

Governance and Audit Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Wednesday, 27 November 2024 at 10.00 am
Council Chamber - South Kesteven House, St. Peter's Hill,
Grantham. NG31 6PZ

Committee Councillor Tim Harrison (Chairman)
Members: Councillor Helen Crawford (Vice-Chairman)

Councillor Bridget Ley, Councillor Charmaine Morgan, Councillor Rob Shorrock, Councillor Peter Stephens, Councillor Paul Stokes, Councillor Mark Whittington and Councillor Sue Woolley

Agenda

This meeting can be watched as a live stream, or at a later date, [via the SKDC Public-I Channel](#)

- 1. Apologies for absence**
- 2. Disclosure of interests**
Members are asked to disclose any interests in matters for consideration at the meeting.
- 3. Minutes of the meeting held on 24 September 2024** (Pages 3 - 12)
- 4. Updates from previous meeting** (Page 13)
To consider updates on Actions agreed at the meeting held on 24 September 2024.
- 5. Internal Audit Progress Report** (Pages 15 - 38)
The report is intended to inform the Governance and Audit Committee of progress made against the 2024/25 internal audit plan.
- 6. Internal Audit Follow Up Report** (Pages 39 - 47)
The Internal Audit Progress Report is intended to inform the Governance & Audit Committee of the status of implementation of recommendations from previous audits.

Published and dispatched by democracy@southkesteven.gov.uk on Tuesday, 19 November 2024.

01476 406080

Karen Bradford, Chief Executive
www.southkesteven.gov.uk

7. **Safeguarding Annual Report 2024** (Pages 49 - 61)
In accordance with Article 10 (Regulatory Framework – xxiii) of the Constitution, this report presents to the Governance and Audit Committee the Annual Report on Safeguarding. The report provides an overview of the Council's involvement in the safeguarding of children, young people and vulnerable adults for 2024

8. **Corporate Plan 2024-27 Key Performance Indicators: 2024/25 Mid-Year (Q2) Report** (Pages 63 - 68)
This report outlines South Kesteven District Council's performance against the Corporate Plan 2024-27 Key Performance Indicators (KPIs) from July-September 2024.

9. **2024-25 Quarter 2 Treasury Management Activity** (Pages 69 - 76)
This Council is required by regulations issued under the Local Government Act 2003 to produce regular reports on treasury and debt management operations during the financial year. This report meets the requirements of the CIPFA Code of Practice on Treasury Management (the Code).

10. **Co-opted Member** (Pages 77 - 89)
This report provides the Governance and Audit Committee with an opportunity to appoint a suitable candidate for the role of External Co-opted Member further to a recommendation by the Council's Employment Committee.

The Committee will be recommended to exclude the press and public during the discussion of this agenda item because of the likelihood that information that is exempt under paragraph 1 of Schedule 12A of the Local Government Act 1972 (as amended) will be disclosed as the information relates to personal information about candidates.

11. **Work Programme 2024-25** (Pages 91 - 93)
To consider the Committee's Work Programme for 2024 – 2025.

12. **Any other business, which the chairman, by reasons of special circumstances, decides is urgent.**

Meeting of the Governance and Audit Committee (Minutes)



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Tuesday, 24 September 2024, 14:00

The Council Chamber, South Kesteven House, St. Peter's Hill, Grantham. NG31 6PZ

Committee Members present	Cabinet Members present
Councillor Tim Harrison (Chairman)	Councillor Ashley Baxter
Councillor Bridget Ley	Councillor Philip Knowles
Councillor Charmaine Morgan	
Councillor Rob Shorrock	
Councillor Peter Stephens	
Councillor Paul Stokes	
Councillor Sue Woolley	
Officers	
Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer.	
Richard Wyles, Deputy Chief Executive, Section 151 Officer	
Tracey Elliot, Governance and Risk Officer	
Phil Swinton, Emergency Planning and Health & Safety Lead	
Ashley McClean, Compliance Officer	
Joshua Mann, Democratic Services Officer	

29. Apologies for absence

Apologies for absence were received from Councillors Helen Crawford and Mark Whittington.

30. Disclosure of interests

No interests were disclosed.

31. Minutes of the meeting held on 16 July 2024

The minutes of the meeting held on 16 July 2024 were proposed, seconded and **AGREED** as a correct record.

32. Internal Audit Progress Report

The report was presented by the internal auditors from BDO. The report sought to inform the Governance and Audit Committee of the progress made against the 2024/25 internal audit plan.

The internal auditor explained that BDO had completed three of the reviews to date. The first of which was not included within the Agenda report pack to the Committee, rather a letter which had been provided to SKDC confirming that independent grant assurance had been given in respect of the Council expenditure incurred for a grant received by the Arts Council.

The remaining two reviews being presented to the Committee were regarding staffing capacity and capability, and the Social Housing Decarbonisation Fund – a scheme implemented aiming to increase the Energy Performance Certificates (EPC) rating of social housing to at least Band C.

Concerning the staffing capacity and capability, the outcome of the review was that the 'Design Opinion' of the current model was rated as 'moderate', and the 'Design effectiveness' was rated as 'substantial'.

Within this review there were several areas of good practice identified; amongst others it highlighted the Workforce Plan, training opportunities, the appraisal process, the Equality Position Statement, and the management forums.

Areas of concern identified within the review were regarding the comprehensiveness of succession plans and emergency cover. The internal auditor invited feedback from Members on how the findings of the audits were presented in the report.

Concerning the Social Housing Decarbonisation Fund, the review rated this as 'moderate' in its 'Design Opinion' and 'Design Effectiveness'.

The review identified that SKDC had 367 properties which had an EPC rating between Bands D-G. For this reason, £7.26 Million had been received by SKDC from the scheme to enable the improvement of these properties EPC ratings. With this funding in mind, the review found the subsequent procurement process for E.ON to be 'robust' and the responsibilities of each party had been 'clearly defined' within the contract. The review highlighted further areas of strength to be effective stakeholder management, efficient analysis of the current housing stock via digital tools, a comprehensive project plan, and sufficient reporting to the Housing Overview and Scrutiny Committee.

Areas of concern identified were the following –

- Gaps in skills and capacity within the existing team,

- Lack of documentation evidencing completed works,
- The suggestion that an invoice had been raised despite the work being delayed.
- Key Performance Indicators (KPIs) had not been identified with E.ON
- Inspection certificates were not retained for any of the ten Phase 1 updates that were reviewed.
- The lack of a formal Tenant Engagement Strategy, as required by the SHDF Wave 2.1 guidance.
- The lack of a Tenant Liaison Officer to manage engagement and communication with tenants.
- Lessons learnt throughout the process were not documented and shared.

For each of the above, a recommendation, management response and responsible officer were identified.

The internal auditor concluded their presentation by providing a sector update. During which they noted that there was to be sector wide changes to all procurement activity once the Procurement Act 2023 was implemented. This is likely to be an area of activity that will be included in the 2025/26 audit plan

Following the internal auditor's presentation, Members made the following comments:

- Whether SKDC were inspecting the work done by E.ON following their completion. The Director of Housing confirmed that SKDC do inspect all works prior to invoices being paid and an audit trail would be kept for this going forward.
- Whether March 2025 was an appropriate timeframe for improvement to be made on the areas of concern raised in the staffing capacity and capability review. The external officer confirmed that they believed this to be a reasonable timeframe.
- When the Homelessness Audit was to be presented. The external officer stated that the estimated timeframe was currently for the meeting scheduled to be held on 27 November.
- A Councillor sought confirmation that a Tenant Liaison Officer had not yet been appointed. The Director of Housing confirmed this but stated that it would be a priority given the new Band Three funding and how well a similar role had worked for the Earlsfield Project.
- Another Councillor requested clarity over the scope of the invoices that were being paid. The Councillor was under the impression that invoices had been raised for committed spending rather than actual spending. The Director of Housing confirmed that the invoices were being raised for actual spending.

Following the discussion, the Chairman confirmed that the report had been duly noted by the Committee.

33. Annual Health and Safety Report 2023/24

The Annual Health and Safety Report 2023/24 was presented by the Cabinet Member for Corporate Governance and Licensing.

Before proceeding the Cabinet Member praised the Emergency Planning and Health and Safety Lead for producing this detailed report and congratulated the officer on his contribution to the Council's response to the flood events that occurred earlier in the year.

The Annual Health and Safety Report 2023/24 summarised that SKDC's overall performance was 'strong with a good level of assurance that key areas have robust policies and procedures with risk mitigation in place.' Notable instances of this were passing an inspection into the use and storage of chemicals with no concerns raised and SKDC's swift response to emergencies as was aptly demonstrated during the instances of flooding.

Despite this, there were other noteworthy aspects of the report such as an increase in accident reports and near miss reporting.

Following the presentation by the Cabinet Member, Committee Members discussed the following:

- Clarity was sought regarding the current number of Fire Wardens and First Aiders. The Emergency Planning and Health and Safety Lead confirmed there to be 43 employees who were currently Fire Wardens and 12 First Aiders. These Fire Wardens were trained and qualified to serve for a period of three years. The officer confirmed this to be sufficient as they had deliberately over-recruited to compensate for the current hybrid/flexi working arrangements. That said, the officer reported that they would be continuing to recruit more.
- A Member asked for reassurance that efforts would be made to co-ordinate the presence of a Fire Warden when Committees were in session. The Member suggested training Democratic Service Officers for this given that their attendance was consistent. It was noted that this was already in place.
- In line with the attention given to Fire Safety wardens, a Member queried whether these individuals were trained to deal with bomb threats. The Emergency Planning and Health and Safety Lead responded that there was a separate procedure for this which is being updated to complement the opening of the new Customer Service Centre.
- The scope of SKDC's health and safety remit and liability was questioned in the context of homeworking. The Emergency Planning and Health and Safety Lead clarified that an accident by a staff member working at home was highly unlikely to be the responsibility of SKDC, however this would be reviewed on a case-by-case basis. However, the officer did acknowledge that SKDC did ask for details on

- staff members homeworking stations to ensure that basic health and safety needs were met and to give advice and support where necessary.
- Given the significant increase in slips, trips, and falls reported, a Member queried whether there had indeed been an increase in these instances, or whether this had been due to an increase in reporting the instances. The Emergency Planning and Health and Safety Lead clarified that the likelihood was a combination of both and pointed out that 23 of these instances were members of the public or theatre performers of which there was no fault of SKDC.
- The Emergency Planning and Health and Safety Lead was asked by a Member to clarify what constitutes as being a genuine 'near miss' within the report. The officer explained that they are taken on a case-by-case basis and reviewed to logically follow the alleged sequence of events or consult any witnesses.
- A Member reiterated the praise towards the Emergency Planning and Health and Safety Lead for the detailed report and the progress made.

Following the discussion, as per the recommendation the Chairman confirmed that the Committee:

- 1. Noted the attached Health and Safety report for the period 2023/24.
- 2. Provided comments or feedback to assist with maintaining the effectiveness of the Council's health and safety arrangements.

34. Strategic Risk Register

The report was presented by the Cabinet Member for Corporate Governance and Licensing. The recommendation of the report was for the Committee to approve the updated and revised Strategic Risk Register.

The Cabinet Member explained that the Strategic Risk Register consisted of 15 strategic risks. The existing key controls of each strategic risk had been assessed for its effectiveness, ie, being effective, partially effective, or not effective. Of the 15 strategic risks, 11 had existing key controls that were classified as being effectively managed and four had some existing controls that were deemed partially effective.

To add context around the controls effectiveness workshop to develop the Strategic Risk Register, a Partner from RSM UK Risk Assurance Services LLP, who had facilitated the workshop, explained how the workshop had been run and that the 15 strategic risks correspond with the Council's corporate priorities.

One Member asked if there was a timeframe for the four strategic risks that included controls deemed partially effective. The Partner explained that the target would be by the end of the financial year 2024/25.

It was proposed, seconded and the Committee **APPROVED** the updated and revised Strategic Risk Register.

35. Treasury Management Activity Updates

The report was presented by the Leader of the Council, covering the following areas:

- A review of debt management operations.
- A review of investment operations.
- An update on the treasury management Prudential Code Indicators.

The Leader confirmed that no additional borrowing had been undertaken during the first quarter of 2024/25 and as of 30 June 2024, SKDC had short-term specified investments of £71.738 Million and £3 Million of non-specified investments. As part of the Treasury Management Strategy, the Prudential Code Indicators for the periods of 2024/25, 2025/26, and 2026/27 were approved by Council in February 2024. All investment activity by SKDC had been sustained within these indicator limits.

During discussions, Members commented on the following:

- The extent to which ethics were considered when investments were made. It was noted that SKDC's investments were made within the bounds of the Environment, Social, and Governance Arrangements (ESG) which was previously approved by Full Council and are incorporated into the Annual Treasury Management Strategy. Investments were made in accordance with the advice of treasury advisors.

Following the discussion, the Chairman confirmed that the report had been duly noted by the Committee.

36. Proposed amendment to the Council's Constitution - method of voting at public meetings

Before presenting the report, the Committee adjourned at 14:55 to allow the electronic voting system within the Council Chamber to be demonstrated to the Committee ahead of a proposal to consider reintroducing its use.

The Committee resumed at 15:03.

The Cabinet Member for Corporate Governance and Licensing presented the report outlining a proposed amendment to the current constitution with a view to allowing voting to be undertaken using the electronic voting system in the Council Chamber.

