commissioner v Facebook Ireland and Maximilian Schrems (called "Schrems II case") which invalidated the EU-US Privacy Shield and cast doubt over the extent transfers can be legitimised by the European Commission's SCC we have to make an assessment as to whether those SCCs provide protection which is 'essentially equivalent' to the protections in the UK data protection regime, and if necessary put in place additional measures. This assessment is complex in many situations. The Information Commissioner's Officer (ICO) intends to consult on and publish UK SCCs during 2021.

## **The Microsoft Office 365 Programme**

11. The Microsoft Office 365 Programme Team is comprised of the Systems Strategy and Development Manager, the Complaints and Information Governance Manager, the ICT Strategy and Performance Manager, the ICT Solutions Architects and the ICT Security and Assurance Team Leader and the End User Engagement Team and reports to SIGG. The Council has appointed a number of 365 Champions that will help and support staff through this transition to Microsoft 365.
12. To date the Programme has successfully migrates all Council employees home drives to One Drive. One Drive is a cloud storage solution that allows files to be held in one place so the user can access them from any device. It also makes it easier for officers to share and collaborate on documents. Xentrall ICT have produced and delivered a training video which will be made available via the intranet.
13. Following the Council embracing the use of Microsoft (MS) Teams to enable employees to work effectively from home during the early stages of the pandemic, the Programme is now seeing teams within the Council being migrated to a MS Teams structure. This will build on the success of the work to date and enable officers to access all of the functionality available within MS Teams. Again this will make it easier for officers to share and collaborate on documents and improve productivity. The Web Team, Complaints and Information Governance Team and the Systems and Process Team are now fully operational through a MS Teams interface having had all files migrated into a MS Teams structure. The user experience is being developed for each team that moves over.
14. The Transport Team, Democratic Services and HR Policy and Strategy Team will be the next teams to migrate. Help and support is being provided through the 365 Champions and the End User Engagement Team from Xentrall. Frequently asked questions and learning points from each migration are being shared on a Yammer (internal social network) site which those teams that have migrated to MS Teams can access and contribute to directly from within their MS Teams interface.
15. One Drive, Teams and Yammer are just three of the numerous applications in the 365 suite that offer new skills, ways of working and potential efficiencies to the organisation that Programme Team will continue to explore and roll out through the 365 Programme.

## **NHS Data Security and Protection Toolkit**

16. The Data Security and Protection Toolkit replaced the previous Information Governance toolkit in April 2018. It is an online self-assessment tool that enables organisations to measure and publish their performance against the National Data Guardian's ten data security standards. All organisations that have access to NHS patient data and systems must use this toolkit to provide assurance that they are practising good data security and that personal information is handled correctly.



17. While the most pressing need to access NHS patient data and systems was in relation to Special Educational Needs Commissioning other areas of the Council can now benefit from the Council's corporate submission which was completed on 30 June 2021.

### **Review of the Council's Information Asset Register (IAR) and Privacy Notices**

18. Having compiled a record of the Council's processing activities i.e. an IAR in accordance with Article 30 of the General Data Protection Regulations (GDPR) the Council is continuing to review of the IAR and associated privacy notices.
19. It is the Council's is working to broaden the scope of the IAR to ensure that all of the data the Council holds, not just personal data, is recorded so that it can be properly governed. This review will also be essential in realising the efficiencies the Council can achieve by rolling out the functionality available within the Microsoft Office 365 suite.

### **CCTV**

20. The Council is committed to operating its public space surveillance camera equipment in full compliance with the regulatory framework that governs its use. In order to demonstrate this commitment the Data Protection Officer (DPO) in his role as the Senior Responsible Officer for CCTV (SRO) and the CCTV & Security Control Centre Manager in his role as the Single Point of Contact (SPOC) have established a Strategic Code of Practice for Public Space Surveillance Camera Equipment (The Code).
21. Every scheme manager is responsible for ensuring they manage their public space surveillance camera scheme in full compliance with the Code of Practice. In order to demonstrate their schemes compliance, scheme managers are required to complete the documents contained in the Code Assessment Pack (CAP) on an annual basis. As part of the roll out of the functionality available within the Microsoft Office 365 suite the Council has created a functional Microsoft (MS) Team to facilitate the completion of the CAP.
22. Progress continues to be made by scheme managers in completing the CAP and as of quarter 3 Internal Audit will start to audit compliance with the governance arrangements in place. The findings will be reported to Audit Committee and the results of the CAP will also be reported to Scrutiny.
23. The Code may require an update pending the outcome of the ongoing Government consultation on revisions to the Surveillance camera code of practice. The revisions reflect changes in legislation, in particular UK GDPR and the Data Protection Act 2018 and the Court of Appeal's decision in the Bridges v South Wales Police (SWP) facial recognition case.

### **Training and awareness**

24. Internal Audit identified an issue with the figures reported in terms of completion rates i.e. that the figures provided are obtained from Academy 10 and do not include those employees who do not have access to a computer to complete the training.

25. While non-IT users are less likely to process personal data, Internal Audit recommended the figures should include completion rates for non-IT users. HR has contacted the managers responsible for those staff who do not have access to a computer and asked for both the Data Protection 2018 and Social Media modules to be prioritised.
26. The revised table in Appendix 1 shows the position at 20 September 2021 with regard to the completion of the mandatory on-line information governance courses for IT and where applicable, non-IT users. Completion rates of over 95% for the courses remains the Council's target and represents an acceptable level of take up which must be maintained.
27. The target has been met by Operations Group in relation to all three modules. While the Council has not met its overall target, it is worth noting the new Social Media policy was launched in April 2020 and the new Employees Guide to Information Security in March 2021, during the pandemic. Since the last report, compliance in relation to the Employees Guide to Information Security has increased among IT users/overall to 69.47% from 32.81%. Compliance in relation to the new Social Media policy has also improved among IT users from 69.38% to 81.98% and amongst non IT users from 27.84% to 37%. Compliance in relation to the DPA 2018 has reduced from 91.02% to 91.87% for IT users and from 33.59% to 33.81% for non IT users. The Council is considering writing a specific DPA 2018 tailored to the needs of non-IT users.
28. In order to drive up completing rates, in October the Council moved to the Traffic Light Facility in Academy 10. This dashboard enables managers to monitor real time progress against all essential modules. The facility also sends prompts in relation to outstanding modules. With regards to completion rates for non-IT users, this has been chased and reported to ADs, where appropriate, on a quarterly basis. The Council has also send out a number of communications via the Briefing in relation to this issue and Assistant Directors have sent out more targeted messages.

## **Conclusion**

29. The Council's information governance programme continues to address emerging issues, support compliance with data protection legislation and manage the Council's information risks to an acceptable level.

## **Outcome of Consultation**

30. No formal consultation was undertaken in production of this report.

## Appendix 1

20/09/2021	Employees Guide to Information Security - New module launched March 2021		Social Media - New Module launched April 2020		DPA 2018		Academy 10 Users - As at 20.09.21
	Comp	%	Comp	%	Comp	%	
<b>People Group</b>	<b>434</b>	<b>66.06</b>	<b>544</b>	<b>82.80</b>	<b>611</b>	<b>93.00</b>	<b>657</b>
Adult Services	139	78.53	157	88.70	166	93.79	177
Children's Services	108	41.38	185	70.88	237	90.80	261
Commissioning, Performance & Transformation	112	96.55	113	97.41	114	98.28	116
Educational Services	67	76.14	80	90.91	82	93.18	88
Public Health	8	57.14	9	64.29	11	78.57	14
<b>Services Group</b>	<b>188</b>	<b>53.56</b>	<b>243</b>	<b>69.23</b>	<b>280</b>	<b>79.77</b>	<b>351</b>
Community Services	144	52.17	185	67.03	212	76.81	276
Transport & Capital Projects	44	59.46	57	77.03	67	90.54	74
<b>Operations Group</b>	<b>333</b>	<b>95.42</b>	<b>339</b>	<b>97.13</b>	<b>345</b>	<b>98.85</b>	<b>349</b>
Housing & Revenues	180	97.83	183	99.46	184	100.00	184
Law & Governance	68	90.67	70	93.33	72	96.00	75
Resources	55	94.83	56	96.55	57	98.28	58
Strategy Performance & Communications	29	93.55	29	93.55	31	100.00	31
<b>Chief Executives &amp; Economic Growth</b>	<b>28</b>	<b>48.28</b>	<b>34</b>	<b>58.62</b>	<b>52</b>	<b>89.66</b>	<b>58</b>
Darlington Partnership	1	33.33	1	33.33	3	100.00	3
Economic Growth	26	48.15	32	59.26	48	88.89	54
<b>Total</b>	<b>983</b>	<b>69.47</b>	<b>1160</b>	<b>81.98</b>	<b>1288</b>	<b>91.02</b>	<b>1415</b>
	<b>Comp</b>	<b>%</b>	<b>Comp</b>	<b>%</b>	<b>Comp</b>	<b>%</b>	<b>None Computer Users</b>
None AC10 Users	N/A	N/A	195	37.00	177	33.59	527
<b>Overall</b>	<b>983</b>	<b>69.47</b>	<b>1355</b>	<b>69.77</b>	<b>1465</b>	<b>75.44</b>	<b>1942</b>

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**AUDIT COMMITTEE  
29 SEPTEMBER 2021**

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**MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING REPORT  
2021/22**

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**SUMMARY REPORT**

**Purpose of the Report**

1. This report seeks approval of the revised Treasury Management Strategy, Prudential Indicators and provides a mid-yearly review of the Council's borrowing and investment activities. Audit Committee are requested to forward the revised Strategy and indicators to Cabinet and Council for their approval and note changes to the MTFP with regard to the Treasury Management Budget (Financing Costs).

**Summary**

2. The mandatory Prudential Code, which governs Council's borrowing, requires Council approval of controls, called Prudential Indicators, relating to capital spending and borrowing. Prudential Indicators are set in three statutory annual reports, a forward looking annual treasury management strategy, a backward looking annual treasury management report and this mid-year update. The mid-year update follows Council's approval in February 2021 of the 2021/22 Prudential Indicators and Treasury Management Strategy.
3. The key objectives of the three annual reports are:
  - (a) to ensure the governance of the large amounts of public money under the Council's Treasury Management activities:
    - (i) Complies with legislation
    - (ii) Meets high standards set out in codes of practice
  - (b) To ensure that borrowing is affordable,
  - (c) To report performance of the key activities of borrowing and investments.
4. The key proposed revisions to Prudential Indicators relate to:
  - (a) The Operational Boundary will reduce to £174.081m and the Authorised Limit to £237.156m which will allow for any additional cashflow requirement.
5. Investments include £30m in property funds which are expected to increase our net return on investments by around £0.700m in future years.

## **Recommendation**

6. It is recommended that :
- (a) The revised prudential indicators and limits within the report in Tables 1 to 6, 8, 10 and 12 to 17 are examined.
  - (b) The underspend in the Treasury Management Budget (Financing Costs) of £0.243m shown in Table 11 is noted.
  - (c) That this report is forwarded to Council via Cabinet with comments from this committee, in order for the updated prudential indicators to be approved.

## **Reasons**

7. The recommendations are supported by the following reasons :-
- (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities;
  - (b) To inform Members of the performance of the Treasury Management function;
  - (c) To comply with the Local Government Act 2003;
  - (d) To enable further improvements to be made in the Council's Treasury Management function.

**Elizabeth Davison**  
**Group Director of Operations**

## **Background Papers**

- (i) Capital Medium Term Financial Plan 2021/22
- (ii) Prudential Indicators & Treasury Management Strategy 2021/22
- (iii) Accounting records
- (iv) The Prudential Code for Capital Finance in Local Authorities

Peter Carrick: Extension 5401

S17 Crime and Disorder	This report has no implications for S17 Crime and Disorder.
Health and Well Being	This report has no implications for the Council's Health and Well Being agenda.
Carbon Impact	There are no carbon impact implications in this report.
Diversity	There are no specific implications for the Council's diversity agenda.
Wards Affected	All Wards.
Groups Affected	All Groups.
Budget and Policy Framework	This report must be considered by Council.
Key Decision	This is not an executive decision.
Urgent Decision	For the purposes of call in this report is not an urgent decision.
One Darlington: Perfectly Placed	This report has no particular implications for the sustainable Community Strategy.
Efficiency	The report refers to actions taken to reduce costs and manage risks.
Impact on Looked After Children and Care Leavers	This report does not impact on Looked After Children or Care Leavers

## MAIN REPORT

### Information and Analysis

8. This mid-year review report meets the regulatory framework requirement of treasury management. It also incorporates the needs of the Prudential Code to ensure monitoring of the capital expenditure plans and the Council's prudential indicators (PIs). The Treasury Strategy and the PIs were previously reported to Council on 18 February 2021.
9. This report concentrates on the revised positions for 2021/22. Future year's indicators will be revised when the impact of the MTFP 2022/23 onwards is known.
10. A summary of the revised headline indicators for 2021/22 is presented in **Table 1** below. More detailed explanations of each indicator and any proposed changes are contained in the report. The revised indicators reflect the movement in the Capital MTFP since its approval in February 2021 and the means by which it is financed.

**Table 1 Headline Indicators**

	<b>2021/22 Original Estimate</b>	<b>2021/22 Revised Estimate</b>
	£m	£m
Capital Expenditure (Tables 2 and 3)	50.953	49.678
Capital Financing Requirement (Table 4)	229.504	225.863
Operational Boundary for External Debt (Table 4)	186.550	174.081
Authorised Limit for External Debt (Table 6)	240.979	237.156
Ratio of Financing Costs to net revenue stream- General Fund (Table 14)	2.73%	2.34%
Ratio of Financing Costs to net revenue stream- Housing Revenue Account (HRA)(Table 14)	12.78%	14.86%

11. The capital expenditure plans and prudential indicators for capital expenditure are set out initially, as these provide the framework for the subsequent treasury management activity. The actual treasury management activity follows the capital framework and the position against the treasury management indicators is shown at the end.
12. The purpose of the report supports the objective in the revised CIPFA Code of Practice on Treasury Management and the Ministry of Housing, Communities and Local Government Investment Guidance which state that Members receive and adequately scrutinise the treasury service.
13. The underlying economic environment remains difficult for Councils and concerns over counterparty risk are still around. This background encourages the Council to



continue investing over the shorter term and with high quality counterparties, the downside is that investment returns remain low.

### Key Prudential Indicators

14. This part of the report is structured to update:
  - (a) The Council’s capital expenditure plans
  - (b) How these plans are financed
  - (c) The impact of the changes in the capital expenditure plans on the PI’s and the underlying need to borrow
  - (d) Compliance and limits in place for borrowing activity
  - (e) Changes to the Annual Investment Strategy
  - (f) The revised financing costs budget for 2020/21

### Capital Expenditure PI

15. **Table 2** shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the budget.

**Table 2**

Capital Expenditure by Service	2021/22 Original Estimate	2021/22 Revised Estimate
	£m	£m
General Fund	22.395	27.036
HRA	20.449	13.183
<b>Total Estimated Capital Expenditure</b>	<b>42.844</b>	<b>40.219</b>
Loans to Joint Ventures	8.109	9.459
<b>Total</b>	<b>50.953</b>	<b>49.678</b>

16. The changes to the 2021/22 capital expenditure estimates have been notified to Cabinet as part of the Capital Budget monitoring process (Quarterly Project Position Statement Report).
17. The current capital programme that has not already been financed now stands at £176.136m but this includes a number of schemes that will be spent over a number of years not just in 2021/22. A reduction of £126.458m has been allowed for schemes which are known will be finalised in future years, but it is likely that other schemes will also slip into future years.

### Impact of Capital Expenditure Plans

#### Changes to the financing of the Capital Programme

18. **Table 3** draws together the main strategy elements of the capital expenditure plans shown above, highlighting the original elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element

(Borrowing Need) increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR). Borrowing need has reduced for 2021/22 due to schemes that have been estimated to have slipped into future years. This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

**Table 3**

<b>Capital Expenditure</b>	2021/22 Original Estimate	2021/22 Revised Estimate
	£m	£m
General Fund	22.395	27.036
HRA	20.449	13.183
Loans to Joint Ventures	8.109	9.459
<b>Total Capital expenditure</b>	<b>50.953</b>	<b>49.678</b>
<b>Financed By:</b>		
Capital Receipts - Housing	0.303	0.303
Capital Receipts –General Fund	1.150	0.586
Capital grants	12.171	21.294
JV Repayments	7.627	7.727
HRA Revenue Contributions	6.761	12.835
HRA Investment Fund	4.982	0.000
Self-Financing - GF	0.250	0.000
<b>Total Financing</b>	<b>33.244</b>	<b>42.745</b>
<b>Borrowing Need</b>	<b>17.709</b>	<b>6.933</b>

### **The Capital Financing Requirement (PI), External Debt (PI) and the Operational Boundary**

19. **Table 4** shows the Capital Financing Requirement (CFR), which is the underlying external need to borrow for capital purposes. It shows the expected actual debt position over the period. This is called the Operational Boundary. The reduction in Borrowing Need (Table 3) is around £10.8m and currently actual borrowing for the Council is £156.465m. The reduction is due to the Housing programme being delayed due to Covid 19. It is proposed to set an actual borrowing figure of £164.849m this will accommodate the additional borrowing need and any debt requirements for cash flow purposes. Other Long term liabilities (the PFI scheme) will be added to give the revised operational boundary for 2021/22.

**Prudential Indicator- External Debt/ Operational Boundary****Table 4**

	2021/22 Original Estimate	2021/22 Revised Estimate
	£m	£m
<b>Prudential Indicator- Capital Financing Requirement</b>		
Opening CFR- Post Audit of Accounts	<b>218.318</b>	<b>220.685</b>
CFR General Fund	129.802	135.801
CFR General Fund PFI/Leasing IFRS	9.232	9.232
CFR – Housing	77.189	67.709
CFR – Loans to Joint Ventures	13.281	13.121
Total Closing CFR	<b>229.504</b>	<b>225.863</b>
Net Movement in CFR	11.186	5.178
Borrowing	177.318	164.849
Other long-Term Liabilities	9.232	9.232
<b>Total Debt 31 March- Operational Boundary</b>	<b>186.550</b>	<b>174.081</b>

**Limits to Borrowing Activity**

20. The first key control over the treasury activity is a PI to ensure that over the medium term gross borrowing should not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the next two financial years. As shown in **Table 5** below.

**Table 5**

	2021/22 Original Estimate £m	2021/22 Revised Estimate £m	2022/23 Revised Estimate £m	2023/24 Revised Estimate £m
Gross borrowing	190.599	164.849	179.849	194.849
Plus Other Long Term Liabilities	9.232	9.232	8.117	7.011
Total Gross Borrowing	<b>199.831</b>	<b>174.081</b>	<b>187.966</b>	<b>201.860</b>
CFR* (year-end position)	229.504	225.863	243.522	256.931

\* includes on balance sheet PFI schemes and finance leases

21. The Group Director of Operations reports that no difficulties are envisaged for the current and future years in complying with this PI.
22. A further PI controls the overall level of borrowing, this is the Authorised Limit which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which while not desirable, could be afforded in the short term, but is not sustainable in the longer term. The

Authorised Limit is currently set 5% above the Capital Financing Requirement to allow for any additional cashflow needs, the revised figure for 2021/22 has been raised by 5% of the new CFR total. Whilst it is not expected that borrowing would be at these levels this would allow additional borrowing to take place should market conditions change suddenly and swift action was required. This is a Statutory limit determined under section 3 (1) of the Local Government Act 2003.

23. It is proposed to move the Authorised Limit in **Table 6** in line with the movement in the overall Capital Financing Requirement.

**Table 6**

<b>Authorised Limit for External Debt</b>	2021/22 Original		2021/22 Revised	
	Indicator	£m	Indicator	£m
Capital Financing Requirement		229.504		225.863
Additional headroom to Capital Financing Requirement		11.475		11.293
<b>Total Authorised Limit for External Debt</b>		<b>240.979</b>		<b>237.156</b>

**Interest Rate Forecasts Provided by Link Asset Services (as at 10 August 2021)**

**Table 7**

	<b>Bank Rate</b>	<b>PWLB rates for borrowing purposes*</b>			
		5 year	10 year	25 year	50 year
	%	%	%	%	%
<b>2021/22</b>					
Sept 2021	0.10	1.20	1.60	1.90	1.70
Dec 2021	0.10	1.20	1.60	2.00	1.80
March 2022	0.10	1.20	1.70	2.10	1.90
<b>2022/23</b>					
June 2022	0.10	1.30	1.70	2.20	2.00
Sept 2022	0.10	1.30	1.80	2.30	2.10
Dec 2022	0.10	1.30	1.80	2.30	2.10
March 2023	0.10	1.40	1.90	2.30	2.10
<b>2023/24</b>					
June 2023	0.25	1.40	1.90	2.40	2.20
Sept 2023	0.25	1.40	1.90	2.40	2.20
Dec 2023	0.25	1.50	2.00	2.40	2.20
March 2024	0.50	1.50	2.00	2.50	2.30

\*PWLB rates above are for certainty rates (which are provided for those authorities that have disclosed their borrowing/capital plans to the government. Darlington Borough Council will be able to access these certainty rates which are 0.2% below PWLB's normal borrowing rates.

