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Our reference:
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Date: Wednesday, 20 November 2024

To all Members of the Governance Scrutiny Group

Dear Councillor

A Meeting of the Governance Scrutiny Group will be held on Thursday, 28 November 2024 at 7.00 pm in the Council Chamber, Rushcliffe Arena, Rugby Road, West Bridgford to consider the following items of business.

This meeting will be accessible and open to the public via the live stream on YouTube and viewed via the link: <https://www.youtube.com/user/RushcliffeBC>
Please be aware that until the meeting starts the live stream video will not be showing on the home page. For this reason, please keep refreshing the home page until you see the video appear.

Yours sincerely



Sara Pregon
Monitoring Officer

AGENDA

1. Apologies for Absence
2. Declarations of Interest
[Link to further information in the Council's Constitution](#)
3. Minutes of the Meeting held on 19 September 2024 (Pages 1 - 8)
4. Regulation of Investigatory Powers Act (RIPA) Review (Pages 9 - 44)
Report of the Monitoring Officer and Head of Chief Executive's Department
5. Capital and Investment Strategy Update Q2 (Pages 45 - 58)
Report of the Director - Finance and Corporate Services
6. Redmond Review of Public Sector Audit - Update (Pages 59 - 76)
Report of the Director - Finance and Corporate Services



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7. Work Programme (Pages 77 - 78)

Report of the Director – Finance and Corporate Services

8. Exclusion of the Public

It was resolved that under Regulation 20 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

9. Internal Audit Progress Report Q2 (Pages 79 - 104)

Report of the Director - Finance and Corporate Services

Membership

Chair: Councillor A Edyvean

Vice-Chair: Councillor D Polenta

Councillors: D Polenta, T Birch, S Calvert, H Om, N Regan, C Thomas, T Wells and G Wheeler

Meeting Room Guidance

Fire Alarm Evacuation: in the event of an alarm sounding please evacuate the building using the nearest fire exit, normally through the Council Chamber. You should assemble at the far side of the plaza outside the main entrance to the building.

Toilets: are located to the rear of the building near the lift and stairs to the first floor.

Mobile Phones: For the benefit of others please ensure that your mobile phone is switched off whilst you are in the meeting.

Microphones: When you are invited to speak please press the button on your microphone, a red light will appear on the stem. Please ensure that you switch this off after you have spoken.

Recording at Meetings

The Openness of Local Government Bodies Regulations 2014 allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Rushcliffe Borough Council is committed to being open and transparent in its decision making. As such, the Council will undertake audio recording of meetings which are open to the public, except where it is resolved that the public be excluded, as the information being discussed is confidential or otherwise exempt.



**MINUTES
OF THE MEETING OF THE
GOVERNANCE SCRUTINY GROUP
THURSDAY, 19 SEPTEMBER 2024**

Held at 7.00 pm in the Council Chamber, Rushcliffe Arena, Rugby Road, West
Bridgford
and live streamed on Rushcliffe Borough Council's YouTube channel

PRESENT:

Councillors A Edyvean (Chair), D Polenta (Vice-Chair), T Birch, S Calvert,
H Om, N Regan, T Wells and G Wheeler

ALSO IN ATTENDANCE:

Charlotte Thomas – BDO (The Council's Internal Auditors)
Bethan Vance – Forvis Mazars (The Council's External Auditors)

OFFICERS IN ATTENDANCE:

P Linfield	Director of Finance and Corporate Services
S Whittaker	Head of Finance
T Coop	Democratic Services Officer

APOLOGIES:

Councillors C Thomas

10 Declarations of Interest

There were no declarations of interest.

11 Minutes of the Meeting held on 30 May 2024

The minutes of the meeting held on 30 May 2024 were approved and signed
by the Chair.

The Group noted that the Head of Finance had responded to the action from
the meeting on 30 May 2024.

The Chair advised and the Group noted the change in the order of the items to
be discussed on the agenda.

12 Internal Audit Progress Report

Ms C Thomas from BDO the Council's Internal Auditors presented the
Council's Internal audit Progress Report for quarter 1 (Appendix A), which
highlighted the completion and issuing of three reports and one advisory review
as follows:

The Budgetary Control Audit: Received a substantial rating for both Design and Effectiveness with two low level findings around the training for monitoring officers and consistency with regards to the variations in the notes provided during monitoring.

The Main Financial Systems Audit: Received a substantial rating for Design and Moderate for Effectiveness, with four low level findings around accounts receivable and payroll. With regards to accounts receivable the findings highlighted the checking and evidencing of new supplier information and the reconciliation of journals under £10k. With regards to payroll which is supported by Gedling Borough Council the findings highlighted the segregation of controls and HR having access around temporary election staff and around a one-off review and reconciliation.

The Workforce and Succession Planning Audit: Received a substantial rating for both Design and Effectiveness with two low level findings around a workforce gap analysis and an AI Strategy and a framework around identifying high performing staff.

The Group noted that management actions had been agreed for all recommendations and follow up actions from previous audits had been completed in line with the recommendations.

The Auditors also completed an advisory review of the Council's **Fraud Risk Assessment**, an advisory piece of work assessing the Council's current position against best practise. It was noted this assessment did not generate an assurance opinion.

Councillor Polenta asked a specific question relating to the separation of duty in respect of journal controls and if the process was not automated. Ms Thomas explained this was in relation to manual journals, and the Head of Finance confirmed these were not payments but movements within the General Ledger and would be identified during budget monitoring.

Councillor Regan asked whether the £10k threshold in respect of the reconciliation of journals was too high and whether the Council had anything in place to mitigate any further risk. Ms Thomas explained that generally the number of manual journals is low as most are automated and had recommended manual journals are reviewed. The Head of Finance reiterated that the risk from manual journal below £10k was low and would be picked up during budget monitoring and that going forward any new finance system would hopefully provide functionality for approval of all journals.

Councillor Birch commented on a fraud investigation at Gedling Borough Council and asked if Rushcliffe could learn anything from this. The Director – Finance and Corporate Services advised the fraud investigation at Gedling was a long-term case and explained mitigation controls are in place, but they are not a guarantee that fraud won't happen.

Councillor Calvert highlighted the high staff retention rates and job satisfaction across all critical roles which was positive.

Councillor Polenta commented on the training budget for each department and what happens to the money if these budgets are not spent. The Head of Finance advised that unspent department budgets would be moved to the Corporate Budget.

It was **RESOLVED** that the Governance Scrutiny Group considered the quarter 1 progress report for 2024/25 (Appendix A) prepared by the Council's Internal Auditor.

13 **Statement of Accounts**

The Head of Finance presented the Council's statutory Statement of Accounts for the financial year 2023/24.

The Group were advised that there had been a delay in submitting the Statement of Accounts for approval due to delays in the pension assurances with Nottinghamshire County Council, which is completely outside the Council's control.

The Head of Finance highlighted some of the key salient points from the Statement of Accounts which were summarised within the supporting information in the officers covering report.

The Group noted that there had been no significant issues with the audit process and the work undertaken by the finance team and other officers in preparing the accounts and supporting papers and managing the audit process.

The Head of Finance advised the Group that there had been a significant increase in the audit fee in comparison to previous years as a result of the inclusion of new audit requirements. The Group noted that a government grant of £18k was received to offset the increased cost of the audit.

It was **RESOLVED** that the Governance Scrutiny Group:

- a) Approve the Statement of Accounts for 2023/24 (Appendix A) including the annual Governance Statement at Section B page XXXI
- b) Delegate authority to the Director of Finance and Corporate Services to make any changes necessary resulting from the matters outstanding on the accounts and advise both the Chair of Governance Scrutiny Group and Finance Portfolio Holder accordingly, such changes to be reported to the Governance Scrutiny Group.

14 **External Audit Completion Report**

Ms Vance from Forvis Mazars the Council's External Auditors presented the Audit Completion report at Appendix A and the Management Representation Letter at Appendix B, and advised the Group that Forvis Mazars had substantially completed the audit in respect of the financial statements for the year ended 31 March 2024 along with their draft Annual Audit Report and

Value for Money conclusion.

Ms Vance advised that the matters that remained outstanding relating to Property, Plant and Equipment and Financial Instruments disclosures have been completed, the matter relating to Pensions is still outstanding with Nottinghamshire County Council but will not require modification of the Audit.

Ms Vance advised the Group that the Council's accounting policies and disclosures comply with the CIPFA Code of Practise, however the 2023/24 draft financial statements presented for audit had contained a number of accounting policies and accounting disclosures that could still be considered to be immaterial and it was recommended that for 2024/25 the Council should review its accounting policies to ensure any adjustments are transparently considered.

Ms Vance advised the audit had not encountered any significant difficulties and there had been full co-operation from officers and management. With regards to the summary of misstatements and adjustments it was noted that all but one had been corrected. The unadjusted misstatement related to a contract payment that covered two partial years and whilst the extrapolated error was £164k, the actual error was only £6k and this was not adjusted due to immateriality.

It was **RESOLVED** that the Governance Scrutiny Group:

- a) Approve the findings of Forvis Mazars Audit Completion Report (Appendix A)
- b) Approve the Management Representation Letter (Appendix B)

15 **Annual Audit Report**

Ms Vance from Forvis Mazars the Council's External Auditors presented the Draft Annual Audit Report which summarises the progress on the audit process for 2023/24 and provides the Group with commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.

Ms Vance advised the Group that the report was very positive given the continued pressures and backlog of audits across the financial sector and that no major concerns had been raised and no actions are required in relation to the report.

The Director for Finance and Corporate Services thanked Ms Vance and the external audit which he advised reflected the Council's excellent position and a good starting point when setting future budgets.

The Chair echoed the Director's comments and complimented officers on the quality of reporting and for being further ahead with completion of the audit than in the previous year.

It was **RESOLVED** that the Governance Scrutiny Group note the Receipt of the

Annual Audit Report at Appendix A.

16 **Going Concern**

The Director – Finance and Corporate Services presented the Going Concern Assessment for 2023/24 which sets out the Council's assessment by the Council's Section 151 officer of the Council's Going Concern status and the assumption that the Council, its functions and services will continue in operational existence for the foreseeable future.

The Group were asked to note the following main factors which underpin the Going Concern assessment:

- The Council's financial position
- The Council's projected financial position
- The Council's Governance arrangements
- The regulatory and control environment applicable to the Council as a local authority.

These were considered by the Group and with regards to the Council's arrangements as highlighted in the report it was concluded that the Council remains a Going Concern.

The Chair referred to the Council's recent Peer Review which highlighted that the Council should not be afraid of borrowing if required to do so in the future

It was **RESOLVED** that the Governance Scrutiny Group note the positive outcome of the assessment made of Rushcliffe Borough Council's status as a Going Concern for the purpose of the Statement of Accounts 2023/24.

17 **Risk Management Update**

The Head of Finance presented the Risk Management Progress Report which provided the Group with an update on the Council's risk activity since its last meeting in February 2024. It provided a summary of risks in the Council's Risk Registers that have either changed, been removed or new risks that have been identified as a result of management reviews.

The Group noted the Council's Risk Management Group last met on 3 September 2024.

The Head of Finance explained that work to evaluate risk descriptions to better structure wording which had been proposed by Zurich had been completed and adopted into the 2024-2025 Service Plans. Zurich had also provided training in September 2023 for members of Governance and some refresher training for risk management officers is scheduled for October 2024.

Appendix A of the report highlighted the Council's current Risk Registers containing corporate risks, operational risks and opportunity risks. In addition, the Group were advised that there are 4 new risks, and 23 risks have been removed as a result of the risk review in 2023 and ongoing service reviews.

Councillor Burch asked a specific question relating to the East Midlands Freeport and when does the Council expect to receive any business rate revenue from it and is it likely that a change in Government may affect or delay any businesses coming forward. The Director for Finance and Corporate Services advised that it was too early to identify risks in respect of Freeport Investments and advised that the Government had extended the business relief to 2035. In addition, he explained the Freeport was not moving as quickly as had been expected, highlighting there are many other factors to take into consideration, such as the economy and international issues around Ukraine and the Middle East.

Councillor Polenta commented on the national context and asked about competitive bids and future funding streams. The Director of Finance and Corporate Services explained that the Budget in October may provide a better picture of the Council's position.

The Chair commented on the closure of Ratcliffe on Soar Power station and how the loss of its business rates was out of the Council's control, adding that the Council was doing all it could to protect the development of this site by way of the Local Development Order.

It was **RESOLVED** that Governance Scrutiny Group

- a) Note the contents of the report
- b) Considered and made recommendations on risks that have red alert status

18 **Capital and Investment Strategy Update**

The Head of Finance presented the Capital and Investment Strategy update 2024/25 which summarised the capital and investment of the Council for the period 1 April to 30 June 2024. The Strategy included indicators that help ensure the Council's capital investment plans are affordable, prudent and sustainable in accordance with CIPFA's Code of Practice for Treasury Management.

In the supporting information provided within the report, the Head of Finance highlighted some of the key headings as follows:

- Economic Forecast
- Investment Income
- Capital Expenditure and Financing
- Treasury management and Prudential Indicators
- Commercial Investments

With regards to the Council's investments the Head of Finance advised the Group that the Council is assessing the options for investing in high quality UK Government Bonds, which have a lower risk of default.

In concluding the Head of Finance explained that Treasury Management continues to be fraught with difficulty as the UK economy recovers. Risk remains globally along with inflationary pressures and falling interest rates and

the ongoing international conflicts which could rise to further economic instability.

The Chair commented on the Council's portfolio and diversity of investments and how these were measured and controlled. The Chair also highlighted the Council's commercial investments and the occupancy rates being at 100%, which is an outstanding achievement.