Following the above demonstration and introduction of the report, Members commented on the following:

- Whether any new system should allow for the public to see how the individual Members of the Committee vote on issues. The IT Manager confirmed that the system being proposed would show the collective votes on screen but not the individual breakdown of how each Member voted. Furthermore, the current system of Members raising their hands was usually not seen by those watching via the livestream as the camera was often on the Chairman during these exchanges.
- The Leader of the Council exclaimed that the proposed system would give definitive results, and the breakdown of an individual Member's vote could be published retrospectively.
- One Member suggested consideration of making all votes recorded.
- Were the proposed system to be implemented, it was noted that Members would have to be disciplined in remaining in the seating plan allocated at the start of the meeting as moving their seats could mean that they vote under the name of a different Member. Comment was also passed that steps needed to be taken to disable other empty seats from voting in the Chamber to prevent any Members from voting from additional seats to their own.
- A Member queried how long it would take to set up the new system in the Chamber for it to be used for each meeting. The IT Manager said that coordinating the seating plan to the Councillor was fairly quick, however, disabling desks would take longer.
- A Member queried whether this proposed voting system would only be used during Full Council or in all Committees. In light of this, the Leader of the Council suggested an amendment to the wording of the original amendment so it would apply to any meeting of 'the Council' rather than 'Full Council'. Therefore, the recommendation to Full Council should be that the relevant section of Council Procedure Rules should read, as follows:

*"Unless otherwise provided by legislation or in these Council Procedure Rules, the vote on any motion or amendment proposed at any meeting of **the** Council shall be taken by means of a show of hands for, against and abstention **or by using the electronic voting system in the Council Chamber. The person presiding the meeting will determine the most appropriate means of facilitating votes**".*

- The Leader of the Council also stated that the proposed voting system would allow for recorded votes to be held more efficiently. However, whilst wishing for transparency, he made the point that there were some circumstances whereby a secret ballot would be appropriate. These included the election of the Chairman of the Council, which should be on an apolitical basis, and sensitive or controversial issues whereby the way in which a Member casts their vote could result in threats to their personal safety. An example on the latter was a vote

held a few years ago in relation to fox hunting. A Member queried how it would be decided if an issue was particularly contentious. It was suggested that this responsibility would sit with the person presiding the meeting.

- Some Members expressed that they would be uncomfortable with giving greater power to the role of Chairman over political matters. They stated that under the current system Members could already speak to the Chairman should they feel uncomfortable about an issue.
- The Leader of the Council suggested trusting the judgement and integrity of the person that was presiding over the meeting to 'read the room.' This sentiment was backed by some Members in attendance.

It was proposed by a Member to incorporate the Leader of the Council's amendment to the original proposal and recommend this to Full Council. This proposal was seconded and the outcome of the vote was a tie. In using his casting vote, the Chairman voted in favour of the proposal and the recommendation to Full Council was **APPROVED**.

Following this approval, the Chairman raised the matter of the voting rights of Co-opted Members on the Governance and Audit Committee as outlined in Article 9 of the Council's Constitution. It was explained, due to the functions discharged by the Committee, that this was inconsistent with the Local Governance and Housing Act 1989 and that externally appointed Co-opted Members should not have voting rights. It was therefore proposed, seconded and **APPROVED**, that Full Council be recommended to correct this aspect of Article 9 of the Constitution and reflect that Co-opted Members on the Governance and Audit Committee do not have voting rights.

37. LeisureSK Limited - Board of Directors

The Cabinet Member for Corporate Governance and Licensing expressed his frustration at the process for approving his permanent appointment to the board of LeisureSK Limited. The Cabinet Member suggested that the decision should be the remit of the Chairman of LeisureSK Ltd. The Monitoring Officer confirmed that appointments of Directors to Council-owned companies fell within the Constitutional remit of the Governance and Audit Committee.

Councillor Philip Knowles, Cabinet Member for Corporate Governance and Licensing, declared an Other Registerable Interest in his capacity as a Director of LeisureSK Ltd and left the Council Chamber for this item.

The Leader of the Council expressed concern about discussing the suitability of individual Councillors and Officers in an open session. The Monitoring Officer agreed and recommended entering into a private session should Members wish to ask questions or pass comments on the matter.

The recommendations within the report, having been proposed and seconded were immediately put to the vote and the appointments, as set out in the report, were **AGREED**.

38. Local Government and Social Care Ombudsman - Annual Review Letter 2023-24

The report was presented by The Cabinet Member for Corporate Governance and Licensing.

The report outlined the Local Government and Social Care Ombudsman Annual Review Letter 2023-24. The recommendation of the report was to note the contents of the letter.

During this period, 19 complaints were received by the Ombudsman. Of these complaints three detailed investigations were undertaken and one complaint was subsequently upheld. However, the Ombudsman was satisfied that the Council had successfully implemented the recommendations regarding the upheld case. Overall, this level of upheld complaints equates to 0.7 per 100,000 residents.

During discussions, Members commented on the following:

- A Member sought clarity regarding the area in which the complaint was upheld. This was confirmed as being Planning Enforcement.
- A Member commented that the graph within the letter was misleading as it appeared that 33 complaints were upheld, which was not the case.

Following the discussion, the Chairman confirmed that the report had been duly noted by the Committee.

39. Work Programme 2024-25

The Deputy Chief Executive and s151 Officer referred to the Statement of Accounts item listed for the November meeting, stating that if they were not to be ready in time then it may be necessary to seek an additional meeting for this item. This will be kept under review.

40. Any other business, which the chairman, by reasons of special circumstances, decides is urgent.

The Chairman consulted the Committee regarding co-opting a member of the public onto the Committee as an external appointee. Article 9 of the Constitution, setting out the Governance and Audit Committee's terms of reference, confirmed that there was provision for such an appointment. The following comments were made as the matter was discussed:

- Clarity regarding the purpose. The Monitoring Officer reported that such appointments were considered good practice from the perspective of political independence, strengthening the committee's skillset and providing continuity outside of election cycles.
- Clarity regarding the length of term. The Monitoring Officer suggested this decision would lie with the Committee upon appointing the individual.
- A Member suggested identifying the skillset of the current Committee. Therefore, the gap in skills could be pursued within the recruitment process and resolved by the appointment.
- Clarity as to whether the individual would be renumerated for the post. The Monitoring Officer confirmed that an allowance was in place for the Standards Independent Persons as part of the Members' Allowances Scheme which would be allocated. He suggested that the Independent Remuneration Panel may wish to review this when it next reviews the Members' Allowances Scheme. The external officer from RSM UK Risk Assurance Services LLP explained that within his experience, having a Co-opted Committee Member has worked well at other local authorities.
- This was supported by comments from other external officers who recognised that having a Co-opted Member had been a recommendation of the Sir Tony Redmond Review, and 40% of Audit Committees in 2020 had Co-opted Members.
- The Leader of the Council queried whether the individual would need to be a qualified accountant. It was advised that this is not a requirement but was often the case, usually a former Chief Finance Officer.

ACTION - The Committee voted in favour of adding the matter to the Action Sheet for the following meeting scheduled to be held on 27 November 2024.

The Chairman closed the meeting at 16:02.

Action Sheet

To provide members with an update on actions agreed at the 24 September 2024 meeting of the Governance and Audit Committee.

Min no.	Agenda Item	Action(s)	Assigned to	Comments/status	Deadline
40	Co-opted Member	The Committee voted in favour of adding to the Work Programme a discussion regarding whether to co-opt an external individual onto the Committee.	Democrats	COMPLETE – on the agenda for the Nov meeting.	

This page is intentionally left blank

INTERNAL AUDIT PROGRESS REPORT

SOUTH KESTEVEN DISTRICT COUNCIL

NOVEMBER 2024

CONTENTS

SUMMARY OF 2024/25 WORK	2
INCOME GENERATION	4
HOMELESSNESS.....	8
BUSINESS CONTINUITY AND DISASTER RECOVERY	13
SECTOR UPDATE	17
KEY PERFORMANCE INDICATORS	21
APPENDIX I	22



SUMMARY OF NOVEMBER 2024/25 WORK

INTERNAL AUDIT

This report is intended to inform the Governance and Audit Committee of progress made against the NOVEMBER 2024/25 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.



INTERNAL AUDIT METHODOLOGY

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report and are based on us giving either 'substantial', 'moderate', 'limited' or 'no'. The four assurance levels are designed to ensure that the opinion given does not gravitate to a 'satisfactory' or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

NOVEMBER 2024 INTERNAL AUDIT PLAN

We have made good progress in the delivery of the NOVEMBER 2024/25 audit plan.

We have completed and are pleased to present the following reports to this Governance and Audit Committee meeting:

- ▶ Homelessness
- ▶ Income Generation
- ▶ Business Continuity and Disaster Recovery.

Planning is underway in respect of the following audits:

- ▶ Council Tax and NNDR
- ▶ Data Protection and FOI, EIR and SAR
- ▶ Main Financial Systems.

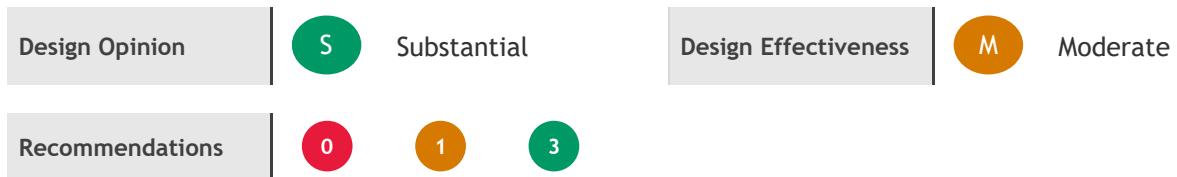
We anticipate presenting these reports at the next Governance and Audit Committee meeting.

REVIEW OF NOVEMBER 2024/25 WORK

AUDIT	EXEC LEAD	GOVERNANCE AND AUDIT COMMITTEE	PLANNING	FIELD WORK	REPORTING	DESIGN	EFFECTIVENESS
Staffing Capacity and Capability	Fran Beckitt	24 September 2024	✓	✓	✓	M	S
Social Housing Decarbonisation Fund	Alison Hall-Wright	24 September 2024	✓	✓	✓	M	M
Art Council Grant Review (3 rd party assurance)	Richard Wyles	24 September 2024	✓	✓	✓	N/A	N/A
Homelessness	Alison Hall-Wright	27 November 2024	✓	✓	✓	M	M
Income Generation	Paul Sutton	27 November 2024	✓	✓	✓	S	M
Business Continuity and Disaster Recovery	Alison Hall-Wright	27 November 2024	✓	✓	✓	M	M
Council Tax and NNDR	Richard Wyles	22 January 2025	✓	✓			
Main Financial Systems	Paul Sutton	19 March 2025	✓				
Data Protection and FOI, EIR and SAR	Graham Watts	19 March 2025	✓				

INCOME GENERATION

SRR REFERENCE:4 - INEFFECTIVE FINANCIAL MANAGEMENT



SCOPE

BACKGROUND

Generating income presents greater challenge and opportunity for local authorities as central government funding reduces. Local authorities receive large proportions of its income through Council tax and national non-domestic rates receipts. However, there are other opportunities to generate income through other services provided to the public, grant income from central government and marketing.

Many authorities are now focussing on how income can be generated from services they already provide by extending them to other interested parties i.e. other local authorities or businesses. With increasing financial pressures, it's crucial for local authorities to explore and optimise income generation opportunities to ensure long-term financial sustainability.

South Kesteven District Council referred to as 'the Council' conduct a review of its fees and charges annually and provide an uplift, where the cost of the service increase at a higher rate, the fee increases should align. There are some fees for statutory services that are set nationally. The Council approved the annual uplift of fees and charges in January 2024 for the new charges to be implemented for the 2024/25 financial year. The areas the Council charge fees for include:

- ▶ Leisure Services and facilities
- ▶ Garden and Business waste collection
- ▶ Planning and building control applications
- ▶ Car parks.

Grants are rewarded to promote specific projects, or investment by local authorities. It is the responsibility of service area leads to identify opportunities to seek external grant funding and prepare the bid submissions. Ahead of submitting the application, the service area leads must seek approval from the CFO per the Council's constitution. If the Council are successfully awarded the grant, approval is required by either the Director, Cabinet or full Council depending on the value of the grant.

In 2023/24, the Council received a total of £3.8m of grant income. The Council have a grant register which records the income received through the year and is monitored by the Accountants.

PURPOSE

The purpose of the audit is to assess whether the Council has controls and procedures in place for generating income, including the setting of fees, benefiting from grant and funding opportunities and maximising marketing and advertising income.

AREAS REVIEWED

As part of the scope of this audit the following areas were reviewed:

- ▶ The Fees and Charges policy to confirm clear and appropriate guidance has been provided regarding the process for calculating fees for services provided by the Council.
- ▶ Interviewed heads of services for Car parks, Waste and Leisure service areas; to confirm the process for reviewing fees and charges are completed annually in advance of the upcoming financial year.
- ▶ The fees and charges uplifts applied across three service areas (for Car parks, Waste and Leisure) to confirm sufficient increases have been made which adequately cover the costs of service provisions.
- ▶ The Constitution to confirm there is an adequate process for seeking external funding to deliver strategic projects.
- ▶ A sample of four grants the Council were successfully awarded in 2023/24 to confirm a strategic approach is in place for submitting the grant and projects aligned to the Council's strategic priorities.
- ▶ Interviewed the Head of Communications to ascertain advertising opportunities which have been taken to support the generation of income at the Council.
- ▶ Quarterly budget reports issued to the Finance and Economic Overview Committee to confirm there is sufficient oversight of income generation activities within the Council.



AREAS OF STRENGTH

We have identified the following areas of good practice:

- ▶ Regular financial monitoring and reporting is in place through the Provisional Outturn Position Reports and quarterly Finance Updates to the Finance and Economic Overview and Scrutiny Committee. These reports provide detailed analysis of variances and appropriate oversight of income generation, with clear review by senior management and members.
- ▶ For certain service areas, particularly Business Waste, there is robust evidence of annual fee reviews with a detailed fee matrix outlining costs for delivering each area of service, ensuring appropriate cost recovery through fees and charges.
- ▶ The Council has implemented effective marketing and communication channels through multiple platforms including press releases, SK Today quarterly publication, and the Onclusive platform which provides analytics on media coverage reach and value. There is regular press releases to promote Council services and projects effectively.
- ▶ The Council demonstrated strong governance around grant funding with clear processes for assessment through the Finance and Economic Overview and Scrutiny committee and approval. Our review of four grants received between April 2023 and April 2024 showed consistent evaluation of alignment with Council priorities, appropriate authorisation obtained, and proper documentation maintained.
- ▶ Grant income is reported at a strategic level providing sufficient oversight on income generating activities within the Council. The reviewed quarterly budget reports issued to the Finance and Economic Overview and Scrutiny Committee in February and July 2024 showed the report provides an update on the income and expenditure across the Council services.



