
Enquiries to Democratic Services
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Date: 1st November 2024

Our Ref: MM

Dear Sir/Madam,

A meeting of the **AUDIT & STANDARDS COMMITTEE** will be held in the Council Chamber, Town Hall, Nuneaton, on **Tuesday, 12th November 2024** at **6.00pm**

Yours faithfully,

TOM SHARDLOW

Chief Executive

To: All Members of the
Audit & Standards
Committee

Councillors J. Bonner (Chair), D. Brown
(Vice-Chair), T. Cooper, L. Cvetkovic,
B. Hancox, J. Hartshorn, W. Markham,
K. Price, B. Saru, C. Smith and M. Wright.

A G E N D A

PART I - PUBLIC BUSINESS

1. ANNOUNCEMENTS

To advise the meeting participants of the procedure that will be followed by the Members of the committee.

A fire drill is not expected, so if the alarm sounds please evacuate the building quickly and calmly. Please use the stairs and do not use the lifts. Once out of the building, please gather outside Lloyds Bank on the opposite side of the road.

Exit by the door by which you entered the room or by the fire exits which are clearly indicated by the standard green fire exit signs.

If you need any assistance in evacuating the building, please make yourself known to a member of staff.

Please also make sure all your mobile phones are turned off or set to silent.

2. APOLOGIES - To receive apologies for absence from the meeting.

3. MINUTES – To confirm the minutes of the meeting of the Audit and Standards Committee held on 10th September 2024, attached (**Page 5**) and the Extraordinary meeting of the Audit and Standards Committee held on 8th October 2024 (**Page 9**).

4. DECLARATIONS OF INTEREST

To receive declarations of Disclosable Pecuniary and Other Interests, in accordance with the Members' Code of Conduct.

Declaring interests at meetings

If there is any item of business to be discussed at the meeting in which you have a disclosable pecuniary interest or non-pecuniary interest (Other Interests), you must declare the interest appropriately at the start of the meeting or as soon as you become aware that you have an interest.

Arrangements have been made for interests that are declared regularly by members to be appended to the agenda (**Page 12**). Any interest noted in the Schedule at the back of the agenda papers will be deemed to have been declared and will be minuted as such by the Committee Services Officer. As a general rule, there will, therefore, be no need for those Members to declare those interests as set out in the schedule.

There are, however, TWO EXCEPTIONS to the general rule:

1. When the interest amounts to a Disclosable Pecuniary Interest that is engaged in connection with any item on the agenda and the member feels that the interest is such that they must leave the room. Prior to leaving the room, the member must inform the meeting that they are doing so, to ensure that it is recorded in the minutes.
2. Where a dispensation has been granted to vote and/or speak on an item where there is a Disclosable Pecuniary Interest, but it is not referred to in the Schedule (where for example, the dispensation was granted by the Monitoring

Officer immediately prior to the meeting). The existence and nature of the dispensation needs to be recorded in the minutes and will, therefore, have to be disclosed at an appropriate time to the meeting.

Note: Following the adoption of the new Code of Conduct, Members are reminded that they should declare the existence and nature of their personal interests at the commencement of the relevant item (or as soon as the interest becomes apparent). If that interest is a Disclosable Pecuniary or a Deemed Disclosable Pecuniary Interest, the Member must withdraw from the room.

Where a Member has a Disclosable Pecuniary Interest but has received a dispensation from Audit & Standards Committee, that Member may vote and/or speak on the matter (as the case may be) and must disclose the existence of the dispensation and any restrictions placed on it at the time the interest is declared.

Where a Member has a Deemed Disclosable Interest as defined in the Code of Conduct, the Member may address the meeting as a member of the public as set out in the Code.

Note: Council Procedure Rules require Members with Disclosable Pecuniary Interests to withdraw from the meeting unless a dispensation allows them to remain to vote and/or speak on the business giving rise to the interest.

Where a Member has a Deemed Disclosable Interest, the Council's Code of Conduct permits public speaking on the item, after which the Member is required by Council Procedure Rules to withdraw from the meeting.

5. PUBLIC CONSULTATION - Members of the Public will be given the opportunity to speak on specific agenda items, if notice has been received.

Members of the public will be given three minutes to speak on a particular item and this is strictly timed. The chair will inform all public speakers that: their comments must be limited to addressing issues raised in the agenda item under consideration: and that any departure from the item will not be tolerated.

The chair may interrupt the speaker if they start discussing other matters which are not related to the item, or the speaker uses threatening or inappropriate language towards Councillors or officers and if after a warning issued by the chair, the speaker persists, they will be asked to stop speaking by the chair.

The chair will advise the speaker that, having ignored the warning, the speaker's opportunity to speak to the current or other items on the agenda may not be allowed. In this eventuality, the chair has discretion to exclude the speaker from speaking further on the item under consideration or other items of the agenda.

6. STATEMENT OF ACCOUNTS 2021/22 – a report of the Strategic Director – Corporate Resources (report to follow).
7. VALUE FOR MONEY AUDIT 2021/22 AND 2022/23 - a report of the Strategic Director – Corporate Resources (report to follow).
8. INTERNAL AUDIT PLAN 2024-25 – a report of the Head of Audit and Governance, attached (**Page 14**).

