

Public Document Pack



COTSWOLD
DISTRICT COUNCIL

Wednesday, 16 October 2024

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AUDIT AND GOVERNANCE COMMITTEE

A meeting of the Audit and Governance Committee will be held in the Council Chamber - Council Offices, Trinity Road, Cirencester, GL7 1PX on **Thursday, 24 October 2024 at 4.00 pm.**

Rob Weaver
Chief Executive

To: Members of the Audit and Governance Committee
(Councillors Nigel Robbins, Patrick Coleman, Helene Mansilla, Jeremy Theyer, Chris Twells, Michael Vann, Len Wilkins, Christopher Bass and John Chesshire)

Recording of Proceedings – The law allows the public proceedings of Council, Cabinet, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Committee Administrator know prior to the date of the meeting.

Cotswold District Council, Trinity Road, Cirencester, Gloucestershire, GL7 1PX
Tel: 01285 623000 www.cotswold.gov.uk

AGENDA

1. **Apologies**
To receive any apologies for absence.

The quorum for the Audit and Governance Committee is 3 members.
2. **Substitute Members**
To note details of any substitution arrangements in place for the meeting.
3. **Declarations of Interest**
To receive any declarations of interest from Members and Officers, relating to items to be considered at the meeting.
4. **Minutes (Pages 5 - 10)**
To confirm the minutes of the meeting of the Committee held on 23 July 2024.
5. **Public Questions**
To deal with questions from the public within the open forum question and answer session of fifteen minutes in total. Questions or supplementary questions from each member of the public should be no longer than two minutes each and relate issues under the Committee's remit.
6. **Member Questions**
To deal with written questions by Members, relating to issues under the Committee's remit, with the maximum length of oral supplementary questions at Committee being no longer than one minute. Responses to any supplementary questions will be dealt with in writing following the meeting
7. **Internal Audit Progress Report (Pages 11 - 30)**
Purpose
To present a summary of the audit work concluded since the last meeting of this Committee.

Recommendation
That the Audit and Governance Committee resolves to;
I. Note the reports at Annexes A and B and comments as necessary
8. **Counter Fraud and Enforcement Unit Update Report (Pages 31 - 36)**
Purpose
To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided twice a year.
Work plans are presented to the Committee detailing progress and results for consideration and comment as the body charged with governance in this area.

Recommendation
That the Audit and Governance Committee resolves;
I. Note the report.

9. **Ombudsman Report 2023/24 (Pages 37 - 52)**

Purpose

This report presents the Annual Complaints statistics as provided by the Local Government and Social Care Ombudsman for the year 1st April 2023 – 31st March 2024.

Recommendation

That the Audit and Governance Committee resolves to:

- I. Note the report and the Annual Review Letter 2023 – 2024.

10. **Q1 Prudential Indicators (Treasury Management) (Pages 53 - 58)**

Purpose

To report to the Audit and Governance Committee the quarter one Treasury Management Indicators as required by the CIPFA Treasury Management Code.

Recommendation

That the Audit and Governance Committee resolves to:

- I. Note the 2024/25 Treasury Management Indicators (Q1).

11. **Climate Change (Pages 59 - 64)**

Purpose

To provide an update on actions following the Audit Position Statement on Climate Change in 2023.

Recommendation

That the Audit and Governance Committee resolves to:

- I. Note the actions to-date and the ongoing activity to further embed Climate action across all the Councils activities.

12. **Work Plan (Pages 65 - 68)**

For the Committee to note and review its work plan.

(END)

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Audit and Governance Committee
23/July2024



COTSWOLD
DISTRICT COUNCIL

Minutes of a meeting of Audit and Governance Committee held on Tuesday, 23 July 2024

Members present:

| | |
|-----------------------|------------------|
| Nigel Robbins – Chair | Patrick Coleman |
| Helene Mansilla | Len Wilkins |
| Jeremy Theyer | Christopher Bass |

Officers present:

| | |
|---|--|
| Robert Weaver, Chief Executive | Angela Claridge, Director of Governance and Development (Monitoring Officer) |
| David Stanley, Deputy Chief Executive and Chief Finance Officer | Lucy Cater, Assistant Director (SWAP) |
| Michelle Burge, Chief Accountant | Ana Prelici, Governance Officer |

274 Apologies

Apologies were received from Councillors Michael Vann and Chris Twells, and John Chessire, an independent member of the Audit and Governance Committee.

The Chair welcomed Adam Marshall from Bishop Fleming.

275 Substitute Members

Councillor Ian Watson was a substitute for Councillor Vann

276 Declarations of Interest

There were no declarations of interest.

277 Minutes

The Minutes from the meeting held on 25 April were discussed.

It was stated that on 272 “counter-fraud” should not be hyphenated, reading “counter fraud”.

RESOLVED: That the Audit and Governance Committee APPROVE the minutes of the meeting held on 25 April.

Voting record

For 2, Against, 0, Abstentions 3, Absent/Did not vote 3

278 Public Questions

There were no public questions.

279 Member Questions

There were no member questions.

280 External Audit Plan 2023/24

Adam Marshall from Bishop Fleming introduced the item, the purpose of the item was for the Audit and Governance Committee to receive the 2023/24 Audit Plan from Bishop Fleming, the Council's external auditors.

Councillor Len Wilkins arrived at 16:09, and apologised to the Chair for his late arrival to the meeting.

The external auditor responded to members' questions as follows;

- Bishop Fleming were new to the sector, but had recruited people who were familiar with Local Government to aid their expansion. Adam Marshall, the senior Audit Manager had experience in the public sector in Wales, and Alex Walling, the Public Sector Audit Director had extensive experience with Local Authorities.
- Audit Fees were set by Public Sector Audit Appointments Limited (PSSA, so the Council had little impact on it.
- The latest set of accounts for 2023/24 were due to be approved in October 2024, and Bishop Fleming were on track to achieve this.
- The Deputy Chief Executive would be in communication with Bishop Fleming to ensure that members had sufficient time to review the reports.

RESOLVED: That the Audit and Governance Committee NOTED the report.

281 Draft Annual Governance Statement

The purpose of the report was to present the Audit and Governance Committee with a draft Annual Governance Action plan for 2024/25.

The Deputy Chief Executive introduced the item, explaining that the action plan had been prepared on the basis of the work undertaken to review compliance with key principles.

In discussing the report, Members raised the following points:

- Members welcomed the work to improve the Freedom of Information processes as part of the recommendations from the Internal Audit Team.
- Members asked how governance risks associated with the Publica Review would be captured. The Chief Executive explained that the Council would be inheriting the risks, and that there would be work undertaken with the internal audit team in order to ensure these were mitigated. In terms of financial reporting, the Deputy Chief Executive was working with the Interim Managing Director of Publica to ensure that reporting structures were in place ahead of the transition.

RESOLVED: That the Audit and Governance Committee APPROVED the Annual Governance Statement.

Voting record

For 5, Against 0, Abstain 0, Absent/Did not vote 2

282 Internal Audit Annual Opinion

The purpose of the report was to present a summary of the work undertaken by Internal Audit during 2023/24 and to give an overall opinion on levels of assurance resulting from this work.

The Assistant Director for SWAP introduced the item Director explaining that the overall score had not changed from the previous year, remaining 'low reasonable' due to risks found around property and estates, Taxi Licensing safeguarding and Climate Change.

Members discussed the report, raising the following points,

- There were concerns raised in the report over record keeping for licensing taxis, this was important to get right due to the Council's safeguarding obligations. The Assistant Director for SWAP stated that follow up work would be undertaken with the service area.
- It was important to understand why planning applications were returned or withdrawn. The Chief Executive stated that this information could be provided but that a more useful metric for the Committee may be the timescales involved with validating applications.
- A new Climate Change & Carbon Reduction Lead had been appointed since the audit in the report had been undertaken and work was being done to address the issues raised by the audit.

The SWAP Assistant Director in summary stated more information would be provided on the following;

- The applications that were tested as part of the Taxi Licensing Audit.
- The statistics on response rates to Freedom of Information Requests.
- The reasons why 56 planning application were applications withdrawn or returned applications.
- Further information on the instances when Purchase Orders weren't utilised by service areas.

RESOLVED: That the Audit and Governance Committee NOTED the report

283 Treasury Management Outturn

The purpose of the item was to receive and discuss details of the Council's Treasury management performance for the period 01 April 2023 to 31 March 2024.

The Deputy Chief Executive (Chief Finance Officer) introduced the report. The report set out the summary position, which was that the Council invested its cash balances with a net surplus of £0.967m against the original budget set in February 2023 of £0.719m.

Members discussed the report, raising various questions which officers provided responses to;

- The cash plus fund was rolled into investments for the following year.
- The Council was taking ongoing advice as to investment risk from Arlingclose as part of their regular financial reporting.

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- The difference between the actual and balance on page 68 should read 0.023 instead of 0.03, this would be updated by the officers.

RESOLVED: That the Audit and Governance Committee NOTED the report.

284 Draft Statement of Accounts

The purpose of the item was to consider the draft (summary) Statement of Accounts for the year ended 31 March 2024.

The Statement of Accounts for 2023/24 showed the financial position of the Council as of 31 March 2024 as well as the performance during the year. Under the Council's Constitution, the Audit and Governance Committee was charged with the responsibility of the approval of the accounts.

The Chief Accountant introduced the report. They apologised for the lateness of the papers and stated that due to this, only a summary was provided. Training would be provided to Members in September on the Statement of Accounts.

Members discussed the report presented, raising the following points:

- The report should read 'two independent councillors' on page 14.
- The pensions liability and asset situation led to actuaries re-evaluating assets. The external auditor explained that they were likely to recommend that the councils seeks comparative information from actuaries. Members suggested that a narrative on this be included within the final Statement of Accounts.

RESOLVED: To NOTE the report

285 Annual Standards Update

The Director of Governance and Development introduced the report, which was originally due to be presented to the Committee in September as an annual update. Due to the item being deferred, the update provided information for two years. The Director of Governance and Development explained that the report also asked the Committee to approve changes to the Arrangements for Dealing with Code of Conduct Complaints and a procedure for the Standards Hearing Sub-Committee.

Members discussed the report, and the following points were raised:

- The Director of Governance and Development advised that due to confidentiality, the Committee should refrain from discussing individual cases in detail.
- In response to a query about confidentiality, it was noted that complainants could remain anonymous in exceptional circumstances, such as being afraid of physical harm. However, in the interest of natural justice these instances were rare. Members welcomed the updated arrangements for dealing with standards complaints, which included more robust wording around complaints being made in writing. Members noted the need for training around standards hearings was recognised, but the Director of Governance and Development stated that it would be best to deliver this immediately prior to a hearing for the ease of those serving on the Sub-Committee.