AREAS OF CONCERN

Finding	Recommendation and Management Response
Annual reviews of fees and charges are not consistently performed across all service areas, as testing identified that car parks fees are reviewed on an ad hoc basis rather than annually, and for some services like Leisure and Garden Waste, there was insufficient documentation of	A. In line with Finding two, the Fees and Charging Policy should be shared with all heads of service once it has been finalised. Heads of Service should be clear that the costs should be recovered when completing an uplift on the fees and charges and that

<p>cost analysis to support fee increases (Finding1 - Medium).</p>	<p>sufficient evidence should be retained of the costs to demonstrate this. Where charges are not increased by the cost of providing the service, a subsidy justification form should be completed and approved by an appropriate officer to explain the rationale, i.e. changes in demand, market competition etc.</p> <p>B. Service areas should complete a documented process analysing its cost base for each fee and charge, with demand and usage forecasts, to demonstrate clear justification for the setting of fees and charges. The Finance Team should provide support to service area.</p> <p>C. Develop and introduce a comprehensive, standardised fee-setting template for all service areas to use when reviewing and setting fees. This template should include sections for:</p> <ul style="list-style-type: none"> • Detailed cost analysis. • Benchmarking data. • Inflation consideration. • Demand and utilisation metric. • Justification for proposed changes. <p>D. Trainings and guidance should be provided for all staff involved in the fee-setting process. Training content could include sharing best practices from service areas with robust processes (e.g. Business Waste), addressing common pitfalls and challenges in fee-setting and emphasis on importance of documentation of analysis</p>
--	--

Management Response

Fees and charges are annually reviewed as an integral element of the annual budget setting process and are presented to Council on an annual basis in January of each year. Where the Council has the power to increase charges, any increases proposed are in line with the objectives being sought and therefore Council may decide not to increase charges despite service costs increasing. An example of this is bulky waste service which does not recover its costs, but Council recognises that increases could deter customers from using the service. The Car parking charges have been reviewed but tariffs are set in a manner that stimulate economic behaviour in the towns and

	<p>therefore basing it on a cost analysis only does not take into consideration broader strategic objectives Council is seeking. This is a similar approach to the charges set for Arts Centre activity where there is a level of subsidy on charges in order to generate cultural activities.</p> <p>It is recognised that the Fees and Charges Policy will require a review, and this will be undertaken during 2025/26.</p> <p><u>Responsible Officer and Implementation date</u></p> <p>Paul Sutton, Interim Head of Finance 30 September 2025</p>
--	--



CONCLUSION

We conclude that the Council has a Substantial design of controls and Moderate effectiveness of controls for Income Generation.

Control Design

The Control design is Substantial because the Council has established comprehensive systems of internal controls and processes for managing income generation to achieve objectives. While some documentation updates would be beneficial, core controls are in place including:

- ▶ Multiple marketing channels with demonstrated reach and engagement
- ▶ Established grant funding processes with successful outcomes
- ▶ Strong analytical capabilities of Marketing reach through platforms like Onclusive

Control Effectiveness

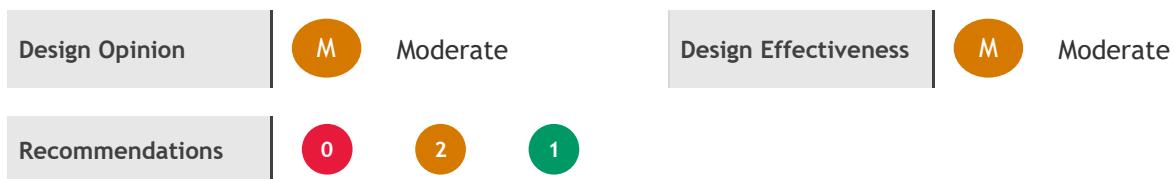
The control effectiveness was Moderate as there are some areas where implementation could be strengthened. This primarily relates to:

- ▶ Variation in cost analysis in fees setting processes across services with some services lacking documented rationale to support price changes.
- ▶ Potential to enhance revenue generation from existing marketing channels
- ▶ Opportunity to formalise grant funding practices

While the review reflects a positive opinion on control design, maintaining consistent application of controls across all services remains important. The recommended improvements will help standardise practices and optimise income generation opportunities.

HOMELESSNESS

SRR REFERENCE: 3- UNABLE TO MAINTAIN AND BUILD QUALITY AND CONSISTENCY IN SERVICE PROVISION BY THE COUNCIL



SCOPE

BACKGROUND

The Housing Act 1996, Homelessness Act 2002, Localism Act 2002, and the Homelessness Reduction Act 2017 place statutory duties on Local Authorities relating to homelessness. As such the Council is required to ensure that advice and assistance is provided to households who are homeless or threatened with homelessness.

Where the Council is satisfied that an applicant is eligible for assistance, unintentionally homeless, and falls with a specified priority need group, the Council has a duty to ensure that suitable accommodation is available for the applicant and his or her household.

The Homelessness Act 2002 requires all local housing authorities to produce a new homelessness strategy no less than every five years, based upon a review of homelessness in their area.

The Council has a Housing Strategy 2020-2024, which outlines the Council's plan to prevent and manage their duties to those who are at risk of or become homeless.

The Council plans to ensure that all residents can access housing which is safe, of good quality, sustainable and suitable for their needs and future generations.

PURPOSE

The purpose of the audit was to provide assurance over how the Council manages its homelessness and temporary accommodation responsibilities and how effective these arrangements are.

AREAS REVIEWED

As part of the scope of the audit we reviewed:

- ▶ The Council's Housing Strategy 2020-2024 to assess whether it provided adequate direction for homelessness prevention and temporary accommodation management and whether the strategy has been approved by members, updated, and complies with best practice.
- ▶ The Lincolnshire Homelessness and Rough Sleeper Strategy 2022-2027 to assess local implementation and alignment with Council objectives.
- ▶ Monthly budget monitoring reports between April 2023 and October 2024 to assess the arrangements for monitoring temporary accommodation costs and budget management and if plans are in place to address any potential forecasted budget overspend.
- ▶ Procedural guidance in place for officers, to ensure it is up to date incorporating any recent changes in legislation, easily available and clearly defines roles and responsibilities.
- ▶ The collaboration approaches that the Council takes both internally and externally and if this aligned with local priorities, community needs, and statutory requirements.
- ▶ Housing Overview and Scrutiny Committee meeting minutes between July 2023 and March 2024 to assess the effectiveness of reporting to senior officers and Members on homelessness cases and costs and whether effective scrutiny is provided.

- ▶ 10 cases of applicants in temporary accommodation between November 2023 and September 2024, focusing on those with longest stays, to assess whether:
 - Initial eligibility criteria was appropriately assessed
 - Cases were regularly reviewed for progression to permanent accommodation
 - Support needs were identified and addressed
 - Actions taken aligned with strategy priorities.
- ▶ Collaboration arrangements between the Homelessness team and other services including:
 - Internal departments (Neighbourhoods and Housing team)
 - External partners (Change 4 Lincolnshire forum).
- ▶ Assessed staff training records to verify appropriate qualifications and ongoing development in handling homelessness applications and supporting vulnerable applicants.
- ▶ Interviewed the Head of Service for Housing regarding budget management and procurement arrangements for temporary accommodation providers.



AREAS OF STRENGTH

We identified the following areas of good practice:

- ▶ Budget monitoring of the Council's expenditure on temporary accommodation is done monthly with budget monitoring reports covering the incoming grant funding and contributions. A yearly assessment of the budget is also conducted at the end of the financial year to determine whether there have been any variances in how the homelessness team have performed. The most recent set of budget notes from the October 2024 meeting stated additional funding was received in October 2024 from Department for Levelling Up, Housing and Communities (DLUHC) with £268,000 in additional funding being provided. The emergency accommodation spend at the current time of the year (October 2024) was noted to be £131,978.71.
- ▶ Proactive budget management is evidenced by the Head of Service for Housing's submission of a revenue budget amendment to increase the emergency accommodation budget by £300,000 for 2024/25, showing forward planning to address identified funding gaps.
- ▶ It was noted from discussing with the Head of Service for Housing that the budget historically has been set at a static level of £200,000 since the Head of Service for Housing has been in post as of the third quarter of the 2020/21 financial year. To counter this for the 2024/25 financial year the Head of Service for Housing has submitted a revenue budget amendment to increase the emergency accommodation budget by £300,000. to avoid a repeat of the 2023/24 financial year. With the budget setting noted above, being proactive in regard to amending the budget shows that the Council are being mindful of any potential amendments or fluctuations in terms of the spend for the homelessness team.
- ▶ The Council has implemented a comprehensive suite of procedural guidance documents covering various aspects of homelessness applications, enabling staff to process different case types consistently, from basic applications to complex cases involving refugees or abuse survivors.
- ▶ Effective multi-agency collaboration is demonstrated through participation in the Change 4 Lincolnshire forum - a partnership between four district councils focusing on sharing best practices.
- ▶ The Council demonstrates good governance through its Housing and Overview and Scrutiny Committee, which provides regular oversight of homelessness services. The Committee meets regularly to review homelessness performance ensuring robust scrutiny of service delivery. The Committee's proactive approach to performance monitoring was demonstrated in its January 2024 meeting where it identified the need to revise performance indicators to better measure service effectiveness, showing commitment to continuous improvement and ensuring appropriate oversight of homelessness services through effective challenge and monitoring arrangements.

► There is strong commitment to staff development through a comprehensive training program seen for the homelessness team. Despite the absence of nationally recognised homelessness training, the Council has implemented a robust internal training framework that includes detailed applications processing and safeguarding training. This ensures staff are equipped to handle complex cases, particularly those involving vulnerable individuals or under-age applicants. There was clear documentation of training completion, with certificates held for all homelessness team members, evidencing Council commitment to maintaining a skilled and competent workforce.

AREAS OF CONCERN	Finding	Recommendation, Management Response, Responsible Officer and Implementation date
	<p>The Council's Housing Strategy 2020-2024 is in the process of being revised however it does not contain Homelessness prevention initiatives, aligned to the Corporate Plan 2024-27 (Finding 1 - Medium).</p>	<p>A. The Director of Housing to ensure in the review of the Housing Strategy for period covering 2024-27 that the objectives for homelessness and temporary accommodation are in place which are linked to the Council's main objectives as part of the corporate plan, these should be specific, measurable and achievable.</p> <p>B. The Head of Service, (Housing) and Safeguarding Lead to develop and implement a local homelessness action plan that identifies area specific risks factors and defined targeted interventions with clear measurable outcomes that align with the Council's overall Housing Strategy and the Lincolnshire Homelessness and Rough Sleeper strategy.</p> <p>Management Response</p> <p>A. I am happy with these recommendations. The housing strategy is being refreshed for the coming years and is currently being worked on so we can take on board this recommendation.</p> <p>B. I feel that a clear action plan as outlined above is a positive thing and can help to demonstrate performance against the housing strategy and the Lincs homelessness and rough sleeper strategy</p> <p>Responsible Officer and Implementation date</p> <p>Sarah McQueen, Head of Service (Housing) and Safeguarding Lead 31 March 2025</p>
	<p>From our sample of 10 cases in temporary accommodation, we noted extended stays in most cases with one case remaining in Council owned temporary accommodation for 301 days before</p>	<p>A. The Head of Service, (Housing) and Safeguarding Lead should ensure that meeting related to the weekly reviewing of outstanding and existing cases is documented and any associated outcomes related to</p>

	<p>moving to permanent accommodation in September 2024 (Finding 2 - Medium).</p>	<p>reviewed cases are included within the case management system.</p> <p>B. The Head of Service, (Housing) and Safeguarding Lead to develop a temporary accommodation cost management action plan that identifies opportunities for reducing expenditure, through measures such as optimising length of stay and exploring alternative housing options. The plan should include specific targets, timelines and monitoring mechanisms to control cost while ensuring continued compliance with statutory homelessness duties, incorporating regular review points to assess effectiveness and value for money of temporary accommodation arrangements.</p> <p><u>Management Response</u></p> <p>A. Again, I agreed with these recommendations. Also, regular meetings regarding those in temporary accommodation placements are being conducted, we need a clear record of these to demonstrate this work. I will implement this immediately.</p> <p>B. An action plan in relation to temporary accommodation is something I want to create. This plan will be heavily focused on prevention with the aim of trying to prevent the placements in the first place.</p> <p><u>Responsible Officer and Implementation date</u></p> <p>Sarah McQueen, Head of Service (Housing) and Safeguarding Lead 31 December 2024 and 31 March 2025</p>
--	--	--



CONCLUSION

We conclude that the Council has a Moderate design of controls and Moderate effectiveness of controls for Temporary Accommodation Management.