24. The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent

meetings, although some forecasters had suggested that a cut into negative territory could have happened prior to more recent months when strong recovery started kicking in. However, the minutes of the Monetary Policy Committee in February 2021 made it clear that commercial banks could not implement negative rates within six months; by that time the economy would be expected to be recovering strongly and so there would be no requirement for negative rates. As shown in the forecast table above, one increase in Bank Rate from 0.10% to 0.25% has now been included in quarter 1 of 2023/24 and another increase to 0.50% in quarter 4 of 23/24, as an indication that the Bank of England will be starting monetary tightening during this year.

25. As the interest forecast table for PWLB certainty rates, (gilts plus 80bps), above shows, there is likely to be an unwinding of the currently depressed levels of PWLB rates and a steady rise over the forecast period, with some degree of uplift due to rising treasury yields in the US.
  26. There is likely to be **exceptional volatility and unpredictability in respect of gilt yields and PWLB rates** due to various factors: -
    - Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
    - How strong will inflationary pressures turn out to be in both the US and the UK and so impact treasury and gilt yields?
    - How will central banks implement their new average or sustainable level inflation monetary policies?
    - Will exceptional volatility be focused on the short or long-end of the yield curve, or both?
    - How strongly will changes in gilt yields be correlated to changes in US treasury yields?
  27. The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within our forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.
  28. The downside risks to current forecasts for UK gilt yields and PWLB rates currently include:
    - **Mutations** of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, resulting in further national lockdowns or severe regional restrictions.
    - **MPC** acts too quickly in unwinding QE or increasing Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
    - The Government implements an **austerity programme** that suppresses GDP growth.
-

- **Labour and material shortages** do not ease over the next few months and further stifle economic recovery.
- The lockdowns cause major long-term **scarring of the economy**.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues
- A resurgence of the Eurozone sovereign debt crisis. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for “weaker” countries. In addition, the EU agreed a €750bn fiscal support package which has still to be disbursed. These actions will help shield weaker economic regions in the near-term. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.
- Weak capitalisation of some **European banks**, which could be undermined further depending on the extent of credit losses resulting from the pandemic.
- **German minority government & general election in September 2021**. In the German general election of September 2017, Angela Merkel’s CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, because of the rise in popularity of the anti-immigration AfD party. Subsequently, the CDU has done badly in state elections, but the SPD has done even worse. Angela Merkel has stepped down from being the CDU party leader but remains as Chancellor until the general election in 2021. Her appointed successor has not attracted wide support from voters and the result of the general election could well lead to some form of coalition government, though there could be a question as to whether the CDU will be part of it which, in turn, could then raise an issue over the tenure of her successor. This then leaves a question mark over who the major guiding hand and driver of EU unity will be.
- **Other minority EU governments**. Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile and, therein, impact market confidence/economic prospects and lead to increasing safe-haven flows.
- **Major stock markets** e.g., in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market selloffs on the general economy.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe-haven flows.

29. The upside risks to current forecasts for UK gilts and PWLB rates are:

- Longer term **US treasury yields** rise strongly and pull UK gilt yields up higher than forecast.
- **Vaccinations** are even more successful than expected and eradicate hesitancy around a full return to normal life, which leads into a stronger than currently expected recovery in UK and/or other major developed economies
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

### Treasury Management Strategy 2021/22 and Annual Investment Strategy Update

30. The Treasury Management Strategy Statement, (TMSS), for 2021/22 was approved by this Council on 18 February 2021.
31. There are no policy changes to the TMSS.
32. The details in this report update the position in the light of the updated economic position and budgetary changes already approved.

### Debt Activity during 2021/22

33. The expected net borrowing need is set out in **Table 8**

**Table 8**

	<b>2021/22 Original Estimate £m</b>	<b>2021/22 Revised Estimate £m</b>
CFR (year-end position) from Table 4	229.504	225.863
<u>Less</u> other long term liabilities PFI and finance leases	9.232	9.232
Net adjusted CFR (net year end position)	<b>220.272</b>	<b>216.631</b>
Expected Borrowing	177.318	164.849
(Under)/ Over borrowing	<b>(42.954)</b>	<b>(51.782)</b>
Expected Net movement in CFR	11.186	5.178

34. The Council hasn't taken on any new debt in the current year to date.
35. The amount borrowed by the Council now stands at £156.465m, this excludes any additional cashflow loans which may be required.
36. There will still be an element of under-borrowing by the Council at the end of March 2022.

### Debt Rescheduling

37. Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

### Annual Investment Strategy 2021/22

#### Investment Portfolio

38. In accordance with the Code, it is the Council's priority to ensure security of Capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. It is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous years as rates are very low and in line with the current 0.10% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis together with other risks which could impact on the creditworthiness of banks prompts a low risk strategy. Given this risk environment investment returns are likely to remain low.

### Treasury Management Activity from 1 April 2021 to 31 August 2021

39. Current investment position – The Council held £75.399m of investments at 31/08/2021 and this is made up of the following types of investment.

**Table 9**

Sector	Country	Up to 1 year £m
Banks	UK	16.000
AAA Money Market Funds	Sterling Funds	19.400
Other Local Authorities	UK	10.000
Property Funds - CCLA	UK	10.000
Hermes		10.000
Lothbury	UK	9.999
<b>Total</b>		<b>75.399</b>

### Short Term Cashflow Investments

40. Cash balances are invested on a daily basis to maximise the benefit of temporary surplus funds. These include investments in Money Market Funds, the Government's Debt Management Office and bank short term notice accounts. A total of 59 investments were made in the period 1 April 2021 to 31 August 2021 totalling c£162m these were for short periods of up to 100 days and earned interest of £0.012m on an average balance of £37.996m which equated to an annual average interest rate of 0.06%.



## Investment returns measured against the Service Performance Indicators

41. The target for our investment returns is to better or at least match a number of external comparators, this performance indicator is also known as yield benchmarking. As can be seen from Table 10, the short term investment achievements (up to 6 months) are above market expectations.

**Table 10**

	Cashflow Investments %
<b>Darlington Borough Council - Actual</b>	<b>0.06%</b>
<b>External Comparators</b>	
London Interbank Bid Rate 7 day	(0.08%)
London Interbank Bid Rate 1 month	(0.07%)
London Interbank Bid Rate 3 months	(0.05%)
London Interbank Bid Rate 6 months	(0.02%)

## Treasury Management Budget

42. There are three main elements within the Treasury Management Budget:-
- Longer term capital investments interest earned – a cash amount of which earns interest and represents the Councils revenue balances, unused capital receipts, reserves and provisions, this will now include Property Funds.
  - Cash flow interest earned – the authority has consistently had a positive cash flow. Unlike long term capital investments it does not represent any particular sum but it is the consequence of many different influences such as receipt of grants, the relationship between debtors and creditors, cashing of cheques and payments to suppliers.
  - Debt serving costs – this is the principal and interest costs on the Council's long term debt to finance the capital programme.

**Table 11 - Changes to the Financing Costs Budget 2021/22**

	£m	£m
<b>Original Financing Costs Budget 2021/22</b>		<b>0.823</b>
Less reduced debt costs	(0.018)	
Less increased returns on Property Funds	(0.225)	
Total adjustments		<b>(0.243)</b>
<b>Revised Treasury Management Budget 2021/22</b>		<b>0.580</b>

43. This statement concludes that the Treasury Management budget is forecast to underspent by £0.243m in 2021/22, these have been reflected in the current MTFP projections.

### Risk Benchmarking

44. A regulatory development is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance and these are shown in Table 12. Discrete security and liquidity benchmarks are also requirements of member reporting.
45. The following reports the current position against the benchmarks originally approved.
46. **Security** – The Council’s maximum security risk benchmarks for the current portfolio of investments, when compared to historic default tables were set as follows;

#### 0.077% historic risk of default when compared to the whole portfolio

**Table 12**

Maximum	Benchmark 2021/22	Actual May	Actual July
Year 1	0.077%	0.012%	0.010%

N.B. this excludes Property Funds

47. The counterparties that we use are all high rated therefore our actual risk of default based on ratings attached to counterparties is very low.
48. **Liquidity** – In respect of this area the Council set liquidity facilities/ benchmark to maintain
- (i) Bank overdraft - £0.100M
  - (ii) Liquid short term deposits of a least £3.000M available within a weeks notice
  - (iii) Weighted Average Life benchmark is expected to be 0.4 years with a maximum of 1 year
49. The Group Director of Operations can report that liquidity arrangements have been adequate for the year to date as shown in Table 14

**Table 13**

	Benchmark 2021/22	Actual May	Actual July
<b>Weighted Average Life</b>	0.4 – 1 year	0.41 years	0.41 years

50. The figures are for the whole portfolio of cash flow investments deposited with Money Market funds on a call basis (i.e. can be drawn on without notice) as well as call accounts that include a certain amount of notice required to recall the funds.

### Treasury Management Indicators

51. **Actual and estimates of the ratio of financing costs to net revenue stream** – This indicator identifies the trend in the cost of capital (financing costs net of interest and investment income) against the net revenue stream. The reduction in % relates to reduced financing costs for General Fund of £0.243m.

**Table 14**

	<b>2021/22 Original Indicator</b>	<b>2021/22 Revised Indicator</b>
<b>General Fund</b>	<b>2.73%</b>	<b>2.34%</b>
<b>HRA</b>	<b>12.78%</b>	<b>14.86%</b>

### Treasury Management Prudential indicators

52. **Upper Limits on Variable Rate Exposure** – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.
53. **Upper Limits on Fixed Rate Exposure** – Similar to the previous indicator this cover a maximum limit on fixed interest rates
54. Historically for a number of years this Council has used these percentages; together they give flexibility to the treasury management strategy allowing the Council to take advantage of both fixed and variable rates in its portfolio whilst ensuring that its exposure to variable rates is limited.

**Table 15**

	<b>2021/22 Original Indicator</b>	<b>2021/22 Revised Indicator</b>
Limits on fixed interest rates	100%	100%
Limits on variable interest rates	40%	40%

55. **Maturity Structures of Borrowing** - These gross limits are set to reduce the Council's exposure to large fixed rate loans (those instruments which carry a fixed interest for the duration of the instrument) falling due for refinancing. The higher limits for longer periods reflect the fact that longer maturity periods give more stability to the debt portfolio.

**Table 16 - Maturity Structures of Borrowing**

	<b>2021/22 Original indicator</b>	<b>2021/22 Actual to Date</b>	<b>2021/22 Revised Indicator</b>
Under 12 months	25%	17%	30%
12 months to 2 years	40%	6%	40%
2 years to 5 years	60%	12%	60%
5 years to 10 years	80%	9%	80%
10 years and above	100%	57%	100%

56. **Total Principal Funds Invested** – These limits are set having regard to the amount of reserves available for longer term investment and show the limits to be placed on investments with final maturities beyond 1 year. This limit allows the authority to invest for longer periods if they give better rates than shorter periods. It also allows some stability in the interest returned to the Authority.

**Table 17 - Principal Funds Invested**

	<b>2021/22 Original Indicator</b>	<b>2021/22 Revised Indicator</b>
Maximum principal sums invested greater than 1 year	£50m	£50m

**Conclusion**

57. The prudential indicators have been produced to take account of the Council's borrowing position. The key borrowing indicator (the Operational Boundary) is £174.081m. The Council's return on investments has been good, exceeding both of the targets. Based on the first six months of 2021/22 the Council's borrowing and investments is forecast to underspend by £0.243m on the approved 2021/22 budget.
58. The Council's treasury management activities comply with the required legislation and meet the high standards set out in the relevant codes of practice.

**Outcome of Consultation**

59. No consultation was undertaken in the production of this report.

**AUDIT COMMITTEE**  
**29 September 2021**

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**AUDIT SERVICES – ACTIVITY REPORT**

**SUMMARY REPORT**

**Purpose of the Report**

1. To provide Members with a progress report of activity and proposed activity for the next period.

**Summary**

2. The report outlines progress to date on audit assignment work, consultancy/contingency activity.

**Recommendation**

3. It is recommended that the activity and results be noted and that the planned work is agreed.

**Reasons**

4. The recommendation is supported to provide the Audit Committee with evidence to reflect on the Council's governance arrangements.

**Andrew Barber**  
**Audit & Risk Manager**

**Background Papers**

- (i) Internal Audit Charter
- (ii) Departmental Audit Reports

Andrew Barber: Extension 156176

S17 Crime and Disorder	Other than any special investigation work there is no crime and disorder impact.
Health and Well Being	There is no specific health and well being impact.
Carbon Impact	There is no specific carbon impact.
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally.
Budget and Policy Framework	This report does not affect the budget or policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	There is no specific relevance to the strategy beyond a reflection on the Council's governance arrangements.
Efficiency	There is no specific efficiency impact.

## MAIN REPORT

### Information and Analysis

5. Members will be aware of a change in approach from traditional audit assignments to individual control testing and reporting. This requires a different approach in terms of reporting on activity and this will be developed further in the coming months. Additionally there is a move away from annual audit planning to quarterly planning to enable the service to respond more effectively to the changing risk environment.
6. The report should be considered in the context of fulfilling the function to monitor the adequacy and effectiveness of the Council's internal control environment and the Internal Audit service provided.
7. Appendix 1 provides members with detailed feedback on the performance of the service and the position in relation to completion of audit work. This is a new version of the report and each section will be discussed in more detail in the following paragraphs.
8. The first section of the report is to provide members with feedback on the management of the risks on the corporate risk register. Testing has not yet been undertaken for all risks but where testing has been undertaken an assurance level is provided, at present risk EG&NS 9 has been identified as an area where further improvement is required however, this has not been reviewed since the last update. The areas not yet tested are

included in the normal programme of work based on the audit risk assessment which takes account of the overall risk assessment.

9. The next section breaks down audit results against a set of key governance processes. As with the previous section where no assurance level is given testing is yet to be undertaken. No area is scoring below 70% which is the benchmark for substantial assurance.
10. The next section breaks down audit work by functional service area within the council this is a different type of breakdown to the processes previously discussed and provides an overall picture for each service area.
11. The next section continues to look at service area and provides feedback on the work undertaken in the previous quarter and a summary of the work planned to be undertaken. The majority of testing undertaken has been classified as Green.
12. The penultimate section is progress against our balanced scorecard. The key measures in this section are adequate resources and portfolio coverage. In terms of adequate resources we aim to have 15 days capacity spare to deal with any issues that may arise. Portfolio coverage identifies the number of controls that should be tested in the period, we are were on target for the previous quarter.
13. The final section of the report is a full list of controls to be examined in the next period in priority order.

#### **Outcome of Consultation**

14. There was no formal consultation undertaken in production of this report.

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## Risk Summary

Where possible audit testing is linked directly to risks on the risk register, below is a summary of current assurance levels based on work completed to date.

ID	Risk	Assurance
C&A 1	Inability to contain placement costs for children looked after due to lack of sufficient in house placements	
C&A 10	The Deprivation of Liberty Safeguards Threshold changes significantly increases the amount of people deprived of their liberty resulting in potential for increased legal challenge	
C&A 14a	Failure to respond appropriately to safeguard vulnerable adults, in line with national legislation and safeguarding adults procedures	100%
C&A 14b	Failure to respond appropriately to safeguard vulnerable children, in line with national legislation and safeguarding children, thresholds and procedures.	
C&A 15	Working with other local commissioners to ensure their understanding of their responsibilities within the Childhood pathway.	100%
C&A 16	Risk of unsuccessful mobilisation of new service - Support, Recovery and Treatment In Darlington through Empowerment (STRIDE).	
C&A 18	Impact of COVID-19 on team capacity.	
C&A 3a	Inability to recruit and retain sufficient qualified suitably experienced social workers in Children's Services impacts on cost and quality of service	
C&A 3b	Inability to recruit and retain sufficient qualified suitably experienced social workers and reablement staff in Adult Services impacts on cost and quality of service	
C&A 5	Failure to identify vulnerable schools and broker appropriate support to address needs	
C&A 8a Adult	Increased demand for Adult Services impacts negatively on plans for budget efficiencies	75%
C&A 8b	Increased demand for Children's Services impacts negatively on budget	100%
C&A 9a	Market (Domiciliary Care Residential Care providers) failure following the Care Act/Living Wage	100%
C&A 9b	Market (Domiciliary Care Residential Care providers) for Vulnerable Families with Children (including SEND) experiences provider failure	100%
C1	Implementation of recommendations from the Capital Process Review is needed to improve effective capital project management	
C17	As a result of Brexit and Covid-19, cost and availability of material is impacting on projects	
C18	COVID-19: 1. Health and safety of the Council workforce 2. Health and safety of the public of Darlington 3. The impact on the Economy of the Borough and its population 4. Financial impacts on the Council of increased costs and reduced income	
C3	Corporate Premises Risks	100%
C4	Business Continuity Plans not in place or tested for key critical services	97%
C5	Council unable to meet its obligations under the information governance agenda	92%
EG&NS 1	Investment in regeneration projects is not delivered	100%
EG&NS 12	Planning Performance at risk of Standards Authority intervention	
EG&NS 13	Significant impacts arising from the reduction in available cash/resources to the local economy, Council's GF and HRA and businesses due to the impacts of increased levels of unemployment and Universal Credit payments	
EG&NS 17	Impact of COVID-19 on customers and audiences on confidence to return to leisure and cultural facilities	
EG&NS 18	Budget & resource implications arising from the ability to progress and complete schemes/projects in the event of further COVID-19 lockdowns & further construction inflation, material supply and resource demands	100%
EG&NS 19	Potential impact on public transport networks if commercial services do not recover or continue to receive support from Government and routes are withdrawn	100%
EG&NS 20	Inability to cope with significant increase in homelessness cases due to new requirements by MHCLG to accommodate everyone irrespective of status in order to limit spread of COVID-19 and also increased levels of homelessness due to increased relationship breakdowns and financial difficulties	100%
EG&NS 7	Financial implications of Maintaining and conserving key capital assets within the borough	100%
EG&NS 9	Delay to new Local Plan	50%
RE 1	VAT partial exemption breach due to exempt VAT being close to the 5% limit	
RE 2	Fraud in general	
RE 26	Joint Venture Arrangements impacted by a slow down in house building	100%
RE 3	ICT security arrangements inadequate	100%
RE 5	Increased sickness absence adversely affects service delivery	
RE 9	Instability within financial markets adversely impacts on finance costs and investments	100%

Theme	Assurance	Audit Findings (By Impact)					
			VL	L	M	H	VH
1. Accuracy of Decision Making	89%	R	0	0	0	0	0
		A	0	1	5	0	1
		G	1	11	15	11	2
2. Monitoring of Decisions	89%	R	0	0	0	0	0
		A	0	2	0	1	0
		G	0	6	7	0	0
3. Information Governance	94%	R	0	0	0	0	0
		A	0	2	4	0	0
		G	1	9	12	4	1
4. Finance	98%	R	0	0	0	0	0
		A	0	1	2	0	0
		G	1	3	7	6	2
5. HR - Payments	100%	R	0	0	0	0	0
		A	0	0	0	0	0
		G	0	2	1	1	0
6. HR - Health & Safety	100%	R	0	0	0	0	0
		A	0	0	0	0	0
		G	0	1	2	0	0
7. HR - Management	100%	R	0	1	0	0	0
		A	0	0	0	0	0
		G	1	5	1	1	0
8. Recruitment	88%	R	0	0	0	0	0
		A	0	0	0	0	0
		G	0	2	1	0	0
9. HR - Training/Qualifications/Clearances	81%	R	0	0	1	0	0
		A	0	0	4	0	0
		G	0	6	7	3	0
10. Accuracy of Payments	95%	R	0	0	0	0	0
		A	0	2	0	0	0
		G	3	7	3	0	1
11. Income - Charging	100%	R	0	0	0	0	0
		A	0	1	0	0	0
		G	0	4	0	1	0
12. Income - Payments	85%	R	0	0	0	0	0
		A	0	1	0	0	0
		G	0	4	1	1	0
13. Cash Handling	86%	R	0	0	0	0	0
		A	0	0	0	0	0
		G	0	1	0	0	0
14. Procurement/Sourcing	91%	R	0	0	0	0	0
		A	0	1	2	0	0
		G	0	6	3	2	1
15. Physical Assets/Locations	94%	R	0	0	0	0	0
		A	0	2	2	0	0
		G	0	6	8	4	1
16. Fraud	100%	R	0	0	0	0	0
		A	0	0	0	0	0
		G	0	5	0	0	0
17. Business Continuity	100%	R	0	0	0	0	0
		A	0	1	0	0	0
		G	0	2	6	5	0
18. Procedures	100%	R	0	0	0	0	0
		A	0	0	0	0	0
		G	0	6	4	2	1
19. Performance Management	93%	R	0	0	0	0	0
		A	0	1	1	0	0
		G	0	0	7	3	2
20. ICT Infrastructure	88%	R	0	0	0	0	0
		A	0	0	0	0	0
		G	1	4	5	3	1
21. Handling of Requests/Incident Response	88%	R	0	0	0	0	0
		A	0	0	1	0	0
		G	2	3	2	1	0

This section of the report presents the current overall results by Service area.