9. INTERNAL AUDIT HALF YEARLY REPORT - a report of the Head of Audit and Governance, attached (**Page 19**).
10. LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REPORT – a report of the Customer Experience and Data Protection Officer, attached (**Page 33**).
11. THE TREASURY MANAGEMENT 2024/25 MID-YEAR REVIEW - a report of the Finance Manager – Treasury (report to follow).
12. REMOVAL OF ELECTED MEMBERS FROM GRAYSON PLACE (NBBC) LIMITED AND NABCEL DIRECTORSHIP ROLES – a report of the Constitution Review Working Party, attached (**Page 37**).
13. RECOMMENDATIONS FROM THE CONSTITUTION REVIEW WORKING PARTY - REMOVAL OF APPEAL COMMITTEE ON THE DISMISSAL OF EMPLOYEES – a report of the Assistant Director – Democracy & Governance and Monitoring Officer, attached (**Page 42**).
14. RECOMMENDATIONS FROM THE CONSTITUTION REVIEW WORKING PARTY - CHANGES TO THE DELEGATIONS OF THE ASSISTANT DIRECTOR OF PLANNING - a report of the Assistant Director – Democracy & Governance and Monitoring Officer, attached (**Page 47**).
15. REVIEW OF THE REGISTER OF MEMBERS' INTERESTS AND GIFTS AND HOSPITALITY REGISTERS 2023- 2024 – a report of the Monitoring Officer, attached (**Page 54**).
16. ANY OTHER ITEMS - which in the opinion of the Chair should be discussed as a matter of urgency because of special circumstances (which must be specified).

NUNEATON AND BEDWORTH BOROUGH COUNCIL

AUDIT & STANDARDS COMMITTEE

10th September 2024

A meeting of the Audit & Standards Committee was held on Tuesday, 10th September 2024 in the Council Chamber, Town Hall, Nuneaton.

Present

Councillor J. Bonner – Chair

Councillors: T. Cooper, L. Cvetkovic, B. Hancox, W. Markham, B. Saru, C. Smith and M. Wright.

Apologies: D. Brown (Vice-Chair).

PART I – PUBLIC BUSINESS

ASC11 **Minutes**

RESOLVED that the minutes of the Audit and Standards Committee meeting held on 2nd July 2024 be approved and signed by the Chair.

ASC12 **Declarations of Interest**

Councillor C. Smith declared that he is no longer a member of Nuneaton RFC.

RESOLVED that the declarations of interest are as set out in the Schedule attached to these minutes, with the addition of the change to Declarations of Interests for Councillor C. Smith

ASC13 **Annual Governance Statement 2023-2024**

A Report of the Assistant Director – Governance and Democracy to present the findings of an assessment of Nuneaton and Bedworth Borough Council's corporate governance framework as presented in the Annual Governance Statement.

Public Speakers: **Mr P. Smith**
 Mr K. Kondakor
 Councillor M. Kondakor

RESOLVED that

- a) the findings of the review of corporate governance and internal control as set out in the Annual Governance Statement be considered; and
- b) the Annual Governance Statement be approved.

ASC14 **Recommendations from the Constitution Review Working Party**

A Report of the Monitoring Officer gave Members the opportunity to consider and approve the recommendations from the Constitution Review Working Party and recommend changes to the Constitution.

Public Speakers: **Mr P. Smith**
 Mr K. Kondakor
 Councillor M. Kondakor

RESOLVED that

- a) the recommendations as set out in the report and appendices be approved; and
- b) IT BE RECOMMENDED TO COUNCIL that the Constitution be amended accordingly.

ASC15 **Treasury Management 2024/25 – Quarter 1 Review**

The Finance Manager – Treasury provided a report which advised Members of the Council’s treasury position as at 30th June 2024.

Public Speakers: **Mr P. Smith**
 Mr K. Kondakor
 Councillor M. Kondakor

RESOLVED that

- a) the report be noted; and
- b) IT BE RECOMMENDED TO COUNCIL that the Treasury Management Report for 2024/25 Quarter 1 be noted.

ASC16 **Exclusion of the Public and Press**

Public Speaker: **Mr K. Kondakor**

RESOLVED that under section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following item, it being likely that there would be disclosure of exempt information of the description specified in paragraph (i) and (ii) of Part I and II of Schedule 12A to the Act.

PART II – EXEMPT ITEM/S

ASC17 **Overview of Member Complaints - Update**

The Monitoring Officer presented an update on the overview report given to the Committee on 2nd July 2024 in respect of complaints against former members.

RESOLVED that the complaints against former members referred to in Appendix A of the report be closed and no further action be taken.

Chair _____

Audit and Standards – Schedule of Declarations of Interests – 2024/2025

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	General dispensations granted to all members under s.33 of the Localism Act 2011			Granted to all members of the Council in the areas of: <ul style="list-style-type: none"> - Housing matters - Statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992 - An allowance, payment given to members - An indemnity given to members - Any ceremonial honour given to members - Setting council tax or a precept under the Local Government Finance Act 1992 - Planning and Licensing matters - Allotments - Local Enterprise Partnership
	J. Bonner	Employed by Etone College (Matrix Academy Trust) - Teacher	The Labour Party (sponsorship) Member of: - The Labour Party - National Education Union	
	D. Brown	Employed by H.M Land Registry	Regional Coordinator, Ragdoll Rescue Charity	
	T. Cooper			
	L. Cvetkovic	Head of Geography (Teacher), Sidney Stringer Academy, Coventry	The Bulkington Volunteers (Founder); Bulkington Sports and Social Club (Trustee) Member on the following Outside Bodies: - Building Control Partnership Steering Group	
	B. Hancox		The Labour Party (sponsorship) Member of: - The Labour Party - Unite the Union - British Gurkha Veterans Association (Adviser) Representative on the following Outside Bodies: - Nuneaton Festival of Arts - Bedworth Neighbourhood Watch Committee - Nicolas Chamberlaine's School Foundation	
	J. Hartshorn	Employed by Asda Nuneaton	Member of Nuneaton Conservatives	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	W. Markham		Governor at Ash Green School for SEND Member of Unite Union	
	K. Price	Warwickshire County Council	The Labour Party Unite the Union BASW Social Work England Registration	
	B. Saru	- Director – Saru Embroidery Ltd - Co-founder and Owner – Fish Tale Ale Beer	- Labour Party (sponsorship) - Chair of the British Gurkha Veterans Association Representative on the following Outside Bodies: - Armed Forces Covenant	
	C. Smith	Software Engineer – Prophet PLC	- Member of Labour Party and Unite - Member of Nuneaton RFC - Safeguarding – Manor Park RFC Representative on the following Outside Bodies: - Astley Charity	
	M. Wright			