The Chair reminded the Group about the Treasury training scheduled for 17 December 2024 and advised how this was essential for all members of Governance Scrutiny Group.

It was **RESOLVED** that Governance Scrutiny Group note the Capital and Investment Strategy update position as of 30 June 2024.

19 **Work Programme**

The Head of Finance presented the Groups Work Programme for the next two meetings and advised the Group that for the meeting in November it is proposed to consider the Redmond Review and the appointment of an Independent Member. The Group were reminded that this had been discussed at a previous meeting and it was now considered appropriate to review it again.

The Head of Finance advised the Group that before its meeting in November there would be an audit committee training session which is essential for members of Governance Scrutiny Group to attend.

It was **RESOLVED** that the Governance Scrutiny Group approve the Work Programme as follows:

28 November 2024

- Internal Audit Progress Report Q2
- Capital and Investment Strategy Update Q2
- RIPA Review
- Update on the Redmond Review of Public Sector Audit
- Work Programme

20 February 2025

- Internal Audit Progress Report Q3
- Internal Audit Strategy
- External Audit Plan (May slip to next meeting)
- Risk Management Update
- Risk Management Strategy
- Capital and Investment Strategy Update Q3
- Capital and Investment Strategy 2025/26
- Work Programme

The meeting closed at 8.15 pm.

CHAIR

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Governance Scrutiny Group

Thursday, 28 November 2024

Regulation of Investigatory Powers Act 2000 (RIPA) Review

Report of the Monitoring Officer and Head of Chief Executive's Department

1. Purpose of report

- 1.1. The Investigatory Powers Commissioner's Office (IPCO) requires that councillors are updated annually on the Council's use of powers under the Regulation of Investigatory Powers Act 2000 (RIPA) to ensure compliance with the legislation.
- 1.2. One of the requirements under RIPA is that an annual review of the Council's RIPA policy is undertaken to ensure that it remains up to date and fit for purpose.

2. Recommendation

It is RECOMMENDED that the Governance Scrutiny Group:

- a) Considers and notes the information contained within this report regarding the Council's use of RIPA powers; and
- b) Endorses the updates to the Council's RIPA Policy at Appendix 1 to this report.

3. Reasons for Recommendation

- 3.1. To comply with statutory obligations and guidance. Whilst the Council does not actively make use of its RIPA powers as a rule, it is important that councillors are aware of RIPA, the policy and its usage, or otherwise.

4. Supporting Information

- 4.1. Under RIPA, local authorities have the power to authorise directed surveillance (usually covert cameras or covert observations by officers) and the use of Cover Human Intelligence Sources (CHIS) (essentially undercover officers conducting surveillance). Authorisation should only be granted for such surveillance if it is considered necessary for the prevention and detection of crime or preventing disorder, and, if the surveillance is proportionate to the aims it seeks to achieve. Since 1 November 2012, any RIPA authorisations or renewals must also have judicial approval from a Justice of the Peace, which would be obtained from Nottingham Magistrates' Court.

- 4.2. Authorisations under RIPA can only be given by 'Authorising Officers' who for Rushcliffe Borough Council are the Chief Executive, the Director for Neighbourhoods and the Head of Service for Public Protection. Where knowledge of confidential or privileged information is likely to be acquired directed or intrusive surveillance, enhanced authorisation is required and approval by the Chief Executive as Head of Paid Service is required. The entire process is now overseen by the Monitoring Officer as the Senior Responsible Officer (SRO).
- 4.3. The Council's RIPA processes and procedures come under regular scrutiny. Under the Council's RIPA policy, councillors are required to consider and review the Council's use of RIPA powers and its policy and guidance at least once a year. The Corporate Scrutiny Group last received a report in November 2023. Each year the SRO undertakes an audit of RIPA usage. There have been no authorisations given for directed surveillance or the use of CHIS since the last report.
- 4.4. In addition to monitoring RIPA usage, the SRO is required, in line with the Council's policy to ensure training on RIPA is available to officers on a regular basis. This training is to be delivered to relevant officers via an online module and HR maintain a list of those who have completed this training and when this was done. As at 21 October 2024, 33 employees have undertaken refresher training in the last 12 months. Each of the Authorising Officers has also undertaken training in respect of the authorisation process and criteria to consider.
- 4.5. In addition to the internal annual audit, policy review and report to scrutiny, every three years IPCO carry out an inspection of the Council's records and interview relevant officers to ensure that there is compliance with the appropriate legislation. The last inspection was undertaken in 2023 and was concluded satisfactory. Amendments to the Council's RIPA Policy recommended by the IPCO were completed in November 2023.
- 4.6. Regardless of the level of use of RIPA powers, the Council will continue to be subject to inspection in relation to its use of the powers by the IPCO and as such the Council's policy, processes, training and review of RIPA usage must continue, to ensure they remain fit for purpose. The Council will be due its next inspection in 2026 and it is expected that this will again involve a paper-based exercise, where details of the Council's RIPA usage, governance, procedures, policy, and training will be considered.
- 4.7. The SRO has undertaken the annual review of the Council's RIPA Policy and updated it accordingly. The SRO has taken account of the Covert Surveillance Code of Practice published by the Home Office in February 2024. The revised policy is attached at Appendix 1. Definitions have been updated and/or further information added for clarity. Part III has been updated to include reference to the requirement for the National Anti-Fraud Networks to act as the single point of contact for communications data and the link to the Home Office forms and Codes of Practice have been updated.

5. Alternative options considered and reasons for rejection

There are no alternative options as the Council is obliged to scrutinise its RIPA activities, and review its RIPA policy, on an annual basis.

6. Risks and Uncertainties

If the Council fails to keep its RIPA policy up to date it will fail to comply with the requirements of the relevant legislation.

7. Implications

7.1. Financial Implications

There are no additional financial implications arising from this report. The cost of training and other related RIPA activity are expected to be met from existing budgets.

7.2. Legal Implications

Where the Council wishes to carry out covert surveillance in relation to an investigation, compliance with RIPA ensures that any such surveillance is properly authorised, and full consideration is given to its necessity and proportionality. Where covert surveillance is conducted under a RIPA authorisation, this provides a potential defence to any claim that the surveillance amounted to a breach of the individual's right to privacy under the Human Rights Act 1998. Whilst RIPA authorisations are limited to specific circumstances for local authorities, the Council must still maintain appropriate processes and procedures to demonstrate compliance with RIPA, this includes ensuring that an appropriate policy document is maintained.

7.3. Equalities Implications

There are no equalities implications arising directly out of this report. No RIPA investigations have been conducted by the Council and so there is no data against which to assess the potential equalities aspects of RIPA use. If the Council sought to use RIPA powers at some point, the equalities aspects would be considered at that time.

7.4. Section 17 of the Crime and Disorder Act 1998 Implications

RIPA allows the Council to legally make use of investigatory practices which could be utilised to protect communities from illegal activities and therefore have positive impacts on community safety.

7.5. Biodiversity Net Gain Implications

There are no BNG implications resulting from the work set out in this report.

8. Link to Corporate Priorities

The Environment	Fair and effective enforcement can be used as a tool to protect and enhance both the natural and built environment.
Quality of Life	Fair and effective enforcement is essential for the protection of individuals and the community as a whole
Efficient Services	The Policy sets out the powers available to the Council and the criteria which are applied when decisions are made around the utilisation of these powers.
Sustainable Growth	The recommendations in this report do not impact on or contribute to the Council's Sustainable Growth priority.

9. Recommendations

It is RECOMMENDED that the Governance Scrutiny Group:

- a) Considers and notes the information contained within this report regarding the Council's use of RIPA powers; and
- b) Endorses the updates to the Council's RIPA Policy at Appendix 1 to this report.

For more information contact:	Sara Pregon Monitoring Officer Tel: 0115 9148480, SPregon@rushcliffe.gov.uk
Background papers available for Inspection:	None
List of appendices:	Appendix 1: Revised RIPA Policy November 2024

RUSHCLIFFE BOROUGH COUNCIL

REGULATION OF INVESTIGATORY POWERS

ACT 2000 (RIPA)

POLICY AND GUIDANCE

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RUSHCLIFFE BOROUGH COUNCIL

POLICY ON REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

1. Introduction

- 1.1 The Regulation of Investigatory Powers Act 2002 (as amended) (“RIPA” or “the Act”) came into force on 24th September 2000 and aims to balance, in accordance with the European Convention of Human Rights, the rights of individuals with the need for law enforcement and security agencies to have powers to perform their roles effectively. The Act and amending legislation allow local authorities to collect evidence of criminal activity lawfully where the investigation requires covert surveillance even where that may lead to them obtaining private information about individuals.
- 1.2 Rushcliffe Borough Council only carries out covert surveillance where such action is justified and endeavours to keep such surveillance to a minimum. It recognises its obligation to comply with RIPA when such an investigation is for one of the purposes set out in that Act and has produced this Guidance document to assist officers.
- 1.3 The Council acknowledges that the 2000 Act provides a statutory framework under which covert surveillance (referred to in the Act as directed surveillance or use of covert human intelligence sources – CHIS) can be authorised and conducted compatibly with human rights legislation, the Data Protection Act 2018 and its common law obligations.

2. Applications for authority

- 2.1 Where an investigating officer identifies a contemplated surveillance activity as being regulated by RIPA, written authorisation in accordance with this Policy must be obtained before commencement of the activity. An officer authorised by the Council (see definition of Authorising Officer below) will consider all applications for authorisation in accordance with RIPA. Any incomplete or inadequate application forms will be returned to the applicant for amendment. The authorising officer shall in particular ensure that:-
 - there is a satisfactory reason for carrying out the surveillance;
 - the serious crime threshold is met;
 - the covert nature of the investigation is necessary for the prevention and

detection of crime or preventing disorder;

- proper consideration has been given to collateral intrusion;
- the proposed length and extent of the surveillance is proportionate to the information being sought;
- the Chief Executive's authorisation is sought where confidential legal/journalistic/medical/spiritual welfare issues are involved;
- the authorisations are reviewed and cancelled;
- records of all authorisations are sent to the Monitoring Officer for entry on the Central Register; and
- once authorisation has been obtained from the authorising officer the Investigating Officer will attend the magistrates' court in order to obtain judicial approval for the authorisation

If enforcement officers or their managers are in any doubt, they should contact the Legal Services department for advice.

3. Training

- 3.1 Each Head of Service shall be responsible for ensuring that relevant members of staff are aware of the Act's requirements. The Monitoring Officer shall ensure that all Authorising Officers have received appropriate training and that refresher training is provided as necessary.

4. Central register and records

- 4.1 The Monitoring Officer shall retain the Central Register of all authorisations issued by Rushcliffe Borough Council. The Monitoring Officer will also monitor the content of the application forms and authorisations to ensure that they comply with the Act.

5. Scrutiny

- 5.1 The Council has appointed the Monitoring Officer as the Senior Responsible Officer ("SRO").
- 5.2 Further detail of the role of the SRO and the role of elected members is set out in Appendix A.

POWERS ACT 2000 (RIPA)

PART I Directed Surveillance

6. Purpose

- 6.1 The purpose of this is to explain the scope of RIPA, the circumstances where it applies and the authorisations procedures to be followed.

7. Introduction

- 7.1 The Act is intended to regulate the use of investigatory powers exercised by various bodies including local authorities and ensure that they are used in accordance with the Human Rights Act 1998. This is achieved by requiring certain investigations to be authorised by an appropriate officer and approved by the judiciary before they are carried out.

The investigatory powers, which are relevant to a local authority, are directed covert surveillance in respect of specific operations, involving criminal offences that are either punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months' imprisonment or are related to the underage sale of alcohol and tobacco, and the use of covert human intelligence sources ("CHIS"). The Act makes it clear for which purposes they may be used, to what extent, and who may authorise their use. There are also Codes of Practice in relation to the use of these powers and these are attached at Appendix B.

- 7.2 Consideration must be given, prior to authorisation as to whether or not the acquisition of private information is necessary and proportionate, i.e. whether a potential breach of a human right is justified in the interests of the community as a whole, or whether the information could be gleaned in other ways.

8. Scrutiny and Tribunal

- 8.1 As of 1 November 2012, councils have to obtain an order from a Magistrate approving the grant or renewal of any authorisation for the use of directed surveillance or CHIS before the authorisation can take effect and the activity carried out. The Council can only appeal a decision of the Magistrate on a point of law by judicial review.
- 8.2 The Investigatory Powers Commissioner (IPC), a role established by the Investigatory Powers Act 2016 has comprehensive oversight of the use of RIPA powers by public authorities and will ensure compliance with the law by inspecting public authorities and investigating any issue which they believe warrants further scrutiny. The IPC will have unfettered access to all locations, documentation and information systems necessary to carry out their full

functions and duties.

8.3 In order to ensure that investigating authorities are using the powers properly, the Act also establishes the Investigatory Powers Tribunal (IPT) to hear complaints from persons aggrieved by conduct, e.g. directed surveillance. Applications will be heard on a judicial review basis. Such claims must be brought no later than one year after the taking place of the conduct to which it relates unless it is just and equitable to extend this period. Further information about the IPT can be found at www.ipt-uk.com.

8.4 The Tribunal can order:

- Quashing or cancellation of any warrant or authorisation
- Destruction of any records or information obtained by using a warrant or Authorisation
- Destruction of records or information held by a public authority in relation to any person

8.5 The Council has a duty to disclose to the tribunal all documents they require if any Council officer has:

- Granted any authorisation under RIPA
- Engaged in any conduct as a result of such authorisation.