		VL	L	M	H	VH
Finance	R	0	0	0	0	0
	A	0	0	0	0	0
	G	0	0	0	0	0
HR	R	0	0	0	0	0
	A	0	0	0	0	0
	G	0	0	0	0	0
Health & Safety	R	0	0	0	0	0
	A	0	0	0	0	0
	G	0	0	0	0	0
Strategy, Performance & Communications	R	0	0	0	0	0
	A	0	1	0	0	0
	G	3	3	1	0	0
Children's Services	R	0	0	0	0	0
	A	0	0	1	0	0
	G	0	1	11	10	3
Adults	R	0	0	0	0	1
	A	0	1	1	1	1
	G	0	2	8	6	3
Education	R	0	0	0	0	0
	A	0	1	2	0	0
	G	0	8	5	2	1
Public Health	R	0	0	0	1	0
	A	0	0	0	0	0
	G	0	0	0	3	0
Legal	R	0	0	0	0	0
	A	0	0	1	0	0
	G	0	0	0	0	0
Democratic Services & Registrars	R	0	0	0	0	0
	A	0	0	0	0	0
	G	0	0	0	0	0
Information Governance	R	0	0	0	0	0
	A	0	0	0	0	0
	G	0	0	0	0	0
Xentrall	R	0	0	0	0	0
	A	0	1	1	0	0
	G	1	25	23	10	0
Housing & Building Services	R	0	0	0	0	0
	A	0	0	0	0	0
	G	0	0	0	0	0
Community Services	R	0	0	0	0	0
	A	0	7	3	0	0
	G	2	18	10	1	0
Economic Growth	R	0	0	0	0	0
	A	0	0	3	0	0
	G	0	1	5	5	0
Transport & Capital Projects	R	0	0	0	0	0
	A	0	1	4	0	0
	G	0	3	5	3	0

### Detailed Analysis of Output and Planning by Service

This section of the report will present detail of work undertaken and work planned by Service area.

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	Results				Planned Work		
	June 2021	to	August 2021		September 2021	to	November 2021
	Number	R	A	G	No	Time	Monitoring
Finance	0	0	0	0	1	1	0
HR	0	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0	0
Strategy, Performance & Communications	1	0	0	1	5	3.75	0
Children's Services	12	0	0	11	20	21	0.8
Adults	7	1	1	4	26	25.5	0.6
Education	6	0	1	3	15	29.25	1
Public Health	4	1	0	3	3	2.25	0
Legal	0	0	0	0	1	3	0.1
Democratic Services & Registrars	0	0	0	0	0	0	0
Information Governance	0	0	0	0	0	0	0
Xentrall	16	0	1	14	20	27.75	3.2
Housing & Building Services	0	0	0	0	0	0	0
Community Services	5	0	0	5	45	32	1.9
Economic Growth	4	0	1	3	17	15.75	1
Transport & Capital Projects	3	0	1	2	16	10.5	0.5
<b>Totals</b>	<b>58</b>	<b>2</b>	<b>5</b>	<b>46</b>	<b>169</b>	<b>171.75</b>	<b>9.1</b>

Quality, Assurance & Improvement Process

Period	June 2021	to	August 2021
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Stewardship (Coverage)			Stakeholders		
Measure	Target	Performance	Measure	Target	Performance
Adequate Resources	15	14.85	Reports Issued	Qtrly	*
Portfolio Coverage	81	81	Fraud Strategy Review	31/03/2021	*
Presentation of Annual Report (Annual)	June	*	Client Satisfaction	TBC	*
Presentation of Activity Report	Qtrly	*	Recommendation Implementation	TBC	*

Process			People		
Measure	Target	Performance	Measure	Target	Performance
Self assessment against standards (Annual)	March	*	Productivity	75%	74.2%
External Assessment (Every 5 Years)	31/03/2023	*	Training (Per Financial Year)	20	1.9
Staff Meetings Held	7	12	Code of Conduct (Annual)	100%	*
Up to Date Audit Manual	31/03/2021	*	Appraisals (Annual)	100%	*

\* - to be reported as part of the annual report.

## Full Plan

ID	Control	Frequency
33	Education, Health & Care Plans are completed appropriately and in a timely fashion	3
35	Section 17 payments made in respect of children are appropriately managed.	3
36	Children's placements are monitored appropriately and opportunities for family reunification examined.	3
42	Sufficient school places are available to meet demand.	3
44	Children's Assessment procedures are comprehensive and up to date	3
49	Children's cases are appropriately supervised with regular discussion and appropriate recording.	3
54	Systems are updated with the relevant referral information	3
55	Accurate and timely assessment of children's referrals is undertaken.	3
68	Clear budget process and timetable is in place which could be followed by team members as and when required.	3
78	Focussed financial support to commercial ventures	3
88	An approved Council Plan is in place which sets out the priorities of the council.	3
105	Update and report the strategic corporate risk register.	3
112	Process council tax support claims	3
113	Process housing benefit claims	3
165	Adult Services have a service strategy in place and delivery is being monitored.	3
172	An up to date strategic plan is in place for the Safeguarding Adults Board.	3
174	Adult Social Care cases are allocated appropriately considering caseloads and qualification requirements.	3
176	An appropriate ICT system(s) is in place to manage and safeguard adult social care information held.	3
179	Appropriate service provision has been identified to meet an Adult Social Care users individual needs, which is accurately charged for as required.	3
182	Where the Authority has Deputyship/Appointeeship, appropriate authorisation/legal documentation is in place	3
250	There is a system of performance management in place for adult social care.	3
348	DBS check renewals are undertaken for Adults and Health staff	3
380	The Supporting Families programme is managed effectively.	3
465	Public health research and local needs assessment.	3
478	An appropriate ICT system(s) is in place to manage and safeguard children's social care/education information held.	3
535	Children have been matched with appropriate adopters	3
577	The correct charges are raised for housing rents.	3
661	For Youth Employment Initiative (YEI) grants financial audits have been undertaken.	3
662	Youth Employment Initiative (YEI) outcomes are accurately recorded on the return to HBC	3
22	Adequate and effective after school, day care and residential short breaks provision is available for children with a care plan.	6
23	Appointment of suitable of in-house foster carers.	6
24	Appropriate arrangements are in place to assess the suitability of adopters	6
26	Attainment in schools is appropriately monitored.	6
28	In-House carers receive appropriate training.	6
32	Education, Health & Care Plans are appropriately monitored	6
45	Staff assessing children's cases have the relevant qualifications and clearances.	6
46	Business continuity arrangements are in place to continue to deal with referrals.	6
48	Hard-copy Children's case files are appropriately managed and safeguarded.	6
64	Clear acquisition, disposal and re-valuation process for land and buildings.	6
76	Ensure accurate monitoring of capital programme and schemes	6
79	Maintain formula and support for funding schools and high needs.	6

81	Operate clear arrangements for billing and collection of council tax and business rates	6
97	Prepare statement of accounts	6
108	Participate in appropriate safeguarding processes and provider serious concern protocol	6
114	Vehicles used in the provision of community transport services are suitable and meet requirements for servicing and road worthiness.	6
119	Client risk assessments are undertaken and appropriate arrangements in place for the provision of Passenger Transport (social care and education) service usage.	6
131	Planning and provision of school meals promotes healthy, nutritious eating in compliance with the School Food Standards.	6
132	Free school meals are provided to eligible pupils.	6
146	Bridge Inspections are undertaken in accordance with an appropriate specified programme.	6
163	Business continuity arrangements are in place in order to continue to receive adult referrals and undertake assessments.	6
168	Referral and Assessment Procedures (Adults) are comprehensive and up to date.	6
169	Appropriate financial monitoring is in place in respect of the Better Care Fund.	6
171	Non-financial targets as set out in the Better Care Fund plan are being met.	6
173	Appropriate reporting mechanisms are in place in respect of safeguarding activities and outcomes.	6
175	Adult Social Care case files are updated accurately and in a timely manner.	6
178	Staff working in settings for adults are suitably qualified and receive appropriate training.	6
181	Appropriate monitoring of residential placements is in place.	6
184	Accurate charges for contributions to care costs are made to service users.	6
190	Professionals employed to undertake DOLS assessments are procured and employed via correct processes.	6
200	The Council maintains an accurate and up to date land charges register.	6
203	Website and Intranet content is relevant and up to date.	6
218	Posts requiring a DBS check are identified and requirements are in line with legislation.	6
249	Timely and accurate financial assessments are undertaken for service users wishing to take up a service.	6
251	Adequate health & safety measures/risk assessments are in place/undertaken at individual adults establishments.	6
252	Arrangements are in place to ensure Day Services, Residential and Supported Living service provision continues if there was a loss of staff or premises.	6
255	All care packages are receiving appropriate approval, and include all relevant information.	6
256	Formal signed agreements in place between LA/CCG in accordance with relevant guidance	6
257	Appropriate arrangements are in place to continue managing clients finances in the event of disruption.	6
260	Food & Hygiene premises rating system is updated regularly and published.	6
270	Building control decisions are appropriately authorised and made in line with Building Regulations.	6
272	Breaches of planning control are investigated and enforcement action initiated as necessary.	6
283	Disposals of ICT equipment are undertaken in an appropriate manner in line with an adequate and appropriate official disposal policy.	6
285	Progress towards the ICT strategy goals is monitored and reported on.	6
289	Appropriate disaster recovery plans and procedures are in place to support recovery from a partial or total loss of significant ICT systems/servers.	6
295	Appropriate formal documented ICT project management standards/policies have been established.	6
299	Adequate controls are in place to ensure data in the cloud is adequately protected.	6
302	Anti-virus controls are in place for relevant elements of the ICT infrastructure including servers and individual machines.	6
303	An appropriate infrastructure is in place to facilitate the organisation's firewalls.	6
304	Appropriate periodic IT Health checks (or other equivalent exercises) are undertaken in order to identify and categorise significant security issues/vulnerabilities. Work is then undertaken to remediate these issues/vulnerabilities where appropriate.	6
309	Adequate and appropriate change controls are in place.	6
313	The computer system calculates all payments correctly.	6

363	The adoption process is adequately documented to ensure a suitable, safe placement is found within an adequate time period in the absence of key personnel.	6
365	Management and oversight of youth offending cases improve outcomes for young people involved in criminal justice system or at risk of becoming involved.	6
367	The Council has a strategy in place to deliver public health services to the community.	6
371	Information held about children, young people and their families is appropriate/up to date and sharing is in line with GDPR and IARs.	6
378	Pupil premium funding is used effectively.	6
393	Appropriate and timely response to a homelessness Duty to Refer request.	6
396	Accurate and timely returns are provided to support New Homes Bonus.	6
397	Economic Growth Strategy and Economic Growth Plan is monitored and milestones achieved.	6
399	Support is provided to new and existing businesses.	6
405	Effective management of grants received to support jobs and growth.	6
408	Monitor re-offending rates and target resources towards young people at risk of re-offending.	6
464	Effective commissioning and procurement of public health services and programmes.	6
466	Delivery of the Health and Wellbeing Strategy.	6
471	Achievement of completion rate targets for mandatory on-line information governance training.	6
484	Suitability of approved in-house foster carers is monitored.	6
499	Continued eligibility for a free school meal is monitored and appeals are handled appropriately.	6
536	Breakdowns in placements are handled effectively.	6
573	Where there is a shortfall in specialist housing facilities managed by the authority to meet demand external provision is effectively sourced.	6
576	Regular bank reconciliations are undertaken and are up to date with minimal amounts in suspense.	6
674	COVID DfE Exam Support	6
675	COVID Schools Workforce Fund	6
676	COVID Testing in Schools & Colleges	6
716	Bridges quality and compliance systems are operating effectively	6
20	A child in care's story is documented	12
21	A robust training and support regime is in place for new teachers	12
25	Arrangements are in place to manage the breakdown of a placement	12
29	Hard copy information held in Children's Residential Homes is appropriately safeguarded.	12
34	Health & safety of children's placements is monitored	12
38	Plans are in place to manage the loss of a school and provide continuity of education.	12
39	School governors receive an appropriate level of support and training	12
40	School places have been allocated in accordance with admissions policies.	12
53	Procedures for managing referrals (Adult's) and undertaking initial assessments are comprehensive and up to date.	12
56	Agreements for early years provision are in place and being complied with and monitoring visits are being undertaken.	12
59	Allocation of school budgets in line with funding formula.	12
67	School investment plan in place to ensure appropriate number and quality of places available.	12
69	Clear contract procedure rules	12
72	Treasury Management Strategy and its implementation in relation to investments meets the Prudential Code and Treasury Management Code of Practice.	12
74	Delivery of tender management plan.	12
75	Ensure accurate in-year financial monitoring	12
77	Financial appraisal completed as part of business case/options appraisal	12
86	Undertake forward planning and projections of external factors in respect of income and expenditure and feed into MTFP.	12
89	Development of an appropriate risk assessed H&S audit programme.	12



91	Delivery of an effective Internal Audit Service in compliance with Accounts & Audit Regulations.	12
93	Requests for information are handled in line with requirements of the Freedom of Information Act.	12
96	Prepare annual governance statement	12
104	Update and report RAG tools to assist in risk management in all adults, public health and children's contracts.	12
107	Ensure specifications are clear and include all requirements for safe care	12
109	Crisis and emergency/settlement support	12
115	Appropriate business risk assessments are undertaken within the Passenger Transport service and measures are in place to ensure the health and safety of Council employees.	12
116	Council employed drivers and passenger assistants hold the necessary clearances, licences, qualifications and training.	12
117	Contractors & sub-contractors involved in the provision of passenger transport hold the necessary clearances, licences, qualifications and insurance.	12
130	Catering and cleaning staff have been subject to appropriate disclosure checks.	12
134	Arrangements are in place for inspection and maintenance of security and surveillance equipment.	12
135	Civic enforcement decisions are consistent, fair, proportionate and necessary; in line with legislation.	12
138	Community engagement and communication to highlight and reduce environmental crime.	12
139	Ensure the health and safety of enforcement officers.	12
141	Sensitive personal information in relation to Telecare clients is managed in line with GDPR requirements.	12
142	Telecare staff hold appropriate qualifications and DBS clearances, and receive regular training.	12
147	Highway inspections are undertaken in accordance with an appropriate specified programme.	12
148	Street Lighting inspections and associated electrical testing are undertaken in accordance with an appropriate specified programme and relevant legislation/guidance.	12
150	Car Parking Strategy in place which is up to date and considers resident, disabled and general parking requirements.	12
151	Road closures are undertaken following appropriate consultation and required notifications are undertaken within appropriate timescales.	12
152	The authority is committed to reducing it's carbon footprint and supporting residents and businesses to reduce theirs.	12
153	The highways network resilience to extreme events such as weather has been fully established and plans are in place to manage this.	12
158	Disabled Facilities Grants/Helping Hands recipients meet grant eligibility criteria, payments and contributions are correct.	12
159	HMO properties are licensed.	12
162	The authority has an adequate, appropriate and up-to-date Local Plan in place.	12
177	Adult Social Care staff are aware of Health & Safety requirements and have received appropriate H & S training.	12
183	Where legal charges have been placed on a service user's property, appropriate deferred payment/legal documentation is in place	12
188	A current Carers Strategy is in place.	12
189	Professionals are appropriately trained and qualified to undertake BIA/DoLS assessments.	12
194	Corporate initiatives are in place to help prevent sickness absence.	12
195	Procurement of contracts in place for provision of employee therapy is undertaken in line with contract procedure rules and appropriate monitoring undertaken.	12
206	Communication activities are aligned with corporate priorities and are delivered consistently and effectively.	12
214	Procurement by Legal Services is in line with contract procedure rules and value for money principles.	12
216	Land charge related searches are completed effectively and within a reasonable timescale.	12
220	Appropriate checks have been undertaken prior to placing someone on the Employee Protection Register.	12
221	Information security and sharing protocols in relation to occupational health and employee therapy provision is in line with data protection legislation.	12
227	Arts Council funding is used appropriately and conditions complied with.	12
228	Venues for events are appropriate.	12
234	Library stock is adequately recorded, managed and its condition is 'fit for purpose'.	12

235	Adequate emergency response plans are in place for events and venues.	12
236	Arts and museum assets are adequately safeguarded and insured.	12
245	Maintain an accurate and up to date electoral register, which conforms to Electoral Commission requirements.	12
261	Adequate performance information is maintained and is appropriately utilised within the Highways Department.	12
263	Appropriate measures are in place to identify, record and investigate significant flooding incidents.	12
264	The authority has an adequate, appropriate and up to date Highway Infrastructure Asset Management Strategy (HIAMS) in place.	12
265	Utility works are licensed, inspected and where applicable, appropriate charges are issued and collected for overruns/fines.	12
271	Residential delegated planning applications are considered and determined in line with the local development plan, national planning framework, gives consideration to the provision of green spaces and is dealt with within the appropriate timescale.	12
274	Section 106 agreements utilised effectively and obligations are complied with.	12
279	High level Active Directory administration privileges/credentials are only assigned to appropriate individuals.	12
284	An appropriate current documented and approved ICT strategy is in place.	12
286	ICT equipment located in computer facilities is adequately and appropriately protected from significant environmental threats.	12
290	Where applicable, appropriate internal disaster recovery arrangements (including backup, replication and snapshot facilities) are in place to cover significant ICT system/servers.	12
292	Use of email facilities by users is adequately controlled.	12
296	Appropriate formal agreements are in place with any external parties involved in the management and operation of the networks.	12
297	Network infrastructure/equipment is appropriately managed and protected.	12
298	Adequate and appropriate arrangements are in place in respect of business continuity and disaster recovery for the network infrastructure (including backup arrangements and arrangements to ensure network resilience).	12
300	Appropriate security/usage policies for users are in place to provide important guidance to users of the ICT facilities.	12
301	Users of ICT facilities are appropriately controlled.	12
306	Adequate and appropriate patching of host and guest operating systems is undertaken.	12
307	Appropriate access controls are in place to secure the virtualised environment.	12
308	An appropriate inventory of all significant ICT equipment is maintained. Including servers, PCs, laptops, tablets, etc.	12
310	HMRC reporting requirements are being complied with.	12
311	Information on payslips meets statutory requirements and is correct.	12
320	Information held in systems relating to HR are accurate and up to date.	12
325	Invoice certification procedures should confirm that: goods and services have been received; prices have been checked; discounts have been taken and the invoice has not been paid before.	12
326	All invoices/requisitions are expenditure coded.	12
329	The authority complies with HMRC CIS scheme.	12
330	Invoices give details of what the debts relate to, the goods and services provided and dates of provision, and are coded to the correct service.	12
332	Arrears recovery procedures are clearly defined and implemented in all cases. Reminder and recovery action periods are suitable for the types of debtor involved. Like debtors are treated equally.	12
334	A master record of periodical income records the amount and due dates of all sums which become due under the terms of leases, rents, licences, and wayleaves etc., amendments may be made to the master record by nominated officers only (on standard forms controlled by the Finance department) and certified by authorised officers.	12
338	Pension deductions are taken each month from employee's pay at the appropriate rate.	12
341	The total contributions collected from both the employee and the employer are paid to the relevant pension fund in full.	12
342	There are clearly defined guidelines and procedures for the recruitment process.	12
346	The authority exercises powers to ensure safe, high quality standards in the private housing sector.	12
349	Safeguarding and child protection policies are in place, schools have an appointed designated safeguarding lead and arrangements are in place for appropriate training of staff.	12
353	Suitability of emergency unsupported placements.	12

355	Up to date and accessible procedures available to support the management of children's case files.	12
356	Address patterns of absence and promote regular attendance at school.	12
358	Pathway plans support care leavers in managing the transition from school to higher education, training or employment.	12
359	Training, support and development is in place for foster carers/special guardians.	12
361	Training, support and development is in place for adoptive parents and families.	12
364	Effective recruitment and retention of foster carers, including ongoing campaigns promoting the role.	12
368	Advice, access to support and refuge accommodation for victims of domestic abuse.	12
370	Commercial delegated planning applications are considered and determined in line with the local development plan, national planning framework, gives consideration to the provision of green spaces and is dealt with in accordance of the appropriate timescale.	12
381	Prioritised support and provision to tackle fuel poverty and deliver the Affordable Warmth Strategy.	12
382	Monitor delivery of community partnership objectives and key priorities.	12
383	Strategic plans and framework are in place to tackle poverty.	12
390	Commitment to road safety and reducing road casualties.	12
392	Compliance with Department for Transport (DfT) funding terms and conditions for grant payments received.	12
402	Tackling town centre property vacancies	12
403	Promotion of the borough and town centres as a great place to invest, trade and visit.	12
412	An accurate and complete register of licences issued is maintained.	12
413	Licence applications are subject to appropriate review and approval, evidence of background and eligibility.	12
415	A programme of trading standards inspections and sample tests has been identified using a risk assessment process.	12
416	Trading standards investigations are recorded accurately either as a result of a programmed inspection or in response to a complaint and the results circulated as necessary including general guidance as necessary.	12
423	Appropriate and up to date emergency plans are in place to guide a coordinated response to a major incident.	12
428	Provide effective short-term support to individuals following a discharge from hospital or to prevent hospital admission.	12
449	Cemeteries and memorials are well maintained and health and safety risks managed.	12
450	Crematorium inspection and monitoring to reduce the impact of emissions.	12
455	Inspection and maintenance of Council owned play facilities and skate parks.	12
457	There is a register of land owned and a sustainable grounds maintenance/landscaping programme in place.	12
467	A Gypsy Traveller Accommodation Assessment (GTAA) is undertaken to identify pitch requirements.	12
470	Compliance with the Health and Social Care Information Centre (HSCIC) Information Governance Toolkit	12
472	A central record of Information Asset Registers is maintained and checked for completeness.	12
473	There is a corporate arrangement in place for the secure destruction of paper records.	12
474	Appropriate email encryption is in place for sharing sensitive information.	12
477	Information asset registers are in place for each service and are being complied with.	12
479	Up to date and accessible procedures available to support the management of Adult Social Care users files.	12
485	In-house foster carer details are accurately recorded and updated.	12
486	Information relating to adopters is accurately recorded and up to date.	12
487	Adopter suitability appeals are appropriately managed.	12
488	School admissions appeals are appropriately managed.	12
491	There is a system of performance management in place to establish the effectiveness of HR policies, procedures and initiatives.	12
494	Leisure provision requirements are understood and effectively sourced.	12
503	The programme of trading standards inspections and sample testing is being monitored for completion.	12
510	Monitoring is undertaken to ensure compliance with planning decisions and appeals are handled appropriately.	12
511	Inspections of building work are undertaken to ensure compliance.	12
513	Building control decisions are accurately recorded.	12