Control Design

The control design is Moderate because while the Council has established a system of internal controls, there are some areas requiring improvement. While we acknowledge some factors are influenced by national challenges, these specifically relate to the following findings:

- ▶ The Housing Strategy 2020-2024 requires review and alignment of homelessness prevention initiatives to the Corporate Plan 2024-2027

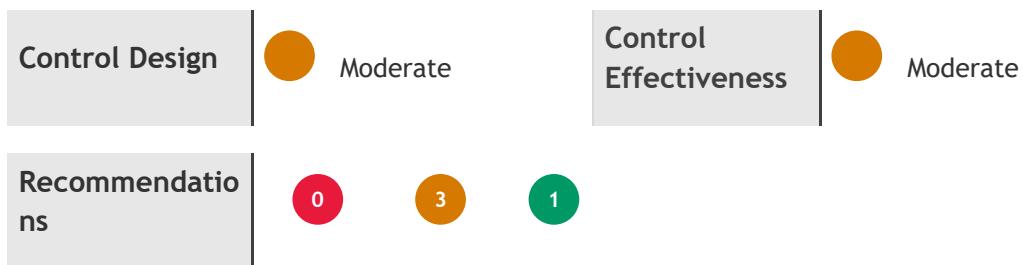
Control Effectiveness

Similarly, the control effectiveness was Moderate as while there are areas of non-compliance, some challenges align with national trends. This opinion was principally driven by the following medium and low findings:

- ▶ Extended stays in temporary accommodation potentially impacting stability, mental health and wellbeing of families and children though often involving complex cases requiring specific requirements and multi-agency support
- ▶ Need to update the procedure documents in line with the system update as well as the need to have a formalised approach for temporary accommodation provision.

BUSINESS CONTINUITY AND DISASTER RECOVERY

SRR REFERENCE 5: UNABLE TO MAINTAIN AND BUILD QUALITY AND CONSISTENCY IN SERVICE PROVISION BY THE COUNCIL.



SCOPE

BACKGROUND

The Civil Contingencies Act 2004 (the Act) delivers a single framework for civil protection in the UK. The Act establishes a clear set of roles and responsibilities for those involved in emergency preparation and response at a local level. The Act divides local responders into two categories, imposing a different set of duties on each.

Those in Category 1 are organisations at the core of the response to most emergencies (the emergency services, local authorities, NHS bodies). Category 1 responders are subject to the full set of civil protection duties.

The Act identifies the Council as a Category 1 responder. As such, they are required to:

- ▶ Assess the risk of emergencies occurring and use this to inform contingency planning.
- ▶ Put in place emergency plans.
- ▶ Put in place business continuity management arrangements.
- ▶ Put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency.
- ▶ Share information with other local responders to enhance co-ordination.
- ▶ Co-operate with other local responders to enhance co-ordination and efficiency.

The Council is part of the Lincolnshire Resilience Forum (LRF), a collective of Category 1 and Category 2 responders within Lincolnshire, including the district Councils, Lincolnshire County Council, emergency services, flood agencies, internal drainage boards and other relevant parties. The LRF helps the Council to coordinate how it responds to an incident and can assist with training and completion of plans.

PURPOSE

The purpose of this review was to provide assurance business continuity and disaster recovery arrangements including:

- ▶ Assessing the availability of a robust, and regularly tested business continuity plan for the Council's critical services and functions.
- ▶ Assessing whether there is sufficient IT disaster recovery plans and the ability to restore critical systems, applications and data in the event of a cyber-attack.

AREAS REVIEWED

The following areas were covered as part of this review:

- ▶ **Business Continuity/ Disaster Recovery Plans** - we reviewed the plans and determined if they appropriately interacted with local service plans and identify

	<p>key aspects of the organisation and the critical systems, whether they could be easily understood and are not unnecessarily complex.</p> <ul style="list-style-type: none"> ▶ Business Impact Analysis - We reviewed what risks have been assessed that could potentially threaten the Council's critical functions, and how the Council's risk registers link to the business continuity/disaster recovery plans in place. ▶ External factors - We reviewed how the Council has ensured that organisations delivering services on their behalf or capabilities which underpin service provision can deliver to the extent required in an emergency. ▶ Training - We assessed the training timetable in place and who has received training in addition to understanding whether it provides the key skills and knowledge required in a crisis. ▶ Exercising - We reviewed the exercising timetable in place and whether timescales are appropriate and whether all parts of the plan are covered. ▶ Reviewing - We looked at how frequently the plans are subject to review and whether they are updated as per an incident that the Council has been involved ▶ Lessons Learnt - We looked at whether there are lessons learnt reports in place in addition to whether any actions have been assigned an owner, have been implemented as per the agreed timescales and action taken where dates have been missed.
--	--

 AREAS OF STRENGTH	<p>During our review, we identified the following areas of good practice:</p> <ul style="list-style-type: none"> ▶ The Council has recorded business continuity risk on the strategic risk register. This is covered in the "Unable to maintain and build quality and consistency in service provision by the Council" risk. Business Continuity Plans are listed as one of the controls to mitigate the risk. ▶ There is an overarching Business Continuity Plan in place for the Council that was last revised in June 2024. The plan sets out a clearly defined plan activation flow chart in addition to the roles and responsibilities of the recovery team. ▶ Critical functions are considered within the BCP plans and is actively taken into consideration as part of the process. This can be seen from the initial BIAs that have been completed as this forms part of the original planning process. The assessment of critical functions consists of Recovery time objectives and Recovery point objectives and assessing the priority of each activity regarding how essential it is to the service. ▶ The Council has a dedicated Business Continuity Steering Group in place who are responsible for monitoring and reviewing strategies, plans, guidance and templates for the Council. The Group has representation from across the Council including the heads of service and the Emergency Planning officers.
--	---

 AREAS OF CONCERN	Finding	Recommendation, Response, Responsible Officer and Implementation date
	<p>The Council currently has a set of 18 Business Impact Assessments (BIAs) in place which are not yet fully formed BCPs for service areas (Finding 1 - Medium).</p>	<p>A. The Council should ensure that the two outstanding BIAs are completed.</p> <p>B. For each identified directorate/service area, management should ensure that a defined and up to date BCP is in place</p>

	<p>that identifies staff responsible for the plan in addition to key areas of vulnerability and defined business impact assessments.</p> <p>C. The Council should revise the Incident Response Plan and ensure that this is kept up to date on a regular basis.</p> <p><u>Management Response</u></p> <p>A. The service areas have been contacted to request that the BIAs are completed as a matter of urgency.</p> <p>B. This has been discussed at the steering group and all BCP's have a deadline of January 2025. A reminder will be sent to all BIA holding service areas following the BC exercise on 25 November 2024.</p> <p>C. The Council will update the Cyber Security Incident Response Plan which will then be reviewed on an annual basis.</p> <p><u>Responsible Officer and Implementation date</u></p> <p>A. Phil Swinton, Health and Safety and Compliance Manager, 30 November 2024</p> <p>B. Phil Swinton, Health and Safety and Compliance Manager, 31 January 2025</p> <p>C. Gary Andrew, IT Services Manager, 30 June 2025</p>
<p>Eight of the Council's BIAs do not confirm whether third parties that the service areas rely on have a corresponding BCP (Finding 2 - Medium).</p>	<p>Within the individual BCPs, management should ensure that any identified activities that depend on a third-party provider have an identified BCP. This should also specify whether the BCP has been tested.</p> <p><u>Management Response</u></p> <p>Third party providers will be contacted by the relevant service areas to request confirmation that they have a BCP and that it has been tested.</p> <p><u>Responsible Officer and Implementation date</u></p> <p>Phil Swinton, Health and Safety and Compliance Manager, 31 January 2025</p>
<p>As the Council is undergoing a revision of their approach to business continuity, the individual plans have not been subject to testing and the lessons learned following an incident have not been included within the action log for the business continuity steering group (Finding 3 - Medium).</p>	<p>A. The Council should develop a dedicated testing schedule which should be monitored by the business continuity steering group. This should prioritise testing for service areas that are identified as being critical (i.e. those services which the Council depends upon). The frequency of testing and the allocation of</p>

		<p>criticality should be reviewed and updated on a regular basis.</p> <p>B. Following the results of a test or an actual incident, lessons learned that would be of benefit to the wider Council should be included within the Business Continuity Steering Group Action log. These actions should be allocated a specific owner and have dedicated implementation dates.</p> <p><u>Management Response</u></p> <p>A. Testing regime has already been created and shared with the BC steering group for approval. As the process is in the middle of a review/ remodel testing cannot take place until the BIAs are completed. The exercise on the 25 November will include critical services areas to ensure those higher risk/ higher demand areas are tested first.</p> <p>B. Debriefs will become a regular feature of any tests or real time incidents.</p> <p><u>Responsible Officer and Implementation date</u></p> <p>Phil Swinton, Health and Safety and Compliance Manager, the testing program is set to run through to 2026 so will be an ongoing matter</p>
--	--	--



CONCLUSION

- ▶ We raised three medium priority recommendation and one low priority recommendations to improve the Council's control arrangements for business continuity and disaster recovery.

Control Design

- ▶ We have concluded moderate assurance for the design of the controls as there is a sound system of internal control designed to achieve system objectives with a few exceptions. This can be seen in the current lack of fully defined BCPs, however we noted that the Council is currently in the process of revising how it conducts business continuity which is expected to be concluded in January 2025.

Control Effectiveness

- ▶ We have concluded moderate assurance for the effectiveness of the controls as some exceptions were identified during the review. This can be seen with the current service area plans not being subject to testing at the time of our review in addition to the lack of consideration in eight of the BIAs for whether BCPs have been accounted for with third party service providers.

SECTOR UPDATE

Our quarterly Local Government briefing summarises recent publications and emerging issues relevant to local authority providers that may be of interest to your organisation. It is intended to provide a snapshot of current issues for Senior management and Members.

THE INTERNAL AUDIT AND RISK AGENDA

2024 looks to be another year of permacrisis with significant geopolitical disruption continuing.

Most of the world's major economies are undergoing elections in the coming year and the conflicts in the Ukraine and the Middle East continue to impact the global economy. Organisations that are only just beginning to recover from the disruption of three years of pandemic face further uncertainty in respect of inflation, interest rates, energy supply costs and talent shortages.

The world is constantly changing and evolving and so an ever-increasing array of challenges will always be heading our way. So how do internal auditors help their organisations 'realise' their potential?

You will have seen the recent announcement from the FRC on the updates to the **UK Corporate Governance code**. It puts the role of Internal Audit as the 'eyes and ears' of an organisation in the spotlight once again - where we will play a critical role providing insight into culture, effectiveness of risk management and controls. Internal Audit is in the privileged position to operate holistically across an organisation and therefore will support Management and the Board in identifying and the ongoing monitoring of those material controls.

The Internal Audit and Risk Agenda sets out some of the key challenges on the horizon that Internal Audit should be considering when thinking about the wider assurance footprint relevant for their organisations.

[The Internal Audit and Risk Agenda - BDO](#)

FOR INFORMATION

For Members of the Audit Committee

AUTUMN BUDGET 2024: OUR EXPERT ANALYSIS

Chancellor Rachel Reeves' Autumn Budget has introduced a £40 billion tax increase, significantly impacting financial planning and operational costs for businesses. Notably, the increase in National Insurance contributions and the potential rise in National Minimum Wage will necessitate a thorough review of financial strategies. It is crucial for finance leaders to evaluate whether their financial controls and operational models are equipped to adapt to these changes.

Our detailed analysis provides insights on navigating these changes and optimising your approach to ensure resilience and compliance.

[Autumn Budget 2024: Get the full analysis](#)

FOR INFORMATION

For the Governance and Audit Committee and Executive Directors

INTERNAL AUDIT AND RISK AGENDA SPOTLIGHT ON

Dive into some of the key risk areas that come up time and time again in our conversations with regulators, professional bodies, and importantly Head of IA & Risk - the topics of AI, Culture and ESG.

In a time of permacrisis, when it is more important than ever to make sure that we are prioritising the things that really matter, and that our finite resources are focused in the right areas, we asked our experts what Heads of Internal Audit should be thinking about.

Culture: Why is Culture important and how does it empower businesses to achieve their strategic goals? The following areas were covered as part of this video:

- What is a Culture audit?
- What would we typically include when we are doing a Culture audit?
- Why is Culture so important?
- What are the benefits of doing a culture audit?
- What is the difference between company culture and auditing risk culture?

[Internal Audit & Risk Agenda Spotlight On: Culture \(youtube.com\)](#)

THE RULES GOVERNING PUBLIC PROCUREMENT ARE CHANGING - THE NEW PROCUREMENT ACT INTRODUCES SEVERAL KEY BENEFITS WHICH ARE DUE TO GO LIVE ON MONDAY 24 FEBRUARY 2025.

One in every three pounds of public money, some £400 Billion a year, is spent on public procurement.

The reforms proposed within the Procurement Act are important, because they will shake up our outdated procurement system, so that every pound goes further for our communities and public services. They will place value for money, public benefit, transparency and integrity at the heart of our procurement system; they will modernise and unify our systems and processes; and they will get tough on the poor performers and fraudsters.

The Act will reform the UK's public procurement regime, making it quicker, simpler, more transparent and better able to meet the UK's needs while remaining compliant with our international obligations. It will introduce a new regime that is based on value for money, competition and objective criteria in decision-making. It will create a simpler and more flexible, commercial system that better meets our country's needs. And it will more effectively open public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts. It will strengthen the approach to excluding suppliers where there is clear evidence of their involvement in Modern Slavery practices, and running throughout each part of the Bill is the theme of transparency. We want to deliver world-leading standards of transparency in public procurement and this Act paves the way for that.

The Transforming Public Procurement programme aims to improve the way public procurement is regulated in order to:

- ▶ Create a simpler and more flexible, commercial system that better meets our country's needs while remaining compliant with our international obligations
- ▶ Open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts
- ▶ Embed transparency throughout the commercial lifecycle so that the spending of taxpayers' money can be properly scrutinised.

The Procurement Bill, which will reform the existing Procurement Rules, has now received Royal Assent. You can view the new Procurement Act on the [UK legislation website](#), and the official record of the Bill's progress through Parliament, with all supporting documents on the [Parliamentary website](#).

<https://www.gov.uk/guidance/the-official-transforming-public-procurement-knowledge-drops>

THE RULES GOVERNING PUBLIC PROCUREMENT ARE CHANGING - THE NEW PROCUREMENT ACT INTRODUCES SEVERAL KEY BENEFITS WHICH ARE DUE TO GO LIVE ON MONDAY 24 FEBRUARY 2025.