8.6 Internal scrutiny

8.6.1 The Council will ensure that the SRO is responsible for;

- The integrity of the process in place within the Council to authorise directed surveillance and CHIS
- Compliance with PART II of the 2000 Act and with the accompanying Codes of Practice
- Engagement with the Commissioner and inspectors when they conduct their inspections and
- Where necessary overseeing the implementation of any post-inspection action plans recommended or approved by the Commissioner

8.6.2 The elected members of the Council will review the Council's use of the Act and the Council's policy and guidance documents at least once a year. Members will also consider internal reports on a regular basis throughout the year indicating the nature of RIPA activity undertaken or inactivity, to ensure that any use is consistent with the Council's policy and that the policy is fit for purpose. The members will not however be involved in making decisions on specific authorisations.

8.7 Unauthorised Activities

- 8.7.1 If any Officer is concerned that surveillance/CHIS activity is taking place and there is no authorisation under RIPA in place, he/she should be contacted by Legal Services to seek advice.
- 8.7.2 If any activity is deemed to be unauthorised, it will be reported to the IPC.

9. Benefits of RIPA authorisations

- 9.1 The Act states that if authorisation confers entitlement to engage in a certain conduct and the conduct is in accordance with the authorisation, then it will be lawful for all purposes. Consequently, RIPA provides a statutory framework under which covert surveillance can be authorised and conducted compatibly with Article 8 of the Human Rights Act 1998 – a person’s right to respect for their private and family life, home and correspondence.
- 9.2 Material obtained through properly authorised covert surveillance is admissible evidence in criminal proceedings, as long as it complies with the provisions of RIPA.
- 9.3 Compliance with RIPA ensures any interference is carried out in accordance with domestic laws. It also assists to defend any complaints against the Council and its officers of interference with the right to respect for private and family life which is protected by Article 8. The Council can claim the interference is ‘in accordance with the law’. The activities undertaken however must be necessary and proportionate.

10. Definitions

‘Covert’ is defined as surveillance carried out in such a manner that is calculated to ensure that the person subject to it is unaware that it is or may be taking place. (s.26 (9)(a))

‘Covert human intelligence source’ (CHIS) is defined as a person who establishes or maintains a personal or other relationship with a person for the covert process of obtaining/providing access to/disclosing, information obtained through that relationship or as a consequence of the relationship(s.26 (8))

‘Directed surveillance’ is defined as covert but not intrusive and undertaken:

- for a specific investigation or operations,
- in such a way that is likely to result in the obtaining of private information about any person, and

- other than by way of an immediate response (s.26 (2))

'Private information' includes information relating to a person's private or family life (s.26(10)). Private information should be taken generally to include information on any aspect of a person's private or personal relationship with others including family and professional or business relationships. It is likely to be the case that where a person has a reasonable expectation of privacy, even though acting in public or placing information on publicly accessible areas of the internet, and where a record of that activity is being made by a public authority of that person's activities for future consideration or analysis, that this will result in obtaining private information.

'Intrusive' surveillance is covert surveillance that is carried out in relation to anything taking place on any residential premises or in any private vehicle and involves the presence of an individual on the premises or in the vehicle or using a surveillance device. **Rushcliffe Borough Council may not authorise such surveillance, nor the entry on or interference with property or with wireless telegraphy.**

'Authorising officer' - in the case of the Council a list of designated authorising officers can be found at **Appendix D.**

11. When does RIPA apply?

- 11.1 The Council can only authorise directed surveillance of an individual or group of individuals, or use of CHIS where it is **necessary** for the purpose of preventing or detecting crime or preventing disorder.
- 11.2 The Council can only authorise Directed Surveillance to prevent and detect conduct which constitutes one or more criminal offences. The criminal offences must be punishable, whether on summary conviction or indictment by a maximum term of at least 6 months imprisonment or be an offence under:
 - a) Section 146 of the Licensing Act 2003 (sale of alcohol to children)
 - b) Section 147 of the Licensing Act 2003 (allowing the sale of alcohol to children)
 - c) Section 147A of the Licensing Act 2003 (persistently selling alcohol to children)
 - d) Section 7 of the Children and Young Persons Act 1933 (sale of tobacco etc to persons under 18)

12. Core Functions

- 12.1 A public authority may only seek authorisations under the Act when in

performance of its 'core functions'. Core functions are the specific public functions undertaken by the authority in contrast to the ordinary functions which are those undertaken by all authorities, for example, employment issues or contractual arrangements. The disciplining of an employee is not a core function, although related criminal investigations may be.

13. CCTV

- 13.1 The normal use of CCTV is not usually covert because members of the public are informed by signs that such equipment is in operation. However, authorisation should be sought where it is intended to use CCTV covertly, and in a pre-planned manner as part of a specific investigation or operation, to target a specific individual or group of individuals. Equally a request, say by the police, to track particular individuals via CCTV recordings may require authorisation (from the police). Guidance on the operation of CCTV generally is provided in the Surveillance Camera Code of Practice (as amended) issued under the Protection of Freedoms Act 2012. The Information Commissioner has also issued a code 'In the Picture – A Data Protection Code of Practice for Surveillance Cameras and Personal Information' which authorities should have regard to.

14. Online Covert Activity

- 14.1 The use of the internet and social media sites may be required to gather information prior to and during an operation/investigation. Officers should exercise caution when utilising such sites during an investigation and be alert to situations where authorisations under RIPA may be required. If officers have any concerns over the use of social media during an investigation they should contact Legal Services. As a general rule of thumb however, reviewing open source sites such as Facebook pages where no privacy settings are in place does not require an authorisation under RIPA unless review is carried out with some regularity, often to build a profile, when directed surveillance authorisation may be required.
- 14.2 Use of the internet prior to an investigation should not normally engage privacy considerations but if the study of an individual's online presence becomes persistent, or where material obtained from any check is to be extracted and recorded and may engage privacy considerations, a RIPA authorisation may be required. If the officer then, for the purposes of gleaning intelligence breaches privacy controls and becomes for example a "friend" within a subject's Facebook account, utilising a pseudo account to conceal his/her identity as a Council official, this is a covert operation which, by its nature, is intended to obtain private information and should be authorised as a minimum as directed surveillance. Further, if the officer engages in any form of relationship with the account operator then s/he is likely to become a CHIS requiring authorisation

and management by a Controller and Handler with a record being kept and a risk assessment created.

- 14.3 In deciding whether online surveillance should be regarded as covert, consideration should be given to the likelihood of the subject knowing that surveillance is or may be taking place. This is regardless of what privacy settings the individual may have in place.

15. Authorisations

- 15.1 **Applications for directed surveillance** All application forms must be fully completed with the required details to enable the authorising officer to make an informed decision.

- 15.2 Application forms are available on the Home Office website, officers should ensure they are using the most up to date forms for RIPA authorisations. The authorisation will only commence on the date Magistrates Court approval is obtained and runs for three months from that date of that approval

- 15.3 No authorisation shall be granted unless the authorising officer is satisfied that the investigation is:

- necessary - for either the purpose of preventing or detecting crime or of preventing disorder. Covert surveillance cannot be said to be necessary if the desired information can reasonably be obtained by overt means.;
- -Involves a criminal offence punishable whether summarily or on indictment by a maximum sentence of at least six months imprisonment or related to the underage sale of alcohol or tobacco
- proportionate to the ultimate objective at an appropriate level (not excessive) and that no other form of investigation would be appropriate. This has 4 elements, namely:
 - (1) that the method of surveillance proposed is not excessive to the seriousness of the matter under investigation,
 - (2) the method used must be the least invasive of the target's privacy,
 - (3) the privacy of innocent members of the public must be respected and collateral intrusion minimised.
 - (4) that no other form of investigation would be appropriate. This should be evidenced by explaining what other methods of investigation have been considered or tried and why they have not been implemented or why they failed.

- 15.4 The grant of authorisation should indicate that consideration has been given to the above points.
- 15.5 The authorising officer must also take into account the risk of '**collateral intrusion**', for example, intrusion on, or interference with, the privacy of persons other than the subject of the investigation. The application must include an **assessment** of any risk of collateral intrusion for this purpose. Steps must be taken to avoid unnecessary collateral intrusion and minimise any necessary intrusion.
- 15.6 Those carrying out the investigation must inform the Authorising Officer of any unexpected interference with the privacy of individuals who are not covered by the authorisation, as soon as these become apparent. When such collateral intrusion is unavoidable, the activities may still be authorised provided this intrusion is considered proportionate to what is sought to be achieved. The same considerations in respect of proportionality outlined above apply to the assessment of collateral intrusion.
- 15.7 The Authorising Officer should also fully understand the capabilities and sensitivity levels of any equipment being used to carry out directed surveillance so as to properly assess the risk of collateral intrusion in surveillance techniques.

16. Special consideration in respect of confidential information

- 16.1 Particular attention is drawn to areas where the subject of surveillance may reasonably expect a high degree of privacy, e.g. where confidential information is involved.
- 16.2 Confidential information consists of matters subject to legal privilege, communications between a Member of Parliament and another person on constituency matters, confidential personal information or confidential journalistic material. (ss 98-100 Police Act 1997).

Legal privilege

- 16.3 Generally, this applies to communications between an individual and his/her legal adviser in connection with the giving of legal advice in connection with or in contemplation of legal proceedings. Such information is unlikely ever to be admissible as evidence in criminal proceedings.
- 16.4 If in doubt, the advice of the Monitoring Officer should be sought in respect of any issues in this area.

Confidential personal information

16.5 This is oral or written information held in (express or implied) confidence, relating to the physical or mental health or spiritual counselling concerning an individual (alive or dead) who can be identified from it. Specific examples provided in the codes of practice are consultations between a health professional and a patient, discussions between a minister of religion and an individual relating to the latter's **spiritual welfare** or matters of **medical or journalistic confidentiality**.

Confidential constituent information

16.6 This is information relating to communication between a Member of Parliament and a constituent in respect of constituency business. Such information is held in confidence if it is held subject to an express or implied undertaking to hold it in confidence or it is subject to a restriction on disclosure or an obligation of confidentiality contained in existing legislation.

Confidential journalistic material

16.7 This is material acquired or created for the purposes of journalism and held subject to an undertaking to hold it in confidence.

16.8 It should be noted that matters considered to be confidential under RIPA may not necessarily be properly regarded as confidential under section 41 Freedom of Information Act.

Where such information is likely to be acquired, the surveillance may only be authorised by the Chief Executive, or, in their absence, a Chief Officer and should only be authorised where there are exceptional and compelling circumstances that make the authorisation necessary.

Authorisations must be in writing and have a wet signature

16.9 Authorising officers are not responsible for authorising investigations or operations in which they have been directly involved. Whilst it has been recognised that this may sometimes be unavoidable in cases where it is necessary to act urgently the authorising officer authorises such an investigation or operation should place a note of the authorisation on the central record of authorisation.

16.10 Authorising officers must be aware of the requirements of RIPA and how to properly consider requests for authority. The authorising officer must demonstrate that the request has been properly considered when completing the application.

17 Applications for CHIS

- 17.1 The process for CHIS applications is the same as for Directed Surveillance except that the serious crime threshold of investigating criminal offences with a sentence of at least 6 months in imprisonment does not apply. The authorisation must be in writing, must specify the activities and identity (by pseudonym only) of the CHIS and that the authorised conduct is carried out for the purposes of, or in connection with, the investigation or operation so specified.
- 17.2 Again the Authorising Officer must be satisfied that the authorised use and conduct of the CHIS is proportionate to what is sought to be achieved by that conduct and the CHIS must be necessary for the prevention or detection of crime or the prevention of disorder. Collateral intrusion must also be considered.
- 17.3 All application forms must be fully completed with the required details to enable the Authorising Officer to make an informed decision. A risk assessment and record must be prepared for each CHIS.

18 Judicial Approval of authorisations

- 18.1 Once the Authorising Officer has authorised the Directed Surveillance or CHIS, the Investigating Officer who completed the application form should contact the Magistrates Court to arrange a hearing for the authorisation to be approved by a Justice of the Peace. The Authorising Officer should make themselves available to attend court with the Investigating Officer. The hearing should ideally be on the same day as the Authorising Officer gives authorisation, the court should be contacted prior to attendance to ensure the matter can be heard.
- 18.2 The Investigating Officer will provide the Justice of the Peace with a copy of the original authorisation and the supporting documents setting out the case. This forms the basis of the application and should contain all information that is relied upon.
- 18.3 The Investigating Officer will provide the Magistrate with a partially completed judicial application/order form. These document should be taken to the court by the Investigating Officer and not sent to the court by any other means prior to the hearing. Officers may seek support from Legal Services in completing the application/order form.
- 18.4 The hearing will be in private and the Investigating Officer will be sworn in and present evidence as required by the Justice of the Peace. Any such

evidence should be limited to the information in the authorisation.

18.5 The Justice of the Peace will consider whether he/she is satisfied that at the time the authorisation was given there were reasonable grounds for believing that the authorisation or notice was necessary and proportionate and whether that continues to be the case. They will also consider whether the authorisation was given by the appropriate designated person at the correct level within the Council and whether (in the case of directed surveillance) the crime threshold has been met.

18.6 The Justice of the Peace can:

- a) **Approve the grant of the authorisation**, which means the authorisation will then take effect.
- b) **Refuse to approve the grant of the authorisation**, which means the authorisation will not take effect, but the Council could look at the reasons for refusal, make any amendments and reapply for judicial approval.
- c) **Refuse to approve the grant of the authorisation** and quash the original authorisation. The court cannot exercise its power to quash the authorisation unless the applicant has at least 2 business days from the date of the refusal in which to make representations

19 Notifications to Inspector/Commissioner

19.1 The following situations must be brought to the inspector/commissioner's attention at the next inspection:

- Where an officer has had to authorise surveillance in respect of an investigation in which he/she is directly involved.
- Where a lawyer is the subject of an investigation or operation;
- Where confidential personal information or confidential journalistic information has been acquired and retained.