523	Where financial assistance has been provided to businesses these are being monitored for compliance.	12
526	Changes in circumstances for council tax support and housing benefit claimants are processed appropriately.	12
527	Records relating to Council Tax Support and Housing Benefits are accurate and up to date.	12
531	Exclusions/Pupils at risk of exclusion are reviewed and action taken to address issues.	12
532	Pathway plans are monitored	12
533	Pathway plans are accurate and up to date on the system	12
534	Any payments agreed as part of the Pathway Plan have been paid correctly.	12
537	Accurate and up to date information is recorded for adoption cases.	12
538	Monitoring of Adult's safeguarding partnership arrangements ensure effective multi agency working.	12
539	Monitoring is undertaken of care packages for continued suitability.	12
548	Payments made for discretionary housing payments are accurate.	12
552	Plans are in place to continue to deliver housing/council tax support during an emergency.	12
557	The community engagement and heritage crime grant funding received is appropriately dealt with.	12
559	COVID related business grants have been appropriately managed with eligibility confirmed.	12
570	Income Recompense Scheme is appropriately reported and claimed.	12
663	Effective sourcing of child placements.	12
740	Staff within Transport and Capital projects have completed mandatory information governance training.	12
741	Staff within Public Health have completed mandatory information governance training.	12
742	Staff within Children's Services have completed mandatory information governance training.	12
743	Staff within Adults Service have completed mandatory information governance training.	12
744	Staff within Education have completed mandatory information governance training.	12
745	Staff within Economic Growth have completed mandatory information governance training.	12
746	Staff within Resources have completed mandatory information governance training.	12
747	Staff within Strategy, performance and communications have completed mandatory information governance training.	12
748	Staff within Housing and Revenue services have completed mandatory information governance training.	12
749	Staff within Law & Governance have completed mandatory information governance training.	12
751	Robust authorisation processes are in place for the payment of creditors.	12
30	Cash in Children's Services is appropriately safeguarded and reconciled.	24
58	Cash in children's centres is appropriately safeguarded	24
60	Headcount is being undertaken accurately and steps taken to verify figures for early years contracts.	24
62	Payments made to early years providers are accurate	24
63	Annual maintenance plans are in place for all buildings	24
66	Debt Management of commercial properties is effective.	24
70	Clear fraud prevention and detection arrangements	24
73	Delivery of contract management plans	24
83	Operate Stockton Collections arrangements and bad debt arrangements in compliance with relevant legislation.	24
87	Co-ordinate complaints process	24
90	Deliver health & safety training programme and provide advice and guidance materials.	24
92	Implement the counter fraud strategy	24
103	Undertake health & safety investigations	24
118	Transport provision is in line with client eligibility criteria.	24
120	Costs and demand for Passenger Transport services are monitored to ensure the best use of resources is applied.	24
121	Procurement of transport routes, goods and services ensures compliance with value for money principles and contract procedure rules.	24
122	Secure and effective arrangements for the collection, recording and recovery of income in respect of community transport.	24

123	Payments made to community transport staff are appropriate, accurate and authorised.	24
124	Strategies are in place to monitor and manage the demand for school meals in the short, medium and long term.	24
125	Charges for internal and external catering and cleaning provision are raised accurately and promptly, and income due has been received.	24
126	Assets and equipment owned by the catering and cleaning service are effectively maintained.	24
127	Protect the health and safety of catering and cleaning staff, service users and the public.	24
128	Operational procedures are in place and available to catering and cleaning staff.	24
129	Payments for cleaning supplies are accurate and in accordance with the contract.	24
133	Charges for internal and external security and surveillance services are raised accurately and promptly, and all income due has been received.	24
137	Accurate charging and effective income management in relation to civic enforcement activity.	24
140	Invoices and recharges in relation to telecare services are raised promptly and accurately and income due is received.	24
144	Appropriate measures are in place within the vehicle workshop environment to ensure the health and safety of council employees and the public.	24
145	Public Rights of Way Improvement Plan (RoWIP) is in place and progress against this monitored.	24
154	Appropriate controls and systems are in place to administer parking permits/waivers and the Blue Badge scheme.	24
155	The authority has undertaken appropriate consultation and produced an adequate, appropriate and up to date Local Transport Plan.	24
157	The authority has an adequate, appropriate and up to date Homeless Reduction and Prevention Strategy in place.	24
160	The authority has an adequate, appropriate and up to date Empty Homes Strategy in place.	24
166	Staff involved in adult referrals and assessments appropriately qualified and have appropriate clearances.	24
180	Adequate security measures are in place at each Day Service, Residential and Supported Living establishment to protect clients, guests and residents property and other assets.	24
186	The range of physical disability & sensory impairment equipment available is sufficient to meet service user need	24
191	Environmental Health cases are appropriately allocated to officers.	24
192	Environmental Health income is managed appropriately and all income due to the service is collected.	24
193	Payments made to providers of employee benefit schemes are accurate.	24
197	External communication and engagement contracts are procured in line with contract procedure rules, accounting instructions and value for money principles.	24
204	Effective internal communication and engagement with employees is achieved.	24
205	There is an appropriate documented HR, Legal and Communications business continuity plan in place that will enable service delivery in the event of short, medium and long term disruption.	24
207	The Council maintains positive and effective media relations.	24
210	Accurate and up to date records are maintained for all legal services provided.	24
212	Accurate and timely fee recovery for internal and external legal services provided.	24
215	Accurate charging is made in accordance with approved scale of land charges and fees.	24
219	Information stored on the employee protection register is accurate, up to date and used appropriately.	24
222	Appropriate employee benefit schemes are in place.	24
223	Effective procurement/commissioning of training and development providers ensures value for money and compliance with contract procedure rules.	24
224	Managers and staff are aware of their responsibilities in relation to personal development and training.	24
226	Successful delivery of a varied arts and events programme.	24
229	Ticket sales and admission charges for events are recorded and income received in full.	24
230	Procurement of events performers and suppliers is in line with contract procedure rules.	24
231	Payments to events performers and suppliers and performance are effectively managed	24
232	Learning and Skills Tutors are suitably qualified, trained and DBS checked.	24
233	Library income is securely held and effectively managed.	24
237	Payments to external leisure providers are effectively managed.	24

238	Learning and Skills course fees are set appropriately and income taken is held securely and adequately accounted for.	24
239	Staff and premises are available to enable delivery of adult education courses and qualifications by Learning & Skills to be maintained, in the event of unforeseen circumstances.	24
240	The range and quality of Learning & Skills provision meets local and national requirements.	24
242	Members inductions and training is adequate.	24
243	Sufficient and trained staff are available to support Elections held.	24
244	Maintain an up to date and accurate register of officers and Members business interests.	24
246	Maintain accurate and up to date gifts and hospitality register.	24
247	Officers and Members and aware of appropriate conduct in relation to gifts and hospitality.	24
248	Council meeting agendas and supporting documentation are available to support decision making.	24
258	Environmental Health inspectors have the appropriate qualifications.	24
259	Records relating to environmental health cases are appropriately recorded and managed.	24
266	Appropriate controls and system are in place to ensure all car parking income is accounted for in the authority's accounts.	24
267	PCN/FPN appeals are correctly and fairly processed.	24
278	Financial assistance provided to businesses is subject to appropriate appraisal and approval.	24
280	Generic/built in Active Directory accounts are appropriately controlled.	24
281	The Active Directory domain structure is appropriate and supports good practice.	24
282	An appropriate staffing structure is in place for ICT.	24
287	An adequate and appropriate software asset and license register/inventory is maintained.	24
288	Sufficient appropriate policing/auditing of software installation/use and licensing compliance is undertaken.	24
293	Remote access to facilities is adequately controlled.	24
305	Significant changes to the virtualised infrastructure are adequately managed. Allocation of resources in the virtualised environment is adequately and appropriately controlled.	24
312	The organisation's establishment is authorised by the managing body.	24
314	All overtime payments are supported by appropriate paperwork and details are promptly and accurately entered onto the system	24
315	All variable payments other than overtime (control covered elsewhere) are supported by appropriate paperwork and details are promptly and accurately entered onto the system.	24
316	All fixed salary payments comply with policies and are supported by appropriate paperwork and details are promptly and accurately entered into the system.	24
317	All deductions other than pension deduction (control covered elsewhere) are supported by appropriate paperwork and details are promptly and accurately entered onto the system.	24
318	Financial information is updated in a timely manner and recorded accurately within Business World On!	24
319	Standard exception reports are produced for subsequent investigation and clearance.	24
321	Staff fit notes and self-certification forms covering the entire period of sickness absence are promptly received, accurately recorded and stored appropriately.	24
324	Creditors procedure manuals are held and all staff are aware of these manuals.	24
328	Secure procedures operate for immediate payments.	24
333	Standing orders/financial regulations require the reasons for all sundry debtor write-offs exceeding £x to be reported to committee. Write-offs below this amount may be authorised by a nominated officer when all recovery procedures have been unsuccessful.	24
335	A record is kept of all accounts which are not dispatched at the time the accounts are raised. This record indicates why this action was taken, and where appropriate, records the agreement of the budget holder.	24
336	Regular reconciliation exercises are performed between the debtors (accounts receivable) balances and the main accounting (general ledger) system records.	24
337	Amendments and credits can only occur with the authorisation of the responsible officer for the cost centre whose account was originally credited in error.	24
339	The employer makes the correct % contribution payment to the relevant pension fund on behalf of each employee within that scheme.	24

340	Early retirement is only granted to an employee in accordance with Council policies and that associated calculations made based on this are accurate.	24
343	The appointment process is fair, robust and managed effectively.	24
344	All new employees have been appropriately vetted before being employed.	24
345	All newly appointed employees are subject to an appropriate induction.	24
347	Specialist housing facilities managed by the authority meet demand, provide good quality accommodation and comply with the needs of vulnerable residents.	24
350	Procedures ensure that staff are aware of the process for making a referral to children's social care.	24
351	Monitoring of Children's safeguarding partnership arrangements ensure effective multi agency working.	24
354	Information published by maintained schools is in compliance with regulations.	24
357	Effective oversight of education provided to children in the home/hospital or other setting outside school.	24
360	Payments to carers are accurate, appropriate and timely.	24
362	Financial support provided to adoptive families is paid accurately and timely.	24
366	Implementation of action plans that promote access to targeted resources, increase access to education, training and employment.	24
374	Effective management of payments and expenses associated with child contact visits.	24
375	Continuity of care workers for children and their families is a priority.	24
377	Effective resource management in schools to provide value for money and maximise outcomes for pupils.	24
379	Corporate privacy notices in place.	24
384	Delivery of Stockton Business Improvement District partnership objectives and key priorities.	24
385	Effective administration and management of community centres.	24
386	Effective administration and management of children's centres.	24
387	Effective community engagement and consultation.	24
389	Delivery of an effective careers advice and guidance service.	24
398	Local economic assessment provides an economic baseline to inform decision making.	24
400	Effective administration and management of business premises and specialist start-up business space.	24
404	Promotion of apprenticeship opportunities.	24
406	Appropriate allocation of town centre market pitches.	24
407	Monitor trends in crime and anti-social behaviour and respond to emerging issues.	24
409	Effective management and delivery of CCTV strategy.	24
411	An appropriate licence fee is established.	24
417	Compliance with licence conditions is monitored and appropriate sanctions taken when necessary.	24
420	Response to requests for the removal of needles and syringes within two hours.	24
430	Effective performance management systems are in place to monitor levels of take up of leisure and culture activities with remedial action taken as necessary.	24
431	Provide a broad selection of accessible leisure and outdoor activities, representing value for money to the public.	24
432	On-site concessions are managed and procured appropriately.	24
434	Safeguarding of assets and equipment used in the delivery of arts and events.	24
435	Kerbside collection routes provide an efficient and complete service.	24
438	Waste and recycling targets are achieved.	24
439	Effective management of trade waste contracts and collection of income.	24
440	Effective procurement of waste and recycling contracts.	24
441	Contingency plans are in place for the collection and disposal of waste.	24
443	Registration of births, deaths, marriages and civil partnerships is in line with statutory timescales.	24
444	Demand for burial space is monitored and plans are in place to meet current and future requirements.	24
445	Statutory records in relation to registrations and burials are accurate and complete.	24
446	Compliance with General Register Officer statistical reporting requirements.	24
448	Crematorium operational controls are effective and comply with Cremation Regulations.	24

451	Maintain a schedule of cremator inspection and maintenance.	24
452	Parks and green spaces are identified, mapped and promoted.	24
454	Health and safety standards are maintained within our parks and green spaces.	24
456	Management of allotment sites, waiting lists and rental income.	24
459	Staff utilising grounds maintenance equipment are appropriately trained and qualified.	24
460	Security and crime prevention measures are in place in relation to parks and green spaces.	24
461	Provision of green spaces is a consideration for new housing developments, regeneration schemes etc.	24
462	Provision and upkeep of outdoor public seating and street furniture.	24
463	National Fraud Initiative (NFI) matches in relation to COVID related business grants are promptly reviewed and investigations undertaken as necessary.	24
468	Effective marketing and promotion of the Council brand and services.	24
469	Monitoring and evaluation of social media content.	24
475	Records relating to housing and housing related developments are accurate, up to date and appropriately safeguarded.	24
480	Employee hard copy files are adequately safeguarded.	24
481	Up to date HR policies and procedures.	24
482	Effective working relationships with staff forums and other employee groups such as unions.	24
483	Payments made to external providers of day care, after school and residential short breaks for young people with complex and additional needs are accurate and timely.	24
489	School admissions records are accurate and up-to-date.	24
490	There is a process in place for managing appeals and monitoring continued placement on the employee protection register.	24
492	Payments made to external training providers are accurate.	24
495	Income/payments relating to on-site concessions are accurate.	24
496	Charges for security and surveillance have been set appropriately.	24
497	Civic enforcement actions are appropriately and accurately recorded.	24
498	Appeals against civic enforcement actions are managed appropriately.	24
500	Information held about pupils in receipt of a free school meal is accurate and update and managed appropriately.	24
501	Payments for catering supplies are accurate and in accordance with the contract.	24
502	Payments to transport providers are accurate.	24
504	Payments are made to waste contractors accurately.	24
505	Allocation of Markets pitches is monitored and feedback sought.	24
506	Details about market traders are accurate and up to date.	24
509	Systems are in place to report/identify potential planning breaches.	24
512	There is an appropriate system in place to manage building control appeals.	24
515	Fees for building control applications have been set appropriately.	24
516	The correct fee is received for planning applications/requests.	24
517	Fees for planning applications received have been set correctly.	24
518	Payment of disabled facilities/helping hand grants are accurate.	24
519	The outcome of the disabled facility/helping hand grant application has been appropriately recorded.	24
520	Monitoring of disabled facility/helping hand grant work is appropriate.	24
521	The disabled facilities/helping hand grant budget is appropriately monitored.	24
522	Financial assistance to businesses decisions are accurately recorded.	24
525	H&S audit work is recorded appropriately	24
528	Decisions to award discounts for Council Tax or Rate Relief for NNDR are appropriate	24
529	Council Tax/NNDR information is accurate and up to date.	24
530	Discounts/Rate Relief is monitored for continued eligibility and there is an appropriate appeals process in place.	24
540	Monitor and review use of personal budgets.	24



541	The decisions to allow a personal budget is appropriate.	24
542	Financial assessments are reviewed and updated for changes in circumstances.	24
544	Payment of personal budgets is accurate and timely.	24
545	There is an effective appeals process for transport eligibility decisions.	24
546	Community (SBC) & Passenger (DBC) Transport information is up to date and accurate.	24
547	The correct fee is received for licenses.	24
549	Feedback on cases of identified fraud are acted upon appropriately.	24
550	Council Tax support/housing benefit overpayments are managed effectively.	24
553	Adequate procedures exist to deliver Council Tax/Benefits/Business Rate services.	24
554	Decisions to write-off outstanding council tax and NNDR debts are appropriate and have been appropriately approved.	24
555	Decisions to write-off outstanding housing debts is appropriate and all steps taken to recover the amount.	24
556	Sundry debts are only written-off when all steps have been taken to recover the amounts and are appropriately authorised.	24
574	Effective management of external payments and expenses associated with independent DoLS assessors.	24
575	There is an effective financial process in place which ensures that all refunds, exchanges, and account credits are accounted for and appropriately authorised at the Hippodrome.	24
578	Results of the National Fraud (NFI) Exercise, identifying instances where VAT may have been overpaid, are reviewed and outcomes recorded.	24
579	Local Authority Compliance and Enforcement Grant	24
582	All newly appointed employees have completed an appropriate probation.	24
659	The procurement of Catering Supplies is in line with Contract Procedure Rules.	24
660	The procurement of Building Cleaning supplies is in line with Contract Procedure Rules.	24
680	National Fraud Initiative (NFI) matches in relation to Blue Badge permits are promptly reviewed and investigations undertaken as necessary.	24
681	National Fraud Initiative (NFI) matches in relation to Concessionary Travel passes are promptly reviewed and investigations undertaken as necessary.	24
682	National Fraud Initiative (NFI) matches in relation to resident parking permits are promptly reviewed and investigations undertaken as necessary.	24
683	National Fraud Initiative (NFI) matches in relation to trade creditors are promptly reviewed and investigations undertaken as necessary.	24
684	National Fraud Initiative (NFI) matches in relation to Council Tax Reduction Scheme are promptly reviewed and investigations undertaken as necessary.	24
685	National Fraud Initiative (NFI) matches in relation to Housing Benefits Claimants are promptly reviewed and investigations undertaken as necessary.	24
686	National Fraud Initiative (NFI) matches in relation to Housing tenants, waiting lists and RTB are promptly reviewed and investigations undertaken as necessary.	24
687	National Fraud Initiative (NFI) matches in relation to Council Tax Single Person Discount are promptly reviewed and investigations undertaken as necessary.	24
688	National Fraud Initiative (NFI) matches in relation to procurement are promptly reviewed and investigations undertaken as necessary.	24
689	National Fraud Initiative (NFI) matches in relation to payroll are promptly reviewed and investigations undertaken as necessary.	24
738	Ticket sales and admission charges for museums are recorded and income received in full.	24
750	Regular reconciliation exercises are performed between the creditors (accounts payable) balances and the main accounting (general ledger) system records.	24
80	Operate clear and robust insurance claim management and processing uninsured loss recovery.	48
84	Provide insurance underwriting support to services	48
94	Prepare and submit accurate financial returns by deadlines - RA/RO/Capital	48
110	Early help and support provided by welfare support service	48
196	Payments made to external employee therapy providers are accurate.	48
208	Communication and marketing budgets are effectively monitored and controlled.	48

209	Staffing requirements and associated costs are understood and effectively managed in relation to communication and media related activities.	48
211	Payments made by legal services to external providers or claimants are accurate and timely.	48
253	Finance and assets located at stand alone facilities for adults are adequately managed.	48
276	Landlord Accreditation Scheme membership is subject to an effective review and renewal process.	48
277	The Travellers Site is secure and maintained effectively.	48
291	An appropriate infrastructure is in place to facilitate Internet usage for the organisation.	48
322	Approved absence has been granted in-line with policy and promptly recorded and correctly authorised.	48
419	Prompt removal of graffiti from public land and street furniture.	48
425	Provision of a confidential animal collection and rehoming service.	48
426	Prompt and effective response to reports of stray or abandoned animals.	48
427	Receipt of appropriate fees prior to release of lost animals to their owner.	48
436	Facilities are in place for the public to report litter, fly-tipping or missed kerb side collections.	48
447	Registrars and bereavement services income is received and recorded.	48
493	Payments to external communication and engagement providers are accurate and timely.	48
507	Permits/Waivers and Blue Badges are monitored for continued eligibility and an appeal process is in place.	48
508	Information relating to car parking permits/waivers and Blue Badges is appropriately stored and kept up to date.	48
514	An appropriate fee has been received for building control applications.	48

**AUDIT COMMITTEE  
29 SEPTEMBER 2021**

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**ANTI-FRAUD AND CORRUPTION STRATEGY 2021-2022**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To advise Members of the Anti-Fraud and Corruption arrangements for the period 2021-2022.