FOR INFORMATION

For the Governance and Audit Committee and Executive Directors

THE NEW WORKER PROTECTION ACT & SEXUAL HARASSMENT IN THE WORKPLACE

We explore the introduction of the Worker Protection Act 2023; outlining what the Act is, the intended impact, implications for employers and reasonable steps to addressing the compliance requirements.

We also explore how employers can go beyond compliance to create a psychologically safe and ethical working environment for their people.

The Worker Protection Act 2023 comes into effect in October 2024 and places a legal duty on UK employers to actively prevent and address sexual harassment in the workplace. The Act is an amendment of the 2010 Equality Act and holds employers accountable to "take reasonable steps to prevent sexual harassment of employees in the course of their employment".

Rather than redressing past incidents, the Act will introduce the requirement for employers to take reasonable steps to protect their employees from the occurrence of sexual harassment. This includes when employees are working outside of their normal workplace and at workplace social events which will be considered an extension of the workplace under the Act.

At this time, it isn't clear what these "reasonable steps" will look like. However, as the guidance will introduce a mandate and onus for organisations to define and embed ethical preventative measures into their workplaces to prevent sexual harassment, it will require the urgent proactive assessment of processes, policies and working practices for many UK employers against the new requirements.

The New Worker Protection Act & sexual harassment in the workplace - BDO

FOR INFORMATION

For the Audit and Governance Committee Members and Executive Directors

DISTRICTS WANT COUNCIL TAX FLEXIBILITY, DEVOLUTION AND OTHER POWERS FROM NEW GOVERNMENT

COUNCIL TAX REFERENDUM LIMITS SHOULD BE RAISED TO AT LEAST 10% NEXT YEAR AS A FIRST STEP TO SCRAPPING THEM ALTOGETHER, DISTRICT COUNCILS HAVE SAID.

The measure is part of an ambitious package of proposals aimed at securing the financial sustainability of district councils and giving them the freedom and flexibility to transform local areas.

In a prospectus, the District Council Network is calling for a permanent commitment to multi-year settlements and a radical streamlining of one-off capital and revenue funding pots, with competitive bidding replaced by larger, more flexible sources of funding which maximise local discretion.

All formula-based specific grants should be rolled into the main local government finance settlement, the group says.

It also wants to see greater local control over business rates, with councils retaining 75% of receipts, and local housing authorities handed all additional income generated by the council tax supplement on second homes.

A wider shake-up of fiscal devolution is needed to help districts raise the income needed to regenerate high streets and town centres, it says, and new sources of local revenue such as tourist taxes should be easier to introduce.

The group argues that district councils have taken a disproportionate hit in recent years, with their core spending power having dwindled by 15% in real terms since 2015, compared with an 11% increase for local government.

In response, they had no choice but to deliver 10% in savings and service cuts to balance their budgets last year, it said.

“By forging a strong partnership between district councils and central government, we can secure the long-term sustainability of district funding... and deliver the financial freedoms and flexibilities that will allow districts to respond to the local needs we are uniquely placed to identify,” it said.

Elsewhere in the prospectus, districts set out how they can accelerate the delivery of new homes, boost the supply of social and affordable housing and prevent homelessness.

<https://www.publicfinance.co.uk/news/2024/07/districts-want-council-tax-flexibility-devolution-and-other-powers-new-government>

FOR INFORMATION

For the Governance and Audit Committee and Executive Directors

KEY PERFORMANCE INDICATORS

QUALITY ASSURANCE	KPI	RAG RATING
The auditor attends the necessary, meetings as agreed between the parties at the start of the contract	All meetings attended including Governance and Audit Committee meetings, pre-meetings, individual audit meetings and contract reviews have been attended by either the Partner or Audit Manager	G
Positive result from any external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO were found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards	G
Completion of audit plan	We have completed two reviews and a third-party assurance grant review and are therefore, progressing in accordance with the internal audit plan.	G

DELIVERY	KPI	RAG RATING
Completion of audit plan	Half of the Plan is either at fieldwork, reporting stage or completed. We anticipate 7/9 of the 2024-25 audits to be presented to Audit Committee before January 2025, representing significant progress and likelihood of full completion of the plan by March 2025.	G

APPENDIX I

OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE DEFINITION

RECOMMENDATION SIGNIFICANCE	
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

FOR MORE INFORMATION:

Gurpreet Dulay

Gurpreet.Dulay@bdo.co.uk

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO Member Firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

Copyright ©2024 BDO LLP. All rights reserved.

INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

SOUTH KESTEVEN DISTRICT COUNCIL

39

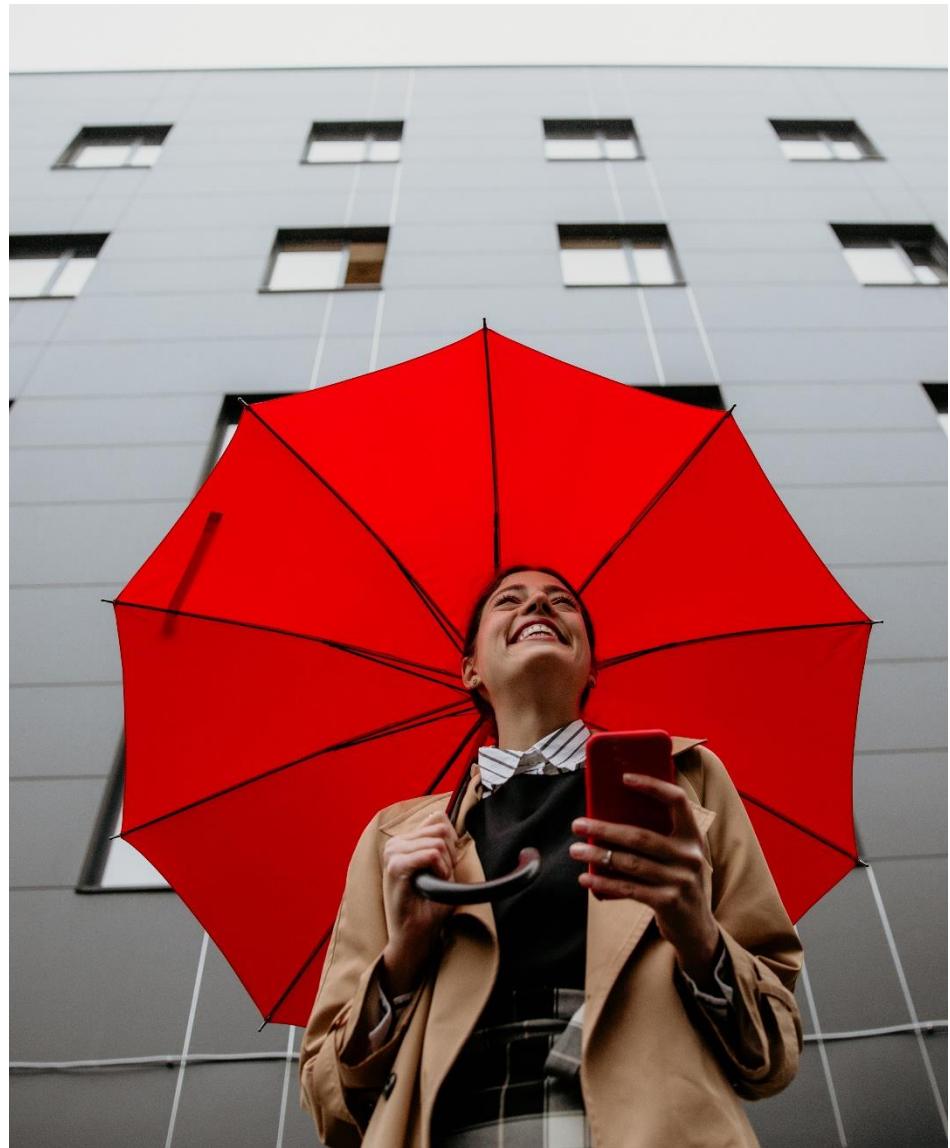
2024/2025



CONTENTS

SUMMARY	2
RECOMMENDATIONS: COMPLETE.....	4
RECOMMENDATIONS: IN PROGRESS.....	7

40



SUMMARY

2023/24	Total Recs	H		M		To follow up	Complete		In progress		Overdue		Not Due	
		H	M	H	M		H	M	H	M	H	M	H	M
Responsive Repairs	10	2	8	10		2	6	-	2	-	-	-	-	-
Total	10	2	8	10		2	6	-	2	-	-	-	-	-

SUMMARY

2023/24

Please find below a summary of the status of implementation of recommendations arising from reports issued in 2024/2025.

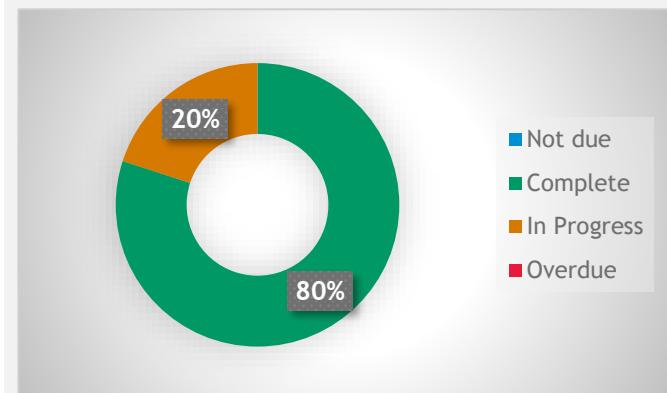
- ▶ Two high and six medium recommendations (Responsive Repairs) have been completed since the previous Audit Committee.
- ▶ Two medium recommendations (Responsive Repairs) are in progress. We have discussed these with the Head of Service (Technical Services) and we obtained evidence of good progress being made to implement them. We will provide an update on these at the next Audit Committee.
- ▶ Overall, all 2023/24 recommendations are complete or in progress, with no recommendations overdue. The Council has performed well in progressing and implementing recommendations agreed in internal audit reports.

42

REQUIRED AUDIT COMMITTEE ACTION:

We ask the Audit Committee to note the progress against the recommendations.

2023 -2024 Cumulative implementation on reports with outstanding recommendations



RECOMMENDATIONS: COMPLETE

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUUE DATE	CURRENT PROGRESS
2023/24					
Responsive Repairs	<p>a) The Council will consider options such as closing all jobs over a particular age and will implement a solution to reduce the high number of open jobs within Northgate. The selected solution will be approved by an appropriate forum within the Council.</p>	High 	Head of Service (Technical Services)	Complete	<p>Management Comments: We have now replaced Northgate system with QL and reconciled Jobs on DRS and QL with duplicates and completed jobs closed. Weekly reports on open jobs are ongoing to monitor status</p> <p>Internal Audit Comments: We obtained these documents and confirmed that this is now completed</p>
	<p>b) The Council will fully review its processes and guidance notes to ensure that there is a clear approach to raising follow on jobs, and that this includes the risk associated with the circumstances identified on the initial visit, as well as any materials required.</p>	High 	Head of Service (Technical Services)	Complete	<p>Management Comments: Guidance notes now produced and issued to the call centre team to ensure clear approach to raising follow on jobs.</p> <p>Internal Audit Comments: We obtained these documents and confirmed that this is now completed</p>
	<p>c) Call Handler Right to Repair Guidance, QL system priorities and the Repairs and Maintenance Policy will all be reviewed to ensure that they are consistent with regards to job priorities. Each job will have its associated priority reviewed in QL prior to system rollout.</p>	Medium 	Head of Service (Technical Services)	Complete	<p>Management Comments: Right to repair guidance now produced and issued. Each job has priority attached as part of QL rollout.</p> <p>Internal Audit Comments: We obtained these documents and confirmed that this is now completed</p>

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUUE DATE	CURRENT PROGRESS
	<p>d) The Council will remind all trade operatives to clearly document any works taken on initial visits, particularly in instances where follow on works is required. This will provide assurance that the property has been made safe as well as providing clarity to job planners regarding the follow-on works required. Guidance documents will be created to support this process.</p>	Medium 	Head of Service (Technical Services)	Complete	<p>Management Comments: Repairs works order form has been updated to specifically ask that the property has been left safe and secure and what work has been completed as well as any health and safety issues to be aware of when booking the follow-on work in.</p> <p>Internal Audit Comments: We obtained these documents and confirmed that this is now completed</p>
	<p>e) The Council will utilise the management information provided by the materials contract, as well as other available data from Northgate and DRS, to create management reports which allow for trend analysis regarding job, operative and trade type level spend. These data points will be monitored over time and exceptions will be reviewed (for example excessively expensive jobs). The Council will also continue to investigate implementation of a more managed van stock approach under Huws Gray, to provide more oversight and control regarding use of materials.</p>	Medium 	Head of Service (Technical Services)	Complete	<p>Management Comments: We use reports provided by Huws Gray each month to analyse spend on individual jobs and with trades operatives, exceptions are pulled out of this report by the Resource and Cost team and queries with Trades Supervisors.</p> <p>Internal Audit Comments: We obtained these documents and confirmed that this is now completed.</p>
	<p>f) Following the reduction of the open jobs backlog, the Council will implement monitoring controls to identify jobs which are breaching agreed turnaround times. Processes will be in place to actively clear these breaching jobs to reduce the risk of the backlog accumulating again.</p>	Medium 	Head of Service (Technical Services)	Complete	<p>Management Comments: A suite of KPIs has been drafted and will be reported against each month by the Repairs Manager and shared with the Head of Service every month to monitor repairs performance and overdue jobs.</p> <p>Internal Audit Comments: We obtained these documents and confirmed that this is now completed</p>

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUe DATE	CURRENT PROGRESS
	<p>g) The Council will implement established KPIs for performance figures relating to repairs, such as the number of open jobs, the success rate with which jobs are being closed in line with the Council targets, and the average costs of repairs. These KPIs will be reported to Housing OSC.</p>	Medium	Head of Service (Technical Services)	Complete	<p>Management Comments: We have introduced a suite of KPI's which are reported to the Head of Service each month and published to the team.</p> <p>Internal Audit Comments: We obtained these documents and confirmed that this is now completed.</p>
	<p>h) The Council will investigate the finding that jobs closed in Northgate as part of the large-scale closedown are still open in DRS, and will seek to understand how this will affect the jobs data being moved into the QL system</p>	Medium	Head of Service (Technical Services)	Complete	<p>Management Comments: Further to the repairs audit the master repairs system has changed from Northgate to QL and this is now live. We are monitoring all open jobs in WIP through our monthly KPI reporting</p> <p>Internal Audit Comments: We obtained the KPI suites and confirmed that this is now completed.</p>

RECOMMENDATIONS: IN PROGRESS

These recommendations have been marked as In Progress as they have not been implemented by their original date, a revised date has been provided.