NUNEATON AND BEDWORTH BOROUGH COUNCIL

AUDIT & STANDARDS COMMITTEE

8th October 2024

An extraordinary meeting of the Audit & Standards Committee was held on Tuesday, 8 October 2024 in the Council Chamber, Town Hall, Nuneaton.

Present

Councillor J. Bonner – Chair

Councillors: D. Brown (Vice-Chair), L. Cvetkovic, B. Hancox, J. Hartshorn, B. Saru, C. Smith, M. Wright and C. Phillips (substitute for W. Markham).

Apologies: Councillor W. Markham

PART I – PUBLIC BUSINESS

ASC18 **Declarations of Interest**

Councillor J. Bonner declared that he had moved house and would be updating his Declarations of Interest form accordingly.

Councillor D. Brown declared that he had been retained as a Trustee of the Exhall Education Foundation charity.

As Councillor C. Phillips was a substitute Councillor for this meeting, her Declarations of Interest were not detailed in the schedule attached to the agenda, but are available to view on the NBBC website.

RESOLVED that the Declarations of Interest for this meeting are as set out in the schedule attached to these minutes, with the addition of the interests specified for Councillors J. Bonner, D. Brown and C. Phillips.

ASC19 **Audit Plan 2023/24**

A Report of the Strategic Director – Corporate Resources gave the Panel an opportunity to consider the audit plan for the Statement of Accounts for 2023/24.

**Public Speakers: Mr K. Kondakor
Councillor M. Kondakor**

RESOLVED that

- a) the detail contained within the plan be noted;
- b) an update from the previous and current External Auditors be given at the next Audit and Standards Committee meeting;
- c) an update from NBBC Finance be provided, giving an update on the current situation, progress and the likelihood of the Council meeting the December audit deadline; and
- d) a representative from the current External Auditors and NBBC Finance be in attendance at the next Audit and Standards Committee meeting.

Chair _____

Audit and Standards – Schedule of Declarations of Interests – 2024/2025

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	General dispensations granted to all members under s.33 of the Localism Act 2011			Granted to all members of the Council in the areas of: <ul style="list-style-type: none"> - Housing matters - Statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992 - An allowance, payment given to members - An indemnity given to members - Any ceremonial honour given to members - Setting council tax or a precept under the Local Government Finance Act 1992 - Planning and Licensing matters - Allotments - Local Enterprise Partnership
	J. Bonner	Employed by Etone College (Matrix Academy Trust) - Teacher	The Labour Party (sponsorship) Member of: <ul style="list-style-type: none"> - The Labour Party - National Education Union 	
	D. Brown	Employed by H.M Land Registry	Regional Coordinator, Ragdoll Rescue Charity	
	T. Cooper			
	L. Cvetkovic	Head of Geography (Teacher), Sidney Stringer Academy, Coventry	The Bulkington Volunteers (Founder); Bulkington Sports and Social Club (Trustee) Member on the following Outside Bodies: <ul style="list-style-type: none"> - Building Control Partnership Steering Group 	
	B. Hancox		The Labour Party (sponsorship) Member of: <ul style="list-style-type: none"> - The Labour Party - Unite the Union - British Gurkha Veterans Association (Adviser) Representative on the following Outside Bodies: <ul style="list-style-type: none"> - Nuneaton Festival of Arts - Bedworth Neighbourhood Watch Committee - Nicolas Chamberlaine's School Foundation 	
	J. Hartshorn	Employed by Asda Nuneaton	Member of Nuneaton Conservatives	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	W. Markham		Governor at Ash Green School for SEND Member of Unite Union	
	K. Price	Warwickshire County Council	The Labour Party Unite the Union BASW Social Work England Registration	
	B. Saru	- Director – Saru Embroidery Ltd - Co-founder and Owner – Fish Tale Ale Beer	- Labour Party (sponsorship) - Chair of the British Gurkha Veterans Association Representative on the following Outside Bodies: - Armed Forces Covenant	
	C. Smith	Software Engineer – Prophet PLC	- Member of Labour Party and Unite - Safeguarding – Manor Park RFC Representative on the following Outside Bodies: - Astley Charity	
	M. Wright			