20 Duration and Cancellation

- An authorisation for directed surveillance shall cease to have effect (if not renewed) 3 months from the date the Justice of the Peace approves the grant or renewal.
- If renewed, the authorisation shall cease to have effect 3 months from the

expiry of the renewed authorisation.

- An oral authorisation or renewal shall cease to have effect (unless renewed) 72 hours from the date of grant or renewal.

This does not mean that the authorisation should continue for the whole period so that it lapses at the end of this time. The Authorising Officer must cancel the authorisation at any time if they consider that the Directed Surveillance no longer meets the criteria upon which it was authorised. Where the original Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of Authorising Officer or the person who is acting as Authorising Officer

20.1 On cancellation, the cancellation form should detail what product has been obtained as a result of the surveillance activity. The forms should include the dates and times of the activity, the nature of the product obtained and its format, any associated log or reference numbers, details of where the product is to be held and the name of the officer responsible for its future management. Documentation of any instruction to cease surveillance should be retained and kept with the cancellation form.

20.2 When cancelling an authorisation, the Authorising Officer must ensure that proper arrangements have been made for the activity's discontinuance, including the removal of technical equipment and directions for the management of the product.

21 Reviews

21.1 The Authorising Officer should review all authorisations at reasonable intervals determined by themselves. This should be as often as necessary and practicable. The reviews should be recorded within the record of authorisation.

21.2 Particular attention should be paid to the possibility of obtaining confidential information.

22 Renewals

22.1 Any Authorising Officer may renew an existing authorisation on the same terms as the original at any time before the original ceases to have effect. The renewal must then be approved by a Justice of the Peace in the same way that the original authorisation was approved.

23 Records of authorisations

23.1 All authorities must maintain the following documents:

- Copy of the application and a copy of the authorisation together with any supplementary documentation and notification of the approval given by the Authorised Officer;
- Copy of the Order made by the Magistrates' Court;
- A record of the period over which the surveillance has taken place;
- The frequency of reviews prescribed by the Authorising Officer;
- A record of the result of each review of the authorisation;
- A copy of any renewal of an authorisation and Order made by the Magistrates' Court and supporting documentation submitted when the renewal was requested;
- The date and time when any instruction to cease surveillance was given by the Authorising Officer.
- The date and time when any other instruction was given by the Authorising Officer

23.2 The original copy of every authorisation, review, renewal and cancellation issued should be lodged immediately with the Monitoring Officer of the Council in an envelope marked 'Private and Confidential'. Any original authorisations and renewals taken to the Magistrates' Court should be retained by the Council and the Court should retain only copies of the authorisations or renewals.

23.3 The Council must also maintain a centrally retrievable record of the following information (the Central Register):

- type of authorisation
- date the authorisation was given
- details of attendance at the Magistrates' Court, the date of the attendance, the determining Justice of the Peace, the decision of the court and the time and date of the decision
- name and rank/grade of the Authorising Officer
- unique reference number of the investigation/operation
- title (including brief description and names of the subjects) of the investigation/operation

- details and dates of reviews
- whether urgency provisions were used and if so why
- details of renewal including the name and rank of the Authorising Officer
- dates of any approval order for renewal given by the Magistrates' Court
- whether the investigation/operation is likely to result in obtaining confidential information
- date of cancellation
- whether the authorisation was granted by an individual directly involved in the investigation.

These records will be retained by the Monitoring Officer for at least 5 years and will be available for inspection by the Investigatory Powers Commissioner's Office.

24 **Unique Operation Reference Number**

24.1 Each Application for Directed Surveillance and CHIS, must have a Unique Operation Reference Number. This URN will begin with either ENV (if it is granted in the Environment and Planning Department) or FIN (if it is granted in the Finance Department), followed by a sequential number, followed by 20?? being the year in which the Authority was applied for, e.g. ENV/27/2005

25 **Retention of records**

25.1 All documents must be treated as strictly confidential and the Authorising Officer must make appropriate arrangements for their retention, security and destruction, in accordance with the Council's Data Protection Policy and the RIPA Codes of Practice, UK-GDPR and Data Protection Act 2018. The recommended retention period for authorisation records is five years from the ending of the period authorised.

25.2 Appropriate arrangements must be put in place for the handling, storage and destruction of material obtained through the use of covert surveillance ("the product"). Authorising Officers must ensure compliance with the relevant data protection requirements and any relevant codes of practice

26 **Working in Partnership with the Police/Collaborative Working**

- 26.1 Authorisation can be granted in situations where the police rather than Rushcliffe Borough Council require the surveillance to take action, as long as the behaviour complained of, meets all criteria to grant and in addition is also of concern to the Council. Authorisation cannot be granted for surveillance requested by the police for a purely police issue.
- 26.2 The Police, as an emergency service may authorise RIPA without Magistrates approval, if an urgent situation arises and RIPA authorisation would be required urgently, the Council should contact the police if surveillance is deemed to be necessary and proportionate in an urgent situation.
- 26.3 Any person granting or applying for an authorisation will also need to be aware of particular sensitivities in the local community where the surveillance is taking place and of any other similar activities being undertaken by other public authorities which could impact on the deployment of surveillance or property interference. Where an Authorising Officers considers conflicts may arise they should consult a senior officer within the police.
- 26.4 Where the Police are carrying out surveillance and request the use of the Council's cameras to do so, the police should obtain the authorisation and provide sufficient information to the Council to enable the surveillance to be undertaken in line with the authorisation.

27 Complaints procedure

- 27.1 The Council will maintain the standards set out in this guidance and the Codes of Practice (See Appendix C). The Investigatory Powers Commissioner has responsibility for monitoring and reviewing the way the Council exercises the powers and duties conferred by RIPA.
- 27.2 Contravention of RIPA may be reported to the Investigatory Powers Tribunal.. Before making such a reference, a complaint concerning a breach of this guidance should be made using the Council's own internal complaints procedure. To make a complaint, complete the online complaints form or contact the Communications Team, Rushcliffe Borough Council, Rushcliffe Arena, Rugby Road, West Bridgford, NG2 7YG or telephone Customer Services on 0115 981 9911

REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

PART 2 COVERT HUMAN INTELLIGENCE SOURCES

28 Covert Human Intelligence Source (“CHIS”)

28.1 The RIPA definition (section 26(8)) is anyone who:

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

28.2 Any reference to the conduct of a CHIS includes the conduct of a source which falls within a) to c) or is incidental to it.

28.3 References to the use of a CHIS are references to inducing, asking or assisting a person to engage in such conduct.

28.4 Section 26(9) of RIPA goes on to provide that:

- a. surveillance is covert, if and only if, it is carried out in a manner that is calculated to ensure that persons who are subject to the surveillance are unaware that it is or may be taking place
- b. a purpose is covert, in relation to the establishment or maintenance of a personal or other relationship, if, and only if, the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of that purpose; and
- c. a relationship is used covertly, and information is obtained as mentioned above and is disclosed covertly, if, and only if it is used or as the case may be, disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question.

28.5 There is a risk that an informant who is providing information to the Council voluntarily may in reality be a CHIS even if not tasked to obtain information covertly. It is the activity of the CHIS in exploiting a relationship for

a covert purpose which is ultimately authorised in the 2000 Act, not whether or not the CHIS is asked to do so by the Council. When an informant gives repeat information about a suspect or about a family and it becomes apparent that the informant may be obtaining the information in the course of a neighbourhood or family relationship, it may mean that the informant is in fact a CHIS. Legal advice should always be sought in such instances before acting on any information from such an informant.

28.6 With any authorised use of a CHIS, the Council must ensure that arrangements are in place for the proper oversight and management of the CHIS, this includes appointing individual officers as handlers and controllers in relation to the CHIS (s.29(5)(a) and (b)). The handler should not be the Authorising Officer. Appropriate risk assessments should also be prepared in relation to the CHIS activity.

29. **Juvenile Sources**

29.1 Special safeguards apply to the use or conduct of juvenile sources; that is sources under the age of 18 years. On no occasion should the use or conduct of a source under the age of 16 years be authorised to give information against his parents or any person who has parental responsibility for him. The duration of a juvenile CHIS is four months. The Regulation of Investigatory Powers (Juveniles) Order 2000 contains special provisions which must be adhered to in respect of juvenile sources. Any authorisation of a juvenile CHIS must be by the Chief Executive.

30. **Vulnerable Individuals**

30.1 A vulnerable individual is a person who by reason of mental disorder or vulnerability or other disability, age or illness is, or may be, unable to take care of himself, or unable to protect himself against significant harm or exploitation. Any individual of this description should only be authorised to act as a source in the most exceptional circumstances. Any authorisation of a vulnerable individual as a CHIS must be by the Chief Executive.

31 **Applications for CHIS**

The Council may only in applying the employment of CHIS for the purpose of preventing or detecting crime or preventing disorder. The Council is unlikely to need to use CHIS and the Council's Monitoring Officer should be consulted before any authorisation is sought.

31.1 The procedure is the same as for Directed Surveillance except that except that the serious crime threshold of investigating criminal offences with a

sentence of at least 6 months in imprisonment does not apply. The authorisation must specify the activities and identity of the CHIS and that the authorised conduct is carried out for the purposes of, or in connection with, the investigation or operation so specified.

31.2 Again the Authorising Officer must be satisfied that the authorised use and conduct of the CHIS is proportionate to what is sought to be achieved by that conduct and the CHIS must be necessary for the prevention or detection of crime or the prevention of disorder. Collateral intrusion must also be considered.

31.3 All application forms) must be fully completed with the required details to enable the Authorising Officer to make an informed decision. A controller and handler (one of whom should be a record keeper) should be identified at this stage. The source manager should ensure that a risk assessment is carried out and appended to the application.

31.4 Once the Authorising Officer CHIS, the Investigating Officer shall apply to the Magistrates Court for the authorisation to be approved by a Justice of the Peace as per the guidance for Directed Surveillance (paragraph 18 onwards).

31.5 An authorisation for CHIS shall cease to have effect (unless renewed) 12 months from the date of grant or renewal. A CHIS authorisation must be thoroughly reviewed before it is renewed. The duration of authorisation for a Juvenile CHIS is 1 month.

31.6 The duration of a CHIS authorisation commences at the time of the Magistrates approval of it.

REGULATION OF INVESTIGATORY POWERS ACT 2000

PART 3 ACQUISITION AND DISCLOSURE OF COMMUNICATIONS DATA

32 Introduction

32.1 With effect from 5 January 2004, and in accordance with Chapter II of Part I of Regulation of Investigatory Powers Act 2000 (“the Act”), local authorities can authorise the acquisition and disclosure of ‘communications data’ provided that the acquisition of such data is necessary for the purpose of preventing or detecting crime or preventing disorder; and proportionate to what is sought to be achieved by acquiring such data. This guidance should be read in conjunction with the relevant Code of Practice.

NOTHING IN THIS CODE PERMITS THE INTERCEPTION OF THE CONTENT OF ANY COMMUNICATION.

32.2 The procedure is similar to that of authorisation for Directed Surveillance and CHIS but has extra provisions and processes.

32.3 The purpose and effect of the procedure is the same i.e. to ensure proper consideration is given to permitting such investigations and to provide protection against a human rights challenge. **All potential applications shall be referred initially to the Monitoring Officer for advice.**

32.4 The Authorising Officer is called a ‘Designated Person’.

33 What is ‘Communications data’?

33.1 Communications data is information relating to the use of a communications service e.g. postal service or telecommunications system. It is defined by Section 21(4) of the Act and falls into three main categories:

- Traffic data – where a communication was made from, to whom and when
- Service data – use made of service e.g. itemised telephone records
- Subscriber data – information held or obtained by operator on person they provide a service to.

33.2 Local authorities are restricted to subscriber and service use data and only for the purpose of preventing or detecting crime or preventing disorder.

34 Designated person

34.1 A Designated Person are the same officers as Authorising Officers set out in Appendix ?.

35 Application forms

35.1 All applications must be made on a standard form (**see Appendix B**).

36 Authorisations

36.1 Designated Persons can only authorise conduct to which Chapter II or Part I of the Act applies.

36.2 In order to comply with the code, a Designated Person can only authorise the obtaining and disclosure of communications data if:

- i) It is **necessary** for any of the purposes set out in Section 22(2) of the Act. (NB. Rushcliffe Borough Council can only authorise for the purpose set out in Section 22(2)(b) which is the purpose of preventing or detecting crime or preventing disorder); and
- ii) It is **proportionate** to what is sought to be achieved by the acquisition of such data (in accordance with Section 22(5) the Act). This involves balancing the extent of the interference with an individual's rights and freedoms against a specific benefit to the investigation or operation being undertaken by a relevant public authority in the public interest. consideration must also be given to any actual or potential infringement of the privacy and other rights of individuals who are not the subject of the investigation or operation.

36.3 Consideration must also be given to the possibility of collateral intrusion and whether any urgent timescale is justified.

36.4 Communication data can be acquired by two alternative methods under RIPA:

- 1) By authorisation under section 22(3) of the Act - An authorisation granted to a member of a public authority permits that person to engage in conduct relating to the acquisition and disclosure of communications data under Part I Chapter II of RIPA. This applies where the relevant public authority collects the data itself. and may be appropriate in the following circumstances:
 - The postal or telecommunications operator is not capable of collecting

or retrieving the communications data;

- It is believed the investigation may be prejudiced if the postal or telecommunications operator is asked to collect the data itself;
- There is a prior agreement in place between the relevant public authority and the postal or telecommunications operator as to the appropriate mechanisms for the disclosure of communications data.