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUUE DATE	CURRENT PROGRESS
2023/24					
Responsive Repairs	<p>a) The implementation of a programme where 10% of jobs will be formally quality assessed will be implemented within QL. Clear oversight responsibility will be allocated, and there will be an established reporting process for sharing broader trends with the full trades team whilst also providing individual feedback to operatives.</p>	Medium	Head of Service (Technical Services)	30/04/2024 30/11/2024	<p>Management Comments: Our QL system is now set up to produce post inspections and the repairs contact centre team pull these off each week (Monday) and make appointment/book in diaries for Supervisors to carry out inspections. Our IT consultants are developing report to provide us with post inspections results, and this is due by the end of November 2024.</p> <p>Internal Audit Comments: We note the progress of this recommendation and understand the technical requirements has caused a delay in fully completing it. We will follow up in due course.</p>
	<p>b) Management will ensure all guidance on raising repair requests is consistent for tenants and that no outdated contact details remain on the Council website.</p>	Medium	Head of Service (Technical Services)	31/05/2024 31/12/2024	<p>Management Comments: Updated guidance is under review by the Head of Service to wording is appropriate before sending approved changes to senior leadership to make changes to website.</p> <p>Internal Audit Comments: We note the progress of this recommendation. We will follow up in due course.</p>

FOR MORE INFORMATION:

Gurpreet Dulay

Gurpreet.Dulay@bdo.co.uk

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO Member Firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

Copyright ©2024 BDO LLP. All rights reserved.

This page is intentionally left blank



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Governance and Audit Committee

Wednesday, 27 November 2024

Report of Councillor Rhea Rayside
Cabinet Member for People & Communities

Safeguarding Annual Report 23/24

Report Author

Sarah McQueen, Head of Service (Housing Options)

sarah.mcqueen@southkesteven.gov.uk

Purpose of Report

In accordance with Article 9 (Regulatory Framework – xxiii) of the Constitution, this report presents to the Governance and Audit Committee the Annual Report on Safeguarding. The report provides an overview of the Council's involvement in the safeguarding of children, young people and vulnerable adults for 2023/2024

Recommendations

The Committee is recommended to:

1. Note the content of this Safeguarding Annual Report 23/24

Decision Information

Does the report contain any exempt or confidential information not for publication? No

What are the relevant corporate priorities? Effective council

Which wards are impacted? All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 There are no significant financial implications arising directly from this report, which is for noting.

Completed by: Paul Sutton Interim Head of Finance (Deputy s151)

Legal and Governance

- 1.2 There are no significant legal or governance implications arising from this report.

Completed by: Graham Watts, Monitoring Officer

Equalities, Diversity and Inclusion

- 1.3 Equality impact has been analysed as part of the development and implementation of the Safeguarding policy and its associated procedures. Issues of equality and the fair treatment of all individuals regardless of their diversity are addressed throughout these documents.

Completed by: Carol Drury, Community Engagement Manager

Safeguarding

- 1.4 This report provides an update on Safeguarding in line with our Constitution.

Completed by: Sarah McQueen, Head of Housing

2. Background to the Report

- 2.1 The Safeguarding Annual Report 23/24 (attached at Appendix A) is provided to Members in accordance with the Regulatory Framework for the Governance and Audit Committee.

3. Key Considerations

- 3.1 The annual report attached at Appendix 1 provides details of the Council's safeguarding responsibilities. Details of the training and development provided to officers and elected Members is included along with information regarding the number of modules that have been completed during 2023/24. The report outlines the safeguarding interventions undertaken within the timeframe, including short case studies to provide a background to some of the interactions between residents and officers.
- 3.2 Section 5 of the report provides details of the Lincolnshire Safeguarding Children Partnership Section 11 (Children Act 2004) Audit which the Council was required to complete in 2024. The Council passed the audit with 100% of the criteria being rated green.
- 3.3 As a District Council we have a general duty of care and statutory requirements in relation to the safeguarding of both children and adults. In general, our responsibilities are to report incidents or concerns to the responsible authority (Lincolnshire County Council) and to work with other agencies to ensure the welfare of children and vulnerable adults. The Safeguarding Annual Report reflects these duties and highlights how safeguarding is a Council-wide responsibility.

4. Other Options Considered

- 4.1 The report is for information and review

5. Reasons for the Recommendations

- 5.1 To note the Council's involvement in the safeguarding of children, young people and vulnerable adults for 2023/24, in accordance with the Council's Constitution.

6. Appendices

- 6.1 Appendix 1 - Safeguarding Annual Report 2023/24

This page is intentionally left blank

Safeguarding

Annual Report 23/24



**SOUTH KESTEVEN
DISTRICT COUNCIL**

1. Introduction

This report provides an overview of the Authority's safeguarding responsibilities in relation to children, young people and adults at risk of harm.

The Council's policy sets out its commitment to protect: "*children, young people and adults who need safeguarding, including employees, volunteers, apprentices and students; those who use our services or are cared for by others who use our services; and those with whom our staff, elected members, volunteers and key contractors have contact*".

This document further discusses:

1. Our responsibilities as a district council in relation to safeguarding and Prevent
2. Training and development opportunities and outcomes for officers and elected Members
3. Safeguarding Interactions
4. The current position in relation to the Council's submission to the Lincolnshire Safeguarding Children Partnership Section 11 (Children Act 2004) Audit
5. The updated safeguarding arrangements within South Kesteven District Council

2. Responsibilities

2.1 Safeguarding

As a district authority our services are predominantly provided for adults and those who are vulnerable must be protected from harm. This does not mean however that we do not have a legal and moral obligation to safeguard children and young people too. The Council has statutory duties under Section 11 of the Children Act 2004 and Sections 42-45 of the Care Act 2014 to protect individuals from harm and neglect and to co-operate with other agencies.

Our responsibilities for the protection of both children and adults are, in basic terms, the same – to report incidents or concerns to the responsible authority (Lincolnshire County Council) and to work with other agencies to ensure the welfare of children and vulnerable adults.

Safeguarding is the broader term used for the measures available to protect the health and wellbeing of children, young people and vulnerable adults to live free from abuse, harm and neglect.

In terms of the safeguarding of children and young people¹, Lincolnshire has processes for early help and intervention which allow agencies to work together to support families at the earliest possible time. Through early intervention, children can be the subject of a 'Team Around the Child' in which the additional needs of the child and its family are met, with their consent, through a multi-agency approach. Depending on the needs of the family, officers from this Authority will be invited to attend and participate in Team Around the Child meetings.

The statutory guidance that accompanies the Care Act 2014 (the Act) defines adult safeguarding as "protecting an adult's right to live in safety, free from abuse and neglect. It is about people and organisations working together to prevent and stop both the risks and experience of abuse or neglect, while at the same time making sure that the adult's wellbeing is promoted including,

¹ A 'child' is defined as a person who has not yet reached their 18th birthday (including unborn children). In Lincolnshire this definition extends to the age of 25 for people with disabilities.

where appropriate, having regard to their views, wishes, feelings and beliefs in deciding on an action. This must recognise that adults sometimes have complex interpersonal relationships and may be ambivalent, unclear or unrealistic about their personal circumstances”

It is clear from this definition that adult safeguarding has its challenges. The Act is however clear that:

“A local authority² must act when it has ‘reasonable cause to suspect that an adult in its area (whether or not ordinarily resident there):

- has needs for care and support (whether or not the authority is meeting any of those needs)
- is experiencing, or is at risk of, abuse or neglect, and
- as a result of those needs is unable to protect himself or herself against the abuse or neglect or the risk of it”

Adult safeguarding is for people who, because of issues such as dementia, learning disability, mental ill-health or substance abuse have care and support needs that may make them more vulnerable to abuse and neglect.

Safeguarding referrals relating to adults must always be made with the explicit consent of the individual unless gaining consent would put the individual in danger. Referral without consent, in “the best interests” of the individual can also be made if it is assessed that the person lacks the mental capacity (as defined by the Mental Capacity Act 2005) to make an informed decision.

The parameters under which an adult with safeguarding needs is accepted for intervention by social care are, as illustrated, incredibly tight. This often means that those we work with do not meet adult services threshold as they do not have “identified needs of care and support” as defined by the Act. In these instances, officers will look for alternate support through a referral to the Council’s Vulnerable Adults Panel (VAP) to instigate a multi-agency response. If deemed appropriate at the VAP, cases then may be refer through Team Around the Adult (TAA). The management, delivery and administration for the VAP fall within the remit of our housing team, the TAA function is managed by our colleagues at Lincolnshire County Council.

2.3 Prevent

The introduction of the Counter-Terrorism and Security Act in 2015 placed a duty on local authorities (County and District in two tier areas) in all our functions to have “due regard to the need to prevent people from being drawn into terrorism”.

In complying with the duty, we are expected to ensure that our venues and resources do not provide a platform for extremists and are not used to disseminate extremist views. This includes the requirement to reduce “permissive environments” in which radicalisation can potentially take place. The Prevent Duty requires specified local authorities to ensure any IT equipment available to the general public should have filtering solutions that limit access to terrorist and extremist material and to develop of a venue hire policy applicable to all council-owned buildings. A policy relating to venue hire and external speakers has been developed in partnership with agencies within the county’s Prevent Steering Group to meet this element of the Duty.

We are further expected to ensure that organisation’s that work with us are not engaged in any extremist views and, where appropriate, to take the opportunity when new contracts for the

² The Care Act 2014 and the Statutory Guidance refers throughout to the responsibilities of the Local Authority. In a two-tier county the Local Authority refers to the County Council.

delivery of our services are being made to ensure that the principles of the duty are written in to those contracts in a suitable form.

Prevent falls within the safeguarding arena. The grooming of vulnerable individuals susceptible to radicalisation and extreme ideologies is regarded as a safeguarding concern and must be addressed as such. The referral pathways are different, but the principles are the same.

It is essential to know that Prevent operates in the non-criminal space. This means working with individuals who have not yet committed a crime but are susceptible to radicalisation in whatever form that takes. The aim of Prevent is to support such individuals, to divert them away from violent extremism before they commit any criminal acts. Prevent does this through a process called Channel. The process is a multi-agency approach to identify and provide support to individuals who are at risk of being drawn into extremism. Individuals who exhibit concerning behaviour in relation to an extreme ideology can be referred to Channel if they give their explicit consent.

The Authority's Prevent Lead is Carol Drury, Community Engagement Manager who represents the Council on the county's Prevent Steering Group. This statutory group is a partnership of agencies including County and District Councils of Lincolnshire, Police, Health, Fire and Rescue, Higher Education, Schools, Third Sector and the Home Office. The Steering Group works collaboratively to develop the Counter Terrorism Local Profile for Lincolnshire and its accompanying Delivery Plan. The Prevent Lead is also responsible for South Kesteven District Council's contribution to the county's Strategic Risk Register for Prevent. During 2023/24, in-person Prevent training was provided by a Home Office approved trainer. Officers and Members unable to attend any of the in-person sessions can access Home Office Prevent Awareness e-learning. A total of 50 Members attended in person sessions and 336 Officers either attended an in-person session or completed the Prevent Awareness e learning. Further e-learning is also available through the learner management system of the Lincolnshire Safeguarding Children Partnership.

Information requests are received from Police colleagues when an individual is identified in the District as a possible Prevent referral. Across 2023/24, four such requests for information were received. None of the individual's identified met the threshold for intervention through Prevent. Whilst these individuals were not referred through to Channel, they obviously had safeguarding needs. In all instances alternative support, through safeguarding processes, was put in place to meet the needs of these four individuals. Prevent colleagues within Lincolnshire Police also carry out follow up checks with partners 6 months and 12 months after any referral to Channel that doesn't meet the threshold to ensure there is no evidence of change within the individual's situation that would require intervention from Prevent.

3. Training and Development

In South Kesteven District Council, safeguarding training is mandatory for all staff. The level of training required is dependent on the interaction staff members have with our residents. Staff follow either a three-year or a six-year training pathway that contains training relevant to their levels of interaction with children, young people and vulnerable adults. The training is provided to partners of the Lincolnshire Safeguarding Children Partnership and the Lincolnshire Safeguarding Adult Board free-of-charge and is a mix of e-learning, virtual and face-to-face modules. In addition to this training, officers and Elected Members are required to undergo Prevent training to fulfil the requirements of the Local Authority Prevent Duty.

Although this report relates to 2023/24 it is important to note that in May 2024 Council agreed to an amendment to the Constitution that made safeguarding and Prevent training **mandatory** for all Elected Members.

Council also determined that failure to attend training and development sessions within six months of the Council's Annual Meeting, or six months since election to office, would mean a Member would be unable to act on any committees or bodies to which they had been appointed until they had attended all mandatory training and development sessions. Six training sessions relating to safeguarding have been provided since this decision was made. A total of 51 Members had completed the training at 31 October 2024.