RESOLVED: That the Audit and Governance Committee:

- I. NOTED the update for the financial years 2022 – 2023 and 2023 - 2024

Audit and Governance Committee

23/July2024

2. AGREED TO RECOMMEND TO FULL COUNCIL to approve the updated arrangements for dealing with code of conduct complaints;
3. AGREED TO RECOMMEND TO FULL COUNCIL to approve the procedure for the Standards Hearing Sub-Committee and to delegate authority to the Director of Governance & Development to make minor amendments to the procedure.

Voting Record

For 5, Against 0, Absent/Did not vote 2

286 Work Plan

The purpose of this item was for the Committee to review the Work Plan for 2024/25.

The Deputy Chief Executive explained that the Statement of Accounts would be included in November's agenda, but that they hoped to have it to the Committee for October instead.

RESOLVED: That the Audit and Governance Committee NOTED the work plan

The Meeting commenced at 2.00 pm and closed at 4.21 pm

Chair

(END)

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Agenda Item 7



COTSWOLD
DISTRICT COUNCIL

| | |
|-----------------------------|--|
| Council name | COTSWOLD DISTRICT COUNCIL |
| Name and date of Committee | AUDIT AND GOVERNANCE COMMITTEE – 24 OCTOBER 2024 |
| Subject | INTERNAL AUDIT PROGRESS REPORT |
| Accountable member | CLlr Mike Evemy, Cabinet Member for Finance Email: mike.evemy@cotswold.gov.uk |
| Accountable officer | David Stanley, Chief Finance Officer Email: david.stanley@cotswold.gov.uk |
| Report author | Lucy Cater, Head of Internal Audit Email: lucy.cater@swapaudit.co.uk |
| Summary/Purpose | To present a summary of the audit work concluded since the last meeting of this Committee. |
| Annexes | Annex A – Report of Internal Audit Activity 2024/25 Annex B – Agreed Actions |
| Recommendation(s) | That the Audit and Governance Committee resolves to: I. Note the reports at Annexes A and B and comments as necessary |
| Corporate priorities | Delivering our services to the highest standards |
| Key Decision | NO |
| Exempt | NO |
| Consultees/ Consultation | N/A |



1. BACKGROUND

- 1.1 The Internal Audit Service is provided to this Council by SWAP Internal Audit Services (SWAP). SWAP is a local authority-controlled company.
- 1.2 The report attached at Annex A sets out the work undertaken by SWAP for the Council since the last meeting of this Committee. It follows the risk-based auditing principles and, therefore, this is an opportunity for the Committee to be aware of emerging issues which have resulted in SWAP involvement.
- 1.3 Officers from SWAP will be in attendance at the Committee meeting and will be available to address Members' questions.

2. MAIN POINTS

- 2.1 The progress report enables the Audit Committee to monitor the work of the Internal Audit Service and ensure that it remains effective. It also provides the Committee with assurance opinions over areas reviewed within the reporting period, details of audit recommendations and the outcome of follow-up reviews conducted on previous audit recommendations.

- 2.2 We have finalised 2 audits since the last meeting of this committee

- Appointment of Consultants – Mid Reasonable
- Accounts Payable (Continuous Analysis) – High Substantial

We continue to follow up all agreed actions. A report (Annex B) showing all open agreed actions and those that have been actioned has been included for Members information.

3. FINANCIAL IMPLICATIONS

- 3.1 The Internal Audit Service is operating within the contract sum.

4. LEGAL IMPLICATIONS

- 4.1 None directly from this report. Internal Audit reviews consider compliance with legislation relevant to the service area under review.

5. RISK ASSESSMENT

- 5.1 Any weaknesses in the control framework, identified by Internal Audit activity, continues to threaten organisational objectives until recommendations are implemented.



6. EQUALITIES IMPACT

6.1 Under equality legislation, the Council has a legal duty to pay 'due regard' to the need to eliminate discrimination and promote equality in relation to:

- Race
- Disability
- Gender, including gender reassignment
- Age
- Sexual Orientation
- Pregnancy and maternity
- Religion or belief

The Council also has a duty to foster good relations, and to consider the impact of its decisions on human rights. The law requires that this duty to pay 'due regard' is demonstrated in the decision making process. Therefore your report should contain a statement as to whether the recommendation has a particular impact on any of the above groups

Any reports which relate to new policies, procedures or services or changes to policies, procedures or services must be accompanied by an appropriate equalities impact assessment (EIA). You can access further guidance and the EIA template [via the portal](#) and the Council's Equality Policy [on the website](#).

7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

7.1 Include details of any climate change implications

8. ALTERNATIVE OPTIONS

8.1 This section must be completed and include details of why identified alternative options are not preferred.

11. BACKGROUND PAPERS

11.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Internal Audit Progress Reports



COTSWOLD
DISTRICT COUNCIL

These documents will be available for inspection online at www.cotswold.gov.uk or by contacting democratic services democratic@cotswold.gov.uk for a period of up to 4 years from the date of the meeting.

(END)

Cotswold District Council

Report of Internal Audit Activity

October 2024

Contents

The contacts at SWAP in connection with this report are:

Lucy Cater

Assistant Director

Tel: 01285 623340

lucy.cater@swapaudit.co.uk

Jaina Mistry

Principal Auditor

Tel: 01285 623337

jaina.mistry@swapaudit.co.uk

- Contents:

Internal Audit Definitions

Audit Plan Progress

Finalised Audit Assignments

Internal Audit Definitions

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- No
- Limited
- Reasonable
- Substantial



Audit Framework Definitions

Control Assurance Definitions

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

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The “advice” offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Internal Audit Definitions

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.



Audit Framework Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

| | Categorisation of Recommendations |
|-------------------|---|
| Priority 1 | Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management. |
| Priority 2 | Important findings that need to be resolved by management |
| Priority 3 | Finding that requires attention. |

Definitions of Risk

| Risk | Reporting Implications |
|---------------|--|
| High | Issues that we consider need to be brought to the attention of both senior management and the Audit Committee. |
| Medium | Issues which should be addressed by management in their areas of responsibility. |
| Low | Issues of a minor nature or best practice where some improvement can be made. |

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.



Summary of Audit Findings

| Audit Type | Audit Area | Status | Opinion | No of Rec | Priority | | | Comments |
|-----------------------|--|----------------|------------------|-----------|----------|---|---|-----------------|
| | | | | | 1 | 2 | 3 | |
| Operational | Appointment of Consultants | Final Report | Mid Reasonable | 2 | - | 1 | 1 | Report Included |
| Operational | Accounts Payable – Qtly Review – 2023/24 | Final Report | High Substantial | 0 | - | - | - | Report Included |
| Operational | Emergency Planning | Draft Report | | | | | | |
| Governance | Data Protection / Breaches | Draft Report | | | | | | |
| Operational | Section 106s | Draft Report | | | | | | |
| Operational | Community Infrastructure Levy | Draft Report | | | | | | |
| Operational | Human Resources | Draft Report | | | | | | |
| Operational | Members Allowances and Expenses | Draft Report | | | | | | |
| Operational | Levelling Up Funding – UKSPF and RESF | Draft Report | | | | | | |
| Follow-Up | Procurement Cards | In Progress | | | | | | |
| Follow-Up | Taxi Licensing Safeguarding | In Progress | | | | | | |
| Operational | Planning Fee Obligations | In Progress | | | | | | |
| Core Financial | Payroll | In Progress | | | | | | |
| Key Financial Control | Revenues and Benefits – Council Tax and NNDR | Ready to Start | | | | | | |

| Audit Type | Audit Area | Status | Opinion | No of Rec | Priority | | | Comments |
|-----------------------|--|----------------|---------|-----------|----------|---|---|----------|
| | | | | | 1 | 2 | 3 | |
| Key Financial Control | Revenues and Benefits – Council Tax Benefit and Housing Benefits | Ready to Start | | | | | | |
| Governance | Data Retention | Ready to Start | | | | | | |
| ICT | 3 rd Party ICT Outage | Ready to Start | | | | | | |
| ICT | Disaster Recovery – Revenues and Benefits | Ready to Start | | | | | | |
| Operational | Digital Exclusion | Ready to Start | | | | | | |
| Operational | Leisure and Culture Facilities | Ready to Start | | | | | | |
| | | | | | | | | |
| Grant Certification | Carbon Data 2022/23 | Complete | | | | | | |
| | | | | | | | | |
| Support / Advisory | Support to Publica Transition Programme. <ul style="list-style-type: none"> - Finance Workstream - HR Workstream - ICT Workstream - OnBoarding Meetings | On-Going | | | | | | |
| | | | | | | | | |



Summary of Audit Findings

APPENDIX C

| Audit Type | Audit Area | Status | Opinion | No of Rec | Priority | | | Comments |
|-------------------------|--|----------|---------|-----------|----------|------------------------------------|--|----------|
| | | | | | 1 | 2 | 3 | |
| | | | | | Support | Business Grant Funding – Aged Debt | On-Going | |
| Advisory | Procurement and Commissioning Group | On Going | | | | | | |
| Advisory | Health and Safety Working Group | On Going | | | | | | |
| Advisory | Risk Management Group | On Going | | | | | | |
| Advisory | Project Management – Active Cotswold | On Going | | | | | | |
| Advisory | Co-Ordination Team / Emergency Planning | On Going | | | | | Support to CDC’s Rest Centre and Co-Ordination Teams | |
| | | | | | | | | |
| Follow-Up | Follow-Up of Agreed Actions (not included in an audit above) | On Going | | | | | | |
| Other Audit Involvement | Working with the Counter Fraud and Enforcement Unit | On Going | | | | | | |
| Other Audit Involvement | Management of the IA Function and Client Support | On Going | | | | | | |
| Other Audit Involvement | Contingency – Provision for New Work based on emerging risks | | | | | | | |



The following are the Internal Audit reports, of each audit review finalised,
since the last Committee update



Appointment of Consultants – Final Report – July 2024

Audit Objective

To review and assess the authority’s procurement and appointment of consultants ensuring compliance with policy and value for money is achieved.

Executive Summary



Assurance Opinion

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Management Actions

| | |
|------------|---|
| Priority 1 | 0 |
| Priority 2 | 1 |
| Priority 3 | 1 |
| Total | 2 |

Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact.

Key Conclusions



There is insufficient oversight and proactive reporting of consultants employed by the Council and their costs, resulting in non-compliance with the Local Government Transparency Code 2015. Furthermore, the absence of a filter on the Contracts Register prevents effective scrutiny and reporting.



There is no induction or regular refresher training on Procurement processes for staff. Our samples evidenced that this has impacted officers on their ability to use self-service for procurement of consultants under £25,000 and they rely on the Procurement team for support and advice.



The sample of consultants reviewed demonstrated compliance with the Contract Rules as the procurement team were involved.

Audit Scope

Throughout this audit, we reviewed the following key areas:

- Guidance and Training available to staff members.
- Staff understanding of the Contract Rules.
- Scrutiny arrangements of consultant spend and Management Information.
- Business Case requirements.
- Contract information.
- The process of Post-Consultancy Reviews.
- Access to the IT Systems and Council property.