**Information and Analysis**

2. Estimates suggests in excess of £300m is being lost to fraud in local government. With the pressures faced by our services it is imperative that we are able to ensure the funds we have are not being lost to fraudsters.
3. The Chartered Institute of Public Finance and Accountancy (CIPFA) take the lead on providing advice and guidance to the sector on managing the fraud risk. They also co-ordinate annual surveys of fraudulent activity detected across local government.
4. A Code of Practice on Managing the Risk of Fraud and Corruption was published by CIPFA in October 2014. The code has 5 distinct strands:
  - Acknowledge Responsibility
  - Identify Risks
  - Develop a Strategy
  - Provide Resources
  - Take Action
5. The attached strategy has been developed in line with the code of practice with each of the 5 themes addressed. The format of the strategy has been redefined from previous versions to improve the visual appeal of the strategy and make it more effective.
6. The strategy is endorsed by senior management with a foreword provided by the Director - Operations as the responsible finance officer and the Chair of the Audit Committee reflecting the importance of tackling fraud within the authority.
7. At the core of the code is understanding our fraud risk and ensuring we provide adequate resources to address the areas of greatest risk. A risk has been added to the strategic risk register to facilitate this.
8. Based on the results of local counter fraud activity and the national estimates of where fraud occurs it would appear the resources we have available and where they are deployed are commensurate with the current level of risk exposure. There are a number of emerging risk areas (specifically social care and procurement), work will be undertaken from existing

resources to assess the risk posed and whether there is a need for additional controls in those areas.

9. There are a significant number of promotional materials available to support counter fraud efforts. Included in the strategy are a number of actions around raising awareness and ensuring everyone understands the risk of fraud therefore helping to prevent fraud occurring and where it does to ensure it is reported and appropriate action is taken.
10. The audit plan supports the fraud risk assessment process providing advice and guidance where controls need to be improved. Good practice suggests continuous monitoring is an effective process for detecting fraud early. Much of the work within the audit plan is moving towards continuous monitoring not only to improve the efficiency and effectiveness of the audit service but also to support the early detection of fraud reducing its impact.

### **Anti-Fraud and Corruption Strategy 2020/2021 Update**

11. A number of actions were identified in the 2020/2021 strategy and a position statement is provided below:
  - a. Intranet pages were reviewed and updated during the year. The intranet page includes guidance and training materials for staff.
  - b. Fraud risk assessment has been reviewed at regular intervals during the year.
  - c. Progress has been made on the programme of controls auditing.
  - d. Audits have considered management arrangements for the prevention and detection of fraud.
  - e. A number of awareness campaigns were undertaken including press releases and social media posts during international fraud awareness week in November and updates to staff via the weekly briefing throughout the year.
  - f. Publication of relevant fraud information is included within the strategy itself.
  - g. Participation in the National Fraud Initiative (NFI) exercise.

**Recommendation**

12. It is recommended that :-

- a. That the Audit Committee approves the Anti-Fraud and Corruption Strategy (**Appendix A**).

**Reason**

13. The recommendation is supported as it comprises part of the Council’s corporate governance arrangements.

**Andrew Barber**  
**Audit and Risk Manager**

**Background Papers**

- (i). CIPFA Code of Practice on Managing the Risk of Fraud and Corruption

Andrew Barber : 01642 526176 Internal : 156176

S17 Crime and Disorder	Other than any special investigation work required there is no crime and disorder impact.
Health and Well Being	There is no specific health and well being impact.
Carbon Impact	There is no specific carbon impact.
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally.
Budget and Policy Framework	This report does not affect the budget or policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	There is no specific relevance to the strategy beyond the report comprising part of the Council’s governance arrangements.
Efficiency	There is no specific efficiency impact.

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# Anti-Fraud & Corruption Strategy

2021 / 2022



**DARLINGTON**  
Borough Council

### Foreword

Welcome to Darlington Borough Council’s Anti-Fraud and Corruption Strategy. Fraud and corruption is estimated to cost the public sector £702m a year in the UK with estimates in the region of £302m in local government alone. Nationally, Council Tax & Housing Fraud continue to be areas where significant fraud occurs and Social Services and Procurement fraud have been identified as the areas of greatest risk. Clearly this is an unacceptable waste of taxpayers money and each of us has a role to play in preventing this waste and ensuring those funds are available to deliver services to our residents.

This document will outline some of the good work that is already taking place as well as looking at ways we can improve our systems and processes to prevent future waste. Despite relatively low levels of fraud detected locally we mustn’t rest on our laurels and we will continue our work to tackle Housing Fraud and Council Tax fraud whilst looking to further develop the work we do to tackle fraud in emerging areas such as Social Services and Procurement. With your help and support we can ensure funds go into our vital services rather than lining the pockets of criminals.

Elizabeth Davison - Director of Operations

As a councillor and chair of the audit committee I see every day the commitment of our staff to ensure services are delivered to the very best of our ability to our residents. It is disheartening that despite all of this effort we could be doing more if funds were not being diverted away from vital services into the hands of criminals. We have in place a robust governance framework to help reduce the risk of fraud but as ever it is you, our staff who have the most vital role to play by being vigilant and conscious of the fact that fraud may be occurring. Together we can ensure funds are used in the right way to continue to deliver the very best services to our residents and I thank you for your continued vigilance in our fight against fraud.

Cllr Gerald G. Lee - Audit Committee Chair

**Fraud** – this is defined by the Fraud Act 2006 “A person shall be guilty of fraud if he

- dishonestly makes a false representation, or
- dishonestly fails to disclose to another person information which he is under a legal duty to disclose, or
- occupies a position in which he is expected to safeguard or not to act against the financial interests of another person and dishonestly abuses that position

AND

- intends to make a gain for himself or another or to cause loss to another or expose another to a risk of loss"

The Council recognises that as well as causing financial loss, fraud is also detrimental to the provision of services, and damaging to the reputation of, and confidence in, the Council, public bodies in general and reputable businesses.

The Council is clear that it will not tolerate any impropriety by employees, elected Members or third party organisations.



## Understanding the Fraud Risk

1	Fraud & Corruption	Failure to detect or prevent fraud and corruption.				
Causes	Implications	Risk Status				
<ul style="list-style-type: none"> <li>Breach in standards, corporate policies or procedures.</li> <li>Poor recruitment standards, or vetting of contractors.</li> <li>Economic recession and individual circumstances create pressures and motivate the crime.</li> <li>Bribery or collusion.</li> <li>Opportunity provided by system weakness and poor internal controls.</li> <li>Erosion of ethics.</li> <li>Employee disaffection.</li> </ul>	<ul style="list-style-type: none"> <li>Financial loss.</li> <li>Negative publicity and adverse impact on reputation.</li> <li>Loss or damage to resources or infrastructure.</li> <li>Data loss or breach.</li> <li>Detrimental impact on service provision and local taxpayers.</li> </ul>	<p>The Council has a responsibility to protect public funds for which we are responsible. Fraud on public funds is unacceptable therefore the Council is committed to minimising the risk of fraud, corruption and misappropriation. Development of an anti-fraud culture is part of improving resilience to fraud, through raising awareness, clearly defined responsibilities, robust reporting mechanisms and a suitability resourced anti-fraud strategy.</p> <p>The national picture suggests that whilst the number of cases per individual authority may be relatively low it is likely there are a number of the other categories where we have not detected any to date. The highest level of fraud across the public sector relates to housing, procurement, adult social care and council tax. Welfare benefit cases are referred to the Single Fraud Investigation Service for investigation. Instances of procurement fraud can be costly. Losses in relation to adult social care can also be financially significant, however the average value in the other areas tends to be relatively low. The Council does tend to focus its efforts in the areas where the highest numbers currently exist so the potential value of frauds not currently being actively pursued will be relatively low. Sound systems were put in place to manage the COVID Grants.</p>				
		Current Risk		Desired Outcome		
		Impact	Likelihood	Score	Impact	Likelihood
3	2	6	2	2	4	

## Detection

- The Council will use all legal and cost effective means to detect fraud, corruption and bribery including working with other organisations in national data matching schemes e.g. the National Fraud Initiative, Housing Benefit Matching Service, HMRC Taxes Management Act Returns. This may require the lawful sharing of information.
- Risk based Internal Audit Plan that ensures areas with a high risk of fraud are reviewed at least annually.
- Elected Members, staff and external stakeholders are expected to report suspected fraud, corruption or bribery promptly.

## Prevention

- The establishment of adequate internal control systems to prevent fraud is the responsibility of Management.
- The Chief Executive, Directors and Assistant Directors are responsible for assessing the effectiveness of internal control systems in relation to fraud, corruption and bribery.
- Internal Audit coverage is sufficient to provide annual assurance to the Council's Audit Committee and supports managers by assessing controls in relation to the prevention of fraud.
- Awareness raising with staff around the importance of maintaining adequate control systems.

## How we tackle Fraud

## Respond

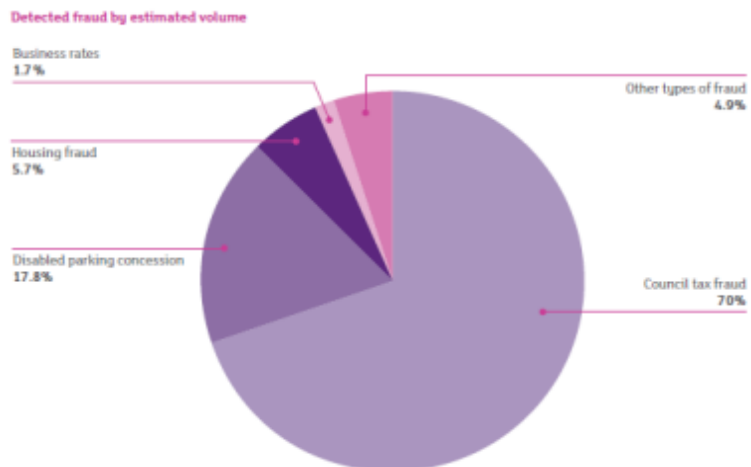
- All instances of suspected fraud must be notified to Internal Audit service to enable the completion of annual returns and to form evidence to support the Annual Governance Statement.
- Investigation will be conducted by the most appropriate section as detailed below:
  - Fraud involving employees will be investigated in accordance with the Council's Disciplinary Procedures by a nominated Investigation Manager with support from the Internal Audit Service.
  - Allegations of improper conduct made against members will be managed by the Monitoring Officer.
  - Other fraud committed against the council will be considered on a case by case basis to determine the most appropriate section to undertake the investigation.
- The Council will adhere to the provisions of the Regulation of Investigatory Powers Act (RIPA) and Money Laundering Legislation.
- Any decision to involve the Police in any investigation of fraud will be taken by the Section 151 Officer in consultation with the Chief Executive and the Monitoring Officer.
- The outcome of the investigation of fraud against the council will be reported appropriately to ensure systems and procedures are amended and to act as a deterrent.
- The Council recognises the need to ensure that its investigation process is not misused. Any abuse such as the raising of malicious allegations by officer/members will be dealt with as a disciplinary matter.
- Sanctions - Including recovery of proceeds (POCA, Civil Law, Pensions)

## Policy Framework

- Codes of Conduct for Members and Employees;
- Protocol for members on Gifts and Hospitality;
- Confidential Reporting ("Whistleblowing") Policy and Complaints Procedures;
- Contracts Procedure Rules;
- Standing Orders and Financial Procedural Rules;
- ICT Security Policies;
- Robust internal control systems, processes and reliable record keeping;
- Effective Internal Audit;
- Effective Recruitment procedures;
- Disciplinary Policy and Procedures;
- The Regulation of Investigatory Powers (RIPA) Procedure;
- Induction and Training;
- Fraud Response Plan.

Key Facts & Figures

Nationally



\* - Source: CIPFA Fraud and Corruption Tracker 2018

What's Happening Locally

Locally

Investigative Resources Available (2021/2022)

Type	Total FTE	Qualified FTE	Cost of Investigations	No of Investigations
Council Tax, Benefits & Business Rates	0	0	£0	0
Other**	0.3	0	£0	0

\* - Northgate exercise not run in 2020

\*\* - Internal Audit set aside a number of days per year to undertake fraud related work.

As no investigations were undertaken during the year there has been no cost as resources were deployed elsewhere.

NFI Matches by Theme

Blue Badge	345
Concessionary Travel	444
Council Tax Reduction	633
Creditors	1505
Grant Recipient	38
Housing Benefits	53
Housing Right to Buy	8
Housing Tenants	136
Housing Waiting List	80
Payroll	34
Procurement	35

Required Actions	Owner and Target Date
<p><b>Anti-Fraud Strategy</b> Develop an effective counter fraud strategy setting out our approach to managing the risk of fraud and defining responsibilities for action.</p> <ul style="list-style-type: none"> <li>• Anti-Fraud Strategy to be updated and presented to Audit Committee for approval.</li> <li>• Progress against the Anti-Fraud Strategy and Action Plan to be reviewed quarterly as informed by the risk assessment process.</li> <li>• Review and update as necessary the Internet and Intranet presence for the updated Anti-Fraud Strategy, linked policies and fraud reporting mechanisms.</li> </ul>	<p>September 2021 - Audit &amp; Risk Manager On-going - Audit &amp; Risk Manager</p> <p>On-going - Audit &amp; Risk Manager</p>
<p><b>Fraud Risk Assessment</b> Periodic fraud risk assessment undertaken to understand the scale of corporate fraud risk and the potential implications to the organisation.</p> <ul style="list-style-type: none"> <li>• Fraud and Corruption risk included in the Strategic Risk Register.</li> <li>• Quarterly monitoring and update of identified controls, actions and current status.</li> <li>• Assess the extent to which Senior Management identify and monitor fraud risks and increase senior management ownership as necessary.</li> <li>• Reporting fraud risk to Members in line with the Risk Management policy.</li> </ul>	<p>On-going - Audit &amp; Risk Manager On-going - Audit &amp; Risk Manager On-going - Audit &amp; Risk Manager</p> <p>On-going - Audit &amp; Risk Manager</p>
<p><b>Data Matching</b> Detection of potential fraud through the use of third party data matching.</p> <ul style="list-style-type: none"> <li>• Submission of files for NFI Exercise</li> <li>• Participation in NFI data matching exercises and review of potential matches in high risk areas.</li> <li>• Increase resources available to review high priority matches identified.</li> <li>• Provide a summary of results from the NFI exercise quarterly.</li> </ul>	<p>October 2020 - Audit &amp; Risk Manager On-going - Audit &amp; Risk Manager On-going - Audit &amp; Risk Manager On-going - Audit &amp; Risk Manager</p>
<p><b>Continuous Audits and the Use of Data Analytics</b> Employ data analytic tools for the purpose of preventing and detecting fraud.</p> <ul style="list-style-type: none"> <li>• Expand the use of IDEA and the programme of continuous auditing.</li> <li>• Increased sharing and matching of internal and/or cross boundary data to develop local counter fraud exercises.</li> </ul>	<p>On-going - Audit &amp; Risk Manager On-going - Audit &amp; Risk Manager</p>
<p><b>Audit Work</b> Internal Audit assists management in determining whether effective internal controls are in place to manage the risk of fraud.</p> <ul style="list-style-type: none"> <li>• Results of the Fraud and Corruption risk assessment to inform the work of Internal Audit, including systems audit work, proactive fraud and corruption checks (compliance) and fraud awareness activities.</li> <li>• More probing and directed audits to be conducted in key areas of fraud risk.</li> <li>• Fraud Audits to consider management controls over fraud.</li> <li>• Consider fraud as part of every audit.</li> <li>• Issue annual audit opinion on the internal controls related to fraud.</li> </ul>	<p>On-going - Audit &amp; Risk Manager</p> <p>On-going - Audit &amp; Risk Manager On-going - Audit &amp; Risk Manager On-going - Audit &amp; Risk Manager June 2022 - Audit &amp; Risk Manager</p>

Required Actions	Owner and Target Date
<p>Awareness Campaigns</p> <p>Employee and Member training and awareness sessions and campaigns to provide information relating to what constitutes fraud and the means to report suspected fraud.</p> <ul style="list-style-type: none"><li>• Continue to develop use of Social Media to promote fraud awareness.</li><li>• Undertake specific fraud awareness training for priority service areas.</li><li>• Use of briefings, to publish awareness campaigns, particularly during national fraud awareness weeks.</li></ul>	<p>On-going - Audit &amp; Risk Manager On-going - Audit &amp; Risk Manager On-going - Audit &amp; Risk Manager</p>
<p>Publication of Fraud Information</p> <p>Create transparency through the annual publication of public fraud data.</p> <ul style="list-style-type: none"><li>• In line with requirements of the Local Government Transparency Code 2015 the following should be reported on an annual basis:<ul style="list-style-type: none"><li>• Number of occasions the authority has used powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers.</li><li>• Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud.</li><li>• Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists</li><li>• Total amount spent by the authority on the investigation and prosecution of fraud.</li><li>• Total number of fraud cases investigated.</li></ul></li></ul>	<p>On-going - Audit &amp; Risk Manager</p>

## Key Contacts

### Internal Audit

Stockton on Tees Borough Council

16 Church Road (Room 135)

Stockton on Tees

TS18 1TX

01642 526176

[internalaudit@darlington.gov.uk](mailto:internalaudit@darlington.gov.uk)

#### Role:

Investigate employee fraud.

Investigate fraud in schools.

Collate statistics.

Maintain the Anti-Fraud & Corruption Strategy.

### Revenue Services

Town Hall

Feethams

Darlington

County Durham

DL1 5QT

0800 854 440

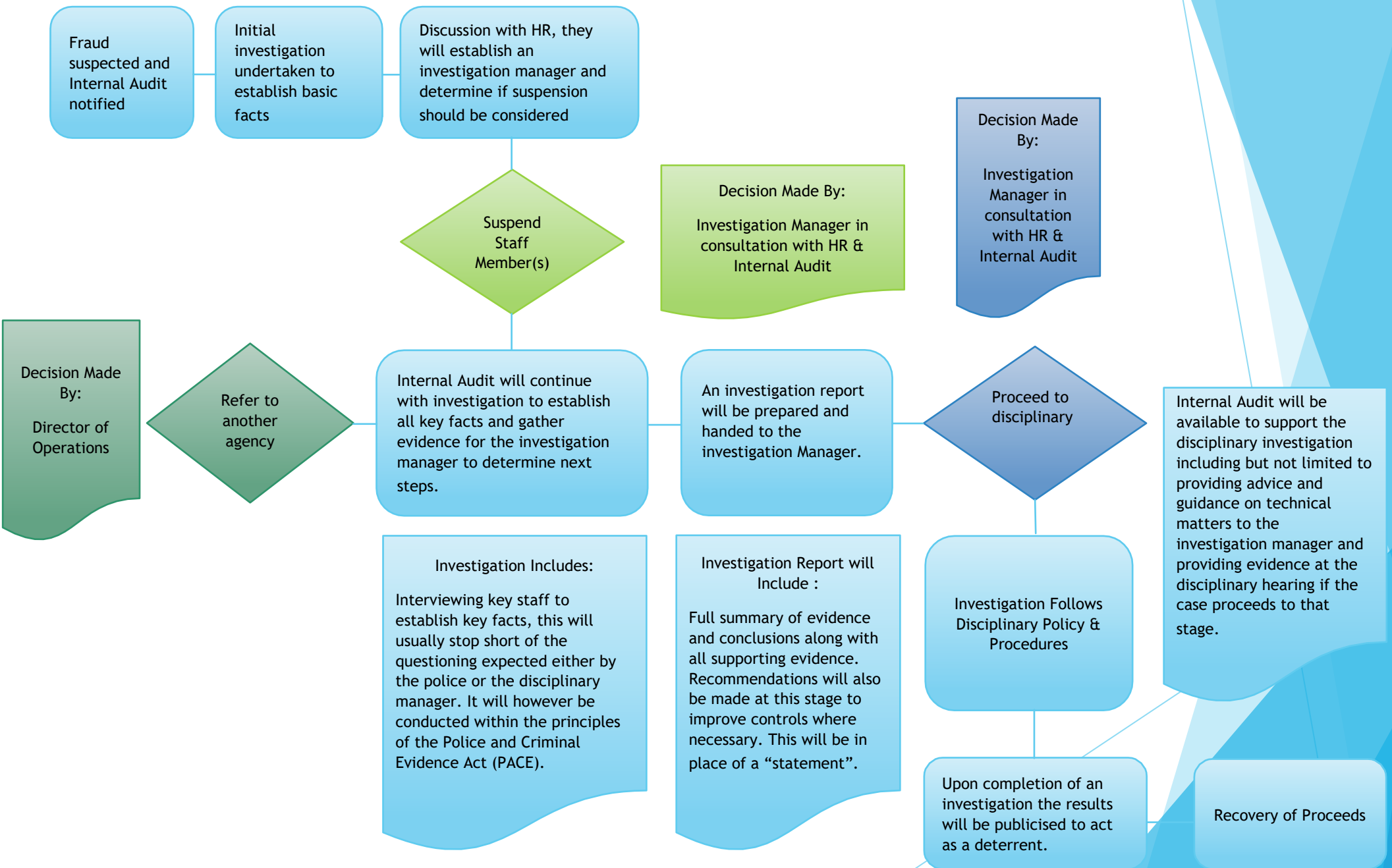
[HBEnquiries@darlington.gov.uk](mailto:HBEnquiries@darlington.gov.uk)

#### Role:

Investigate Council Tax Support Fraud.

Liaise with Department for Work and Pensions.

# Appendix A - Fraud Response Flowchart (Employee Fraud)



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**AUDIT COMMITTEE  
29 SEPTEMBER 2021**

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**ETHICAL GOVERNANCE AND MEMBER STANDARDS – UPDATE REPORT**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To update members on issues relevant to member standards and ethical governance.

**Summary**

2. The report gives members an update of information about issues relevant to member standards since matters were reported to the Committee in April 2021.
3. Also set out in the report are a number of datasets of ethical indicators to assist in monitoring the ethical health of the Council. By reviewing these indicators it is hoped to be able to identify any unusual or significant trends or changes in the volume of data recorded for the relevant period that might provide an alert to any deterioration in the ethical health of the authority.
4. Commentary is included for some data sets to give analysis and explanation for some of the more notable variations. There are no particular issues of concern that have been identified from reviewing the data.