398 training modules were completed by officers in 2023/24. A record of the training completed by officers is held centrally. Topics covered are listed in the table below:

A Rough Guide to Not Putting Your Foot in it	Awareness of Private Fostering	Child Exploitation
Child Poverty	Child to Parent/Carer Abuse	Children Who Experience Domestic Abuse
Domestic Abuse - DASH	Domestic Abuse - MARAC and MOP	Domestic Abuse – Short Course
Domestic Abuse - The Importance of Language	Domestic Abuse in Practice	e Safety
Fabricated or Induced Illness	Female Genital Mutilation (FGM)	Friends Against Scams
LGBTQ+ Awareness	Making Safeguarding Personal	Mental Capacity Act
Mental Health Awareness	Missing Children	Modern Slavery and Trafficking
Radicalisation and Extremism	Safeguarding Adults	Safeguarding Children
Safeguarding Everyone in Lincolnshire	Safer Recruitment	Self-Harm
Self-Neglect	Special Educational Needs and Disabilities	Suicide Awareness (Zero Suicide Alliance)
Tackling Exploitation and Modern Slavery	Transition into Adulthood for Care Leavers	Understanding Domestic Abuse
Understanding Parental Relationships	Understanding the Trio of Vulnerabilities	Valuing Care

Further learning is also essential for the Lead and Deputy Safeguarding Officer from Serious Case Reviews (Children), Adult Safeguarding Reviews and Domestic Homicide Reviews. Whilst these types of review do not make for comfortable reading, it is imperative that we take account of lessons learned and implement, where appropriate to the District Council's responsibilities, the recommendations of these reviews.

4. Safeguarding Interactions and Interventions

Whilst there are requirements on us as a district council to have an identified lead for safeguarding it should be acknowledged that there are no safeguarding-specific roles within the Authority. This does not undermine the importance of the safeguarding of individuals from harm and neglect but seeks to highlight the fact that **safeguarding is everyone's responsibility**. Officers from across the Authority have the knowledge, skill and training to identify the potential for harm and to refer individuals to the appropriate support service when a concern is identified. Support for officers and elected Members is available through our Designated Safeguarding Lead Sarah McQueen, Prevent Lead and Deputy Safeguarding Lead, Carol Drury and Deputy Safeguarding Officer, Kati Conway.

Any officer in the course of their duties, or an elected member carrying out their representational role, may witness, or be informed of, an issue that they feel should be referred to Adult or Children's Services. Referrals during this period were made by colleagues in Housing and Neighbourhoods directly to the responsible authority. For 2023/24 a total of 19 referrals were made, of which 8 related to adults and 11 related to children.

Designated officers also attend Multi-agency Child Exploitation (MACE) meetings where cases of missing children and those being criminally or sexually exploited are discussed and partner actions agreed. This could range from providing support to the family to address issues through to agreeing and issuing closure orders on properties to disperse or stop criminal activity from taking place in identified locations. Vetted officers attend Multi-agency Risk Assessment Conferences (MARAC) in relation to high-level domestic abuse cases and any officer working with a child, family or vulnerable adult will attend Team Around the Child, Child in Need, Child Protection Conferences, Vulnerable Adults Panels, Team Around the Adult and Channel meetings on invitation. Officers can instigate Team Around the Child and Team Around the Adult meetings as early interventions within the safeguarding arena. This early intervention is often the level at which officers become involved with individuals thereby allowing for support to be made available in a more preventative manner. These cases rarely require intervention by social workers but could require input from social care (Wellbeing Lincs).

To illustrate the types of interventions carried out by officers during this period, their tenacity in gaining the required outcome and their response to the duty of care we have as a District Authority, here is an example of the in-depth involvement in a case (taken from a case note by one of our officers):

I carried out a visit to xxxxxxxx, Grantham this evening at approx. 21.00hrs. with PC xx.

xxxxxxx (mum) was at the property and came to the upstairs left-hand window and then came downstairs to the front door. When I introduced myself I stated I was there to carry out a welfare check and mum just let us straight in, no questions.

Mum appeared clean and did not appear to be currently under the influence of drugs or alcohol. However, she did appear like she did use substances but I was unable to ascertain whether this was current.

Xxxxx was sitting on the sofa playing on an iPad. Mum said xxxx was in bed, she shouted him from the bottom of the stairs and said he would be asleep.

Xxxxx looked clean, her hair looked washed and she was wearing an 'oodie' which also looked clean. When I spoke to xxxxxx, she said she was alright and continued playing on her iPad throughout our visit.

The living room wasn't filthy, there were a lot of items but Mum explained she had some new furniture but was getting rid of other furniture and items in the living room as she was 'sorting things out'.

The kitchen was very cluttered and had lots of dirty crockery on the sides including in the sink, on the table and the electric hob of the cooker. I could see there was tinned food and cereal in one of the kitchen cupboards. The children had eaten eggs and sausages for tea (from looking at the leftover food it looked like scrambled egg and hotdog sausages).

There were a couple of bags of domestic waste which contained what looked to be food waste in the kitchen – advice was given regarding keeping waste in wheelie bins outside as it wasn't healthy and would attract flies/pests and the dogs (2 small dogs) would be able to get into the bags.

I asked where xxx was, and Mum said with his dad. She also stated he normally went on the weekends but on Tuesday he wasn't back so she called the social worker. Mum did not appear to know the exact whereabouts of xxxx and did not appear concerned.

Mum also said that she believed that this was the reason we were there because her 'ex' said he would do this as revenge. Mum wouldn't go into detail about why the family had a social worker and said we can talk to them, she also said she attends all the meetings. I asked if the children were part of a Child in Need plan but she didn't know what that was. I didn't continue to ask questions about this as xxx was within hearing distance.

Mum showed me a handwritten note dated 28/11/23 from a social worker who had tried to make contact and visit – xxxxx. Contact number on note xxxxxxxxxxx.

Mum said I could contact the social worker.

Talked about the support Mum was receiving and said she knew how to access the food bank (through a work coach and school) I asked if I could make any referrals for support but she didn't want any referrals made for her. She said she had money on her electricity and gas meters and was receiving her universal credit tomorrow (19/01/2024).

Whilst in the kitchen I noticed the ceiling light was rewired to an extension lead, which then connected to another extension lead which went behind the radiator and into a wall socket – photographs taken. Advised she needed to contact her landlord to ensure this was fixed but she said they take a long time to fix things and mentioned another issue in the property which took 6 months to be fixed.

I also advised that I would make contact with the landlord regarding the storage of waste in the property and the light in the kitchen as it was not safe.

From the visit, I did not feel like the children were at imminent risk of harm or danger by being in the property with Mum. The property felt warm and there was some evidence they had eaten and there was other food in the property. I did not go upstairs in the property and I did not think it was proportionate to check on xx as it would be reasonable for a child to be asleep at 9pm on a school night.

I left the property at approx. 21.20hrs

I will attempt to contact the social worker on the number above tomorrow morning and if not successful I will contact the Children's Social Care referral telephone number to provide them with an update.

5. Lincolnshire Safeguarding Children Partnership Section 11 (Children Act 2004) Audit

Section 11 of the Children Act 2004 places duties on a range of organisations and individuals to ensure their functions, and any services that they contract out to others, are discharged having regard to the need to safeguard and promote the welfare of children. Section 11 places a duty on local authorities and district councils that provide children's and other types of services, including children's and adult social care services, public health, housing, sport, culture and leisure services, licensing authorities and youth services,

- Each person and body to whom this section applies must make arrangements for ensuring that: their functions are discharged having regard for the need to safeguard and promote the welfare of children and
- any services provided by another person pursuant to arrangements made by the person or body in the discharge of their functions are provided having regard to that need

Lincolnshire Safeguarding Children Partnership (LSCP) currently undertakes Section 11 audits on a three yearly cycle, South Kesteven District Council was required to complete this audit in 2024. The Section 11 audit in Lincolnshire is a multi-agency process and is undertaken in two stages:

- Self-assessment process – whereby each organisation completes an audit tool under 11 headings, which is further broken down into 40 questions. Each organisation provides an explanation of the services or arrangements in place for each of the questions and provides evidence to prove they fulfil each requirement. A self-assessed grading is given for each question of red, amber or green; where red represents no or inadequate arrangements in place and green represents excellent services.
- Multi-agency peer moderation – once each organisation has uploaded their evidence to the SharePoint, they are assigned a moderator from another Section 11 partner. Moderators scrutinise the evidence submitted and make an assessment of the score which reflects the evidence that has been submitted. In addition, each moderator undertakes a face-to-face visit to the organisation to ensure that what happens in practice supports the strategic assessment.

This audit commenced early 2024 and the Council received the result in August 2024.

The Council passed the audit with 100% of the criteria being rated as green, as agreed with our moderators. This shows that SKDC have the required functions to safeguard children as required by Working Together to Safeguard Children 2023.

6. New Safeguarding Arrangements

As reported in the previous annual update, it was recognised that as a housing authority, most interactions with vulnerable people are carried out by housing colleagues so Sarah McQueen, Head of Housing Service has been appointed as the Council's Designated Safeguarding Lead.

However, as acknowledged, officers from other service areas, particularly Neighbourhoods, Environmental Health and other front-line colleagues also encounter and support vulnerable

people. For this reason, deputy responsibility for safeguarding has now been spread across the organisation with Carol Drury, Community Engagement Manager appointed as Prevent Lead and Deputy Safeguarding Lead and Kati Conway, Senior Neighbourhoods Officer appointed as Deputy Safeguarding Officer.

This page is intentionally left blank



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Governance & Audit Committee

Wednesday, 27 November 2024

Report of Councillor Philip Knowles,
Cabinet Member for Corporate
Governance and Licensing

Corporate Plan 2024-27: Key Performance Indicators Report - Mid-Year (Q2) 2024/25

Report Author

Charles James, Policy Officer

 Charles.James@southkesteven.gov.uk

Purpose of Report

To present the Council's performance against the Corporate Plan 2024-27 Key Performance Indicators (KPIs) for quarter 2 2024/25.

Recommendations

That the Committee:

1. **Reviews and scrutinises the performance against the Corporate Plan Key Performance Indicators in relation to the delivery of the Corporate Plan 2024-27.**

Decision Information	
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective council
Which wards are impacted?	All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

1.1 There are no financial implications arising directly from this report, which is for noting.

Completed by: Paul Sutton Interim Head of Finance (Deputy s151)

Legal and Governance

1.2 Regular monitoring of service area performance by the relevant Committee of the Council is to be welcomed and represents good governance. This report is for noting and there are no significant legal or governance implications arising from the report.

Completed by: Graham Watts, Assistant Director (Governance & Public Protection) and Monitoring Officer

2. Background to the Report

2.1 The Corporate Plan 2024-2027 was adopted by Council on 25 January 2024. It was proposed actions, key performance indicators (KPIs) and targets would be developed by the relevant Member led Committees, which would retain oversight of the performance management arrangements at a strategic level.

2.2 The actions within the remit of this Committee with accompanying measures were presented to and agreed by the Committee on 19 June 2024.

3. Key Considerations

- 3.1 This report is the first of the new reporting cycle, and covers the period July to September 2024 (Quarter 2 2024/25).
- 3.2 Appendix A presents the overall performance against the three actions being presented in this session. Commentary by the responsible officer is provided for each action. Performance is summarised using a RAG system as follows:
- 3.3 Three of the actions are rated Green overall. These are actions which are on or above target as planned.
- 3.4 Zero actions are rated as Amber, these are those off target by less than 10% or where milestone achievement is delayed but with resolution in place to be achieved within a reasonable timeframe.
- 3.5 Zero actions are rated as Red. These are actions that are significantly below target.
- 3.6 The KPIs have been developed in close consultation with the relevant Officers for each service. It is expected that the KPI suite will experience a degree of evolution over the next four years. This improvement will be prompted by the needs of decision makers and the Committees, and further consideration of how to best meet those needs by Officers.

4. Other Options Considered

- 4.1 As Council has agreed the Committees will lead monitoring performance, there are no viable alternatives. An absence of performance arrangements would mean the delivery of the Corporate Plan is unmonitored and prevent continuous improvement. A purely internal KPI suite would prevent effective and transparent scrutiny and accountability.

5. Reasons for the Recommendations

- 5.1 This is a regular report where Members are invited to scrutinise and comment on performance.

6. Appendices

- 5.2 Appendix A – Corporate Plan 2024-27 KPI Report: Governance & Audit Committee Mid-Year (Q2) 2024/25

This page is intentionally left blank

Corporate Plan 2024-27: KPI Summary Report Q2 2024/25 – Governance & Audit Committee							
Index	Priority	Action	Owner	Target/s	Q2 Value	Q2 Status	Manager Commentary
COUN4	Effective Council	Produce and deliver a Councillor Development Strategy and accompanying programme to achieve accredited Councillor Development Charter status.	Assistant Director (Governance & Public Protection) and Monitoring Officer	Strategy scheduled for approval in November 2024	Scheduled for approval by Cabinet in November 2024.	On Target	The first meeting of the Councillor Development Group in September saw the adoption of its terms of reference and endorsement of a draft Councillor Development Strategy. The Councillor Development Strategy was approved by Cabinet in November 2024.
				Achievement of Councillor Development Charter Status (accreditation by end of 2025)	See Commentary	On Target	The collation of evidence required for the East Midlands Councillor Development Charter accreditation continues to be collated and an action plan has been developed to set out timelines attributed to individual elements of the criteria. Having a Councillor Development Group in place, together with a Councillor Development Strategy, places the Council in a positive position with regard to meeting the accreditation criteria
				% of Councillors attending mandatory training	90% (Q1 71%)	Below Target	Mandatory training sessions have been rolled out since 23 May 2024 with a number of refreshers. Councillors have until 23 November 2024 to attend all four mandatory sessions. Attendance at Mandatory training sessions has been relatively high and political group leaders continue to be provided with details of those who are yet to attend.
				% of Councillors with personal development plans	N/A	N/A	Personal Development Plans will be rolled out after the adoption of the Strategy and when deemed necessary by the Councillor Development Group
COUN11	Effective Council	Deliver the Internal Audit Plan and drive continuous organisational improvement.	Risk Officer	Progress on the internal plan - 100% completion of the audit plan by 1st March 2025	On schedule.	On Target	Delivery of audit plan is on track. Three audits were completed in Q2 as planned: the Arts Council Grant, Social Housing Decarbonisation Fund, and Staff Capacity & Capability.