**Audit and Standards –
Schedule of Declarations of Interests – 2024/2025**

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	J. Bonner	Employed by Etone College (Matrix Academy Trust) - Teacher	The Labour Party (sponsorship) Member of: - The Labour Party - National Education Union	
	D. Brown	Employed by H.M Land Registry	-Regional Coordinator, Ragdoll Rescue Charity. -Trustee of the Exhall Education Foundation Charity	
	T. Cooper			
	L. Cvetkovic	Head of Geography (Teacher), Sidney Stringer Academy, Coventry	The Bulkington Volunteers (Founder); Bulkington Sports and Social Club (Trustee) Member on the following Outside Bodies: - Building Control Partnership Steering Group	
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	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	J. Hartshorn	Employed by Asda Nuneaton	Member of Nuneaton Conservatives	
	W. Markham		Governor at Ash Green School for SEND Member of the following bodies: - Unite Union - Free Speech Union - Exhall Multicultural Group	
	K. Price	Warwickshire County Council	The Labour Party Unite the Union BASW Social Work England Registration	
	B. Saru	- Director – Saru Embroidery Ltd - Co-founder and Owner – Fish Tale Ale Beer	- Labour Party (sponsorship) - Chair of the British Gurkha Veterans Association Representative on the following Outside Bodies: - Armed Forces Covenant	
	C. Smith	Software Engineer – Prophet PLC	- Member of Labour Party and Unite - Safeguarding – Manor Park RFC Representative on the following Outside Bodies: - Astley Charity	
	M. Wright			

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 12th November 2024

From: Head of Audit and Governance

Subject: Internal Audit Plan 2024-25

1. Purpose of the Report

- 1.1 The purpose of this report is for the Committee to agree proposed changes to the approved internal audit plan for 2024-25.

2. Recommendations

- 2.1 That the proposed changes to the internal audit plan at Appendix A to this report be approved.

3. What the Committee is being asked to consider?

- 3.1 That the approach taken to adjust the internal audit plan for 2024-25 is reasonable.

4. Background

- 4.1 The internal audit plan for 2024-25 at Appendix A was approved by the Audit and Standards Committee in March 2024. Since it was approved several issues, as outlined below, have affected the team's ability to complete the plan so some adjustments need to be agreed.

Central Midlands Audit Partnership (CMAP)

- 4.2 The internal audit service transferred to CMAP on the 4th April 2024. The main reason for the transfer was to build in some resilience to the team; internal audit is a statutory service, and it is provided by a very small team and in the absence of any member of the team, there was no-one available with the expertise required to ensure that the service continued at the appropriate level.
- 4.3 All internal audit staff were transferred under TUPE arrangements using the Council's change management procedure which necessitated a high level of consultation to agree the terms and conditions of the transfer, which was time consuming.

- 4.4 Since the transfer there has been a long learning curve which has made an impact on the availability of the team to undertake audit work. There were numerous mandatory training courses to complete as employees transferred to Derby City Council (the Host authority for CMAP). The team has also had to learn, understand and adjust to new ways of working employed by CMAP. This will be on-going as CMAP has introduced a new Audit Management System (K10 Vision) which streamlines and automates the internal audit process. The benefits of this will be seen at future meetings of this Committee, as it will be used to produce the internal audit progress reports in the CMAP house style. There were also some IT related problems when the team initially transferred over to CMAP, which were time consuming to overcome and caused delays in accessing some NBBC and CMAP systems, although these have now been resolved.

Complexity of Brought Forward Audits

- 4.5 From the next report on the agenda which shows the work that has been completed by the team in the current financial year you can see that of the eight audit reviews completed four were given a limited assurance opinion and one of them (Absence Management) required a 100% check in some areas because of the nature of the weakness identified.
- 4.6 These audits have therefore been quite time consuming and have taken longer to complete than would have been originally planned for which has had a detrimental effect on completing the approved plan.

Resources

- 4.7 During the year there has been a period of long-term sickness absence and although this was known in advance and planned for as it related to post operative recovery, it still had an impact on the planned work.

Proposed Plan

- 4.8 The table below shows those audit reviews that we propose be completed during 2024-25 and the reasons why these have been selected, with all other reviews in the approved plan being deferred to 2025/26:

Audit	Reason
Corporate Credit Cards	An audit review of credit card usage was completed in December 2022 and there was clear evidence of non-compliance with approved procedures, so a limited assurance opinion was given. Although the follow-up review completed in October 2023 showed that the issues raised in the original report had been addressed it is prudent to undertake a further detailed review during 2024/25 given the risks associated with the use of credit cards.

Electoral Services	This audit review was brought forward from 2023/24, so it is not acceptable to defer the review any further. The last full review of the service was completed in 2016, and a significant audit opinion was given but there have been several changes to the electoral process since then.
Fire Risk Management (in progress)	An audit review of fire risk management was completed during 2020/21, and a limited audit opinion was given for corporate buildings and a satisfactory opinion for housing sites. A follow-up review was completed in May 2022 and the overall opinion was upgraded to satisfactory across all sites because only one of the eleven recommendations made was outstanding. Nevertheless, this is a high-risk area so it would not be appropriate to defer the review any further.
Fuel Cards	An audit review of fuel card usage was completed during 2021/22, and some major weaknesses were identified in the accountability of fuel spend and usage so the system was open to the risk of fraud and misuse; consequently a limited assurance opinion was given. A follow-up review was completed in December 2023, and this showed that there was slow progress in implementing the recommendations made and improving the control environment. It was therefore agreed that an annual review would be completed given the risks associated with the use of fuel cards.
General Ledger	This audit review was brought forward from 2023/24, so it is not acceptable to defer the review any further. The last audit review was completed in 2018, and a significant audit opinion was given but there has been a lot of changes within the Finance area since then with some key posts being vacant.
Licensing	This audit review was brought forward from 2023/24, so it is not acceptable to defer the review any further. The last audit review was completed during 2015/16, and a satisfactory opinion was given, but there has been several changes since then with some key staff retiring.