2) By notice under Section 22(4) of the Act. A notice given to a postal or telecommunications operator requires it to disclose the relevant communications data held by it to a public authority, or to obtain and disclose the data, when it is reasonably practicable for them to do so. Disclosure may only be required to either the Designated Person or the single point of contact.

36.5 A service provider must comply with the notice if it is reasonably practicable to do so (s.22(6)-(8)) and can be enforced to do so by civil proceedings.

36.6 The postal or telecommunications service can charge for providing this information.

37 Oral authority

37.1 The Council is not permitted to apply or approve orally.

38 Single point of contact (SPOC)

38.1 Notices and authorisations should be passed through a single point of contact within the Council. This should make the system operate more efficiently as the SPOC will deal with the postal or telecommunications operator on a regular basis and also be in a position to advise a designated person on the appropriateness of an authorisation or notice.

38.2 SPOCs should be in position to:

- Where appropriate, assess whether access to communication data is reasonably practical for the postal or telecommunications operator;
- Advise applicants and the Designated Person on whether communications data falls under Section 21(4)(a), (b) or (c) of the Act;
- Provide safeguards for authentication;
- Assess any cost and resource implications to both the public authority and the postal or telecommunications operator.

39 Duration

39.1 Authorisations and notices are only valid for one month beginning with the date on which the authorisation is granted or the notice given. A shorter period should be specified if possible.

40 Renewal and cancellation

40.1 An authorisation or notice may be renewed at any time during the month it is valid using the same procedure as used in the original application. A renewal takes effect on the date which the authorisation or notice it is renewing expires.

40.2 All authorisations and notices should be cancelled by the Designated Person who issued it as soon as it is no longer necessary, or the conduct is no longer proportionate to what is sought to be achieved. The relevant postal or telecommunications operator should be informed of the cancellation of a notice.

41 Retention of records

41.1 Applications, authorisations renewals cancellations and notices are confidential material and must be retained until the Council has been audited by the Commissioner (see paragraph 10).

41.2 Applications must also be retained to allow the Tribunal (see paragraph 10) to carry out its functions.

41.3 A record must be kept of:

- the dates on which the authorisation or notice is started or cancelled.
- any errors that have occurred in the granting of authorisations or giving of notices.

41.4 A report and explanation of any errors must also be sent to the Commissioner as soon as is practicable.

41.5 Communications data, and all copies, extracts and summaries of it, must be handled and stored securely and the requirements of the Data Protection Act 2018 and UK GDPR must be observed.

41.6 The documents referred to herein and any information contained therein should not be disclosed to any person who does not have a legitimate need to have access to the document or to the information contained within it. Authorising officers are required in ensure proper arrangements are in place

within their service areas for the retention and security of the said documents.

41.7 The Monitoring Officer maintains a register of all authorisations, reviews, cancellations and renewals. Authorising officers are required to ensure that hard copies of the said documents are forwarded to the Monitoring Officer as soon as reasonably practicable for retention.

41.8 The Monitoring Officer will review the central register periodically to remove information that is more than 6 years old unless relevant court proceedings are outstanding. All documentation no longer required will be securely disposed of.

42 Oversight and Complaints

42.1 The Act provides for an Investigatory Powers Commissioner's Office whose remit is to provide independent oversight of the use of the powers contained in Part I and the code requires any person who uses the powers conferred by Chapter II to comply with any request made by the Commissioner to provide any information he requires to enable him to discharge his functions. As the authority uses NAFN as its SPOC, NAFN as opposed to the Council will be inspected on a regular basis. It is still important that all of the relevant documents are completed properly by the Council and stored appropriately. T

42.2 The Act also establishes an independent Investigatory Powers Tribunal to investigate and decide any case within its jurisdiction. Details of the relevant complaints procedure should be available for reference at Rushcliffe Borough Council's public offices.

APPENDIX A SCRUTINY ARRANGEMENTS

The following arrangements have been put in place to comply with the requirements set out in the revised Codes of Practice published by the Home Office in 2018.

43 Senior Responsible Officer

43.1 The SRO shall be responsible for:

- the integrity of the process in place to authorise directed surveillance and CHIS
- compliance with Part II of the 2000 Act and with the accompanying Codes of Practice
- engagement with the Surveillance Commissioners and Inspectors when they conduct their inspections, and
- where necessary, oversight of the implementation of any post-inspection action plans recommended or approved by a Commissioner
- Maintaining the central record of authorisations and collating the original applications/authorisations, reviews, renewals and cancellations
- Oversight of submitted RIPA documentation
- Organising a RIPA training programme and
- Raising RIPA awareness within the Council.

43.2 The SRO is the Monitoring Officer and a member of the Council's Corporate Management Team. They are responsible for ensuring that all Authorising Officers are suitably qualified and trained.

44 Elected Member Involvement

44.1 The SRO will report annually to the Governance Scrutiny Group with the following information:

- the current Policy and Guidance being used by the Council
- statistics and overview of the use of directed surveillance and CHIS by the Council during the previous year

- following an IPCO inspection, detailing any recommendations made and the action(s) taken in response to those recommendations

44.2 Any significant issues arising shall also be reported to a meeting of Cabinet.

APPENDIX B

Forms

See Home Office website: [RIPA forms](#)

APPENDIX C

Codes of Practice

[RIPA codes - GOV.UK](#)

[acquisition and disclosure of communications data code of practice](#)

APPENDIX D**RUSHCLIFFE BOROUGH COUNCIL**

Senior Responsible Officer and Authorised Officers

Senior Responsible Officer

The designated Senior Responsible Officer and RIPA Coordinator for RUSHCLIFFE BOROUGH COUNCIL under the Regulation of Investigatory Powers Act 2000 shall be:

Officer	Department	Contact details
Monitoring Officer	Chief Executive Department, Legal Services Rushcliffe Arena, Rugby Road, West Bridgford, Nottingham, NG2 7YG	Tel: 0115 9148 480 E-mail: monitoringofficer@rushcliffe.gov.uk

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Authorising Officers

The following officers shall be designated as Authorising Officers for the specified purpose on behalf of RUSHCLIFFE BOROUGH COUNCIL under the Regulation of Investigatory Powers Act 2000:

Post
Chief Executive
Director - Neighbourhoods
Head of Service – Public Protection

Enhanced Authorising Officer

The CHIEF EXECUTIVE shall be designated as Authorising Officers for the specified purpose on behalf of RUSHCLIFFE

BOROUGH COUNCIL under the Regulation of Investigatory Powers Act 2000 when knowledge of confidential or privileged information is likely to be acquired.

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Governance Scrutiny Group

Thursday, 28 November 2024

**Capital and Investment Strategy – Quarter 2 Report
2024/25**

Report of the Executive Manager - Finance and Corporate Services

1. Purpose of report

- 1.1. The purpose of this report is to summarise the Capital and investment activities of the Council for the period 1 April to 30 September 2024.
- 1.2. The Capital and Investment Strategy for 2024/25, approved by Council on 7 March 2024, outlines the Council's capital and investment priorities as follows:
 - Security of capital
 - Liquidity of investments; and
 - Optimising yield earned on investments (cash and property).
- 1.3. The strategy includes indicators that help ensure that the Council's capital investment plans are affordable, prudent, and sustainable. Setting an integrated Capital and Investment Strategy is a requirement of the CIPFA Code of Practice.

2. Recommendations

It is recommended that the Group reviews and comments as necessary on the Capital and Investment Strategy update position as of 30 September 2024.

3. Reasons for Recommendation

- 3.1. CIPFA's Code of Practice for Treasury Management (2021) recommends that Councillors should be informed of Treasury Management activities quarterly. This report, therefore, ensures this Council is embracing best practice for the scrutiny of capital and investment activity in accordance with the CIPFA Code of Practice.

4. Supporting Information

Economic Forecast

- 4.1. Inflation (CPI) has continued to decline over the quarter, falling from an annual rate of 2.0% in May to 1.7% in August, in line with the Bank of England's target. However, it is expected to edge up to about 2.5% towards the end of the year before falling again.
- 4.2. The Bank of England dropped the base rate to 4.75% at its Monetary Policy Committee on the 6th November and further interest rate reductions are expected for this year. The Treasury Management Strategy assumed an interest rate of 4.5% for this year with further cuts next year taking the average rate to

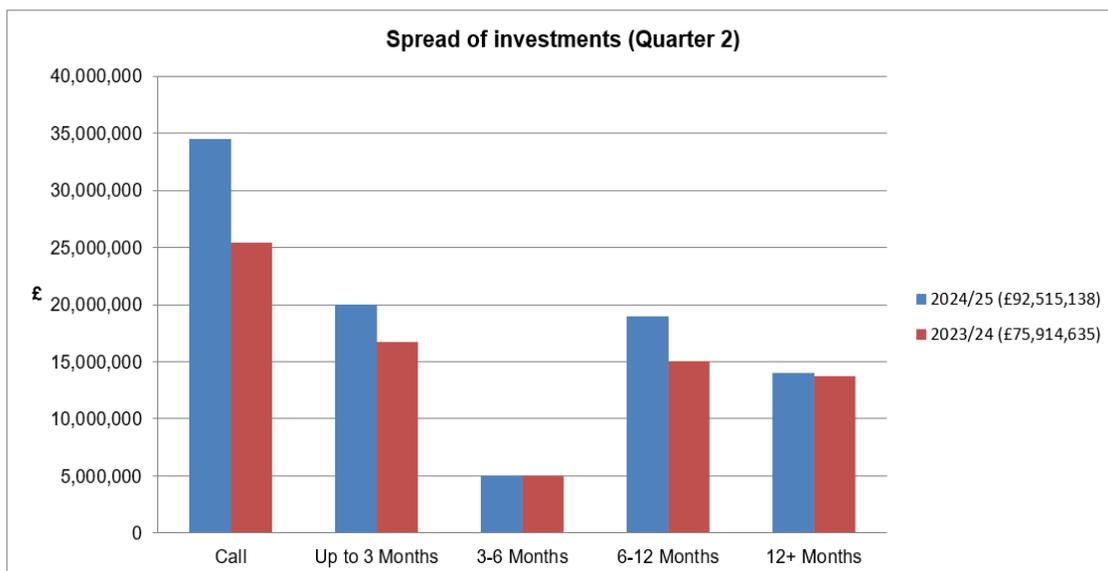
3.3% for 2025/26. Our Treasury Advisors are now forecasting that the rate will drop to 3.75 from December 2025 and remain at this level for a couple of years.

- 4.3. The UK economy is estimated to have grown 0.5% in Quarter 2 (Apr to June) 2024, and is expected to rise to 1.1% in 2024, with a projection of 1.0% in 2025. The economy is expected to grow by 1.1% in 2026, a minor upward revision but there are still risks to economic growth due to an ageing population, climate change and rising geopolitical tensions.

Investment Income

- 4.4. Based on the Arlingclose interest rate forecast at the time (4.5%), the Council budgeted to receive £1,043,200 in investment income in 2024/25 (compared with £1,359,300 in 2023/24) (net of S106 and CIL interest). Actual interest earned to 30 September 2024 totalled £1,023,633 with total receipts for the year expected to be approximately £1,900,000 (£1,887,576 in 2023/24). Interest receipts are higher than estimated due to investment balances and interest rates both being higher than expected. All investments have been made in accordance with the Council's Capital and Investment Strategy. The Council achieved an average interest rate of 4.88% in quarter 2.
- 4.5. The average level of funds available for investment purposes during the quarter was £70.07m. These funds were available on a temporary basis and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants, S106 receipts and progress on the capital programme. The Council holds £14.038m core cash balances for investment purposes (i.e., funds available for more than one year).
- 4.6. To maintain returns and mitigate risks, the Council has continued to diversify its investments mix. As a result, the Council is currently placing deposits in Money Market Funds (MMFs), Call Accounts, CCLA Property Fund, UK Local Authorities and Diversified Funds. The Council also currently holds two ESG (Environmental, Social and Governance) accounts totalling £7.35m. A full list of investments at 30 September can be found at **Appendix A**. Overall, the rates of return on the Diversified Funds (4.91%) are slightly higher than those achieved on MMFs (4.18%), but interest rates are more volatile on these funds.
- 4.7. The graph below depicts the Council's investment spread showing the range of investments over different time periods, balancing both cash flow risk and counterparty risk. The spread of investments is comparable to this time last year, although investment balances are higher. To ensure liquidity, the Council continues to hold considerable sums over the short term, with a greater number of institutions, but with interest rates coming down the Council will be looking to invest for slightly longer terms in the future to maximise returns. This is compliant with the Council's Capital and Investment Strategy and recommended action by the Council's Treasury advisors.

Graph 1



- 4.8. As reported in the Quarter 1 report, the Council is continuing to pursue options for investing in high quality Bonds. These are market tradeable (examples of which are the UK Government) and have low risk of default due to collateral being held by the intermediary and are exempt from bail-in. They provide a regular income stream with reduced capital volatility that might be experienced with other asset classes.
- 4.9. The Council ensures investments are secure and that liquidity is achieved whilst at the same time it is proactively looking to maximise its rate of return (See paragraph 4.7).
- 4.10. It has previously been reported that the Council's diversified funds have been subject to fluctuations in fair value. The current position can be seen in **Appendix B**. Funds are still volatile but loss in capital value largely experienced in previous years, is reversing and has been mitigated by appropriations to the Treasury Capital Depreciation Reserve (current balance of £1.173m). The statutory override currently in place, preventing any accounting adjustments impacting on the revenue accounts, is due to end 31st March 2025. The Council will continue to monitor the position on these investments and take advice from the treasury advisors and as appropriate increase or reduce the reserve. Whilst the value of this type of investment can fluctuate, the revenue returns make up a healthy proportion of the overall returns on investment (20% in 2023/24).