South Kesteven District Council - Appendix A – Corporate Plan 2024-27 KPI Report: Governance & Audit Committee Mid-Year (Q2)
2024/25

Index	Priority	Action	Owner	Target/s	Q2 Value	Q2 Status	Manager Commentary
COUN15	Effective Council	Complaints, Freedom of Information (FOI) and Subject Access Request (SAR) reporting.	Data & Information Governance Officer	*Number of Complaints (% dealt with within defined timescales)	231 received (Q1 201). 85% completed on time (Q1 83%)	On Target	A dedicated complaints administrator has been introduced.
				*Number of FOIs (% dealt with within defined timescales)	60 received (Q1 59) 100% completed on time (Q1 96.12%)	On Target	The Council has exceeded the goal for the first quarter for FOI response times. Service areas are engaging with the information governance team earlier in the process and are providing their responses at a faster rate than before in the majority of cases.
				*Number SARs (% dealt with within defined timescales)	5 received (7 Q1) 100% completed on time (Q1 100%)	On Target	The Council have performed very well in this quarter with a 100% turnaround within 1 calendar month. Service areas have also improved their turnaround time for collating information allowing more time to be sent on checking and redacting documents before release.
				* Stage 1 complaints per quarter with a resolution & Stage 2 resolution Ombudsman determinations against the LA (Housing)	45 received (Q1 37) Stage 1 Resolved 43 (36 on time) Stage 2 Resolved – 1 Ombudsman Determinations Against – 2	On Target	An effective process is in place for Stage 1 and 2 complaints. A complaints review group has been established who review the complaints received and lessons are learnt.
				*Percentage of complaints responded to within target time (Housing)	80% completed on time (Q1 78.37%)	On Target	



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Governance and Audit Committee

Wednesday, 27 November 2024

Leader of the Council and Cabinet
Member for Finance, HR and Economic
Development, Councillor Ashley Baxter

2024-25 Quarter 2 Treasury Management Activity

Report Author

Paul Sutton, Assistant Director of Finance/Deputy Section 151 Officer

paul.sutton@southkesteven.gov.uk

Purpose of Report

This Council is required by regulations issued under the Local Government Act 2003 to produce regular reports on treasury and debt management operations during the financial year. This report meets the requirements of the CIPFA Code of Practice on Treasury Management (the Code).

Recommendations

The is requested to note and approve the contents of the Quarter 2 review of Treasury Management activity for 2024/25.

Decision Information

Does the report contain any exempt or confidential information not for publication?

N

What are the relevant corporate priorities?

Connecting communities
Sustainable South Kesteven
Enabling economic opportunities
Housing
Effective council

Which wards are impacted?

(All Wards);

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The financial implications are included throughout this report.

Completed by: Richard Wyles, Deputy Chief Executive and S151 Officer.

Legal and Governance

- 1.2 This report provides details of the Council's performance in respect of Treasury Management against policy set out as part of the budget and Policy Framework. Members should note the performance and scrutinise any elements to assist the role of the Governance and Audit Committee in its review of the Treasury management Strategy.

Completed by: Graham Watts, Monitoring Officer

Risk and Mitigation

- 1.3 Risk has been considered as part of this report. The treasury strategy has been compiled in conjunction with the Council's treasury advisors and is monitored by the committee on a regular basis.

Completed by: Tracey Elliott, Governance and Risk Officer

2. Background to the Report

- 2.1 Treasury management is the term used to cover the Council's borrowing and investment strategies. The Council has formally adopted the key recommendations of the Chartered Institute of Public Finance and accountancy (CIPFA) Code of Practice on Treasury Management. In line with the code the council has adopted a treasury management policy statement that requires regular reports on treasury and debt management operations during the financial year.
- 2.2 Additionally, under part 1 of the Local Government Act 2003, the Council is required to have regard to the Prudential Code for capital finance including the setting of Prudential Indicators. Relevant treasury management indicators were incorporated

into the Treasury Management Strategy 2024/25 approved by Council on 29 February 2024.

- 2.3. This report is submitted in accordance with these requirements and provides a review of Treasury Management for the period ended 30 September 2024 and reviews current developments. The following elements are covered by the report:
 - A review of debt management operations
 - A review of investment operations
 - An update on the treasury management Prudential Code Indicators
 - An economic Update
- 2.4. The CIPFA Treasury Management panel's view is that Councils should monitor performance on a quarterly basis. In addition to this, a report by the Audit Commission entitled 'Risk and Return' identifies the need for local authorities to report regularly to members in addition to the annual review.

3. Treasury Management Update

Debt Management Operations – Borrowing

- 3.1. No additional borrowing was required during the first half of 2024/25. All current outstanding Council borrowing is with the Public Works Loan Board (PWLB) and the average rate of interest paid on the debt portfolio was 2.49%. Appendix A shows loans outstanding as at 30 September 2024. Regular reviews are undertaken to consider redemption costs of natural maturity against new borrowing to settle the outstanding debt early.
- 3.2. As at 30 September 2024, the Council had short-term borrowing which is defined as borrowing due to be repaid within 365 days, of £3.221m. This will be repaid in instalments of £1.611m on 28 March 2025 and 28 September 2025. The average annual rate of interest of these loan repayments is 3.03%

Investment Operations

- 3.3. The average size of the investment portfolio for the 6-month period was £82.853m compared to an average portfolio size of £76.440m during the same period in 2023/24.
- 3.4. The increase in the portfolio has partly been attributable to additional Government Grants being received during the period and also as a result of capital projects scheduled for the latter half of the financial year.

Investment Activity in the period ended 30 September 2024

- 3.5. The Council operates a diverse portfolio and uses a number of methods to invest its reserves which include direct deposit, certificates of deposit, notice accounts and

money market funds. As at 30 September 2024 the Council held short term investments of £80.61m (specified investments) and £3m (non-specified investments).

- 3.6. The Treasury Management Strategy stipulates that the Council should not ordinarily hold more than 35% of investments as non-specified and this was adhered to during the first half of 2024/25. A schedule of investments at 30 September 2024 is set out at Appendix A.
- 3.7. Short Term Fixed Deposits – in the period ended 30 September 2024, £57m of short-term fixed deposits were placed; £51m of investments matured within this same period.
- 3.8. Long Term Fixed Deposits - In the period ended 30 September 2024, there were no long-term fixed deposits placed and no long-term fixed deposits matured.

Treasury Management Prudential Code Indicators

- 3.9. Prudential Code indicators specific to treasury management are designed to ensure that treasury management is carried out in accordance with professional practice. Indicators for 2024/25, 2025/26 and 2026/27 were approved by Council on 29 February 2024 as part of the Treasury Management Strategy 2024/25.
- 3.10. The 2024/25 indicators and actual figures for the 6 months to 30 September 2024 are set out in Appendix A. All investment activity has been maintained within the indicator limits.

Economic Updates

- 3.11 The key indicator affecting the Council's treasury management is the base rate, which fell from 5% in October to 4.75% in November. Link the Council's Treasury Management providers are predicting a fall to 4.5% by the end of 2024/25.
- 3.12 Inflation will also impact both the base rate and the Council's budgets. CPI fell to 1.7% in September helping trigger the fall in base rate. The Government target for CPI remains at 2%. Links forecast for CPI is 2.8% by the end of the year.

Amendments to the Treasury Management Strategy 2024/25

- 3.13 There are no recommended mid-year policy changes.

4. Key Considerations

- 4.1 These are considered throughout the report.

5. Other Options Considered

- 5.1 None.

6. Reasons for the Recommendations

- 6.1 Committee members should be kept updated on the financial position of the authority.

7. Background Papers

- 7.1 Treasury Management Strategy 2024/25.

[Microsoft Word - Appendix F - 2024-25 Treasury Management Strategy Statement.docx](#)

8. Appendices

- 8.1 Appendix A - Treasury Management Prudential Indicators

This page is intentionally left blank

Appendix 1

Appendix A

Debt Maturity Analysis – Public Works Loan Board as at 30 September 2024

All current external borrowing is classified under the HRA.

Duration	Amount £000
Less than one year	3,222
Between one and two years	3,222
Between two and five years	9,665
Between five and ten years	16,109
Between ten and fifteen years	41,109
Over fifteen years	8,054
Total	81,380

Investment Maturity Analysis – Schedule of Cash Funds

	As at 30 September 2024 £000	Interest Rate %
Short Term Investments		
Aberdeen Standard MMF	5,000	variable
BNP MMF	2,143	variable
CCLA-PSDF MMF	0.467	variable
Federated Prime3 MMF	5,000	variable
Invesco MMF	5,000	variable
LGIM	5,000	variable
Standard Chartered	9,000	4.90
HELABA	2,000	4.79
Goldman Sachs	11,000	5.15
SMBC	5,000	5.03
NatWest Markets	5,000	5.17
Lloyds	4,000	5.21
Santander	10,000	4.95
Local Authorities	8,000	5.44
Newcastle BS	2,000	5.00
Principality BS	2,000	5.07
Total Short-Term	80,610	(average rate) 5.06

Long Term Investments		
CCLA Local Authority Property Fund	3,000	5.21*
Total Long-Term	3,000	(average rate) 5.21

*Dividend yield on Net Asset Value as at 30 September 2024

External Debt Indicators

Authorised Limit

This represents the limit beyond which borrowing is prohibited and needs to be set and revised by members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

Authorised Limit For external debt	2024/25 £000	As at 30 September 2024 £000
Debt (non HRA)	40.000	0.000
HRA Reform	115.000	81,380
Other Long-term liabilities	0.000	0.000
Total	155.000	81,380

Operational Boundary

This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an indicator to ensure the authorised limit is not breached.

Operational Limit for external debt	2024/25 £000	As at 30 September 2024 £000
Debt (non HRA)	22.000	0.0000
HRA Reform	100.000	81,380
Other Long-term liabilities	0.000	0.000
Total	122.000	81,380

Agenda Item 10

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Appendix A

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Appendix B

Document is Restricted

This page is intentionally left blank

Appendix C

Document is Restricted

This page is intentionally left blank

Governance and Audit Committee Work Plan 2024-2025

Committee Membership:

Chairman: Councillor Tim Harrison

Vice-Chairman: Councillor Helen Crawford

Item	Current Issues/Status	Outcome Sought
27 November 2024		
Internal Audit Progress Report / Internal Audit Follow Up Report	Update from the Council's Internal Auditors	To review and note the contents of the report
Safeguarding Report 2023/2024	An overview of the Council's involvement in the safeguarding of children, young people and vulnerable adults for 2023/2024.	To review and note the contents of the report.
Mid-Year KPIs (Q2 2024/25)	To provide an update on the Council's Mid-Year (Q2 2024/25) performance against the Corporate Plan 2024-27 KPIs.	For the consideration of the Committee.
Q2 Treasury Management Report	Update on treasury and debt management operations during the financial year.	To review and note the contents of the report.
Co-opted Member	Consideration of whether to co-opt an external individual onto the Governance & Audit Committee.	For the consideration of the Committee.
19 December 2024		
ISA 260 Report	Report by the Council's External Auditors outlining the key findings arising from the statutory audit of South Kesteven District Council.	To review and note the contents of the report.
Statement of Accounts 2023/2024	To be approved each year by the statutory deadline.	To approve the 2023/2024 Statement of Accounts and their publication on the Council's website.

Item	Current Issues/Status	Outcome Sought
Annual Governance Statement	To consider the Draft Annual Governance Statement for 2023/2024	To consider approving the Draft Annual Governance Statement for 2023/2024
22 January 2025		
Internal Audit Progress Report	Update from the Council's Internal Auditors	To review and note the contents of the report
Indicative Internal Audit Plan 2025/2026	Internal Audit to present the indicative Internal Audit Plan for 2025/2026.	To review and note the contents of the report.
Treasury Management Activity Updates	Update on treasury and debt management operations during the financial year.	To review and note the contents of the report.
Treasury Management Strategy	Monitor the Council's Treasury Management Strategy.	Monitor, review and amend as appropriate.
Risk Management Annual Report 23/24	The Annual Report on Risk Management Procedure and Policy.	To review and note the contents of the report.
Risk Management Framework 2024/2026	A presentation of the Risk Management Framework 2024/2026	To review and note the contents of the report.
19 March 2025		
Internal Audit Progress Report	Update from the Council's Internal Auditors	To review and note the contents of the report
Annual Report on Grants and Returns	To review activity from grants and returns for the year.	To review and note the contents of the report.
Indicative Internal Audit Plan 2025/2026	Internal Audit to present the indicative Internal Audit Plan for 2025/2026.	To agree the Plan for 25/26

Item	Current Issues/Status	Outcome Sought
Statement of Accounting Policies	Annual report prior to the preparation of the Statement of Accounts to ensure that the policies are up to date and in line with the CIPFA Code of Practice.	To consider approving the Statement of Accounting Policies.
Strategic Risk Register	The Strategic Risk Register is presented to the Committee bi-annually as part of the monitoring and review of the risk management arrangements.	To review and consider approving the Strategic Risk Register.
Review of RIPA Programme	Annual review of RIPA activity	To review and note the contents of the report.
Items to be allocated as and when required		
Financial Regulations		
Constitutional Amendments		
Code of Corporate Governance		
Code of Conduct		
Contract Procedure Rules		
Risk Management Framework		
Committee Members Meeting with Auditors		
Counter Fraud Framework		
Review of Subject Access Requests		

This page is intentionally left blank