- 4.9 All follow-up reviews and annual audits that are considered to be the higher risk areas will be completed as planned.
- 4.10 The Internal Audit Plan must incorporate sufficient work to enable me as Head of Audit and Governance for NBBC to give an opinion on the adequacy of the Council's overall governance, risk and control environment. These changes to the plan will not impact upon my ability to provide an annual internal audit opinion for 2024/25.

5. IT Audit Work

- 5.1 There has been no IT audit work completed at NBBC for several years, partly due to long term absences, lack of expertise in-house and the number of changes that have taken place both within the audit team and across the Council as a whole. One of the advantages of joining CMAP is that they do have the expertise available in-house to carry out IT related audits.
- 5.2 It is therefore proposed that an IT audit needs assessment is completed in the current year with a view to developing an IT audit plan for 2025/26 for approval by the Audit and Standards Committee in March 2025.
- 5.3 The Principal IT Auditor at CMAP has identified the following five areas that address the key aspects of IT Governance, risk and compliance, helping organisations safeguard information assets, maintain regulatory compliance, and ensure the on-going resilience of the IT Infrastructure. The needs assessment will consider the risks at NBBC and prioritise these areas to develop a sound audit plan:
- **Cyber Security Audit** – evaluate the Council's cybersecurity controls, practices and readiness to prevent, detect and respond to cyber threats.
 - **Data Privacy & Compliance Audit** – ensure compliance with relevant data protection and privacy regulations (GDPR), and internal policies around personal and sensitive data handling.
 - **IT General Controls Audit** – evaluate foundational IT processes and controls to ensure the integrity, reliability, and security of IT systems.
 - **Business Continuity & Disaster Recovery Audit** – assess the Council's preparedness to maintain critical operations during and after disruption.
 - **Access Control & Identity Management Audit** – ensure proper identity and access management processes are in place to prevent unauthorised access to IT systems, applications and data.

LINDA DOWNES

Operational and Financial Reviews

- Capital Project Management
- Corporate Land and Property
- Credit Cards
- Electoral Services
- Fire Risk Management
- Fuel Cards
- General Ledger
- Health and Safety Inspection
- Housing Voids
- Licensing
- NABCEL (NBBC related activities only e.g. financial recharging services)
- Outsourced Services
- Risk Management

Annual Reviews

- Asbestos Management
- Data Quality
- Water Bodies

Follow-up Reviews

- Absence Management
- Assisted Funerals
- Car Park Management
- Emergency Planning
- External Grants and Funding
- Food Hygiene and Inspection
- HEART
- Housing Lettings
- HR Management
- Leaseholder Management
- Payroll
- Rental Income
- Treasury Management

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 12th November 2024

From: Head of Audit and Governance

Subject: Internal Audit Half Yearly Report

1. Purpose of the Report

- 1.1 The purpose of this report is to provide an overview of the work completed by the Internal Audit Section during 2024/25.

2. Recommendation

- 2.1 That the key audit findings in Appendix A of this report be noted.

3. What is the Committee being asked to consider?

- 3.1 To identify any issues or questions arising from the summary of audit findings and any specific audits where the Committee would like a follow-up report from the relevant manager.

4. Progress against the Internal Audit Plan and Key Findings

- 4.1 So far this year eight audit reviews have been completed, all of which were brought forward from 2023/24 due to the problems and delays in completing the previous year's plan as outlined in my earlier report. Also, four follow up reviews of audits carried out during 2023/24 have been completed to ensure that agreed recommendations have been implemented.
- 4.2 A summary of the findings is at Appendix A but it should be noted that these are only a snapshot of the position at the time of the audit so they may not reflect the current arrangements. We are also pleased to report that none of the recommendations made have been rejected by management and of the twenty-nine recommendations checked in the follow-up reviews nine were outstanding (31%) and four (14%) were in progress.

LINDA DOWNES

Summary of Internal Audit Findings

Full System Reviews

Absence Management and Leave (inc. Flexitime)

Our overall audit opinion is '**Limited**' assurance. The key findings and issues arising are as follows:

Sickness Absence

- The DELTA training system showed 118 staff in leadership roles that are required to complete absence management training, however for 16 officers (14%) the training had expired
- Of the 10 sickness absence cases reviewed from 2023-24:
 - 20% had no FIT note on file to verify the staff absence.
 - 40% where a 'return to work interview' (RTW) was not shown as being completed on the absence management system.
 - 33% (2 out of 6 cases completed) the RTW interview was not conducted within the three-day completion target.

Flexitime and Annual Leave

- The flexi-time guidance has not been reviewed since 2015 and requires clarification on whether booking flexi-leave months in advance is permissible, the current guidance is open to interpretation for staff to potentially work unnecessary hours to merit additional leave.
- No written policy exists for 'taking time off in lieu' (TOIL).
- The agile working policy has not been reviewed since 2015.
- There is no clear guidance to provide Managers with a clear understanding of the process for calculating bank holiday entitlements and recording deductions for part-time employees and therefore some leave sheets have errors and omissions.
- The bank holiday reference table on Content Manager is incorrect as the Queens Funeral in 2022 has been missed and the first extra statutory day in Year 2025 relates to 28th December which is a Sunday.
- Of the 50 time sheets and corresponding annual leave sheets reviewed, it was established that:
 - One employee has never completed a timesheet to account for the hours worked and support the flexi leave and TOIL they have taken.
 - Three employees contracted weekly hours were entered incorrectly on their timesheet, resulting in them working under or over their contracted hours:
 - One employee overworked by 20mins per week as their timesheet core hours were recorded as 29hr 50mins instead of 29hrs 30mins, so the accumulated effect up to 26th April 2024 was 43hrs 10mins, which has now been corrected.
 - One employee underworked by 3mins per week as their timesheet core hours were recorded as 36hrs 57mins instead of

37hrs, so the accumulated effect up to 1st December 2023 was 2 hours, which has now been corrected.