Borrowing and Prudential Indicators

- 4.11. In accordance with the Local Government Act 2003, the Council has a statutory duty to determine and keep under review how much it can afford to borrow. Therefore, the Council establishes 'Affordable Borrowing Limits' (or Authorised Limit) as part of the Prudential Indicators with the approved Capital and Investment Strategy.
- 4.12. The authorised limit represents the limit beyond which external borrowing is prohibited and is set as part of the Treasury Strategy, whereas the operational boundary is the expected borrowing position of the Council based on the CFR and a buffer. The operational boundary set for the year is £15m (see **Appendix**

C). The authorised limit is set at £20m and any change in this would require Full Council approval.

- 4.13. Considering cash balances in 4.5, the Council continues to internally borrow to fund capital expenditure and does not envisage externally borrowing during the medium term.
- 4.14. The Liability (or Asset) Benchmark reflects the real need to borrow (**Table 1**). The Council is reporting a credit balance (asset), which shows that the Council has no need to borrow over the medium term since existing resources exceed the underlying need to borrow. The projected position at the end of the year is better than expected due to S106 balances, which feed into the working capital figure, together with higher usable reserves. Working capital is projected to reduce over the medium term as S106 balances reduces and resources are used to fund the capital programme.

Table 1 – Liability/Asset Benchmark

LIABILITY/(ASSET) BENCHMARK	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	Projection	£'000	£'000	£'000	£'000
Closing CFR	7,863	7,689	6,515	5,776	5,602	5,428
Less:						
Usable Reserves	(22,663)	(32,001)	(26,009)	(20,413)	(18,044)	(16,597)
Working Capital	(40,906)	(64,733)	(48,070)	(46,070)	(44,070)	(42,070)
Plus, minimum investments	10,000	10,000	10,000	10,000	10,000	10,000
LIABILITY/(ASSET) BENCHMARK	(45,706)	(79,045)	(57,564)	(50,707)	(46,512)	(43,239)

Capital Expenditure and Financing

- 4.15. As part of the Capital and Investment Strategy, the Council established a range of Prudential Indicators (which also accords with professional practice) to monitor both Treasury and Capital as the two are intrinsically linked. Details of the performance against the Prudential Indicators can be found at **Appendix C** and key comments to note regarding Capital are mentioned below.
- 4.16. The original Capital Programme for 2024/25 was £11.079m, with £3.405m carry forwards and other adjustments of £2.407m, and slippage of £3.756m giving a current budget of £13.135m. The projected outturn is £9.537m, resulting in an estimated underspend of £3.598m arising from the need to reprofile the provision for Cotgrave/Keyworth Leisure Centres, the Acquisition of Traveller Site (further recommendations to repatriate this are included in the report to Cabinet in December) and post-opening enhancements at Bingham Arena and the Crematorium not being committed.
- 4.17. The actual capital expenditure forms one of the required prudential indicators. **Table 2** below shows the actual capital expenditure and how this is financed, fully funded from council resources.

Table 2 Capital Expenditure and Financing

Capital Programme	2023/24 Actual £'000	2024/25 Estimate £'000	2024/25 Projection £'000
Capital Expenditure	6,752	13,135	9,537
Less Financed by:			
Capital Receipts	(3,026)	(4,333)	(2,204)
Capital Grants	(3,042)	(6,367)	(6,029)
Reserves	(684)	(2,435)	(1,304)
Increase in borrowing need	0	0	0

- 4.18. The Council's underlying need to borrow for capital expenditure is called the Capital Financing Requirement (CFR). The CFR represents the net capital expenditure in 2024/25 and prior years that has not yet been paid for by revenue or other resources. No external borrowing was undertaken during the quarter ended 30 September 2024 and the Council does not anticipate a need to externally borrow over the Medium-Term, so the CFR balance continues to reduce after deducting MRP repayments and capital receipts as seen in **Table 3**.
- 4.19. The CFR will be adjusted by the impact of the implementation of IFRS16 (the impact of all leases going on balance sheet) and this will be updated in the quarter 3 report.

Table 3 Capital Financing Requirement (CFR)

Capital Financing Requirement (CFR)	2023/24 Actual £'000	2024/25 Projection £'000
Opening Balance	13,266	9,889
Add: unfinanced capital expenditure	0	0
Less MRP/VRP	(1,255)	(1,200)
Less applied Capital Receipts and S106	(2,122)	(1,000)
Closing Balance	9,889	7,689

Treasury Management and Prudential Indicators

- 4.20. During the quarter ended 30 September 2024, the Council has operated within treasury management indicators set and it is not envisaged that there will be any difficulties in the current or future years in complying with these indicators (**Appendix C**).
- 4.21. All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.
- 4.22. The Expected Investment position is expected to be higher due to rephasing of the capital programme and additional S106 monies.

- 4.23. Net Income from Commercial and Service Investments to Net Revenue Streams reflects the Council's dependence on investments. The projected figure is marginally lower due to a slightly higher surplus from the business rates pool.
- 4.24. The ratio of Financing Costs to Net Revenue Streams is a Key Prudential Indicator of affordability and compares net financing costs (MRP, borrowing costs, including interest foregone from the use of cash balances less investment income) to net revenue income. This indicator shows the proportion of net income that is used to pay for financing costs. The projected actual at quarter 2 is -4.30%, the minus indicating that interest receipts exceed financing costs and net revenue streams are slightly higher as mentioned in the paragraph above.

Commercial Investments

- 4.25. The Council must disclose its dependence on commercial income and the contribution non-core investments make towards core functions.
- 4.26. The projected position for total contribution of non-core investments towards core functions is 12.7% compared with the estimated figure of 13.4% reflecting rent increases, offset by inflationary increases on service maintenance contracts and legal costs in connection with the disposal of Candleby Lane. The most significant factor however has been the increase in Total Income due to interest receipts as discussed on paragraph 4.4 above (see **Table 4** below).

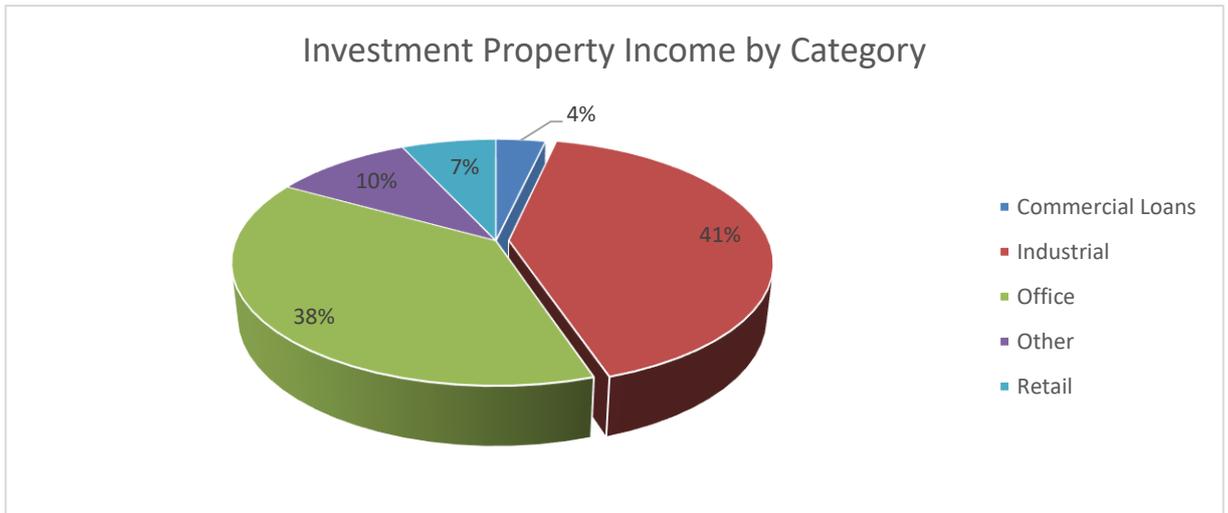
Table 4

Commercial Investments 2024/25	Current Estimate £'000	Actual YTD £'000	Projection £'000
Commercial Property Income	(1,902)	(976)	(1,955)
Running Costs	458	115	477
Net contribution to core functions	(1,444)	(861)	(1,478)
Interest from Commercial Loans	(63)	(33)	(66)
Total Contribution	(1,507)	(894)	(1,544)
Total Income	(11,231)	(7,497)	(12,130)
Total Contribution/Total income	13.4%	11.9%	12.7%
Sensitivity +/- 10%	(190)	(98)	(196)

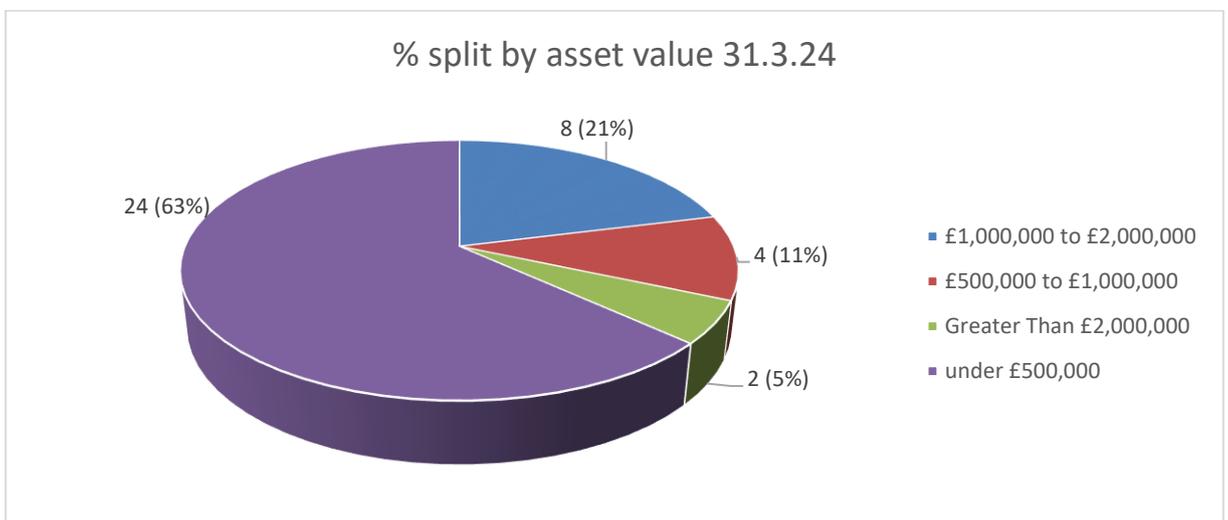
Risk Exposure Indicators

- 4.27. The Council can minimise its exposure to risk by spreading investments across sectors and by avoiding single large-scale investments. Generally, there is a spread of investments across sectors (graph 2) and the value of these assets (graph 3) can be seen below. Industrial units and office accommodation account for the majority of income from investment properties (79% in total) and coincidentally account for 78% of asset value (34% and 44% respectively).

Graph 2



Graph 3



Security and Liquidity

- 4.28. Commercial investments are held for longer term asset appreciation as well as yield. Investments or sales decisions will normally be planned as part of the five-year capital strategy to maximise the potential return. Nevertheless, the local and national markets are monitored to ensure any gains are maximised or losses minimised.
- 4.29. To help ensure asset values are maintained, the assets are given quarterly inspections, together with a condition survey every three years. Any works required to maintain the value of the property will then form part of the Council's spending plans.
- 4.30. The liquidity of the assets is also dependent on the condition of the property, the strength of the tenants and the remaining lease lengths. The Council keeps these items under review with a view to maximising the potential liquidity and value of the property wherever possible. The last Asset Management review was reported to this group 22 February 2024 with the next review planned for spring 2026.

- 4.31. The liquidity considerations for commercial investments are intrinsically linked to the level of cash and short-term investments, which help manage and mitigate the Council's liquidity risk.

Training and Development

- 4.32. The last presentation and training session to Councillors, provided by the Council's Treasury Management Advisors, was 23 January 2024. The next scheduled training session will be held on 17 December 2024.

5. Conclusion

- 5.1. Officers can confirm that the approved limits within the Capital and Investment Strategy were not breached during the quarter ended 30 September 2024.
- 5.2. Treasury Management continues to be challenging. The UK economy is recovering but risk remains globally along with inflationary pressures and falling interest rates the US presidential elections and ongoing international conflict which could give rise to further international economic instability. This may have a negative effect on returns that can be achieved from investments, and may impact on the capital value of some of the Council's investments. Officers will continue to monitor the environment and report any significant issues to the Governance Scrutiny Group.

6. Risk and Uncertainties

- 6.1. The report covers both counterparty, interest rate and property related risks.

7. Implications

7.1. Financial Implications

Financial Implications are covered in the body of the report.

7.2. Legal Implications

There are no specific legal implications identified in this report. The report demonstrates the Council's good practice in following CIPFA's Code of Practice for Treasury Management (2021) recommends by informing Councillors of Treasury Management activities quarterly. Adoption of the best practice ensures scrutiny of capital and investment activity undertaken during the relevant period.

7.3. Equalities Implications

There are no equalities implications identified for this report.

7.4. Section 17 of the Crime and Disorder Act 1998 Implications

None.