**Recommendation**

5. Members are asked to note the information presented and to comment as appropriate.

**Reason**

6. By having information of this nature:
  - (a) Members will be assisted to perform their role.
  - (b) Members will be able to get a better picture of the ethical health of the authority.

**Luke Swinhoe  
Assistant Director, Law and Governance  
Monitoring officer**

**Background Papers**

None – save as mentioned in the text

Luke Swinhoe: Extension 5490

S17 Crime and Disorder	There are no specific issues which relate to crime and disorder
Health and Well Being	There is no specific health and wellbeing impact
Carbon Impact and Climate Change	There is no specific carbon impact
Diversity	There is no specific diversity impact
Wards Affected	All wards are affected equally
Groups Affected	All groups are affected equally
Budget and Policy Framework	This report does not affect the budget or policy framework
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
Council Plan	There is no specific relevance to the strategy beyond a reflection on the Council's ethical governance arrangements
Efficiency	There is no specific efficiency impact
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

## MAIN REPORT

### Update on matters relevant to Ethical Governance and Member Standards

#### Members Code of Conduct - LGA Guidance

7. As previously advised, the Local Government Association (LGA) carried out a review the member code of conduct (as recommended by the Committee on Standards in Public Life's report into [Local Government Ethical Standards](#)). As a result the LGA published the Model Councillor Code of Conduct on the 23rd December 2020.
8. Members should note that a separate detailed report is also before this Committee specifically looking at the LGA Model Code, to assist this Committee and the Council in considering whether we should adopt the LGA Model Code.
9. In July 2021 the LGA published guidance to assist the interpretation of the Model Code [Guidance on Local Government Association Model Councillor Code of Conduct | Local Government Association](#). This will be particularly helpful to local authorities that have adopted the Model Code, but also in a wider sense as a contribution to the better understanding of issues relevant to member standards.

#### Committee on Standards in Public Life (CSPL)

10. The CSPL advises the Prime Minister, national and local government about ethical standards in public life in England. It monitors, conducts broad inquiries and reports on issues relating to the standards of conduct of all public office holders.
11. The practice has been to provide members with update information about the work of the CSPL and in particular anything of relevance to local government. There is not a great deal to

report of direct relevance. Members more generally may be interested to look at the June 2021 CSPL review of the effectiveness of regulation in England (mostly about central government and Parliament). In July the CSPL published a report and recommendations to government on the regulation of election finance. Further information is available from the following link [Committee on Standards in Public Life - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/committees/standards-in-public-life)

### **Members Code of Conduct/ Register refresh**

12. All members have been advised of the need to review the entries that they have made on their register of interests and where necessary to provide an updated form.

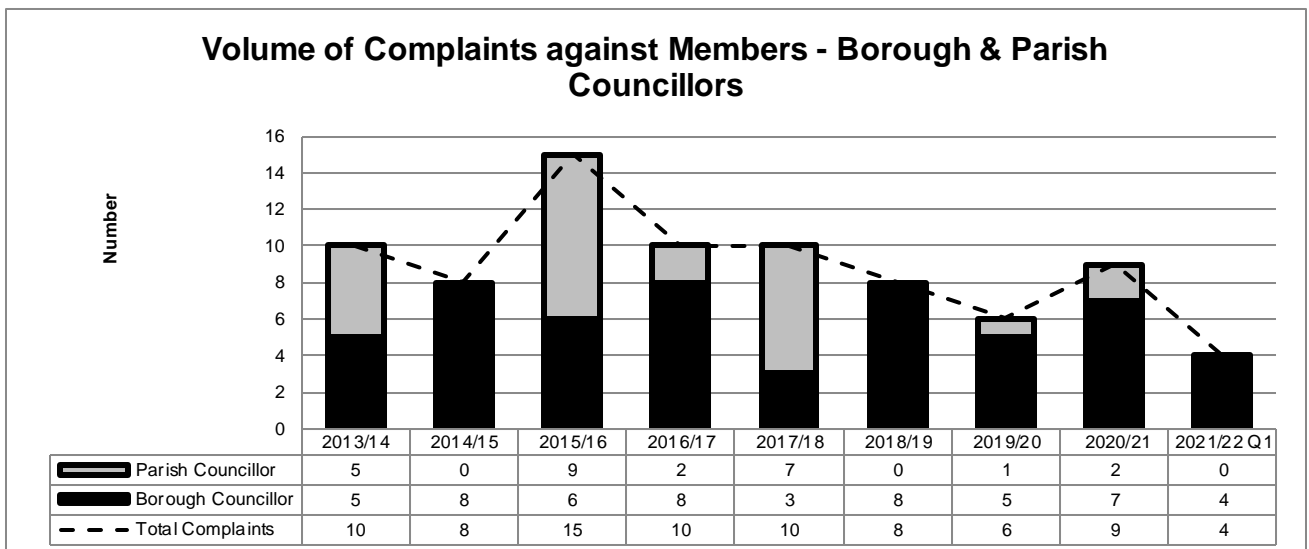
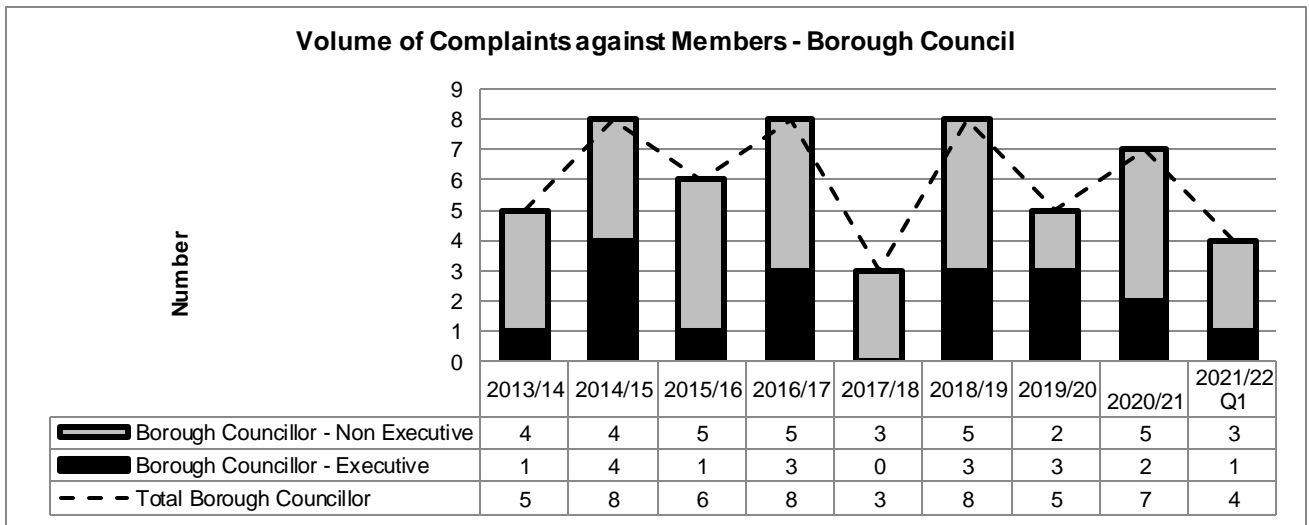
### **Ethical Indicators**

12. Set out in Appendix 1 are a range of data sets that it is hoped will assist in monitoring the ethical health of the Council. By reviewing the indicators, it will be possible to identify any unusual or significant changes in the volume of data recorded for the relevant period that might provide an alert to any deterioration in the ethical health of the authority.

13. Member's observations about this information are invited.

**APPENDIX 1**

**Member Complaints**



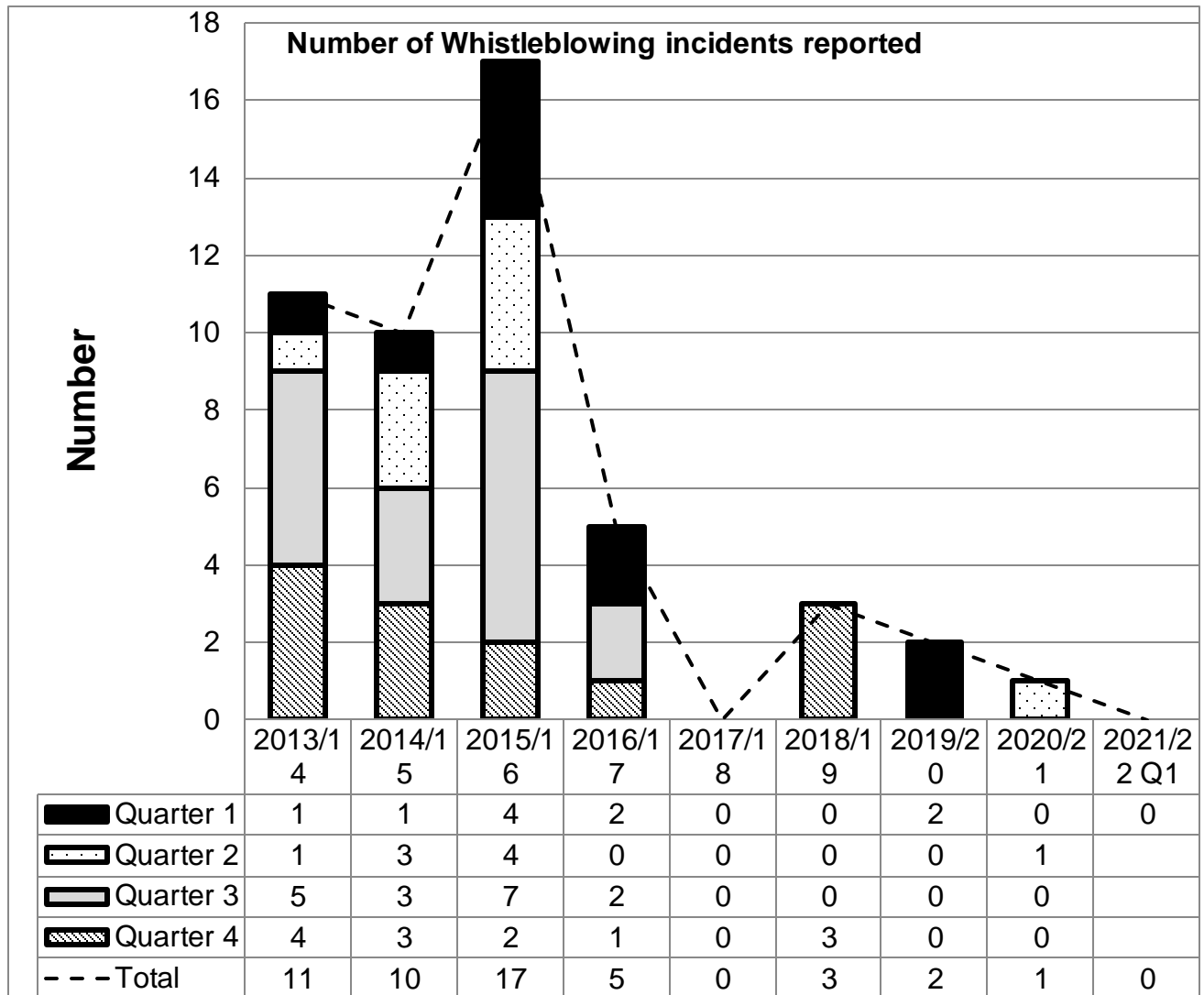
Comments

The average number of Member complaints per year from 2013/14 to 2020/21 was 9.5 per year.

Due to low volumes, interpreting the information needs a degree of caution. It is also the case that there can be spikes in complaints caused by particular concerns (for instance a number of complaints about a particular problem) which can disproportionately affect the overall total.

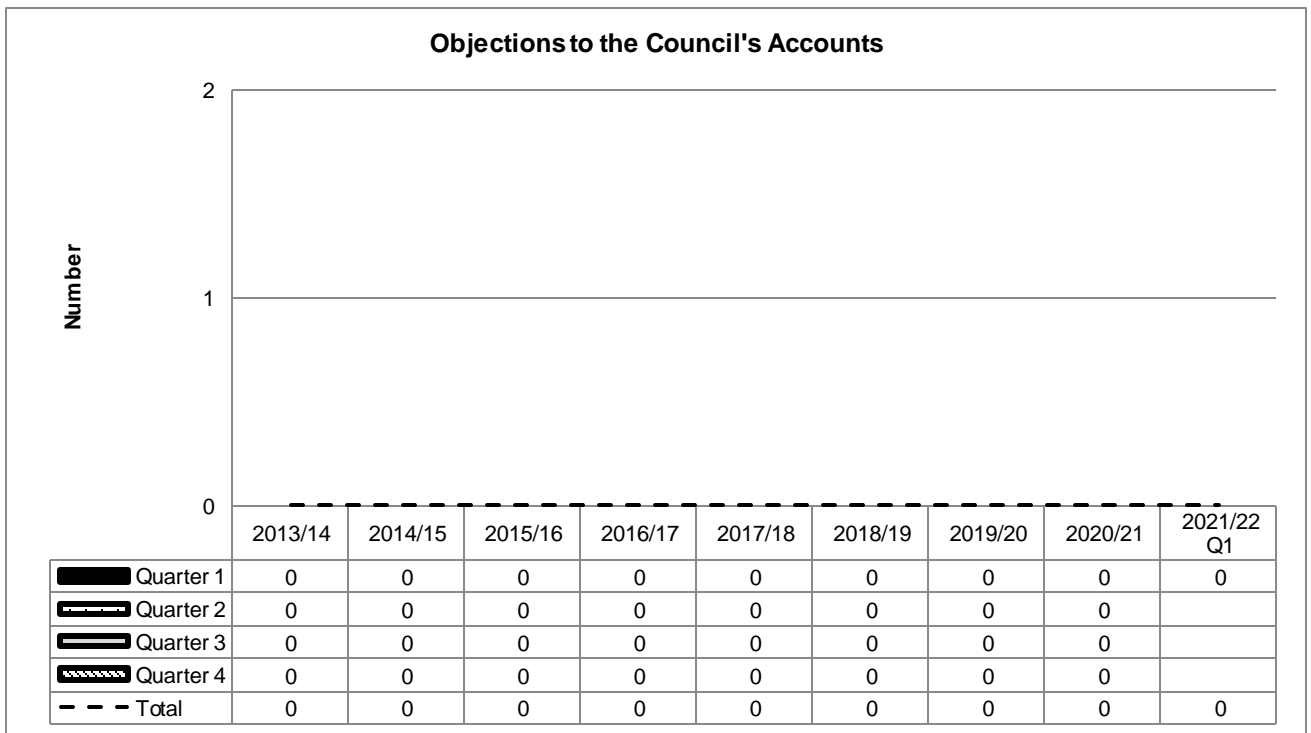
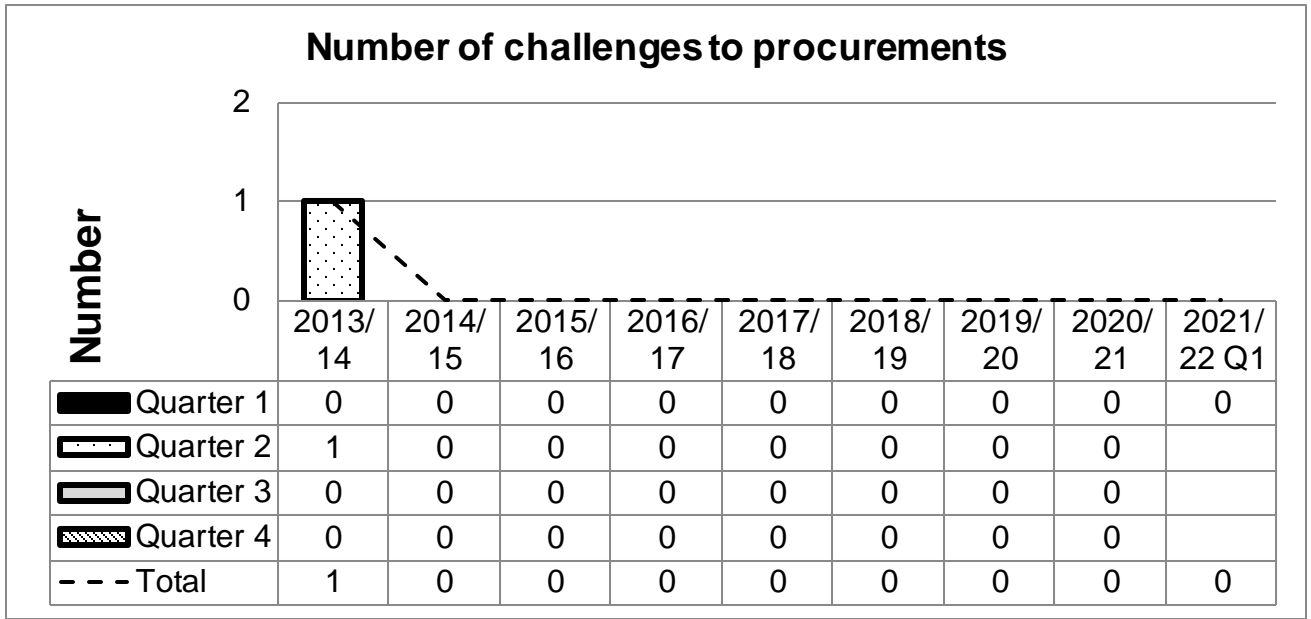
Over the period 2013/14 to 2020/21 there have been 26 complaints made in respect of Parish Councillors and for the same period 50 complaints relating to Borough Councillors. The fact that there are more complaints in respect of Borough Council members is perhaps unsurprising given the types of decisions they are involved in making and the more prominent role that they play compared to Parish Councillors.

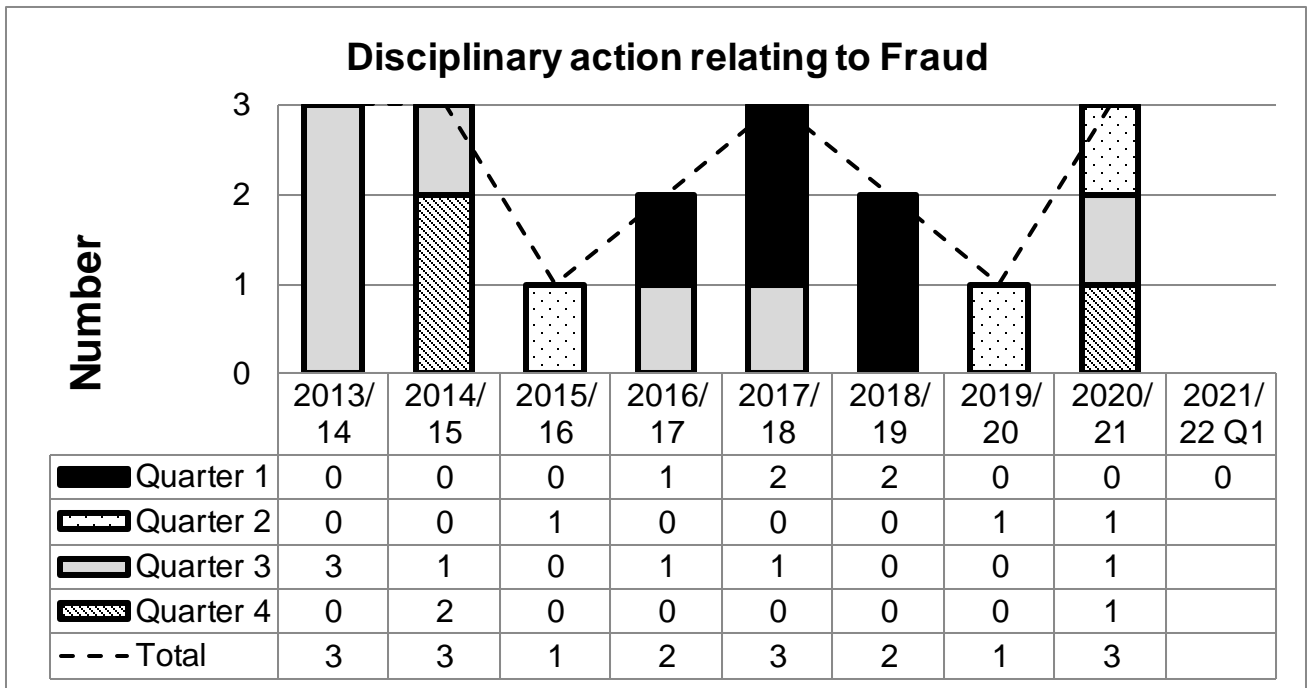
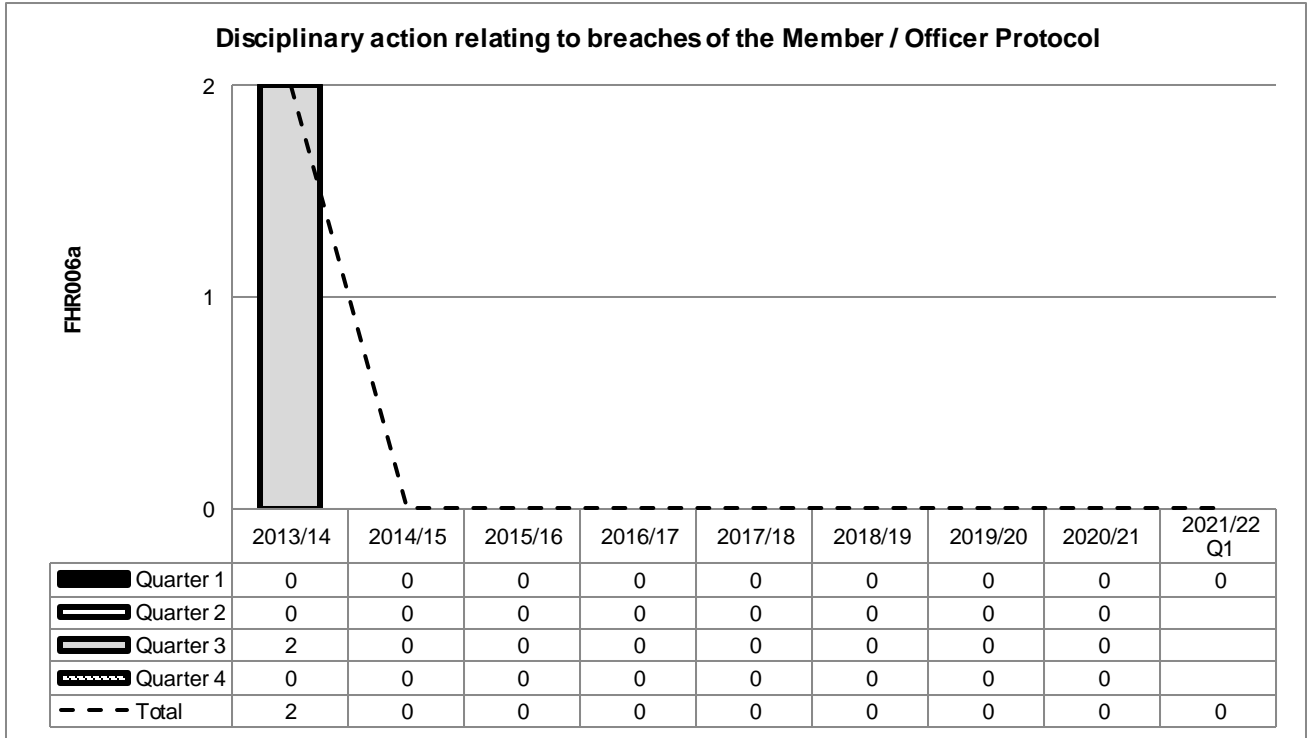
## Whistleblowing