- One employee underworked by 25mins per week as their timesheet core hours were recorded as 29hr 5mins instead of 29hrs 30mins, so the accumulated effect up to 19th April 2024 was 17hrs 59mins, which has now been corrected.
- The annual leave entitlement for four part time employees, was incorrectly calculated due to errors in Bank Holiday calculations and c/f leave balances. For 2023/24, this resulted in employees benefiting from extra leave credit of 37 hours for two employees 29.6hrs for one employee, and 11.33hrs for one employee. These errors could have occurred in previous years and could have affected other part-time employees, so Managers have been asked to check leave sheets for all part time staff for the three years 2021-22, 2022-23 and 2023-24. So far, the results of these additional checks show that:
 - There are 110 part time employees in total
 - 75 of the calculations made and carry forward figures are correct
 - 29 checks are still outstanding as we have not received full confirmation from five managers Town Centres and Markets (inc. Car Parks and CCTV), Waste Management and Transport, Museum, Private Sector Housing, and Estates and Property
 - 1 case where the manager asked for additional advice and is rechecking the documents and confirmation is still outstanding
 - 5 errors in total with time owed by the Council to the employee of 22 hrs and 1hr for 2 employees and time owed to the Council by the employee of 14 hours and 109 hours
- Five staff where flexi days taken had not been recorded on their leave sheet to confirm that the time off was authorised.
- Eight staff where annual leave recorded as taken on their time sheet had failed to be deducted from their leave sheet balances totalling 15 days, ranging from 1 day for four employees and five days for one.
- Seven staff were found to be booking flexi-leave at least 4 to 6 months in advance, and three of these did not have sufficient flexi credit accumulated at the time of the request, hence the need for the guidance notes to be updated.

Car Park Income

Our overall audit opinion is ‘**Satisfactory Assurance**’. The key findings and issues arising are as follows:

- The approved increases in the season tickets prices for Short-Stay car parks and Harefield Road MSCP have not been updated in the Fees and Charges 2023-24 Schedule published on the Council’s website, though we can confirm that the pricing information published on the Car Parking webpages is correct.
- A review of the 2024–25 Fees and Charges Schedule in the General Fund Revenue budget approved by Cabinet and Full Council on 21 February 2024 showed the car parking tariffs remained unchanged at the 2023–24 level.

However, the season ticket errors detailed above had not been picked up and corrected by Finance when the new schedule was presented for approval; therefore, incorrect fees were approved.

- Non-compliance with the Council's Financial and Contract Procedure Rule's was identified with the income collection contract, which expired in 2013, and despite attempts made by the Procurement team to instigate the tendering process in 2017 and 2019 this was not taken up by the former Service Manager at the time. The outbreak of Covid-19 in 2020, and a new management structure caused further delays but nevertheless the service has been provided without a valid contract for over ten years. We appreciate that a 12-month exemption to deviate from the Procedure Rule's was obtained in December 23, to allow time to complete the pay station and system upgrade project, which is currently out to tender, before tendering for the income collection contract.
- The season ticket and penalty charge notice income due and received is not being reconciled to the income posted on Agresso; therefore, there is a risk of all income due not being collected and correctly accounted for.
- Two of the ten leavers reviewed had not returned their parking permit to Parking Services when they left the Council, which presents a risk of misuse, because, although leavers' permits are cancelled on the system, the enforcement officers do not check the status of all essential user permits on display to confirm that they are still valid.
- The penalty charge notice debts returned by the bailiffs as uncollectable were marked as 'written off' after either the Town Centre Manager or Assistant Director had signed and returned the 'Debts Unable to Collect' form to the Parking team. However, this is in breach of the Procedure Rule's as neither of them have the delegated authority to approve write-offs.

Customer Feedback

Our overall audit opinion is '**Satisfactory Assurance**'. The main findings and issues arising are as follows:

- A sample of 20 cases (10 complaint's, 5 FOI's, and 5 EIR's) and 5 FOI's that were rejected, was selected and reviewed. Testing confirmed that all 5 FOI requests were rejected on reasonable and valid grounds. Of the other 20 cases reviewed, 45% were not dealt with within the required timeframe. However, over-recording of the time taken to respond was identified in two cases as the final resolution date was recorded as the 1st response date, which has a detrimental impact on the Council's performance data. Therefore, these cases should be reviewed to identify whether any training is required, or changes made to the way the 1st response date is recorded.
- The Housing Ombudsman – Complaints Handling Policy and Procedures (HO-CHPP) has been updated, approved and implemented from 1st April 2024. However, although the Council's Corporate Complaints Handling Policy and Procedure has been revised to reflect recent improvements made to the processes and to align with the Local Government Social Care Ombudsman revised Code of Practice it has not yet been formally approved. It is understood that the HO – CHPP is to be rolled out as a corporate complaints policy; therefore, it will need to be revised to incorporate the corporate complaint process as currently it is specific to housing complaints.