Interviews and walkthroughs were conducted with a sample of Appointing Officers who had undertaken a Consultancy Procurement exercise between April 2022 and February 2024. Evidence was sought throughout these meetings to support statements made.

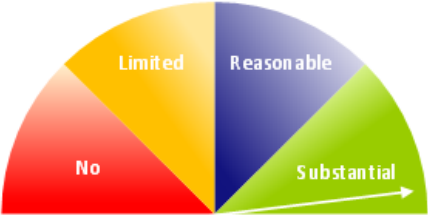
Additional Information


Our action plan that accompanies this report will focus on the issues identified above and will help to ensure that compliance is consistent and that value for money is identified. During the audit, we confirmed that Consultants are engaged with sufficient Contracts or Conditions of Employment in place. Additionally, through discussions we concluded that Employment Status was considered in the procurement process, although there were varying levels of understanding among staff members. IT and Physical Access of Council property is carefully considered when employing a consultant; no issues were identified with this.

The Accounts Payable report says: *We found 72% of 3146 transactions processed on G4 client were not supported with a purchase order. Ordering goods and services via purchase orders aids budget monitoring and mitigates against overspends.* This would also allow for further scrutiny and reporting of consultants from Finance to Procurement. Consideration should be given to the introduction of a ‘No Purchase Order No Pay’ which would support better financial monitoring.

Accounts Payable Continuous Analysis – Final Report – August 2024

Audit Objective To identify potential duplicate payments, summarise, and present to the AP team for remedial action.

| Executive Summary | | | | | | | | | | | |
|---|---|--|---------------------------------------|---|------------|---|------------|---|-------|---|-----|
|  | Assurance Opinion The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. | Management Actions | Organisational Risk Assessment | | | | | | | | |
| | | <table border="1"> <tr> <td style="background-color: red; color: white;">Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="background-color: yellow;">Priority 2</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="background-color: blue;">Priority 3</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="background-color: #d9e1f2;">Total</td> <td style="text-align: center;">0</td> </tr> </table> | Priority 1 | 0 | Priority 2 | 0 | Priority 3 | 0 | Total | 0 | Low |
| | Priority 1 | 0 | | | | | | | | | |
| | Priority 2 | 0 | | | | | | | | | |
| Priority 3 | 0 | | | | | | | | | | |
| Total | 0 | | | | | | | | | | |
| | | Our audit work includes areas that we consider have a low organisational risk and potential impact. | | | | | | | | | |
| | | | | | | | | | | | |

| Key Conclusions | | Audit Scope |
|---|--|---|
|  <p>Accounts Payable (AP) use Business World (BW) to process payments on behalf of partner organisations and Councils. We used BW to generate AP reports capturing payments to suppliers for the full financial year starting 1st April 2023 until 31st March 2024.</p> <p>A total of 111,655 lines of transaction data was analysed. We cleansed the data and applied conditional formatting to highlight duplicate transactions. We passed 15 duplicates with a total overpayment value of £20,439.71 to AP for further investigation. This represents 0.01% of total payments analysed.</p> <p>AP demonstrated that all applicable payments requiring further investigation had been appropriately resolved by either refund or credit note.</p> | | <p>Our review covers the full 2023/24 Financial Year, checking for potential duplicate payments at CDC, and between CDC and/or Publica, CBH or another Council.</p> <p>Findings have been summarised and reported to the Accounts Payable team for further review and remedial action where necessary. Findings have been followed-up during the subsequent review.</p> |

Next Steps

Our duplicate payment analysis will continue into the 2024/25 financial year.

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Open Agreed Actions – October 2024

SWAP Action Tracker - Cotswold and Cheltenham Team

Analytics DB Access



Open Management Actions

Organisation
Cotswold District Council

Audit Title
All

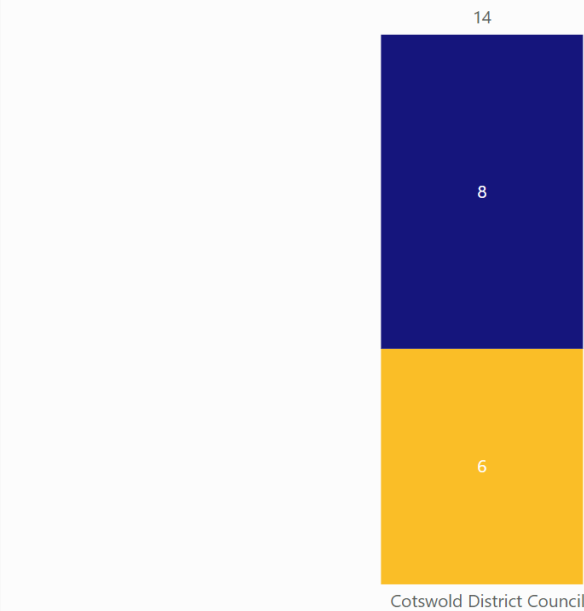
Issue Tester
All

Issue Subscriber
All

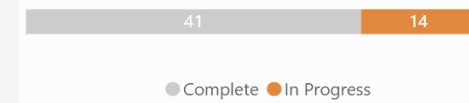
| Not yet due | Due within 30 days | 1-30 days overdue | 31-60 days overdue | 61-90 days overdue | 91+ days overdue | Total Actions |
|-------------|--------------------|-------------------|--------------------|--------------------|------------------|---------------|
| 12 | 2 | (Blank) | (Blank) | (Blank) | (Blank) | 14 |

Open Actions by Organisation

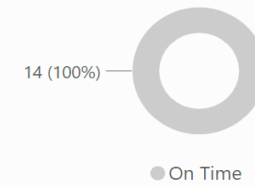
Priority ● 2 ● 3



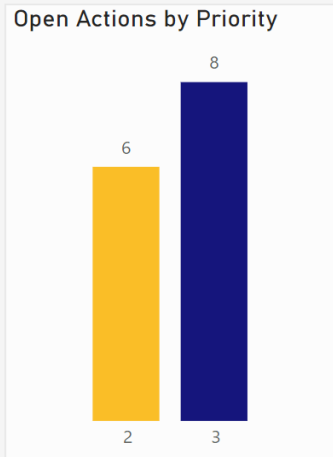
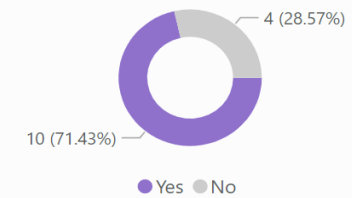
Open/Closed Actions



Overdue Open Actions



Open Actions with Extended Dates



| AP ID | ID | Audit Title | Issue Title | Issue Status | Period | Priority Score | AP Status | Original Timescale | Timescale | Follow-Up Assessment |
|-------|------|---|--|---------------------|---------|----------------|-------------|--------------------|------------|--|
| 821 | 758 | CDC - Climate Change Strategy - September 2022 | Climate Change KPIs Not Defined | Pending Remediation | 2022/23 | 2 | In Progress | 30/06/2023 | 30/11/2024 | Aug 2024: Cabinet receive action and priority reports which includes details on climate action progress. However, emissions have not been published since 2020. CDC's Carbon Reduction and Climate Lead Officer advised that carbon data is being reviewed to establish compliance with international standards before being published. Timescale extended to coincide with the anticipated independent scorecard review response which should include published emissions data. |
| 3512 | 3291 | CDC - Bank Reconciliation - 2023/24 | Review of Suspense Accounts | Pending Remediation | 2023/24 | 3 | In Progress | 31/03/2024 | 31/12/2024 | Oct 2024: Timescale revised due to change in responsible officer |
| 2984 | 2786 | CDC - Property Services - Compliance and Health & Safety - March 2023 | Central Property Database Accuracy | Pending Remediation | 2023/24 | 3 | In Progress | 30/09/2024 | 31/12/2024 | Oct 2024: The BM - Assets & Council Priorities advised that this action is progressing and it is planned to be completed by year end. A follow-up audit is planned for later in the year where all actions will be assessed. |
| 2987 | 2789 | CDC - Property Services - Compliance and Health & Safety - March 2023 | Risk Assessment (RA) for All Council Owned Properties | Pending Remediation | 2023/24 | 2 | In Progress | 30/06/2024 | 31/12/2024 | Oct 2024: The BM - Assets & Council Priorities advised that this action is progressing and it is planned to be completed by year end. A follow-up audit is planned for later in the year where all actions will be assessed. |
| 3545 | 3322 | CDC - Revenues and Benefits - Council Tax and NDR - July 2023 | Council Tax and NDR: Procedure Notes Require Review to Ensure | Pending Remediation | 2023/24 | 3 | In Progress | 31/03/2024 | 31/12/2024 | Oct 2024: The Business Manager - Environmental, Welfare & Revenue Service confirmed this is still ongoing due to work levels and resourcing. However, this will be progressed now that a Senior Revs Officer is in post. |
| 3164 | 2958 | PUB - ICT Business Continuity/Disaster Recovery 2023/24 | Documentation Updates | Pending Remediation | 2023/24 | 3 | In Progress | 31/03/2024 | 31/10/2024 | July 2024: The CTO advised that this action is nearly complete. Copies of the updated documentation will be provided to close this action. |
| 3175 | 2968 | PUB - ICT Business Continuity/Disaster Recovery 2023/24 | ICT and Emergency Planning Formal Engagement and Alignment | Pending Remediation | 2023/24 | 2 | In Progress | 31/03/2024 | 31/01/2025 | July 2024: The CTO advised that this action is nearly complete. Copies of the updated documentation will be provided to close this action. |
| 3854 | 3611 | PUB - Risk Management 2023/24 | Risk Maturity Self-Assessment has not been conducted. | Pending Remediation | 2023/24 | 3 | In Progress | 31/03/2025 | 31/03/2025 | |
| 3855 | 3612 | PUB - Risk Management 2023/24 | Improvements are required to Member scrutiny and reporting. | Pending Remediation | 2023/24 | 2 | In Progress | 31/05/2024 | 31/03/2025 | 07/10/2024 - Extended due to transition pressures. |
| 3856 | 3613 | PUB - Risk Management 2023/24 | Risk Management Training is inadequate. | Pending Remediation | 2023/24 | 2 | In Progress | 31/05/2024 | 31/03/2025 | 07/10/2024 - Extended due to transition pressures on service. |
| 3536 | 3313 | PUB - Use of Waivers - 2023/24 | Contract Waiver Report Templates | Pending Remediation | 2023/24 | 3 | In Progress | 31/12/2024 | 31/12/2024 | |
| 3537 | 3314 | PUB - Use of Waivers - 2023/24 | Use of Waivers Training | Pending Remediation | 2023/24 | 3 | In Progress | 31/12/2024 | 31/12/2024 | |
| 4447 | 4167 | CDC - Appointment of Consultants - 2023/24 | There is no induction or regular refresher training on Procurement | Pending Remediation | 2024/25 | 3 | In Progress | 31/10/2024 | 31/03/2025 | |
| 4448 | 4168 | CDC - Appointment of Consultants - 2023/24 | There is no oversight or proactive reporting of consultants. | Pending Remediation | 2024/25 | 2 | In Progress | 31/10/2024 | 31/10/2024 | |