7.5. Biodiversity Net Gain Implications

There are no Biodiversity Net Gain Implications as a result of the recommendations in this report.

8. Link to Corporate Priorities

The Environment	Helping to protect the environment by consideration of carbon footprint and fossil-based investments as part of the Capital and Investment Strategy
Quality of Life	No direct impact on quality of life
Efficient Services	Responsible income generation and maximising returns
Sustainable Growth	No direct impact on sustainable growth

9. Recommendations

It is recommended that the Group reviews and comments as necessary on the Capital and Investment Strategy update position as of 30 September 2024.

For more information contact:	Peter Linfield Executive Manager - Finance and Corporate Services 0115 914 8439 plinfield@rushcliffe.gov.uk
Background papers available for inspection	Capital and Investment Strategy 2024/25
List of Appendices:	Appendix A – Investments at 30 Sept 2024 Appendix B – Pooled Funds Appendix C – Prudential and Treasury Indicators for 2024/25 at 30 Sept 2024 –Glossary of Terms

Investment Balances as at 30 September 2024

Fixed	Financial Institution	Amount £	Length of Investment	Interest
Pooled Fund	Royal London Cash Plus Fund	1,005,085	On-going	3.96%
Pooled Fund	CCLA Property Fund	1,970,157	On-going	4.36%
Pooled Fund	CCLA Better World Cautious Fund	1,929,604	On-going	3.25%
Pooled Fund	Aegon Diversified Income fund	4,597,766	On-going	6.80%
Pooled Fund	Ninety One Diversified Income Fund	4,535,612	On-going	6.20%
MMF	Aviva Investors1	230	Call	4.91%
MMF	Blackrock 1	334,293	Call	4.97%
MMF	CCLA - PSDF1	3,647,869	Call	4.99%
MMF	Federated Investors (UK)1	9,500,307	Call	5.02%
MMF	Goldman Sachs Asset Management1	1,631,282	Call	4.92%
MMF	HSBC Asset Management ESG1	5,424,530	Call	5.00%
MMF	HSBC Asset Management Business Deposit	1,074,053	Call	2.00%
MMF	Invesco AIM 1	2,508,699	Call	5.01%
MMF	Aberdeen Asset Management1	9,892,998	Call	5.00%
Government	Rushmoor Borough Council	5,000,000	364 days	5.25%
Government	Blackpool Council	5,000,000	91 days	4.90%
Government	Blackpool Council	4,000,000	243 days	4.77%
Government	Harlow Council	5,000,000	184 days	4.80%
Government	LB of Waltham Forest	5,000,000	277 days	4.90%
Government	Surrey County Council	5,000,000	274 days	4.90%
Government	Central Bedfordshire Council	5,000,000	92 days	4.90%
Government	Stockport Metro Borough Council	5,000,000	202 days	5.50%
Banks Unsecured	Bank of Scotland PLC1	862	Call	0.01%
Banks Unsecured	Bank of Scotland PLC32	114,964	32 Days	3.50%
Banks Unsecured	Barclays Bank PLC1	6,766	Call	2.00%
Banks Unsecured	Barclays Bank PLC32	4,770,666	32 Days	4.95%
Banks Unsecured	Handlesbanken PLC1	12,059	Call	0.00%
Banks Unsecured	Handlesbanken PLC35	12,597	35 Days	2.50%
Banks Unsecured	Santander UK PLC1	456,453	Call	2.98%
Banks Unsecured	Santander UK 35	87,950	35 Days	4.53%
Average Interest Rate				4.88%
Total		92,514,802		

Pooled Funds as at 30 September 2024

Amount Invested	Fair Value	31.03.24	30.09.24	Difference	Difference in valuation from initial investment
5,000,000	Aegon-Previously Kames	4,597,766.02	4,726,040	128,274	(273,960)
5,000,000	Ninety One-Previously Investec	4,535,612.29	4,601,011	65,399	(398,989)
1,000,000	RLAM	1,005,084.78	1,013,358	8,273	13,358
2,000,000	CCLA Property	1,970,157.29	1,963,153	(7,004)	(36,847)
2,000,000	CCLA BWCF	1,929,603.88	1,926,998	(2,606)	(73,002)
15,000,000		14,038,224.26	14,230,560	192,336	(769,440)

Prudential and Treasury Indicators

Prudential & Treasury Indicators at 30th September 2024	2024/25	2024/25
	Original Estimate £'000	Projected £'000
Prudential Indicators		
Capital Expenditure	16,720	9,537
Expected Investment Position at 31 March 2025	55,706	83,582
Capital Financing requirement at 31 March 2025	7,863	7,689
Ratio of financing costs to net revenue streams	0.88%	-4.30%
Gross Debt (Debt incl PFI & Leases)	0	0
Net Income (from Commercial and Service Investments) to Net Revenue Streams	11.2%	11.1%
Treasury Management Indicators		
Authorised Limit for external debt (Borrowing and other LT Liabs)	20,000	20,000
Operational Boundary for external debt (borrowing and other LT Liabs)	15,000	15,000
Upper limit for fixed interest rate exposure on investments up to 1 year	50%	42%
Upper limit for variable rate exposure (investments)	100%	58%
Upper limit for total principal sums invested over 1 year	27,900	41,791
Liability Benchmark	(45,706)	(79,045)

Glossary of Terms

Money Market Funds – these funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks.

CCLA Property Fund - this is a local authority property investment fund. The property fund is designed to achieve long term capital growth and a rising income from investments in the commercial property sector.

Covered Bonds – these investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means they are exempt from bail-in.

Pooled Funds – shares in diversified investment vehicles consisting of different investment types including banks, equity shares and property, these funds have the advantage of providing wide diversification of investment risks

ESG – stands for environmental, social, and governance and refers to how companies score on these responsibility metrics. Environmental criteria gauge how a company safeguards the environment. Social criteria examine how it manages relationships with employees, suppliers, customers, and communities. Governance measures a company's leadership, executive pay, audits, internal controls, and shareholder rights.

MRP – Minimum Revenue Provision – is the minimum amount which a Council must charge to its revenue budget each year, to set aside a provision for repaying borrowing. This is an annual revenue expense in a Council's budget.

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Governance Scrutiny Group

Thursday, 28 November 2024

Update on the Redmond Review of Public Sector Audit

Report of the Director of Finance and Corporate Services

1. Purpose of report

- 1.1. This report has several objectives. To provide the Group with an update on the original recommendations arising from the Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting (The Redmond Review) in terms of their progress, or otherwise.
- 1.2. It revisits the proposal of whether the Governance Group will approve having an Independent Member on the Group, which is considered good practice.
- 1.3. It focuses on CIPFA's self-assessment on scrutinising Treasury Management to Rushcliffe and where we can make some subtle improvements.

2. Recommendation

It is RECOMMENDED that Governance Scrutiny Group;

- a) Consider the recommendation at paragraph 4.5.3 (b) to appoint an independent member to the Governance Scrutiny Group subject to approval by full Council
- b) Consider the recommendations arising from CIPFA's Self-assessment 'Effective Scrutiny of Treasury Management' at paragraph 4.6 and Appendix B.

3. Reasons for Recommendation

- 3.1. To enable members to scrutinise the CIPFA's Self-assessment 'Effective Scrutiny of Treasury Management' and comply with best practice

4. Supporting Information

- 4.1. In June 2019, the Government commissioned Sir Tony Redmond to undertake an independent review of the effectiveness of local audit and the transparency of local authority financial reporting. The findings from Sir Redmond's report were published on 8 September 2020. A link to the

Report can be found here:

<https://www.gov.uk/government/publications/local-authority-financial-reporting-and-external-audit-independent-review>

- 4.2. The recommendations from The Redmond Review were presented to this group on 24 June 2021 and these are summarised at Appendix A.
- 4.3. The guiding principles of the review were:
- accountability and transparency;
 - how are local authorities accountable to service users and taxpayers and how are auditors accountable for the quality of their work?; and
 - how easy is it for those same individuals to understand how their local authority has performed and what assurance they can take from external audit work?
- 4.4. In summary, the review made detailed proposals for a new organisation with the clarity of mission and purpose to act as the system leader for the local audit framework; and for a standardised statement of service information and costs, compared to the annual budget, that is aimed at taxpayers and service users.
- 4.5. There were 5 key recommendations (in parenthesis are the Redmond Review recommendations):
- 4.5.1. **Action to support immediate market stability (recommendations 5, 6, 8, 10, 11)**

(a) Fee Structure and PSAA appointments

Public Sector Audit Appointments Ltd (PSAA) will set scale fees and determine fee variations where the auditor undertakes substantially more or less work than assumed by the scale fee and will consult with bodies where appropriate. There has been a significant increase in the scale fees for Local Authorities nationally. For Rushcliffe this has equated to £96,584 (304%) from 2021/22 to 2023/24. The purpose of the amendments to the fee structure is to reduce the variations in fee amendments and make pricing more transparent. It remains to be seen if this measure will result in stability of the audit fee.

(b) Publishing dates

Only 41% of local authorities published their draft accounts for 2023/24 by the audit deadline 128 authorities out of 315 published their draft accounts by the 31 May deadline. For financial years 2024/25 to 2027/28, the date by which Category 1 bodies should publish 'draft' (unaudited) accounts will change from 31 May to 30 June following the financial year to which they relate.

The Government set a backstop of 13 December 2024 for bodies to publish audited accounts for financial years up-to-and-including 2022/23. Where auditors have been unable to complete audits, they will issue a 'disclaimed' or 'modified' audit opinion.

The government also set the following statutory deadlines for these years:

2023/24: 28 February 2025
2024/25: 27 February 2026
2025/26: 31 January 2027
2026/27: 30 November 2027
2027/28: 30 November 2028

It should be noted however that the Council are currently up to date with its audit and therefore is unaffected by the 'backstop' dates proposed. Whilst this is a favourable position to be in, the Council is still at risk from the residual effect of delayed audits within the sector (with demand and resourcing issues impacting finance and audit teams alike).

4.5.2. Consideration of system leadership options (recommendations 1, 2, 3, 7, 13, 17)

(a) Independent Regulator

The Financial Reporting Council (FRC) is now the system leader for local audit ahead of the legislation to establish the Audit, Reporting and Governance Authority (ARGA), referenced in the Kings Speech 2024.

4.5.3. Enhancing the functioning of local audit, and the governance for responding to its findings (recommendations 4, 9, 12, 18)

(a) External audit to report to full council 30 Sept

It was recommended external audit should report to Full Council. This has not been confirmed as recommended practice by the Council's external auditors. Currently annual audit reports come to this Group.

(b) Appointment of independent member

One of the proposals from the Redmond Review was the appointment of independent members on Audit Committees. This was recommended to the Governance Scrutiny Group at the meeting on 24 June 2021, however this was not supported at that time.

This recommendation is now represented to this group for consideration once again. A suitably qualified independent member of the group should enhance the levels of skill and experience for the Group to enable further

challenge given the complexities of local government finance and governance. This is also recommended by internal and external auditors.

(c) Audit to meet 3 statutory officers

The Council partially meets this requirement with the Chief Executive Officer (Head of Paid Service) and the Director of Finance (s151 Officer) meeting external audit annually and it is proposed this is extended to include the Council's Monitoring Officer. External audit currently have separate access to the Council's Monitoring Officer if required.

4.5.4 Improving transparency of local authorities' accounts to the public (recommendations 19, 20, 21, 22)

(a) Statement of service information (audited)

The Redmond Review recommended that a simplified statement of service information and costs is prepared by each local authority in such a way as to enable comparison with the annual budget and council tax set for the year. This would enable Council taxpayers and service users to judge the performance of the local authority for each year of account. The proposed new statement would be prepared in addition to the statutory accounts, which could be simplified as per the recommendation below.

The Council follows the CIPFA Code of Practice when producing financial statements and as yet no such guidance on producing any replacement statements have been produced. The Council does reconcile it's year end management accounts (taken to both COG and Cabinet i.e. it's financial outturn position) to it's year-end financial statements. Ultimately the aim should be to improve clarity and ease of information for all stakeholders, including the wider community.

4.5.5 Action to further consider the functioning of local audit for smaller bodies (recommendations 14, 15, 16, 23)

Not Applicable to Rushcliffe.

4.6. We have liaised with the Portfolio Holder for Finance and the Chair of Governance Scrutiny Group to review CIPFA's Self-assessment 'Effective Scrutiny of Treasury Management' (**Appendix B**). Recommendations arising from this review are:

- Officers should suggest questions pertinent to the report, that the group may wish to consider
- Seek feedback from the group on the technical content of reports
- The Treasury Management Policy Statement should be included as part of the Capital and Investment Strategy

- The group should revisit the recommendation of the appointment of an Independent Person
- Request that the group raise questions in advance of the scrutiny meeting
- Seek suggestions from the group on how to improve reports

5. Risks and Uncertainties

- 5.1. There are no direct risks although the to ensure sound governance and accountability a good system of audit is a necessity.

6. Implications

6.1. Financial Implications

The appointment of an Independent Member will incur a minor cost of £360 per annum, based on the current costs of independent members at the Council and will be identified from existing budgets. This may have to be revisited to compare with market rates elsewhere and is also dependent on if the recommendation is approved, and when advertised, a sufficiently qualified applicant can be recruited. Any change in funding will have to be found from existing budgets.

6.2. Legal Implications

The principle of having an appointed independent member on Governance Scrutiny Group will require a change to the membership of the committee that would require Full Council approval. If members were minded to support the appointment of one or more independent members to the committee, a report would be presented to Council along with any other proposed changes to the Constitution.