- Caseload management is kept under constant review by the Data Protection Officer (DPO), which has resulted in a huge reduction in the number of outstanding cases in the last 12 months. Performance reports are presented quarterly to the Council’s Management Team and monthly complaint analysis reports are also reported to the Strategic Directors and Assistant Directors, where complaint themes and trends are reviewed, and any changes or improvements identified. The DPO also sends out weekly email reminders on the number of cases outstanding to escalate action and focus attention.
- As at 10/07/24, the total number of complaints under investigation was 31, of which 4 were out of date; 12 had requested an additional 10 days to respond because they were complex cases and 2 of these were out of date. For FOI/EIR there were a total of 27 cases outstanding. Of these, 19 were awaiting allocation, and 1 was out of date; 1 awaiting more information from the customer; and 7 Preparing a response.
- During 2023 – 24, the number of referrals received by the Local Government Social Care Ombudsman, Housing Ombudsman and Information Commissioners Office and the total financial penalties incurred by the Council for cases upheld are as follows.

Number Referrals		Number Responded On Time	Number None Investigation	Number No Fault Found	Number Withdrawn	Number Fault Found	Financial Penalty
LGO	36	36	22	2	3	9	£15,100
HO	6	6	4	0	0	2	£3,096
ICO	1	1	1	0	0	0	£0
Total	43	43	27	2	3	11	£18,196

- Currently, the Council is not fully compliant with the Publication Scheme requirements, because there is only a limited number of items published under the Scheme compared to the Information Commissioners Office ‘Model Publication Scheme. Also, some of the information published on the Council’s website, for example, the Organisation Chart (August 23), Pay Policy Statement (2017), Trade Union & Facilities Time Off Agreement (April 2010) is out of date.
- The Council’s commitment to making improvements to processes to better serve its customers has been tested under the Customer Service Excellence Standard accreditation scheme, where the Council’s approach to customer service was rigorously assessed and accredited in October 23. Gaining this quality mark is a great achievement for the Council, however, it is not publicised either internally or externally on the Council’s website, email or corporate letter head.

Economic Development

Our overall audit opinion is ‘**Limited Assurance**’ The key findings and issues arising are as follows:

- The Council adopted an Economic Development Strategy and Action Plan in 2016, which provides a framework for the delivery of the economic development priorities. It is understood that a new Strategy and Action Plan has been drafted but to date this document has not been finalised and

approved. Given the time that has passed since its initial development, the change in the Council's aims and priorities, and other economic factors and events, it is highly likely that the draft documents are now out of date. Also, some key policies used to inform its development have been refreshed (e.g. Warwickshire Education Strategy 2024 – 29) or superseded by new ones (e.g. Warwickshire Strategic Economic Plan 2024 – 34).

- There were no written procedures available to assist the economic development team in administering their tasks and ensure continuity of the service. For example, the process on how to organise events, list of current internal and external stakeholders that should be invited to a particular event; what information, notes, records and documents need to be maintained, how to evaluate the success of each event to identify and record lessons learned, webpage maintenance process (e.g. responsible officer, who to contact, how and where the data should be obtained etc.).
- Meetings notes, agendas, reports and minutes from engagements undertaken by the Economic Development team were not being maintained, to support the activities that have been undertaken and to assist progress reporting and performance evaluation.
- The Economic Development Officer had not received any training commensurate to their role. However, it is acknowledged that during our review the officer completed several relevant on-line training courses.
- The outturn reported in the Building a Better Borough 2023 – 24 Delivery Plan for Aim 2 (Work), Priority 1 (Grow a strong & inclusive economy), Point 2 is inaccurate, as it refers to an up-to-date Economic Development Strategy and Action Plan being in place, but the revised documents are still in draft form and have not been formally adopted.
- The Economic Development – Business Support webpages have not been updated since 2020 and are now out of date, although some imbedded links are still active. Evidence indicates that these pages are being accessed by businesses and the general public, as the web usage report showed 380 hits during 2023 – 24.

Home Environment Assessment and Response Team (HEART)

Our overall audit opinion is '**Limited Assurance**'. The key findings and issues arising are as follows:

- Although the current partnership agreement is yet to be formally signed by all the partners, we have had a brief look at the content and there are areas that need to be reviewed and updated. For example:
 - The annex outlining the role of Internal Audit is incorrect as we are not accountable to the Heart Management Board so this needs to be updated.
 - There are no key performance indicators with meaningful measures included within the agreement to enable the Management Board to effectively monitor the partnership.
- The decision for staff to be seconded rather than TUPE transfer initially caused issues because of the variations in the terms and conditions between each partner, but this has improved following the agreement of a joint HR protocol. There is also a financial implication for NBBC who use its external

funding from the housing related support and home safety grant towards the overheads incurred for being the Host authority. However, this grant funding has never increased and therefore does not fully cover the actual overheads.