Agenda Item 8



COTSWOLD
DISTRICT COUNCIL

| | |
|----------------------------|--|
| Council name | COTSWOLD DISTRICT COUNCIL |
| Name and date of Committee | AUDIT AND GOVERNANCE COMMITTEE – 24 OCTOBER 2024 |
| Subject | COUNTER FRAUD AND ENFORCEMENT UNIT UPDATE REPORT |
| Wards affected | None |
| Accountable member | Cllr Mike Every, Deputy Leader and Cabinet Member for Finance Email: Mike.Every@cotswold.gov.uk |
| Accountable officer | David Stanley, Deputy Chief Executive and Chief Finance Officer Email: David.Stanley@cotswold.gov.uk |
| Report author | Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit Email: Emma.Cathcart@cotswold.gov.uk |
| Summary/Purpose | To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided twice a year. Work plans are presented to the Committee detailing progress and results for consideration and comment as the body charged with governance in this area. |
| Annexes | None. |
| Recommendation(s) | That the Audit and Governance Committee; I. Considers and comments on the report. |
| Corporate priorities | <ul style="list-style-type: none"> • Delivering Good Services |
| Key Decision | No |
| Exempt | No |
| Consultees/ Consultation | Work plans are agreed and reviewed regularly with the Deputy Chief Executive. Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by Legal Services and have been issued to the |



| | |
|--|--|
| | Governance Group and Corporate Management for comment. |
|--|--|

1. EXECUTIVE SUMMARY

- 1.1 The Audit and Governance Committee oversees the Council's counter fraud arrangements, and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.
- 1.2 Work plans have been agreed with the Deputy Chief Executive and the Council's Management and details relating to work delivery are presented, in this report, to Audit and Governance Committee as the body charged with governance in this area.
- 1.3 The work plan for 2024/25 includes a focus on fraud risk mitigation regarding grant schemes and polygamous working as high-risk areas. This work will include both prevention and detection activities.

2. BACKGROUND

- 2.1 In administering its responsibilities, the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor.
- 2.2 The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate and community plans.

3. MAIN POINTS

- 3.1 The CFEU Head of Service forms part of the core Multi-Agency Approach to Fraud (MAAF) group. The core group consists of attendees from Gloucestershire Constabulary Economic Crime Team, Trading Standards, Victim Support, NHS and colleagues from Gloucester City and County Councils. The MAAF has been set up to discuss fraud trends, victim care and communication of fraud scams across Gloucestershire. Through collaborative working the main purpose is to raise awareness to minimise and disrupt fraud. The CFEU Head of Service has also joined the Thames Valley MAAF Group, representing West Oxfordshire District Council.
- 3.2 As previously reported, it has been agreed that the Gloucestershire MAAF will have a dedicated webpage. Funding of £5,000 was awarded by the Office of the Police and Crime Commissioner to support this. Tewkesbury Borough Council ICT team will be leading on this project however recent events related to the cyber incident mean this may be slightly delayed.



- 3.3** In relation to the Business Grant Schemes, as previously reported, the focus now relates to debt; recovery, reconciliation and transfer to the Department for Business and Trade (DBT). This work continues with an extended deadline of 31 December 2024. An update relating to this date has been requested so that the Council may review any debts outstanding that are the subject of current payment plans to ensure that should any payee default in the future, the Council is still able to transfer liability to DBT.
- 3.4** In response to the severe flooding events between 2 and 8 January 2024 caused by Storm Henk, a number of grant schemes were activated. The CFEU have been working with residents and businesses effected to allow claims for the following:
- Community Recovery Grants – £500 per household – 0 grants were awarded,
 - Business Recovery Grants – £2,500 per business – 1 grant awarded,
 - Council Tax Discounts – 100% discount for a minimum of three months – no relief was awarded and
 - Business Rate Reliefs – 100% relief for a minimum of three months – no relief has been granted.
- 3.5** All Local Authorities participate in the Cabinet Office’s National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office and it’s comparisons across national data sets is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation.
- Results have now been received regarding the 2021/22 single person discount anomalies. Further increased Council Tax revenue of £18,116 has been raised and an additional 7 Civil Penalties totalling £490 have been applied.
 - In relation to the 2022/23 data sets, the team received 909 matches, all have been reviewed. Some results have been previously reported in relation to internal matches and in relation to Housing Benefit and Council Tax Support anomalies.
 - The team also received 1,014 Council Tax related matches as a result of the 2023/24 data sets, these have also been reviewed.
 - Of the above, 1,255 matches related to single person discount anomalies. 102 accounts have been referred to the Revenues Team with recommendations, results are pending.
 - 397 matches relate to discrepancies regarding Council Tax and deceased liable parties; 32 require further investigation.
 - 130 matches regarding housing application discrepancies resulted in 21 recommendations being issued to the Housing Team; results are still pending and a request for an update has been sent.



- 3.6** As reported previously, a review of the Housing Waiting List was completed. This included verification of applications within Emergency Band (35 applications), Gold Band (34 applications) and Silver Band (203 applications). This resulted in 139 recommendations being referred to the Housing Team. To date 5 applications have been removed from the Emergency and Gold lists representing a figure of £21,415. Results are pending in relation to the Silver Band list. Each cancelled housing application represents a property which can be reallocated to another eligible family. The National Fraud Initiative applies a figure of £4,283 for each application removed, to represent the value of future losses prevented as a result of removing an applicant. This represents a saving on the cost of temporary accommodation. In addition, the result of the band re-prioritisation is that those families who are correctly banded have a greater chance of being housed and housed more speedily.
- 3.7** Criminal Enforcement, Regulation of Investigatory Powers Act and Investigatory Powers Act refresher training was delivered to the ERS staff in quarter 1. Sessions for all other enforcement staff will be delivered during the autumn.
- 3.8** As part of the assurance activity relating to procurement fraud prevention, work has commenced on a review of small supplier payments. A data matching exercise has also commenced across the partnership in relation to awards of small business rates relief. Updates will be provided to in due course.
- 3.9** In addition to the work carried out under the annual work plan, as a dedicated investigatory support service, the CFEU undertakes a wide range of enforcement and investigation work according to the requirements of each Council. This includes criminal investigation and prosecution support for enforcement teams, investigations into staff/member fraud and corruption, or tenancy and housing fraud investigation work. Since 1 April 2024 the team have received 48 referrals; 14 referrals were declined, and 14 matters were referred to the Department for Work and Pensions. The remaining referrals are being dealt with by the team.
- 3.10** Since 1 April 2024, the team have opened 4 cases and closed 10 cases from teams across the Council. This excludes any Council Tax Reduction Scheme matters.
- Work undertaken with the Revenues Team resulted in the removal of 2 incorrect Council Tax discounts/exemptions and 1 property being brought into ratings. Increased Council Tax revenue totalling £7,461 and a Civil Penalty for £70 being applied.
- 3.11** The CFEU undertakes the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and acts as the single point of contact for the Department for Work and Pensions (DWP) Housing Benefit investigations. In the same period 2 cases were opened, and 4 cases were closed.
- Increased Council Tax revenue of £3,476 has been raised.
 - 1 Criminal Penalty totalling £697 was accepted.



- An individual was prosecuted, receiving a Fine for £100 and was ordered to pay a compensation order for £3,500 to the Department for Work and Pensions.

3.12 The team received 1 grievance referral from HR and closed 1 disciplinary matter relating to the falsification of timesheets; the individual resigned during the investigation.

3.13 During 2023/24, the team undertook an investigation relating to a member of staff undertaking full time employment for multiple Councils. The individual was dismissed last year however the individual is also the subject of a prosecution for fraud. The case is listed for trial at Gloucester Crown Court next year.

4. ALTERNATIVE OPTIONS

4.1 The Council is the lead authority for the Gloucestershire Counter Fraud and Enforcement Unit. This Unit is working with all of the Gloucestershire Local Authorities, West Oxfordshire District Council, Royal Borough of Windsor and Maidenhead and other public sector bodies such as housing associations.

4.2 The service is a shared one across the County and as such overheads and management costs are also shared equally meaning there is increased value for money however there are other counter fraud provision options which could be considered if the Council wished to explore alternative arrangements.

5. FINANCIAL IMPLICATIONS

5.1 There are no financial implications arising directly from this report. The Council has a duty to prevent fraud and corruption with Section 3 of the report providing members with an update on the work of CFEU and the increased revenue and penalties applied following casework and successful investigations.

6. LEGAL IMPLICATIONS

6.1 In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.

6.2 The Authority is also required to ensure that it complies with the Regulation of Investigatory Powers Act 2000, the Investigatory Powers Act 2016 and any other relevant/statutory legislation regarding investigations. Any authorisations for directed/covert surveillance or the acquisition of communications data undertaken should be recorded appropriately in the Central Register.

7. RISK ASSESSMENT

7.1 The Council is required proactively to tackle fraudulent activity in relation to the abuse of public funds. The CFEU provides assurance in this area.

7.2 Failure to undertake such activity would accordingly not be compliant and expose the Authority to greater risk of fraud and/or corruption.



7.3 If the Council does not have effective counter fraud and corruption controls, it risks both assets and reputation.

8. EQUALITIES IMPACT

8.1. The CFEU seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998 (HRA). It balances safeguarding the rights of the individual against the needs of society to be protected from crime and other public safety risks.

8.2. The promotion of effective counter fraud controls and a zero-tolerance approach to internal misconduct promotes a positive work environment.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

9.1 Not applicable.

10. BACKGROUND PAPERS

10.1 None.

(END)

Agenda Item 9



COTSWOLD
DISTRICT COUNCIL

| | |
|----------------------------|--|
| Council name | COTSWOLD DISTRICT COUNCIL |
| Name and date of Committee | AUDIT AND GOVERNANCE COMMITTEE – 24 OCTOBER 2024 |
| Subject | ANNUAL SUMMARY OF COMPLAINTS STATISTICS FROM THE LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN – YEAR ENDING 31 MARCH 2024 |
| Wards affected | None |
| Accountable member | Cllr Joe Harris, Leader of the Council Email: joe.harris@cotswold.gov.uk |
| Accountable officer | Robert Weaver, CEO Email: Democratic@Cotswold.gov.uk |
| Report author | Cheryl Sloan, Business Services Manager, Governance, Risk & Business Continuity Email: Democratic@Cotswold.gov.uk |
| Summary/Purpose | This report presents the Annual Complaints statistics as provided by the Local Government and Social Care Ombudsman for the year 1 st April 2023 – 31 st March 2024. |
| Annexes | Annex A – Annual Review Letter 2023 – 2024 Annex B – Upheld complaint by Local Government and Social Care Ombudsman |
| Recommendation(s) | That the Audit and Governance Committee resolves to: I. Note the content of the report and the Annual Review Letter 2023 – 2024. |
| Corporate priorities | <ul style="list-style-type: none"> Delivering Good Services |
| Key Decision | No |
| Exempt | No |
| Consultees/ Consultation | NA |



1. EXECUTIVE SUMMARY

- 1.1 This report provides an overview from the annual summary of complaints statistics from the Local Government and Social Care Ombudsman – year ending 31 March 2024.