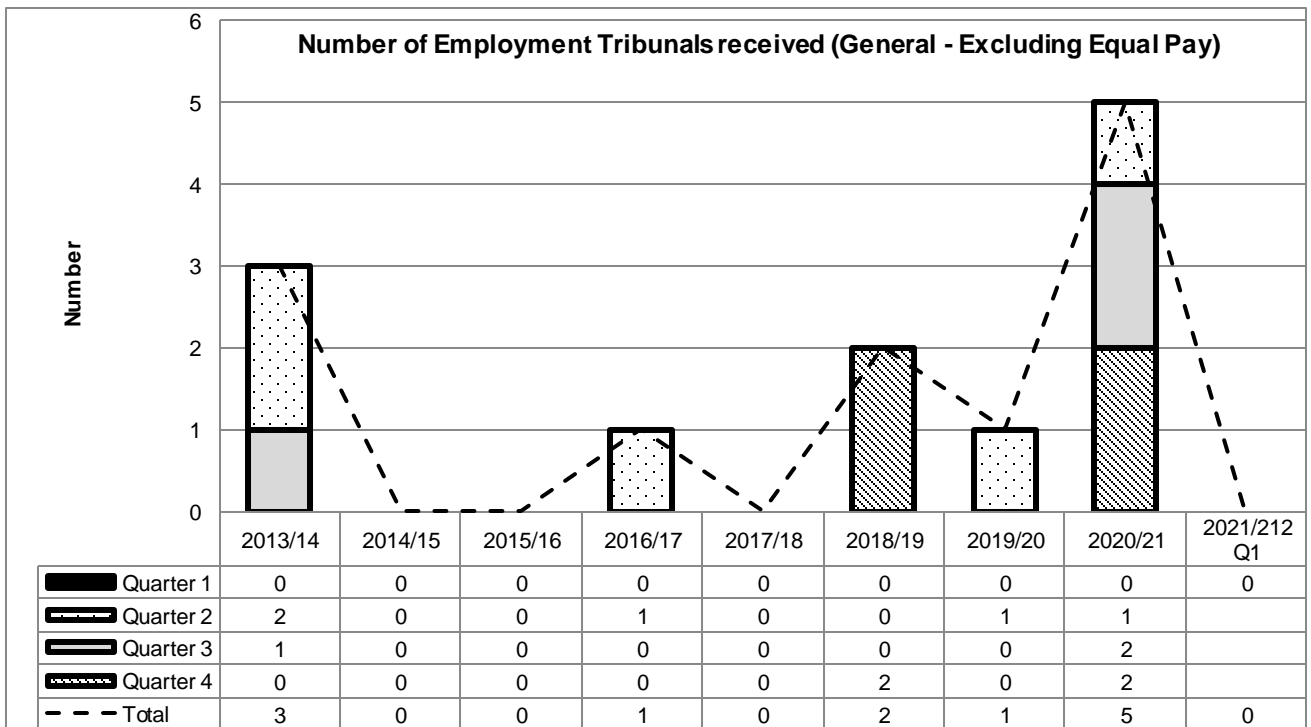
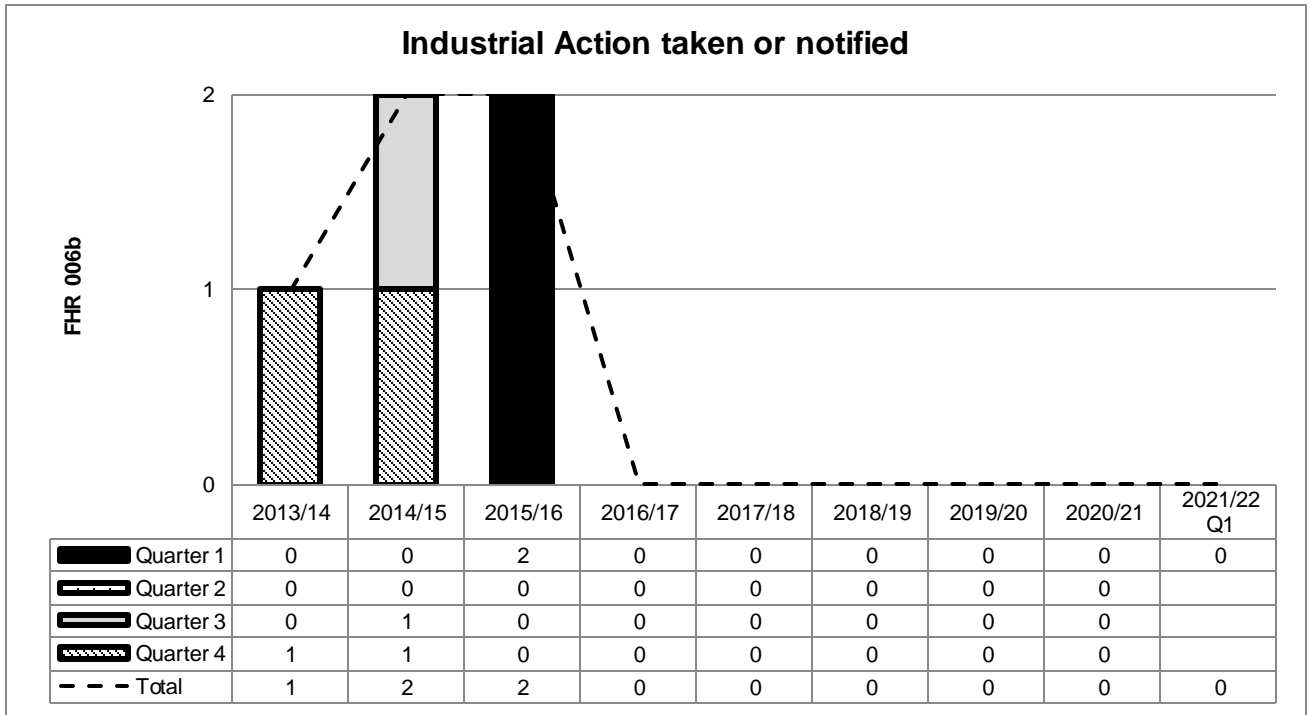


### Comments

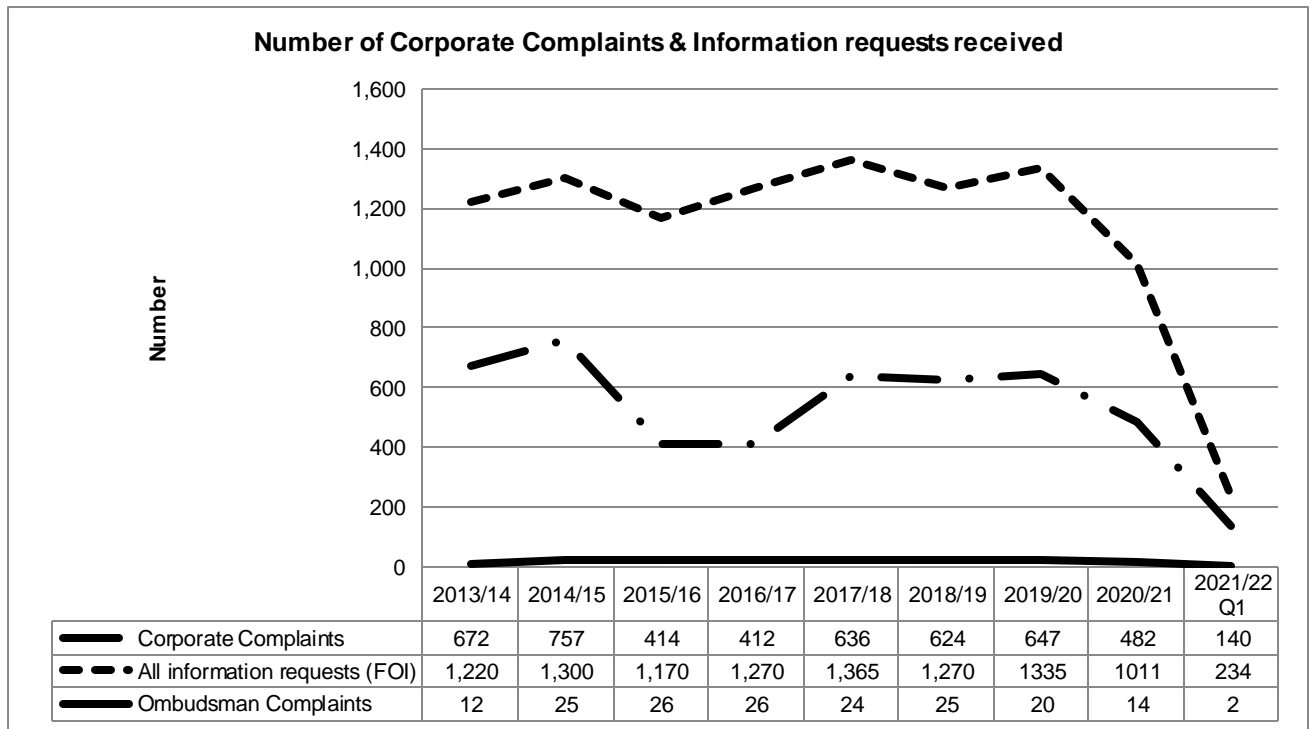
Publicity about the whistleblowing policy took place in the Autumn of 2018 and it has continued to be raised annually in newsletters to officers. Work has also undertaken to highlight the Council's Anti-Fraud and Corruption Strategy.











Comments

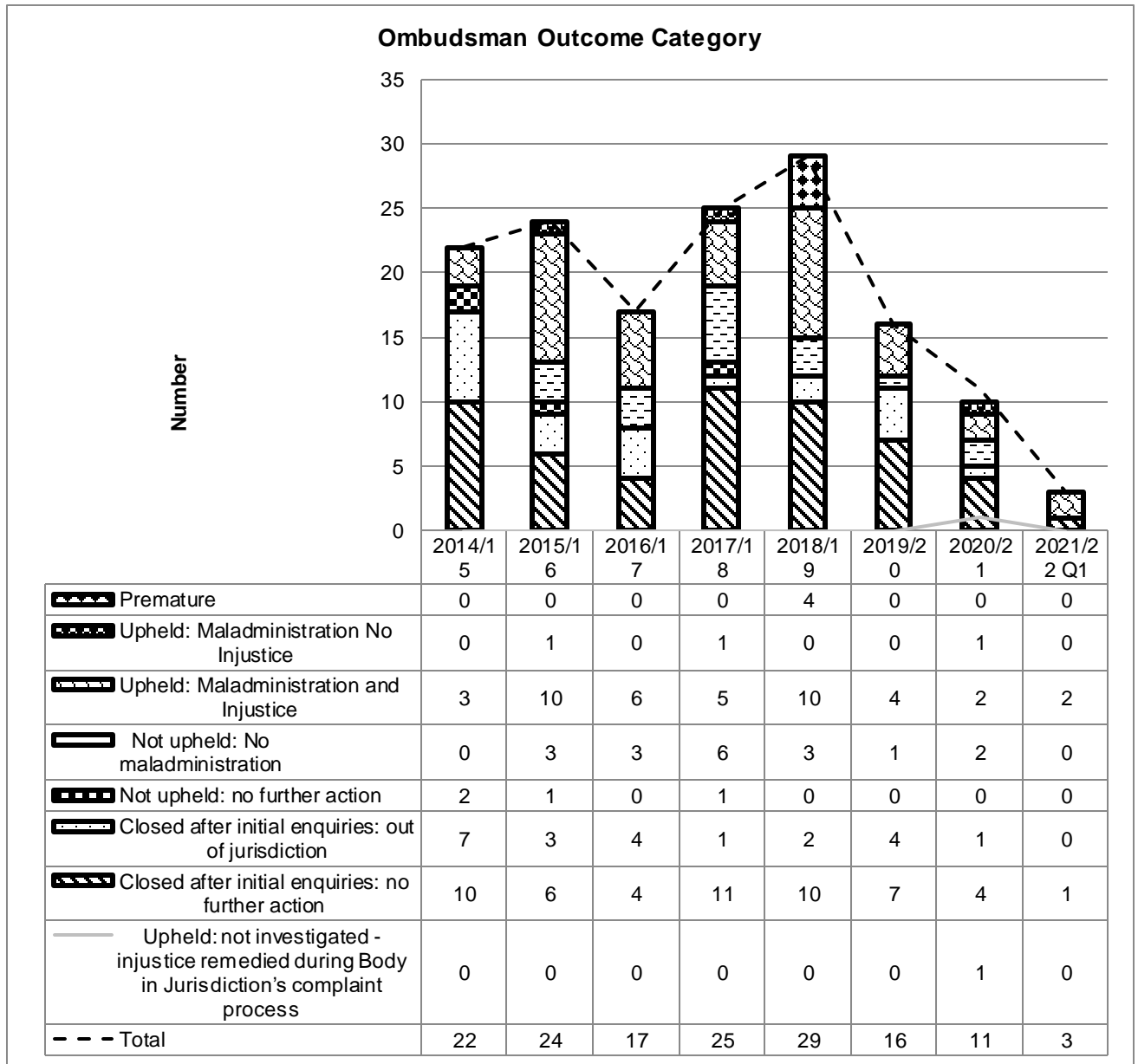
2016/17 – the number of Corporate Complaints and Ombudsman Complaints received was similar to the number received in 2015/16, while there was an increase of 100 information requests.

2017/18 – One of the major factors in the increase in corporate complaints was the introduction of the Council’s policy to no longer provide a recall service for missed refuse collections. There was also a significant increase in corporate complaints about Customer Services following a restructure, the most common theme was dissatisfaction with telephone waiting times. Additional staffing resource was brought in, as a response to the complaints about telephone waiting times.

2018/19 – The Council received 624 corporate complaints, a slight decrease from 636 the previous year. While there were increases in some areas, those which saw a decrease in complaints included Housing Benefit and Council Tax Support, Customer Services, Development Management and Parking Appeals.

2019/20 – The Council received 647 corporate complaints, an increase from 624 in 2018/19. The new Garden Waste service received 70 complaints while there were increases in a number of areas including, Refuse and recycling, ASB and Civic Enforcement Ops and Grounds Maintenance. Housing and Building Services saw a significant decrease in complaints while there were also decreases in other areas including Planning, Development Management and Environmental Health.

2020/21 - The Council received 482 complaints, a decrease from 647 in 2019/20. The Council also saw a decrease in complaints across its other complaints procedures during this period. This coupled with the Local Government and Social Care Ombudsman’s decision to cease its investigations during the early stages of the pandemic have likely been a contributing factor in the continued decrease in the number of Ombudsman complaints received.



**AUDIT COMMITTEE  
29 SEPTEMBER 2021**

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**THE LOCAL GOVERNMENT ASSOCIATION MODEL CODE OF CONDUCT**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To invite members to consider whether the Council should adopt a revised Code of Conduct based on the Local Government Association Model Councillor Code of Conduct in place of the current Members Code of Conduct, and if considered appropriate approve the recommendations set out in the report.

**Summary**

2. This report sets out details of the Local Government Association (LGA) Model Councillor Code of Conduct and provides some analysis against the current Code of Conduct of this Council. It proposes a suggested way forward to consult with members about the possible adoption of a revised Code of Conduct for this Council based on the LGA Model Councillor Code of Conduct but with some local modifications.

**Recommendation**

3. Members are asked to:
  - (a) note the information presented and to discuss and comment on the LGA Model Code of Conduct;
  - (b) to consider whether the revised Code of Conduct in the form as set out at **Appendix 1**, which is based on the LGA Model Councillor Code but with some local changes, is in principle appropriate to adopt and should be subject to further consultation;
  - (c) to approve the proposed consultation plan;
  - (d) note that any changes to the Code of Conduct will need to be approved by Council and to agree the proposed consultation prior to the matter being considered by Council.

**Reason**

4. The reasons for the recommendations are:
  - (a) That reconsideration of the Members Code of Conduct will assist members to better understand the provisions of the code of conduct and to comply with the expectations.
  - (b) That it will assist in the development of an updated and refreshed Code of Conduct.

- (c) To help in promoting the good conduct of members in the council and the parish councils.

**Luke Swinhoe**  
**Assistant Director, Law and Governance**  
**Monitoring officer**

**Background Papers**

Committee on Standards in Public Life – Report on Local Government Ethical Standards, January 2019. [Local Government Ethical Standards January 2019 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/781122/standards-report-jan-2019.pdf)

Local Government Association Model Councillor Code of Conduct 2020 [Local Government Association Model Councillor Code of Conduct 2020](https://www.local.gov.uk/publications/2020-01-01/2020-model-councillor-code-of-conduct)

Luke Swinhoe: Extension 5490

S17 Crime and Disorder	There are no specific issues which relate to crime and disorder
Health and Well Being	There is no specific health and wellbeing impact
Carbon Impact and Climate Change	There is no specific carbon impact
Diversity	There is no specific diversity impact
Wards Affected	All wards are affected equally
Groups Affected	All groups are affected equally
Budget and Policy Framework	Any changes to the Member Code of Conduct will need to be agreed by Council and the Constitution amended.
Key Decision	This is not an executive decision
Urgent Decision	This is not an urgent decision
Council Plan	There is no specific relevance to the strategy beyond a reflection on the Council's ethical governance arrangements
Efficiency	There is no specific efficiency impact
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

## MAIN REPORT

### Background

5. In January 2019 the Committee on Standards in Public Life (CSPL) published a report following a review of [Local Government Ethical Standards](#) including a number of best practice recommendations. One of the recommendations was that the Local Government Association (LGA) should produce an updated member code of conduct. After a period of work and consultation the LGA published the Model Councillor Code of Conduct on the 23rd December 2020.
6. The LGA Model Councillor Code of Conduct was the product of a significant independent piece of work that was commissioned by the LGA. The LGA hopes that the Model Code will be helpful to local authorities in the area of ethical standards and enhance a more consistent approach nationally.
7. So far, we have not yet formed a local view about adopting the LGA Model Code, but it is helpful to see how other Councils have reacted. The move to adopt is developing and it is important for this Council to have a considered view about the LGA Model Code of Conduct.
8. There are some variations of approach and not all Councils are looking to adopt the LGA Model Code of Conduct. So far approximately a third of councils have adopted the LGA Code of Conduct nationally. In our region, the other Tees Valley Councils are moving to adopt the LGA Model Code of Conduct (Middlesbrough and Stockton have adopted it and Redcar and Hartlepool are in the process of doing so).

### LGA Model Councillor Code of Conduct

9. The LGA Model Code is available from the LGA website [Local Government Association Model Councillor Code of Conduct 2020](#)
10. The Model Code covers:
  - Joint statement
  - Introduction
  - Definitions
  - Purpose of the Code of Conduct
  - General principles of councillor conduct
  - Application of the Code of Conduct
  - Standards of councillor conduct
  - General Conduct: Respect; Bullying, harassment and discrimination; Impartiality of officers of the council; Confidentiality and access to information; Disrepute; Use of position; Use of local authority resources and facilities; Complying with the Code of Conduct; Protecting your reputation and the reputation of the local authority; Interests; Gifts and hospitality
  - Appendix A: The Seven Principles of Public Life
  - Appendix B: Registering Interests
  - Appendix C: the Committee on Standards in Public Life.