When the next Independent Remuneration Panel meets it will also consider remuneration for independent members which would require approval by Full Council.

6.3. Equalities Implications

There are no equalities implications identified as a result of this report.

6.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no Section 17 implications.

6.5. Biodiversity Net Gain implications

There are no Biodiversity Net Gain Implications.

7. Link to Corporate Priorities

Quality of Life	Effective audit impacts across all council corporate priorities.
Efficient Services	
Sustainable Growth	
The Environment	

8. Recommendations

It is RECOMMENDED that Governance Scrutiny Group:

- a) Consider the recommendation at paragraph 4.5.3 (b) to appoint an independent member to the Governance Scrutiny Group subject to approval by Full Council
- b) Consider the recommendations arising from CIPFA's Self-assessment 'Effective Scrutiny of Treasury Management' at paragraph 4.6 and Appendix B.

For more information contact:	Peter Linfield, Sarah Whittaker Director of Finance and Corporate Services, Head of Finance Tel: 0115 9148439, plinfield@rushcliffe.gov.uk, swhittaker@rushcliffe.gov.uk
Background papers available for inspection:	There are no other background papers although the original report and MHCLG consultation responses are available on the MHCLG website.
List of appendices:	Appendix A – summary of key findings of the Redmon Review Appendix B – CIPFA Self-assessment 'Effective Scrutiny of Treasury Management'

Summary of Key Findings

Below are the key findings from the review.

Action to support immediate market stability

Local External Audit arrangements - most significant finding is the lack of coherence in local audit arrangements.

- a. There appeared to be no coherence in approach to procure audit and there were serious concerns regarding effectiveness of local audit.
- b. Some of this is linked to the fee structure and a view that the cost is 25% less than it should be and as a result the quality of auditors has reduced.
- c. There is concern auditors do not have the experience or knowledge of local authorities.
- d. 40% of audits were not complete by the deadline for 2018/19.

Enhancing the functioning of local audit, and the governance for responding to its findings

Governance arrangements – question on whether the Audit Committees understand the issues to question and challenge in an effective way?

- a. There are relatively low number of independent Audit Committee members and little communication between Audit Committee and inspectors.
- b. No formal exchange of views.
- c. There seems to be no real relationship between Audit Committee and Full Council with very few reports going to Full Council.
- d. Question on the role of the 3 statutory officers in relationship to Audit – do they engage with auditor together on informal or formal basis?
- e. Internal Audit not used much by External Audit as code of practice does not require them to liaise with internal audit work although there is a feeling that they can assist.
- f. Not always the expertise in local authority finance departments in completing the accounts process.

Reporting - Current arrangements do not allow for public to understand the accounts. More can be done to improve transparency of what local authorities do.

The recommendations in the report centred on 3 aspects, namely: Local Audit arrangements, Governance and Financial Reporting.

Consideration of System Leadership Options; Action to support immediate market stability; and Action to further consider the functioning of local audit for smaller bodies

Local Audits –

- a. A new Office of Local Audit Regulation (OLAR) will be established and have responsibility for procuring, managing, overseeing and regulating local audits. This will include current responsibility fulfilled by Public Sector Audit Appointments (PSAA), National Audit Office (NAO) and Financial Reporting Council (FRC).
- b. There will be a Liaison Committee chaired by the Ministry for Housing, Communities and Local Government (MHCLG) comprising FRC, Institute of Chartered Accountants in England and Wales (ICAW), NAO, Chartered Institute for Public Finance and Accountancy (CIPFA), Local Government association (LGA) and authority representatives, as well as Probation, Home Office and Audit Partners. This would meet quarterly and provide link to the regulator and would provide facility for feedback and commentary in how the local audits are done.
- c. The OLAR could impose sanctions where there are significant issues in a local authority, e.g. if financial resilience issues where MHCLG are needed to intervene.
- d. The current fee structure for local audit be revised to ensure that adequate resources are deployed to meet the full extent of local audit requirements.
- e. The external auditor be required to present an Annual Audit Report to the first Full Council meeting after 30 September each year, irrespective of whether the accounts have been certified.

Support Market stability and Enhancing the functioning of local audit, and the governance for responding to its findings

Governance –

- a. At least 1, suitably qualified, independent member will be required on each Audit Committee.
- b. There will be a requirement for the 3 statutory officers to meet with External Audit annually.
- c. All Audit Committee members will have a requirement to be trained.
- d. The deadline for publishing audited local authority accounts be revisited with a view to extending it to 30 September from 31 July each year.
- e. An annual report to be presented to first Full Council meeting after 30 September from the External Auditor, irrespective of whether the accounts have been certified.
- f. Auditors must have skills and training but also needs to be in place for local authority finance staff.
- g. The need for an induction/training mechanism for new s151 Officers on Final Accounts.
- h. The changes implemented in the 2020 Audit Code of Practice are endorsed; OLAR to undertake a post implementation review to assess whether these changes have led to more effective external audit consideration of financial resilience and value for money matters.

Improving transparency of local authorities' accounts to the public

Financial Reporting –

- a. A new standardised statement of services and costs will be required to enable a comparison of budget setting Council Tax information to outturn.
- b. CIPFA/ Local Authority (Scotland) Accounts Advisory Committee (LASAAC) be required to review the statutory accounts, in the light of the new requirement to prepare the standardised statement, to determine whether there is scope to simplify the presentation of local authority accounts by removing disclosures that may no longer be considered to be necessary.

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Effective Scrutiny of Treasury Management

Self-assessment by members responsible for the scrutiny of treasury management

CIPFA's [Treasury Management In The Public Services: Code of Practice and Cross-sectoral Guidance Notes](#) (2021 edition) requires public service organisations to nominate a responsible body for the scrutiny of treasury management strategy and policies. To undertake this role effectively, the nominated committee will require support, training and guidance. CIPFA's publication [Audit Committees: Practical Guidance for Local Authorities and Police](#) (2022 edition) provides guidance for the audit committee if it is nominated to take on the scrutiny role. It also identifies core areas of knowledge committee members would need to undertake this role effectively.

Effective scrutiny is important. As well as demonstrating compliance with the Treasury Management Code, scrutiny is an important part of ensuring effective governance of treasury management.

- It helps develop a better understanding of the treasury risks faced by the organisation.
- It helps ensure better decision making on strategy and policy matters.
- It improves accountability and transparency.
- It improves knowledge and understanding of treasury matters among the members of the governing body.

This self-assessment tool has been designed to support the development of effective scrutiny. There are several ways it can be used, including the following.

- For self-assessment by the committee responsible for undertaking the scrutiny.
- For self-assessment by the responsible committee with additional input from the audit committee (where the audit committee doesn't undertake this function directly).
- For review as part of an internal audit of treasury management.
- For review by the treasury officers/finance team responsible for reporting to the committee.

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The most important thing is that the review is used to identify any areas where support or training is needed to ensure the development of effective scrutiny.

This assessment tool replaces the 2014 edition.

CIPFA Better Governance Forum and Treasury Management Network 2022

Aspects of delivering effective scrutiny	Yes	No	Partly	Comments/examples	Action plan for improvement or development
Clearly defined responsibility					
Has the organisation nominated a responsible committee for scrutiny in compliance with the CIPFA Treasury Management Code of Practice?	X			Committee meets quarterly to review TM	
Does the committee responsible for scrutiny have appropriate and up-to-date terms of reference outlining its role in relation to treasury management?	X			Reviewed as part of the constitution	
Knowledge and training					
Do those responsible for scrutiny have an appropriate level of knowledge in the following areas:					
• Regulatory requirements?	X			Training on arrival and annual from TM advisors	
• Treasury risks?	X			Training on arrival and annual from TM advisors	
• The organisation's treasury management strategy?	X			Training on arrival and annual from TM advisors	

Aspects of delivering effective scrutiny	Yes	No	Partly	Comments/examples	Action plan for improvement or development
<ul style="list-style-type: none"> The organisation's policies and procedures in relation to treasury management? 	X			The group have an appropriate level of overview	
Have committee members been provided with training for their role?	X			Training on arrival and annual from TM advisors	
Support for effective scrutiny					
Has adequate time been made on the committee agenda to allow for sufficient scrutiny to take place?	X			Meeting can be extended and can commence earlier	Set specific questions for scrutiny group to consider
Have reports and briefings been provided in good time to committee members?	X			They are provided two weeks prior to meetings and meeting held prior with chair	
Have reports and briefings been presented to the committee with adequate explanations and minimal jargon?	X			Two new Quarterly reports have been streamlined We include glossary and verbal explanation of terminology	Request feedback from GSG members

Aspects of delivering effective scrutiny	Yes	No	Partly	Comments/examples	Action plan for improvement or development
Coverage of the required areas					

During the past year, has the committee undertaken scrutiny as follows:					
<ul style="list-style-type: none"> Reviewed whether appropriate policy and procedures have been adopted? 	X			The group have been given details of new code requirements explained in the Capital and Investment Strategy	The Treasury Management Policy Statement to be appended to the annual Capital and Investment Strategy and reviewed by the group
<ul style="list-style-type: none"> Reviewed the robustness of the process for strategy development – for example, whether option appraisals and opportunity costing have been used? 	X			Would be provided when applicable – eg assessment of potential asset investment	
<ul style="list-style-type: none"> Received regular briefings on performance, issues and trends affecting treasury management? 	X			Included as part of economic update section on quarterly report to the group	
<ul style="list-style-type: none"> Reviewed the organisation's risk profile and treasury risks and how these are managed? 	X			Covered in updates and annual training, corporate risk management reviewed by the group, and risks specific to Treasury are included in the strategy and in the Statement of Accounts	

Aspects of delivering effective scrutiny	Yes	No	Partly	Comments/examples	Action plan for improvement or development
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<ul style="list-style-type: none"> Reviewed the role of external advisors and the adequacy of other sources of financial information? 			X	This was discussed at various meetings of the group during 2022/23. It was not recommended at this time to appoint an independent person.	Add to forward plan a report to the group on the topic of appointment of an independent person
<ul style="list-style-type: none"> Reviewed assurances on treasury management, including internal audit reports and management reports? 	X			Management reports on TM and Internal audit reports scrutinised by this group	
<p>During the past year, has the committee scrutinised how effectively decision-making bodies are performing their roles as defined by clauses 2 and 3 in the Treasury Management Code of Practice?</p> <p>For instance, does the committee know whether the nominated body responsible for implementation and monitoring (clause 3) has carried out this role satisfactorily?</p>	X			Full Council receive and approve the Strategy. GSG have delegated authority for reporting and decision making	
Quality of scrutiny					
Is the committee able to demonstrate its effectiveness in providing scrutiny in any of the following ways:					
<ul style="list-style-type: none"> Questioning and constructive challenge? 	X			In quarterly meetings	Raise questions in advance

<ul style="list-style-type: none"> Recommendations for additional actions? 	X			Recommendations are captured in meeting minutes and followed up	
<ul style="list-style-type: none"> Ensuring that adequate plans are in place to provide assurance? 	X			Review of audit plan and management reports	
<ul style="list-style-type: none"> Following up any recommendations or action plans? 	X			As above-separate follow up responses to group	
<ul style="list-style-type: none"> Providing a report to full council on the scrutiny undertaken? 	x			Annual Scrutiny Report to Council	
<ul style="list-style-type: none"> Other examples? 					
Impact of scrutiny					
Is the committee able to demonstrate the impact of undertaking scrutiny?	x			Actions taken forward and implemented-eg Green Investments All members by default have an opportunity to influence strategy through the scrutiny process and/or decision and actions resulting from their debates	Seek suggestions from the group about how we could improve reports

<p>Examples might include the following:</p> <ul style="list-style-type: none"> • Improvements in internal controls as a result of scrutiny of policies and procedures. • Improvements made to reports to make them more understandable. • Members of full council can better understand the risks shaping the organisation’s treasury strategy. 				<p>Reporting on performance follows the prudential code</p>	
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Completion date of assessment: 22/07/2024

Completed by: Cllr D Viridi – Portfolio holder for Finance and Cllr A Edyvene – Chair of Governance Scrutiny Group

 <p>Rushcliffe Borough Council</p>	<p>Governance Scrutiny Group</p> <p>Thursday, 28 November 2024</p> <p>Work Programme</p>
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Report of the Director – Finance and Corporate Services

1. Summary

- 1.1. The work programmes for all Scrutiny Groups are created and managed by the Corporate Overview Group. This Group accepts and considers Scrutiny Matrices from both officers and councillors which propose items for scrutiny. If those items are accepted following discussion at Corporate Overview Group, they are placed on the work programme for one of the Council’s Scrutiny Groups. In creating the work programme for the Governance Scrutiny Group due regard has been given to matters usually reported to the Group, the resources available for scrutiny, and the timing of issues to ensure best fit within the Council’s decision-making process.
- 1.2. The work programme is provided in this report for information only so that the Group is aware of the proposed agenda for the next meeting. The work programme does not take into account any items that need to be considered by the Group as special items. These may occur, for example, through changes required to the Constitution or financial regulations, which have an impact on the internal controls of the Council.

20 February 2025

- Internal Audit Progress Report Q3
- Internal Audit Strategy
- External Annual Audit Plan (May slip to next meeting)
- Risk Management Update
- Capital and Investment Strategy Update Q3
- Capital and Investment Strategy 2025/26
- Work Programme
- Annual Audit Letter and Value for Money Conclusion
- Work Programme

For more information contact:	Peter Linfield Director – Finance and Corporate Services 0115 914 8349 plinfield@rushcliffe.gov.uk
Background papers Available for Inspection:	None
List of appendices (if any):	None

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