2. BACKGROUND

- 1.1 At the end of each financial year, the Local Government and Social Care Ombudsman (LGO) write to the Chief Executive, Leader of the Council, and Chair of Scrutiny to provide an annual summary of the complaint statistics which have been received by the LGO in relation to the Cotswold District Council (CDC).
- 1.2 The information is provided to give insight about the organisations approach to complaints, and for consideration as part of the Council corporate governance processes.
- 1.3 CDC has three stages to its' internal complaints process as detailed below. Once this is exhausted, if the complainant remains unsatisfied with the response provided, it is at this point that they can refer their complaint to the LGO.
- Stage 1: Service Area Response
 - Stage 2: Independent Review
 - Stage 3: Appeal
- 1.4 The Annual Letter details the complaints which have been escalated to the LGO in relation to services provided by CDC.
- 1.5 It should be noted that in February, following a period of consultation, the LGO launched the new Complaint Handling Code for councils, setting out a clear process for responding to complaints effectively and fairly. Councils are urged to adopt this Code without delay, they expect councils to carefully consider the Code when developing policies and procedures and will begin considering it as part of their processes from April 2026. A new policy and procedure have been produced in line with the new code, which will change the complaints process from a three-stage internal process to a two-stage. This will be brought to the next Audit Committee for approval.

2. OVERVIEW

- 2.1 A total of 10 complaints were escalated to the LGO about services provided by CDC during financial year 2023 - 2024.

2.2 Of the 10 complaints received by the LGO, one complaint was investigated, which was ‘upheld’.

2.3 The table below provides a summary of the 10 complaints received by the LGO, the complaint category (service area), the decision which has been made and the reason for the decision.

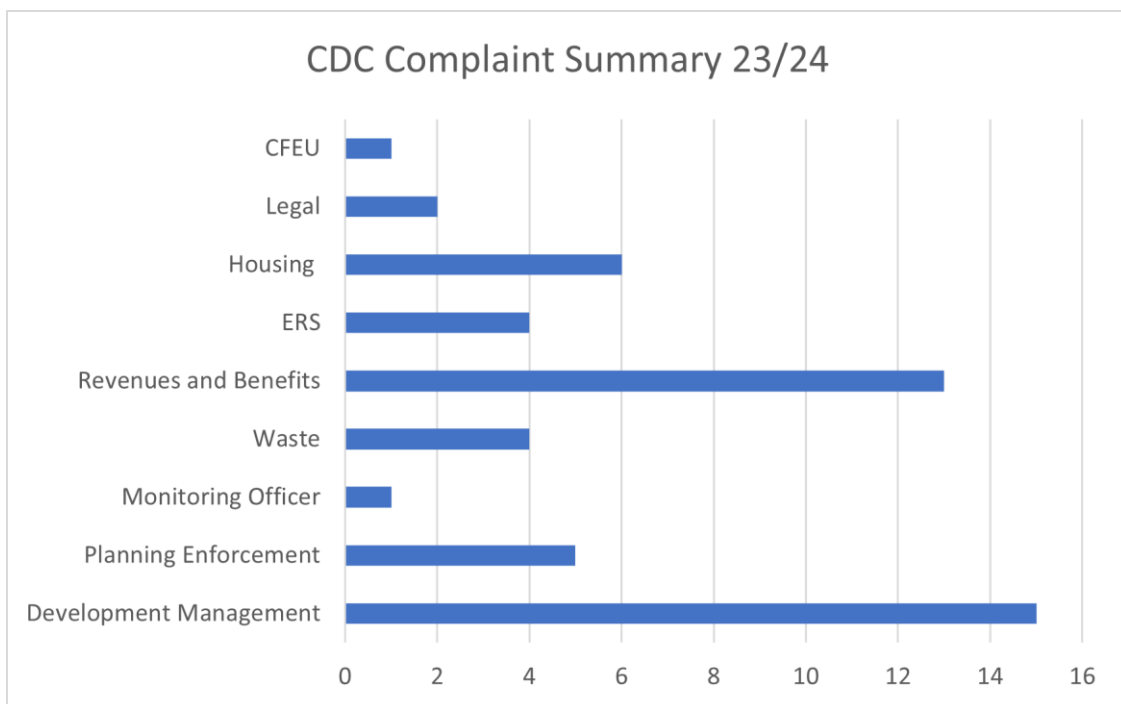
| Category | Decided | Decision | Decision Reason |
|----------------------------|------------|------------------------------------|---|
| Housing | 18/10/2023 | Closed after initial enquiries | 26B (2) not made within 12 months |
| Planning & Development | 25/8/2022 | Upheld | Fault and injustice |
| Benefits & Tax | 18/4/2023 | Referred back for local resolution | Premature |
| Planning & Development | 10/10/2023 | Closed after initial enquiries | No worthwhile outcome achievable |
| Planning & Development | 13/9/2023 | Closed after initial enquiries | Not warranted by alleged fault |
| Planning & Development | 16/10/2023 | Referred back for local resolution | Premature |
| Benefits & Tax | 12/10/2023 | Referred back for local resolution | Premature Decision - advice given |
| Corporate & Other Services | 30/11/2023 | Closed after initial enquiries | Other Agency better placed |
| Corporate & Other Services | 30/11/2023 | Closed after initial enquiries | No worthwhile outcome achievable by investigation |
| Benefits & Tax | 1/3/2024 | Closed after initial enquiries | Not warranted by alleged fault |

2.4 A total of 3 complaints were referred back to the Council, this is due to the complainant having not exhausted the 3 stages of the internal complaints process, 6 were closed after initial enquiries, and one complaint was upheld.

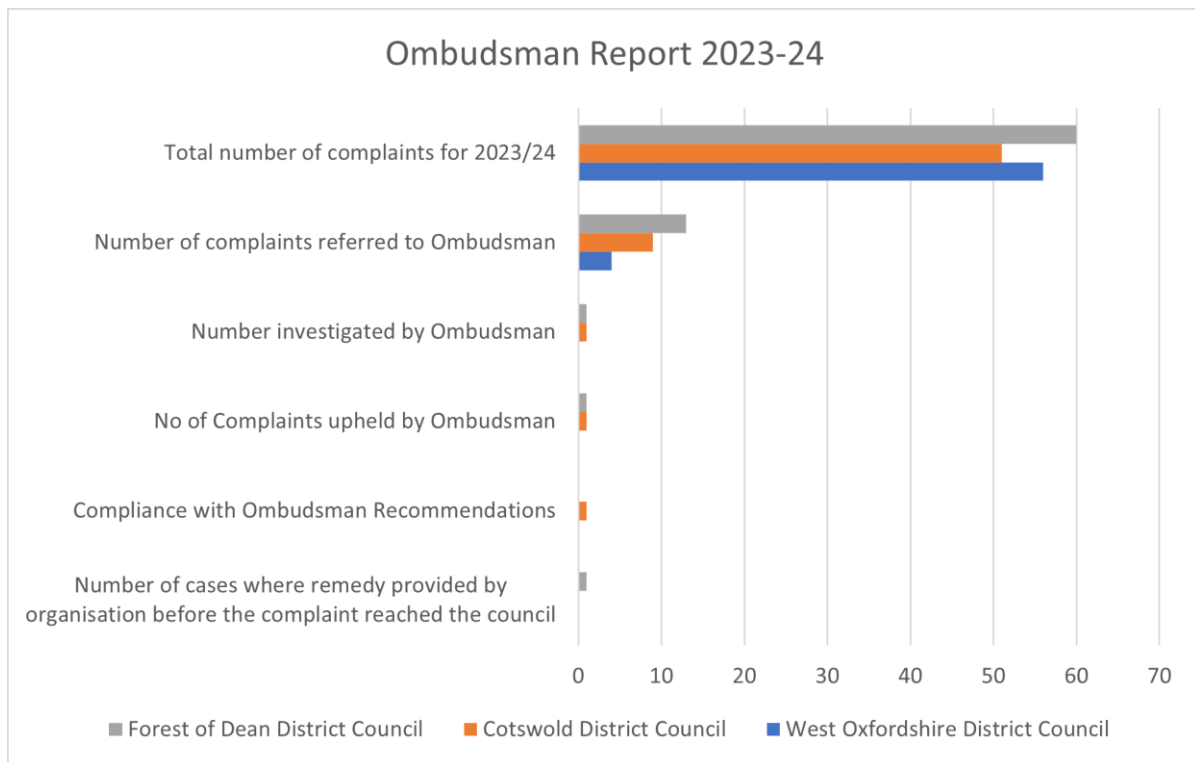
2.5 Of the one complaint upheld (please see appendix 2), this related to the Council allegedly failing to take proper enforcement action against a neighbour who extended their property into a section of public space, and that the Council failed to carry out agreed actions. The Council were not found at fault for the bulk of the complaint but were found at fault for delays in dealing with the complainant. The Ombudsman recommended the Council apologised to Mr X and make a payment to recognise the uncertainty caused. A payment of £100 was made and an apology given for time delays.

2.6 During 2023-2024, CDC recorded a total of 50 complaints. 10 were referred to the Ombudsman, which equates to 20%. This is a 17% reduction from last year. It should also be noted that three of the complaints were referred straight back to the Council, which is, in the majority, where they have gone straight to the LGO, rather than through the Council’s internal complaints process and 6 were closed after initial investigations.

2.7 Whilst the council receives a wide range of complaints, the majority relate to where decisions have been made, as opposed to the standard of services provided. This includes decisions around planning, housing, revenues and benefits and enforcement. A number of these complaints could be rejected by the Council as they are excluded under the Complaints policy, however, to try to mitigate residents’ concerns, they are, in the main, still responded to under the complaints process. Complaints received by the Council and partner Councils are reviewed to check for trends, lessons learnt and mitigating action. Below is a chart which shows the breakdown of complaints for 2023/24.



2.8 Comparing this to our partner Councils; West Oxfordshire and Forest of Dean. West Oxfordshire had zero complaints investigated and therefore no complaints upheld, and the Forest of Dean had one complaint investigated and one complaint upheld. The graph below details the total number of complaints received by each Council during 23/24, and the breakdown of complaints referred to the LGO.



2.9 Comparative data for other similar Authorities, as provided by the LGO, was that an average of 59% of the complaints investigated were upheld, this is lower than CDC, for which 100% of the complaints were upheld (one of one complaints).