11. The Model Code is written in the first person, eg. ‘I treat other councillors and members of the public with respect’ and also has explanatory text which is written as if addressed to the councillor, eg ‘You should not...’.

### Current Darlington Code of Conduct

12. The last major revision concerning member standards was a result of the Localism Act 2011. Amongst other things this legislation scrapped the Standards Board for England (which provided guidance and strategic regulation to local authorities on member standards) and the requirement for councils to have standards committees. The approach to the codes of conduct also changed, while the National Code of Conduct ceased to apply, councils were required to adopt their own code of conduct which had to include, as a minimum, provisions about member interests, the other content being a matter of local choice. Like many other Council we chose to keep the general provisions of the National Code of Conduct and add to them the changes being made to member interests by the Localism Act.
13. Our Code of Conduct remained largely based on the 2007 National model code of conduct with the amendments about member interests required by the Localism Act 2011. Since 2012 only very limited updates have been made to our Code of Conduct. The recent review and work undertaken by the LGA is a helpful way of giving an opportunity to review and update our Code of Conduct.
14. The Councils current Code of Conduct is available from the website [DARLINGTON BOROUGH COUNCIL’S](#)

### Comparative analysis of the LGA Model Councillor Code of Conduct

15. Using the LGA Model Code of Conduct as template, comparative analysis about the provisions of the LGA Model Code of Conduct with the Councils own Code of Conduct is set out below:

Provision	LGA Model Code	Darlington Borough Council Code	Comments
<b>PRELIMINARY PROVISIONS</b>			
Joint statement	Information about the role of elected members and expectations of behaviour		Suggest delete as DBC introduction is sufficient
Introduction (DBC)		Provides background info re the Code of Conduct, its adoption, member undertaking to comply, Nolan principles, complaints, members personal responsibility, gender applicability and subsequent legal changes having precedence.	Suggest retain this version with following amends: Delete para 2 -as this is picked up in the LGA Application of the Code para. Replace para 2 with a reference to the 2020 LGA Model Code Delete reference to ‘the Appendix’ as this is

			picked up in the General Principles section.
Introduction (LGA)	About the LGA model Code		Suggest delete (reference made in DBC Introduction)
Definitions	Defines Councillor and Co-opted member		Suggest delete (not add anything).
Purpose of the Code of Conduct	General statement.		Include (omitting reference to the LGA)
General Principles	References the Nolan Principles and nine general principles specifically for the role of Councillor that supplement the Nolan Principles.	The Nolan principles are Referenced in para 3 of the DBC Introduction	Suggest include Reference Appx A (the full Nolan principles) Include para re status of principles (ie to aid understanding and interpretation – but not directly enforceable).
Application of the Code	Reference to misuse of your position  The Model Code indicates that it applies to all forms of communication and interaction.  Examples included.	Dealt with by Para 2 of the Code  Includes reference to acting or claiming to act as a representative of the Council  [no examples included]	Suggest include.  Some clarification made to LGA Code, including acting/claiming to act as a cllr and deleting reference to misuse (unnecessary given the subsequent specific paras of the code).
Support and Advice <i>(new heading)</i>	Set out in the above para (Application of the Code)  Note – no reference is made to Chief Finance Officer or other statutory officers	Referenced in Para 7 of the Code	Suggest include but move this from the Application section and create a new heading – as per this section. Parish Cllrs wording deleted – but to be used instead by parish councils
<b>STANDARDS OF CONDUCT</b>			

<p>1. Respect</p>	<p>Same concept as the DBC Code but with more clarity about to whom the duty applies.</p> <p>Explanatory text clarifies the right to express differing views and the limits in a democracy. Reference to social media and the conduct of others.</p>	<p>Dealt with para 3(1) (and in more specific areas in 3(2).)</p> <p>Unlike the LGA version the text is unamplified.</p>	<p>Suggest include.</p>
<p>2. Bullying, harassment and discrimination</p>	<p>The Model Code includes harassment.</p> <p>Explanatory sets out the definition of bullying. Clarification about what is meant by harassment and discrimination.</p>	<p>Bullying is in para 3 (2) (b).</p> <p>Para 3 (2) (a) deals with the anti-discrimination (this needs updating as the legislative reference has been superseded).</p> <p>No provision about harassment.</p> <p>There is no explanatory text.</p>	<p>Suggest include.</p>
<p>3. Impartiality of officers</p>	<p>The Model Code includes explanatory text.</p>	<p>This is covered para 3(2)(d) of the Code - similar wording.</p> <p>No explanatory text.</p>	<p>Suggest include.</p>
<p>4. Confidentiality and Access to Information</p>	<p>The Model Code includes similar provisions concerning the improper disclosure of confidential information and the improper denial of access to information that people are entitled to.</p> <p>A new provision deals with improperly using knowledge gained as a result of being a councillor for the self - advancement or of their friends, family members, employer or their business interests.</p> <p>Explanatory text is included</p>	<p>This is covered in the Code at sections 4 and 6(a)</p> <p>Although the provision dealing with the improper use of knowledge is not in the information sections of the Code, it would be covered by para(6)(a) which deals with a member improperly using their position to confer or secure an advantage (or disadvantage) for themselves or any person</p> <p>No explanatory text.</p>	<p>Suggest include.</p>



5. Disrepute	The Model Code is similar to the DBC Code  Explanatory text is included	This is covered in the Code at section 5.  No explanatory text.	Suggest include.
6. Use of position	The Model Code is similar to the DBC Code  Explanatory text is included	This is in para 6(a) of the Code  No explanatory text.	Suggest include.
7. Use of local authority resources and facilities	The Model Code is similar to the DBC Code  Explanatory text is included	This is covered in paragraphs 6 (b) and (c).  No explanatory text.	Suggest include.
8. Complying with the Code of Conduct	The Model Code includes a para aimed at preventing the intimidation of those involved in the administration of complaint investigations or proceedings.  The requirement to undertake Code of Conduct training provided by the local authority is new.  The requirements to cooperate with an investigation and/or determination finding are new.  Explanatory text included	The wording of the DBC para on non- intimidation re complaint investigations is wider.  The provisions concerning training and co-operation with any investigation and finding are not in the Code, but they would be helpful to include.  No explanatory text	Suggest include.  Expand the non-intimidation provision to include complainants and witnesses.
<b>MEMBER INTERESTS</b>			
9. Protecting your reputation and the reputation of the local authority	The layout of the Model Code differs from the DBC Code making direct comparative analysis more difficult.		There are some differences and omissions in the LGA Code which it is suggested we include (see below)
9.1	Paragraph is a general introduction about registration and disclosure of interests and some explanatory text.	The Code does not have a general paragraph about interests  No explanatory test	Suggest include and that we follow the general Model Code approach.

	[The detail about interests set out in Appendix B]		
Appendix B Registering Interests	Deals with registration and also the definition of disclosable pecuniary interest and partner (set out in Table 1) and other registerable interests (set out in table 2)  Deals with updating the register  Deals with sensitive interests	Registration and updating of the register are in para 12 of the Code.  The definition of pecuniary interests is in para 9 and non-pecuniary interests are in para 8 of the Code.  The definition of partner is set out in para 9(2) of the Code  Sensitive interests are in para 13 of the Code.	Suggest include
Appendix B Non-Participation in the case of Disclosable pecuniary interests Paras 4 & 5.	The LGA requires a member to declare, not participate and leave the room unless they have been granted a dispensation.	Under the Code [ para 11(3)] a member with such an interest can remain to speak (if the public are entitled to do this) but must then leave the meeting and not participate further.  Note -S.31(4) of the Localism Act requires a member with a disclosable pecuniary interest to leave and not participate unless granted a dispensation.	Suggest include.
Appendix B Disclosure of Other Registerable Interests Para 6.	The Model Code requires a member with other registerable interest (directly affecting wellbeing or financial interest) then they must declare, not participate and leave the room unless granted a dispensation. Where the public can speak then members can also do so before leaving.	The provisions in the Code are similar	Suggest include.
Appendix B Disclosure of non- registerable interests	This concerns interests that directly relates to the wellbeing or financial interest of the member,	The provisions in the Code are similar 8(1)(b) and 9(1)(b), with a 'relevant	Suggest include.

Para 7.	relative or close associate. In such circumstances they must declare, not participate and leave the room unless granted a dispensation. Where the public can speak then members can also do so before leaving.	person' extension in 8(2)(b) and 9(2)(b).	
Appendix B Disclosure of non-registerable interests Paras 8 - 10.	<p>This concerns interests that directly affect the wellbeing or financial interest of the member, relative or close associate or bodies included in other registerable interests.</p> <p>Under Para 9 test for determining how the interest should be treated includes whether a reasonable member of the public with knowledge of the relevant facts would believe your view of the wider public interest would be affected</p> <p>In such circumstances participation is dealt with as under para 7.</p>	Under the Code the test for whether well-being or the financial position is affected is whether it could be 'reasonably regarded' as doing so	Suggest include
Interests that do not prevent participation	Not in the Model Code	Para 11(6) includes some exceptions which permit participation even though potentially they may affect a member's well-being or financial position	Suggest include.
Members in Council Tax arrears	Not in the Model Code	The Notes after para 13 deals with Members with arrears of Council tax must make an arrears declaration and cannot vote on setting council tax	Suggest include.
Appendix B Table 1	<p>Sets out the list of disclosable pecuniary interests</p> <p>This list is statutory deriving from the Relevant</p>	This is set out in para 9(1) of the Code.	Suggest include.

	Authorities (Disclosable Pecuniary Interests) Regulations 2012.		
Appendix B Table 2	Sets out the list of other registerable interests.  Non statutory	This is set out in para 8(1) of the Code.  The exception is unpaid directorships which is not included in the DBC list. It is sensible to do so.	Suggest include.
10. Gifts and hospitality	The general threshold for registration of gifts or hospitality with a value of at least £50.  The Model Code includes provision about not accepting gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence.  The Model Code requires the Registration of any significant gift or hospitality offered but refused.	Gifts and hospitality are covered in para 8(3) of the Code.  The DBC financial threshold for registering a gift/hospitality is £25 which mirrors the threshold in the Officer Code of Conduct.  There is no provision dealing with gifts and hospitality of any value (ie including below threshold) where there is a reasonable suspicion of personal gain of influence.  There is no requirement in the Code to register refused gifts/hospitality	Suggest include,  Consider amend the threshold from £50 to £25 in order to mirror the employee Code?
Appendix C Committee on Standards in Public Life – Best Practice Recommendations	The CSPL report on Local Government contained a number of recommended best practice actions for local authorities (as set out in Appendix C of the Model Code).	Note – In September 2020, the Audit Committee reviewed the best practice recommendations and noted the position of the Council, (most of the recommendations being complied with or being worked towards).	Suggest this is omitted

### **Consideration about whether to adopt or not**

16. The first thing to mention is that there is no compulsion to adopt the Model Code of Conduct either in its entirety or at all.

#### Reasons in favour of adoption

17. Set out below are a number of the reasons in favour of adoption:

- (a) The Model Code of Conduct is the product of an extensive independent review informed by experienced external consultants and is helpful in presenting an up to date version of the code of conduct.
- (b) The format of the Model Code of Conduct is largely consistent with the model that has been used by this Council, with both general provisions relating to conduct and specific provisions relating to member interests.
- (c) While many of the provisions and concepts are similar to those in the Councils current Code of Conduct and will be familiar, the wording has been updated and may be easier to follow.
- (d) The LGA will be reviewing the Code of Conduct on a periodic basis. This may be helpful to the Council in aligning any future review that we do of our Code of Conduct to changes being recommended by the LGA.
- (e) The LGA will also produce periodic guidance to assist local authorities with the interpretation of the Model Code of Conduct. The guidance is likely to be more directly relevant if we have adopted the wording of the LGA Model Code of Conduct.
- (f) As it is not mandatory to adopt the LGA Model Code of Conduct, if we do adopt the Model Code we still retain the ability to make changes to the text that are considered appropriate.
- (g) The other Tees Valley Councils are moving to adopt the LGA Model Code of Conduct and it is likely to be beneficial for members and officers to work against the backdrop of aligned codes of conduct when dealing with regional and cross boundary issues.

#### Reasons not to adopt

18. Set out below are the reasons not to adopt the reasons not to make any changes.

- (a) nationally, not all Councils are adopting the LGA Model Code of Conduct and there is no requirement to do so.
- (b) the current Code of Conduct is operational and deals with all of the areas that are addressed by the LGA Model Code of Conduct.
- (c) aside of the work undertaken by the LGA, there is no pressing need to make changes to the Code of Conduct.

- (d) additional work will be required to change to and roll out a revised code of conduct.

### **Suggested changes to the LGA Model Code of Conduct**

19. While we can make amendments to the Model Code of Conduct, the more extensively it is changed the more that we will depart from the model LGA template and it will be more beneficial (ie national consistency/using LGA guidance) if departures from it are limited.
20. The suggested changes are those identified in the comments column of the table set out in paragraph 15 (above). The recommendation is that the Code that we adopt is the version set out in **Appendix 1** which includes these modifications as track changes to the LGA Model Code.

### **Concluding comments**

21. The LGA Model Code of Conduct is well set out and reasonably straightforward to follow. It benefits from being the product of an up to date comprehensive review of this area. It is not perfect, no work of this nature is ever likely to be and there will always be scope for debating precise wording.
22. All things considered, with the local modifications, it is considered beneficial to adopt the LGA Model Code of Conduct.
23. It will give this Council a more up to date code of conduct in language that is hopefully easier to follow than the current version.
24. It is helpful to have the support of the LGA in this area generally and following adoption we will benefit from having aligned our Code of Conduct. As the LGA produces further guidance or recommended changes we will be better placed to consider and take this on board locally. Doing this is likely to be helpful in strengthening the place of ethical standards.
25. It will also mean that there is consistency of approach across the Tees Valley Councils.

### **Consultation Plan**

26. If members of the Audit Committee are supportive in principle of the adoption of the LGA Councillor Code of Conduct, then it is suggested that an all member briefing session is convened to give all members the opportunity to consider the LGA Model Code and to receive views and comments.
27. This report will also be circulated by the Monitoring Officer to the Parish Councils and he will also attend the Local Association of Parish Councils to provide information and to seek views. The Borough Council is the responsible body for dealing with complaints about breaches of the Code of Conduct including those that arise from parish councils in the Darlington area. While parish councils adopt their own Code of Conduct, they have predominantly adopted the Code of Conduct used by the Borough Council. It will be suggested to parish councils that they also consider adopting the Code of Conduct that will be used by the Borough Council.
28. Following this, the final version will proceed to Council for further consideration and approval.

### **Legal Implications**

29. It is a legal requirement under section 27(2) of the Localism Act 2011 for the Council to adopt a Code of Conduct dealing with the conduct expected of members of the Council.
30. Any changes to the Code of Conduct will need to be approved by a meeting of Council and as it comprises part of the Councils Constitution, the Constitution will need to be updated to reflect any changes made.

### **Financial Implications**

31. No direct additional costs are likely to be occasioned by a decision to adopt the LGA Model Code of Conduct.

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## Code of Conduct for Members and Co-opted Members

### Introduction

1. This Code has been adopted by Darlington Borough Council in compliance with the requirements set out in Chapter 7 of the Localism Act 2011. This Code defines the standards of conduct which will be required of all Members and co-opted Members of the Council.
2. This Code of Conduct is based on the Local Government Association Model Councillor Code of Conduct, which was developed in 2020.
3. In addition to the Code of Conduct, the Council has adopted the seven Principles of Public Life (the Nolan Principles) and 9 principles of conduct developed by the LGA for members. Members will be expected to act in a manner that is consistent with the principles and the principles will be used to help in interpreting the Code. It is however only the Code of Conduct that is enforceable, rather than the Principles of Conduct. More information is set out below under the heading of General Principles.
4. Any person may make a written complaint to the Monitoring Officer that a Member or Co-opted Member has broken the Code. Details about how to complain and the way that complaints are dealt can be found on the Council's website [www.darlington.gov.uk/Democracy/Democracy/democraticinvolvement/standards/Complaints+Against+Members.htm](http://www.darlington.gov.uk/Democracy/Democracy/democraticinvolvement/standards/Complaints+Against+Members.htm)
5. It is the personal responsibility of each Member and Co-opted Member to make sure that she/he complies with the requirements of this Code. Advice on the requirements may be sought from the Authority's Monitoring Officer, or a personal legal adviser, however, ultimately it is a decision for the Member or Co-opted Member.
6. In this Code, words denoting any gender shall include all genders.
7. This Code shall be subject to any subsequent changes of law after

Local Government Association

Model Councillor Code of Conduct 2020

adoption



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~~Joint statement~~

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

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

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

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

### ~~Introduction~~

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

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

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

### ~~Definitions~~

~~For the purposes of this Code of Conduct, a "councillor" means a member or co-opted member of a local authority or a directly elected mayor. A "co-opted member" is defined in the Localism Act 2011 Section 27(4) as "a person who is not a member of the authority but who~~

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

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

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

### **Purpose of the Code of Conduct**

The purpose of this Code of Conduct is to assist you, as a councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and your specific obligations in relation to standards of conduct. The LGA encourages the use of support, training and mediation prior to action being taken using the Code is encouraged. The fundamental aim of the Code is to create and maintain public confidence in the role of councillor and local government.

### General principles of councillor conduct

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, councillors and local authority officers; should uphold the [Seven Principles of Public Life](#), also known as the Nolan Principles ([Appendix A](#)).

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

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

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

In undertaking my role:

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

These principles will be used to help in better understanding and interpreting the Code. However only the specific provisions of conduct set out below are enforceable and not the principles themselves.

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### Application of the Code of Conduct

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

This Code of Conduct applies to you when:

~~— you are acting in your capacity as a councillor; which may include when:~~

- ~~• you misuse your position as a councillor~~
- you act or claim to act as a representative of the council;
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a councillor;

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

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

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comments.

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

### Support and advice

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

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### Standards of councillor conduct

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

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

#### General Conduct

##### 1. Respect

###### As a councillor:

**1.1 I treat other councillors and members of the public with respect.**

**1.2 I treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play.**

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

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

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

## **2. Bullying, harassment and discrimination**

**As a councillor:**

**2.1 I do not bully any person.**

**2.2 I do not harass any person.**

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

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power

through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

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

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

## **3. Impartiality of officers of the council**

**As a councillor:**

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

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

## **4. Confidentiality and access to information**

**As a councillor:**

**4.1 I do not disclose information:**

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

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

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

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

**5. Disrepute**

**As a councillor:**

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

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

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

**6. Use of position**

**As a councillor:**

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

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

**7. Use of local authority resources and facilities As**

**a councillor:**

**7.1 I do not misuse council resources.**

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

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

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

Examples include:

- office support
- stationery
- equipment such as phones, and computers
- transport
- access and use of local authority buildings and rooms.

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

**8. Complying with the Code of Conduct**

**As a Councillor:**

**8.1 I undertake Code of Conduct training provided by my local authority.**

**8.2 I cooperate with any Code of Conduct investigation and/or determination.**

**8.3 I do not intimidate or attempt to intimidate any person who is likely to be a complainant, witness or involved with the administration of any investigation or proceedings.**

**8.4 I comply with any sanction imposed on me following a finding that I have**



**breached the Code of Conduct.**

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

**Protecting your reputation and the reputation of the local authority**

**9. Interests As**

**a councillor:**

**9.1 I register and disclose my interests.**

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

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

You should note that failure to register or disclose a disclosable pecuniary interest as set out in **Table 1**, is a criminal offence under the Localism Act 2011.

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

**10. Gifts and hospitality**

**As a councillor:**

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

**10.2 I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.**

**10.3 I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.**

In order to protect your position and the reputation of the local authority, you should

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

## **Appendices**

### **Appendix A – The Seven Principles of Public Life**

The principles are:

#### **Selflessness**

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

#### **Integrity**

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

#### **Objectivity**

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

#### **Accountability**

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

#### **Openness**

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

#### **Honesty**

Holders of public office should be truthful.

#### **Leadership**

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

### **Appendix B Registering interests**

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

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

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

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

### **Non participation in case of disclosable pecuniary interests**

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

### **Disclosure of Other Registerable Interests**

6. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in **Table 2**), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any

discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

#### Disclosure of Non-Registerable Interests

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

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

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

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

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

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

#### Interests which do not prevent participation

11. You can participate in a decision that relates to the functions of the Council in respect of :-

(a) housing, where you are a tenant of the Council provided that those functions do not relate particularly to your tenancy or lease;

(b) school meals or school transport and travelling expenses, where you are a parent

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or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;  
(c) statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of, such pay;  
(d) an allowance, payment or indemnity given to members; (e) any ceremonial honour given to members; and  
(f) setting council tax or a precept under the Local Government Finance Act 1992.

#### Local Government Finance Act 1992

11. You should note that under Section 106 the Local Government Finance Act 1992, that at any meeting considering the setting of council tax, if you are in arrears of Council Tax (2 months or more) you must make a declaration that you are in Council Tax arrears and you cannot vote on the setting of Council tax. You may commit a criminal offence if you fail comply.

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**Table 1: Disclosable Pecuniary Interests**

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

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

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

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

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

**Table 2: Other Registrable Interests**



You must register as an Other Registerable Interest :

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

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

**Appendix C — the Committee on Standards in Public Life**

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

~~The recommendations cover:~~

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

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

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

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

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

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

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

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

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

~~Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.~~

~~Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.~~

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

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~~complaints, and estimated timescales for investigations and outcomes.~~

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

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

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

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

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

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

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