2.10 Given the number of services provided by CDC, to have one complaint upheld by the LGO, of which remedy has been complied with in full, should be seen as a positive reflection of the way in which services are provided, and complaints are managed and subsequently rectified.

3 ALTERNATIVE OPTIONS

3.1 None

4 FINANCIAL IMPLICATIONS

4.1 There are no financial implications arising from this report.

5 LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from this report.

6 RISK ASSESSMENT



6.1 If the Council's governance arrangements are weak then the Council is at risk of failing to safeguard the use of public funds. In turn this would lead to poor external assessments, damaging the reputation of the Council.

7 EQUALITIES IMPACT

7.1 An equalities impact assessment is not required for this report.

8 CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

8.1 There are no climate or ecological emergency implications arising directly from this report.

9 BACKGROUND PAPERS

9.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

10 Annual Complaints Statistics and Annual Letter from the LGO

10.1 These documents will be available for inspection online at www.cotswold.gov.uk or by contacting democratic services democratic@cotswold.gov.uk for a period of up to 4 years from the date of the meeting.

17 July 2024

By email

Mr Weaver
Chief Executive
Cotswold District Council

Dear Mr Weaver

Annual Review letter 2023-24

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2024. The information offers valuable insight about your organisation's approach to complaints, and I know you will consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to ensure effective ownership and oversight of complaint outcomes, which offer valuable opportunities to learn and improve. In addition, this year, we have encouraged Monitoring Officers to register to receive the letter directly, supporting their role to report the decisions we uphold to their council.

For most of the reporting year, Paul Najsarek steered the organisation during his tenure as interim Ombudsman, and I was delighted to take up the role of Ombudsman in February 2024. I look forward to working with you and colleagues across the local government sector to ensure we continue to harness the value of individual complaints and drive and promote systemic change and improvement across the local government landscape.

While I know this ambition will align with your own, I am aware of the difficult financial circumstances and service demands that make continuous improvement a challenging focus for the sector. However, we will continue to hold organisations to account through our investigations and recommend proportionate actions to remedy injustice. Despite the challenges, I have great confidence that you recognise the valuable contribution and insight complaints, and their swift resolution, offer to improve services for the public.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic. This year, we also provide the number of upheld complaints per 100,000 population.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and give credit to organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 24 July 2024. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

In February, following a period of consultation, we launched the [Complaint Handling Code](#) for councils, setting out a clear process for responding to complaints effectively and fairly. It is aligned with the Code issued to housing authorities and landlords by the Housing Ombudsman Service and we encourage you to adopt the Code without undue delay. Twenty councils have volunteered to take part in an implementation pilot over the next two years that will develop further guidance and best practice.

The Code is issued to councils under our powers to provide guidance about good administrative practice. We expect councils to carefully consider the Code when developing policies and procedures and will begin considering it as part of our processes from April 2026 at the earliest.

The Code is considered good practice for all organisations we investigate (except where there are statutory complaint handling processes in place), and we may decide to issue it as guidance to other organisations in future.

Our successful complaint handling training programme continues to develop with new modules in Adult Social Care and Children's Services complaint handling available soon. All our courses include practical interactive workshops that help participants develop their complaint handling skills. We delivered 126 online workshops during the year, reaching more than 1,700 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

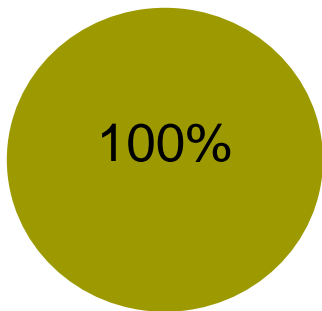
Returning to the theme of continuous improvement, we recognise the importance of reflecting on our own performance. With that in mind I encourage you to share your view of our organisation via this survey: <https://www.smartsurvey.co.uk/s/ombudsman/>. Your responses will help us to assess our impact and improve our offer to you. We want to gather a range of views and welcome multiple responses from organisations, so please do share the link with relevant colleagues.

Yours sincerely,



Amerdeep Somal
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld



100% of complaints we investigated were upheld.

This compares to an average of **63%** in similar organisations.

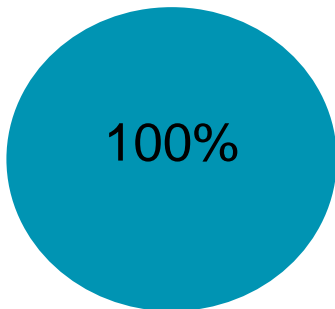
1
upheld decision

This is 1.1 upheld decisions per 100,000 residents.

The average for authorities of this type is 1.2 upheld decisions per 100,000 residents.

Statistics are based on a total of **1** investigation for the period between 1 April 2023 to 31 March 2024

Compliance with Ombudsman recommendations



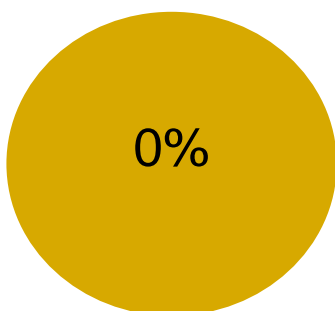
In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

This compares to an average of **99%** in similar organisations.

Statistics are based on a total of **1** compliance outcome for the period between 1 April 2023 to 31 March 2024

- Failure to comply with our recommendations is rare. An organisation with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

Satisfactory remedy provided by the organisation



In **0%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **21%** in similar organisations.

0
satisfactory remedy decisions

Statistics are based on a total of **1** upheld decision for the period between 1 April 2023 to 31 March 2024

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The Ombudsman's final decision

Summary: Mr X complained the Council failed to take proper enforcement action against a neighbour who extended their property into public land and failed to follow through on actions it told him it would. We find the Council at fault for delays in dealing with Mr X's complaint. We recommend the Council apologise to Mr X and make a payment to recognise the uncertainty caused.

The complaint

1. Mr X complains the Council failed to take proper enforcement action against a neighbour who extended their property into a section of public space. Mr X also complains the Council failed to carry out actions it told him it would.

The Ombudsman's role and powers

2. We investigate complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1), as amended*)
3. We cannot question whether an organisation's decision is right or wrong simply because the complainant disagrees with it. We must consider whether there was fault in the way the decision was reached. (*Local Government Act 1974, section 34(3), as amended*)
4. If we are satisfied with an organisation's actions or proposed actions, we can complete our investigation and issue a decision statement. (*Local Government Act 1974, section 30(1B) and 34H(i), as amended*)

How I considered this complaint

5. I spoke to Mr X about his complaint and considered information he provided. I also considered information received from the Council.
6. Mr X and the Council had an opportunity to comment on my draft decision. I considered any comments received before making a final decision.

What I found

Planning enforcement

7. Breaches of planning control are defined in S171A of the Town and Country Planning Act 1990 as:
 - The carrying out of development without the required planning permission; or
 - Failing to comply with any condition or limitation subject to which planning permission has been granted.
8. Planning enforcement action is discretionary. Councils may decide to take informal action or not to act at all. Informal action might include negotiating improvements, seeking an assurance or undertaking, or requesting submission of a planning application so they can formally consider the issues.

National Planning Policy Framework

9. The National Planning Policy Framework (NPPF) sets out the government's planning policies for England and how these are expected to be applied.
10. The Framework says effective enforcement is important to maintain public confidence in the planning system. Enforcement action is discretionary, and local planning authorities should act proportionately in responding to suspected breaches of planning control.

Council's Planning Enforcement

11. The Council initially attempts to resolve breaches through negotiation and considers whether it needs to take formal action if this fails.
12. If the Council identifies a breach of planning control, it will usually give the landowner an opportunity to put things right. If the Council identifies a development may be considered acceptable in planning terms, it may give the landowner an opportunity to submit a planning application.
13. If negotiations fail, the Council considers its power to serve an enforcement notice. This is a formal instruction to put things back how they were before work started. It is a criminal offence not to comply with an enforcement notice and this could lead to prosecution.

What happened

14. In November 2021, Mr X notified the Council of a potential breach of planning regulations. Mr X said a neighbour had extended his property into sections of open public space adjoining their land.
15. The Council acknowledged Mr X's report and appointed an enforcement officer.
16. Following site visits and conversation with Mr X, in January 2022, the Council identified several issues on the land that it considered to be an unauthorised change in use.
17. Mr X chased the Council for an update in February 2022 and was told large workloads meant the investigation was taking time to progress. The Council confirmed it had visited the site again and decided there was an unauthorised change of use that would have required planning permission. Specifically, the Council said it had identified the placement of a compost bin and bird feeder, and the creation of flower beds which gave the appearance of a residential garden rather than public open space.

-
18. The Council said it considered a planning application for this would not have been supported, so it would ask the neighbour to remove the residential paraphernalia from the land. However, the Council explained not all the changes to the land would have required planning permission. The Council said the installation of a gate in the neighbour's wall would not require planning permission. Nor would the erection of iron railings or the planting of hedges.
 19. In March 2022, Mr X chased the Council again. The Council confirmed it would contact Mr X's neighbour and ask them to return the land to its original state. However, it repeated it did not consider the access gate, iron railings, or hedge planting would have required permission.
 20. The Council wrote to Mr X's neighbour in April 2022. It explained it had received a complaint about an extension of their property into open public space. The Council said it had visited the site and noted a variety of residential paraphernalia, including a compost bin, bird feeder, stepping stone slabs, as well as the creation of flowerbeds with stones against the boundary wall and around trees. The Council said this would be considered an unauthorised change of use from public land to residential and asked for it to be removed within 21 days. The Council explained failure to comply would result in formal enforcement action.
 21. The Council also updated Mr X to let him know it had contacted his neighbours. It explained that if the land was not made good, it would consider formal enforcement action.
 22. The Council revisited the land in May 2022. It noted the area no longer looked as though it were being cared for as a residential garden. It noted stones remained around the bases of trees, suggesting flower beds, but the residential paraphernalia had been removed.
 23. In July 2022 the Council visited the property again and noted it remained in the same state as the visit in May 2022. It noted the iron railings and planted hedges remained, but it had already decided these were not a breach of planning control.
 24. Mr X chased the Council for an update later that month. The Council apologised for the delays and attributed this to a large workload and a depleted enforcement team. The Council explained it did not deem the iron railings or planted hedges to be a breach of planning control so it would not ask for these to be removed. It said it had carried out a number of site visits and the land was largely back to its previous condition. The Council said it did not consider it would be expedient to take formal enforcement action as there was no demonstrable harm.
 25. Mr X told the Council he did not agree with its conclusions. He said the remaining changes ruined the visual amenity of the area and constituted an extension to his neighbour's property. Mr X also suggested the iron railings and planted hedges reduced visibility of pedestrians to the main road and asked the Council to reconsider its decision.
 26. Mr X chased the Council for a response in August 2022 and September 2022.
 27. In September 2022, the Council completed a non-enforcement report and decided to close its enforcement case. It considered a breach of planning control had occurred, but no significant or harmful impacts had been identified so it would not be proportionate to continue with full enforcement action.
 28. The Council wrote to Mr X in October 2022. The Council acknowledged the land had not been fully restored to its original state but said it no longer appeared to be maintained as a garden. The Council said it did not consider it was appropriate to

-
- take further action as there was no demonstrable harm caused by the way the land now stood. Because of this, it had closed its enforcement case.
29. Mr X responded to the Council to disagree with its decision not to take further action. He said he was surprised the Council felt there was no demonstrable harm and believed this would encourage other residents to extend their own property into public open space.
 30. The Council reiterated that, while the land was not completely back to its previous state, it did not consider there was sufficient harm to warrant formal enforcement action. The Council explained formal enforcement action is discretionary and should be proportionate to the harm caused by any development rather than punitive. The Council said if any further works took place, it would consider them on their own merits.
 31. In November 2022, the Council wrote to Mr X again. It said it had visited the site once more and still believed there was no material harm to justify formal enforcement notice. The Council said the iron railings were similar to others in the area and appropriate in their context. It said this was only across the front side of the open space and did not inhibit access to the path or the space itself. The Council said none of the changes constituted a change of use and it remained comfortable with the previous decision to close the file as it would not be proportionate to take further action.
 32. Mr X disagreed with the Council. He said he felt the land had been changed into an extension of his neighbour's garden and questioned why the Council had now gone back on its request for the land to be fully restored to its former state.
 33. As Mr X continued to disagree, the Council agreed to consider his points through its complaint process.
 34. In December 2022, the Council responded to Mr X. It identified he was complaining enforcement action was ineffective and the Council had failed to carry forward the decision to have the land restored to its previous state. The Council said it had reviewed its previous correspondence with Mr X and believed it had already answered his concerns and had nothing further to add. The Council said it could find no evidence it had failed to deliver its services to the level it would expect and had not upheld his complaint. The Council explained Mr X could appeal this decision if he disagreed.
 35. Mr X asked the Council to move his complaint to the next stage of its complaint process and it responded further in January 2023. The Council said it had addressed all of Mr X's concerns previously and had nothing further to add. It said he could now contact the Ombudsman if he remained dissatisfied.
 36. Mr X brought his complaint to the Ombudsman in February 2023.

Analysis

37. The Ombudsman is not a planning authority. We cannot determine whether a breach of planning control has occurred and, if so, what action should be taken to resolve it. Instead, we investigate how the Council has considered matters and whether it has acted in accordance with the law, guidance and its own enforcement objectives.
38. Mr X has said he feels the Council ought to ensure the land is fully restored to its previous state. It is not for the Ombudsman to say what action the Council should take and so I do not find fault here.

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39. That said, we expect councils to carry out thorough investigations into enforcement complaints and consider the full range of enforcement options open to them. Even if a council decides not to take enforcement action, we expect it to record its reasons and explain its decision to any complainants. We would expect the council to do so without unnecessary delay.
40. After the Council received Mr X's complaint, it visited the site and identified an unauthorised change of use which it felt was unlikely to have been approved had it received an application. It engaged informally with Mr X's neighbour, asking them to put the land back how it was originally. I find no fault with the Council's actions here. It assessed the situation and entered informal negotiation in line with its usual process.
41. Following the deadline, it had given Mr X's neighbour, the Council returned to reinspect the land. While the land had not been fully restored to its previous state, the Council decided the remaining changes were not sufficiently harmful to warrant formal action. It updated Mr X with its decision and reasons and closed its enforcement case. I do not find fault with the Council's actions here. It followed its usual process to reinspect after the deadline for informal action and decided not to use its discretionary enforcement powers.
42. Mr X has said he feels the Council has gone back on its previous decision to ask for the land to be fully restored to its previous state. I appreciate Mr X's point, but the Council is entitled to reinspect the land and come to another decision once changes have occurred. I do not find the Council at fault here.
43. I have considered the Council's enforcement report, and this shows the Council gave full consideration to the changes Mr X complained about before reaching its decision not to pursue formal enforcement action. I do not find fault with the Council's decision-making process.
44. However, the Council is responsible for causing Mr X significant uncertainty by failing to keep him updated and for delays in taking action. The Council visited the site promptly and decided there was an unauthorised change of use but it took around five months to contact Mr X's neighbour. The Council then promptly reinspected the site once its deadline to rectify had passed and noted it felt it would not be proportionate to take further action. However, it then took another four months to decide not to pursue further enforcement action, and only after Mr X chased it. This is fault and the resulting uncertainty is injustice.
45. The Council's policy explains the timescales for resolving a complaint can be lengthy and difficult to predict, but it will keep complainants updated. This does not appear to be the case here as Mr X had to continually contact the Council for updates. This is fault and caused Mr X to go to the time and trouble of having to chase the Council which is injustice.

Agreed action

46. To remedy the injustice set out above, I recommended the Council carry out the following actions:
47. Within one month:
- Issue an apology to Mr X for the injustice identified above.
 - Pay Mr X £100 for the uncertainty caused by the delays.
48. The Council has agreed to these recommendations and should provide us with evidence it has complied with the above actions.

Final decision

49. I find the Council at fault for delays in its enforcement process and for failing to keep Mr X updated. The Council agreed to my recommendations, and I have ended my investigation.

Investigator's decision on behalf of the Ombudsman

Agenda Item 10



COTSWOLD
DISTRICT COUNCIL

| | |
|-----------------------------|---|
| Council name | COTSWOLD DISTRICT COUNCIL |
| Name and date of Committee | AUDIT AND GOVERNANCE COMMITTEE – 24th OCTOBER 2024 |
| Subject | 2024/25 TREASURY MANAGEMENT INDICATORS – QUARTER ONE |
| Wards affected | None |
| Accountable member | Cllr Mike Evemy, Deputy Leader and Cabinet Member for Finance Email: mike.evemy@cotswold.gov.uk |
| Accountable officer | David Stanley, Deputy Chief Executive and S151 Officer Email: David.stanley@cotswold.gov.uk |
| Report authors | Sian Hannam, Treasury Accountant Email: sian.hannam@publicagroup.uk Michelle Burge, Chief Accountant Email: michelle.burge@publicagroup.uk |
| Summary/Purpose | To report to the Audit and Governance Committee the quarter one Treasury Management Indicators as required by the CIPFA Treasury Management Code. |
| Annexes | None |
| Recommendation(s) | That the Audit and Governance Committee resolves to: <i>/. Note the 2024/25 Treasury Management Indicators (Q1).</i> |
| Corporate priorities | <ul style="list-style-type: none"> • Delivering good services |
| Key Decision | NO |
| Exempt | NO |
| Consultees/ Consultation | N/A |



1. EXECUTIVE SUMMARY

- 1.1 This report provides a quarterly update to the Audit and Governance Committee of the Council's performance against its Treasury Management Indicators, The indicators set out below are used to monitor the Council's performance against the prudential indicators approved by Council prior to the start of the financial year.
- 1.2 The Council has complied with all limits and indicators set at the end of the first quarter of 2024/25.

2. BACKGROUND

- 2.1 The Council's treasury management strategy for 2024/25 was approved at a full Council meeting on 21 February 2024. The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.
- 2.2 The Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.
- 2.3 Audit and Governance Committee have responsibility for reviewing and monitoring treasury management arrangements in accordance with the CIPFA Treasury Management Code and receiving performance reports.
- 2.4 The 2021 Treasury Management Code introduced a new requirement from 1 April 2023 that monitoring of treasury and non-treasury management prudential indicators should be reported quarterly as part of the Council's general revenue and capital monitoring.
- 2.5 Non treasury management prudential indicators were reported to Cabinet in September 2024 within Annex A of the quarter one financial performance report.
- 2.6 This quarterly report to the Audit and Governance Committee provides an additional update including reporting of quarter one treasury management indicators.

3. COMPLIANCE

- 3.1 The Deputy Chief Executive and S151 Officer reports that all treasury management activities undertaken during the quarter complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table I below.



Table 1: Investment limits

| Investment Limits Qtr 1 | 2024/25 Maximum (£) | 30/06/2024 Actual (£) | 2024/25 Counterparty Limit (£) | 2024/25 Sector Limit (£) | Complied? |
|---|---------------------------|--------------------------|--------------------------------------|--------------------------------|-----------|
| Any single organisation, except the UK Government | 0 | 0 | 3,000,000 | Unlimited | Yes |
| Any group of organisations under the same ownership | 0 | 0 | 3,000,000 | Unlimited | Yes |
| Negotiable instruments held in a broker's nominee account | 0 | 0 | 3,000,000 | 3,000,000 | Yes |
| Limit per non-UK country | 0 | 0 | 3,000,000 | 3,000,000 | Yes |
| Registered providers and registered social landlords | 0 | 0 | 3,000,000 | 10,000,000 | Yes |
| Unsecured investments with banks and building societies | 3,000,000 | 2,805,000 | 3,000,000 | 10,000,000 | Yes |
| Money Market Funds | 9,000,000 | 9,000,000 | 3,000,000 | Unlimited | Yes |
| Strategic pooled funds | 11,500,000 | 11,500,000 | 4,000,000 | 20,000,000 | Yes |
| Real Estate Investment Trusts | 1,000,000 | 1,000,000 | 3,000,000 | 20,000,000 | Yes |

4. TREASURY MANAGEMENT PRUDENTIAL INDICATORS

4.1 As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.

Liability Benchmark:

4.2 This indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £13m required to manage day-to-day cash flow.

Table 2: Liability benchmark



*A negative liability benchmark indicates that the Council would be able to fund borrowing 'internally' from balance sheet resources rather than needing to externally borrow.

| Liability benchmark - Q1 | 31/03/2024 Actual (£) | 31/03/2025 Forecast (£) | 31/03/2026 Forecast (£) | 31/03/2027 Forecast (£) |
|-------------------------------|--------------------------|----------------------------|----------------------------|----------------------------|
| Loans CFR | 71,000 | 495,664 | 469,014 | 4,618,364 |
| Less: Balance sheet resources | - 25,475,000 | - 18,770,000 | - 19,225,000 | - 16,850,000 |
| Net loans requirement | - 25,404,000 | - 18,274,336 | - 18,755,986 | - 12,231,636 |
| Plus: Liquidity allowance | 13,000,000 | 13,000,000 | 13,000,000 | 13,000,000 |
| Liability benchmark | - 12,404,000 | - 5,274,336 | - 5,755,986 | 768,364 |
| Existing borrowing | 357,000 | 259,000 | 157,000 | 50,000 |

Long-term Treasury Management Investments:

- 4.3 The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

Table 3: Long-term Treasury Management Investments:

| Long Term Q1 | 2024/25 (£) | 2025/26 (£) | 2026/27 (£) | No fixed date (£) |
|---|-------------|-------------|-------------|-------------------|
| Limit on principal invested beyond year end | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 |
| Actual principal invested beyond year end at 30.06.2024 | £0 | N/A | N/A | 12,500,000 |
| Complied? | Yes | N/A | N/A | Yes |

- 4.4 Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Additional Indicators

- 4.5 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.



Table 4: Portfolio average credit rating

| | 2023/24 Target | 30/06/2024 Actual | Complied? |
|---------------------------------|-------------------|----------------------|-----------|
| Portfolio average credit rating | A- | AA- | Y |

4.6 Interest Rate Exposures: This indicator is set to control the Authority’s exposure to interest rate risk. Rates were maintained at 5.25% during the period but fell by 0.25% to 5% in August 2024. The upper limits on the one-year impact of a 1% rise or fall in interest rates will be:

| Interest rate risk indicator | 2024/25 Target | 30.6.24 Actual | Complied? |
|--|-------------------|-------------------|-----------|
| Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates | -£0.153m | -£0.103m | Yes |
| Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates | £0.153m | £0.103m | Yes |

5. FINANCIAL IMPLICATIONS

5.1 As outlined in body of report.

6. LEGAL IMPLICATIONS

6.1 No legal implications.

7. RISK ASSESSMENT

7.1 None.

8. EQUALITIES IMPACT

8.1 None.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

9.1 None.

10. BACKGROUND PAPERS

10.1 None.

(END)

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Agenda Item 11



COTSWOLD
DISTRICT COUNCIL

| | |
|----------------------------|--|
| Council name | COTSWOLD DISTRICT COUNCIL |
| Name and date of Committee | AUDIT AND GOVERNANCE COMMITTEE - 24 OCTOBER 2024 |
| Subject | UPDATE ON ACTIONS TO EMBED CLIMATE CHANGE |
| Wards affected | All |
| Accountable member | Councillor Mike McKeown - Cabinet Member for Climate Change and Sustainability Email: mike.mckeown@cotswold.gov.uk |
| Accountable officer | Claire Locke, Assistant Director - Property & Regeneration Email: claire.locke@cotswold.gov.uk |
| Report Author | Claire Locke, Assistant Director - Property & Regeneration Email: claire.locke@cotswold.gov.uk |
| Summary/Purpose | To provide an update on actions following the Audit Position Statement on Climate Change in 2023. |
| Annexes | None |
| Recommendation(s) | That the Audit and Governance Committee resolves to: I. Note the actions to-date and the ongoing activity to further embed Climate action across all the Councils activities. |
| Corporate priorities | <ul style="list-style-type: none"> ● Responding to the Climate Emergency ● Delivering Good Services |
| Key Decision | NO |
| Exempt | NO |
| Consultees | Chief Executive Cabinet Service leads across CDC and Publica including Business Managers, Assistant Directors and specialists. |



I BACKGROUND

- 1.1 In October 2023 Audit and Governance Committee received a report on recently completed Audits and were informed that Climate Change had received a 'Low Reasonable' level of assurance .
- 1.2 The audit considered how teams across the Council and Publica were seeking to embed the climate change challenges within their own operational activities. An organisational wide survey to 27 officers (Assistant Directors, Business Managers and the Climate Change team) was utilised to inform the basis of the review and included questions to assess staff understanding of corporate objectives, key Performance Indicators surrounding Climate Change operations, operational risk reporting process relating to Climate Change, and engagement with the public on Climate Change operations.
- 1.3 The questionnaire that was issued only received 8 responses, so provided limited information on which to draw conclusions. A Position Statement was therefore issued.

2 EMBEDDING CLIMATE ACTION

- 2.1 Embedding climate action is challenging but needs to be achieved if the Council is to ensure it is considering the climate implications of all its actions and is creating positive change through direct action or influence.
- 2.2 The previous audit survey asked whether services were measuring the climate impact of their activities. However, this is extremely difficult to quantify and would need significant additional skills and resources. Some actions the Council takes, cannot be measured i.e. it can install Electric Vehicle Charging Points to increase the use of more sustainable vehicles, but the Council will not know how many people switch to an electric vehicle as a result of that action. The Council is instead focussed on ensuring it accurately collates data on its carbon footprint and then prioritises activities on areas that will achieve the greatest reduction in carbon. For this reason, the focus to-date has been on projects like the decarbonisation of the leisure centres and the installation of Solar PV at Trinity Road.
- 2.3 Another area considered in the survey was risk. The issue is broader than risk, as the Council needs to consider all climate implications from its decisions and policies. Publica has therefore developed a Sustainability Tool, which enables project information to be fed in and then produces a result indicating areas that will have a negative, neutral or positive impact on carbon, the environment and ecology. This enables a 'red flag' if there will be harm or an opportunity will be missed to enhance performance. An example where this may be useful is a new build or renovation project which shows the building works will be negative and the buildings future operation will be negative. Alternative building materials, design or greener technology could change this position, making it more sustainable both in construction and operation. This tool is now being trialled by the corporate project management team.



- 2.4 Operational work to meet Net Zero commitments is now wide ranging and crosses multiple services including Forward Planning and Development, Property, Waste and Leisure services. The Council recently compiled information in support of the 'Climate Scorecard' national assessment which is conducted annually by Climate Emergency UK. The scorecard assesses each Councils climate performance, reviewing activities across areas such as Planning and Land Use, and Buildings and Heating. Information is available on the Councils website [Frequently Asked Questions - Cotswold's Climate Initiatives and Future Plans - Cotswold District Council](#) setting out the activities across a wide range of services.
- 2.5 The Council has also established a Climate Board and has been conducting meetings with officers to fully explore the activities already completed or underway to embed climate change within services but also to identify additional opportunities. This work will inform the prioritised action plan which will now be developed.
- 2.6 In the meantime, climate focussed projects are continuing and include investment in Solar PV on the Councils estate , the next tranche of EVCP installations in public car parks and a retrofit project which has secure external funding to bring in additional resource working in partnership with Climate Leadership Gloucestershire. The work to reduce the Councils office footprint at Trinity Road has also recently been completed reducing the Councils carbon footprint and reducing costs.
- 2.7 To support staff Publica has been rolling out Carbon Literacy Training. Since March 2021 249 staff have attended Carbon Literacy training and 140 are certified as Carbon Literate including 75% of managers. This training has also recently been delivered to Members. Silver Carbon Literate Organisation (CLO) status was achieved in March 2024.

3 FINANCIAL IMPLICATIONS

- 3.1 None associated with this report. Individual climate projects will be subject to business cases where this is necessary.

4 CONCLUSIONS

- 4.1 There has been significant action taken since the original Audit survey was carried out to ensure Climate is a consideration for all services. More activity is also planned to ensure it is truly embedded throughout the organisation.

5 LEGAL IMPLICATIONS

- 5.1 None relevant to this report.

6 RISK ASSESSMENT

- 6.1 If the Council does not take action to embed Climate action across all services and does not effectively assess its performance in reducing its carbon emissions it will fail to deliver against its Climate targets.



7 EQUALITIES IMPACT

7.1 None associated with this report.

8 CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

8.1 Covered within the main body of the report.

9 ALTERNATIVE OPTIONS

10 The Council could decide to reduce its climate activities but will then fail to deliver against its Climate priority.

11 BACKGROUND PAPERS

11.1 None.

(END)



COTSWOLD
DISTRICT COUNCIL

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COTSWOLD
DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE WORK PLAN
1 OCTOBER 2024 – 31 JANUARY 2025

Audit and Governance Committee

The Audit and Governance Committee responsible for monitoring the adequacy and effectiveness of the Council’s governance arrangements. This includes overseeing the audit function, annual accounts and the work of the internal auditors, promoting and maintaining high standards of conduct of members and, through its Standards Hearings Sub-Committee, determining complaints that an elected member of the district council or a town or parish council within the district are has breached the code of conduct.

The Committee has the following powers under the Council’s Constitution:

- The Committee has the right to require the attendance of any Council officers and/or members in order to respond directly to any issue under consideration;
- To review any issues referred to it by the Chief Executive, other statutory officer or any Council body; and
- The power to call expert witnesses from outside the Council to give advice on matters under review or discussion.

This work programme sets out the expected business for meetings of the Audit and Governance Committee.

| Item | Meeting Date | Lead Officer |
|---|--------------|--|
| 21 November 2024 | | |
| Treasury Management Mid-Year Report | 21 Nov 2024 | David Stanley, Deputy Chief Executive and Chief Finance Officer David.Stanley@cotswold.gov.uk |
| External Auditors Annual report 2023/24 | 21 Nov 2024 | Michelle Burge, Chief Accountant |

| | | |
|--|-------------|---|
| | | michelle.burge@publicagroup.uk |
| Statement of Accounts and Audit Opinion | 21 Nov 2024 | Michelle Burge, Chief Accountant michelle.burge@publicagroup.uk |
| Corporate Risk Register | 21 Nov 2024 | Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk cheryl.sloan@cotswold.gov.uk |
| Local Code of Corporate Governance | 24 Oct 2024 | Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk cheryl.sloan@cotswold.gov.uk |
| Customer Complaints Policy and Procedure | 21 Nov 2024 | Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk cheryl.sloan@cotswold.gov.uk |
| 28 January 2025 | | |
| Annual Treasury Management Strategy and Annual Non-Treasury Investment Strategy 2024/25 | 25 Jan 2024 | Michelle Burge, Chief Accountant michelle.burge@publicagroup.uk |
| Cybersecurity Update | 28 Jan 2025 | John Chorlton, Business Manager for ICT john.chorlton@publicagroup.uk |
| Internal Audit Progress Report | 28 Jan 2025 | Lucy Cater, Assistant Director (SWAP) lucy.cater@publicagroup.uk |
| Annual Capital Strategy 2025/26 | 28 Jan 2025 | Michelle Burge, Chief Accountant michelle.burge@publicagroup.uk |
| 29 April 2025 | | |
| Risk Management Policy | 29 Apr 2025 | Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk cheryl.sloan@cotswold.gov.uk |
| Annual Governance Statement – Action Plan Update | 29 Apr 2025 | Michelle Burge, Chief Accountant michelle.burge@publicagroup.uk |
| Internal Audit Plan and Charter | 29 Apr 2025 | Lucy Cater, Assistant Director (SWAP) lucy.cater@publicagroup.uk |

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| Internal Audit Progress Report | 29 Apr 2025 | Lucy Cater, Assistant Director (SWAP) lucy.cater@publicagroup.uk |
| CFEU Update Report (RIPA and IPA annual update) | 29 Apr 2025 | Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit emma.cathcart@cotswold.gov.uk |
| Annual Standards Update | 29 Apr 2025 | Angela Claridge, Director of Governance and Development (Monitoring Officer) Angela.Claridge@Cotswold.gov.uk |

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