- No minutes of Board meetings are maintained as all actions and decisions are being recorded within the Decisions and Action plan document. There is a tab within this document to record attendance but there are some errors in the dates recorded so it is unclear as to who attended the meetings.
- The Management Board and Cabinet approved for the partnership to continue for a further five years (effective from April 2023), however the new partnership written agreement which was signed and sealed by NBBC Legal Services on the 16 November 2023, remains unsigned by the partner authorities.
- The partnership agreement highlights operational responsibilities for the Management Board. Although majority of the actions are being achieved, there is one action that hasn't been complied with in relation to undertaking a risk assessment of the service to monitor risks in the forthcoming year.
- The Disabled Facility Grant Guidance for Local Authorities recommends best practice timescales, where each case is classified under the following four case types and target days are set for each case type to reach each of the five following stages; overall 95% of all cases should meet the target days given for each type:

DFG Case Type

- Urgent & Simple
- Non-urgent & Simple
- Urgent & Complex
- Non-urgent & Complex

Case Stages

- 0 – first contact with services
- 1 – first contact to assessment and identification of the work
- 2 – identification of the work to submission of the formal grant application
- 3 – grant application to grant approval
- 4 – approval of the grant to completion of the work

It is appreciated that the quarterly performance report presented to the Board provides statistics on stages of delivery, however as these are not categorised in accordance with the narratives outlined in the best practice guidance, it is difficult to establish whether cases are meeting the 95% best practice target.

- A report was presented to the Board in October 2023 whereby the Host's S151 Officer preliminary agreed a 15% top slice of £5m of the partnership underspend to fund temporary staff for a two-year period with the aim of reducing the backlog of cases. Performance of the temporary team and monitoring of the backlog would be closely monitored by the Board. This was agreed by the Board, but the Host has been asked to ensure that the 15% is provided proportionately across each of the partners under spend, rather than as a collective underspend. This proposal would entail removing the pre-assessment function from the current funding mechanism and placing it within the Financial Assistance Policy (FAP). This would

necessitate an amendment to the FAP and the establishment of an associated Fees and Charges Policy.

- Contracts and framework agreements have expired or have never been in place for builders that are being introduced by HEART to clients in cases where they are unable to procure their own contractor. There is a therefore a risk that these contractors may not be appropriately certified to undertake the works and may result in reputational damage to the Host and the overall HEART service. We understand from the Host's Procurement Team that the commissioning process has been initiated, though progress is slow as technical information is still awaited from the HEART Team.
- From detailed testing of 10 completed cases, we are assured that the assessment and delivery process is sound, however some minor oversights were highlighted in completion of documents as follows:
 - One case where the application form was not on the case file.
 - One case where the agreement had not been countersigned by an appropriate Officer.
 - Three cases where there is no audit trail on the file to demonstrate that the returned quotations were checked for reasonableness by an independent officer, though it is appreciated that the corresponding purchase orders were approved either by the Manager or Senior Officer.
 - One case where the agency fee was incorrect due to a failure in recalculating the fee linked to a variation increase in building costs.
 - One case where the land charge valuing £7301.91 had been missed off the Land Charge Register due to no formal instruction being issued.
 - Seven cases where the building contractors appointed to undertake the works had no valid supplier contract in place.
- The calculator tool outlines the shortfall in grant to enable consideration of the Discretionary Disabled Facilities Assistance (DDFA). However, management approval for the DDFA can only be verified by identifying which officer approved the purchase orders or from sifting through the multiple record entries on the case file; it is therefore difficult to confirm that appropriate approval was given.

We have completed a follow up review since this audit was finalised to establish whether the agreed recommendations had been implemented and we were pleased to note that all actions had been agreed and added to the Boards action plan along with target dates and names of responsible officers and eight of the fourteen recommendations had been implemented. One was in progress and the following five were outstanding:

- Management Board to review the partnership agreement and revisit the clause relating to 'Internal Audit'. (Priority 2)
- Key Performance Indicator's and measures are determined with the Management Board and detailed within partnership agreement. (Priority 2)
- Management Board to ensure a risk assessment record of the HEART service is completed. (Priority 2)
- Measures and targets are set for the key performance indicators to enable the outturns to be effectively monitored. (Priority 2)

- The performance data is categorised by the ‘case type’ and ‘key stage’ outlined in the Disabled Facility Grant Guidance to enable the outturn to be measured and establish whether the 95% good performance target is being met. (Priority 2)

Leaseholder Management (including Right to Buy)

Our overall audit opinion is ‘**Satisfactory**’ assurance. The key findings and issues arising are as follows:

- The Right to Buy (RTB) application and conveyance process follows the government guidelines and there were written procedures in place for the administration of service charges; however, some of these had not been updated since 2019.
- A review of ten RTB cases showed that, in the main, the Council has been complying with the RTB guidelines in the processing of applications. However, delays were identified in four (40%) of the ten cases; for example, the average number of weeks taken from RTB1 to issuing RTB2 was 5.11 weeks against the statutory timescale of 4 weeks, however it should be noted that some of the applications related to those received and processed during 2020 and 2021, when the Council was operating under Covid-19 restrictions and a holding letter was issued to manage the applicant’s expectations.
- New leases and completion memos are circulated by Legal Services to internal sections, and this is the primary source used by Finance to update their leaseholder records, and by Capital Projects to update their records. A review of ten new leases showed that:
 - one was not present on Finance’s service charge spreadsheet, resulting in the service charges not being invoiced.
 - one case, completed on 10/01/22, was not recorded by Finance until 21 July 23, which resulted in the service charge invoice for 2021/22 being raised slightly outside the 18 months limitation period.
 - an annual ground rent charge of £10 had been written into the terms of one new lease signed on 06/03/2023, which was in breach of the Leasehold Reform (Ground Rent) Act 2022, that came into force on 30/06/2022.
 - One case was not recorded on the Local Land Charges Register.
 - the records of five properties sold in 2022/23 under the RTB scheme had not been updated on the Finance system.

As the service charge spreadsheet was identified as having one missing entry and one recorded late, the review was extended by five more cases, but no further errors were identified.
- The services charges and ground rent on residential properties are VAT exempt, however, currently both income codes are linked to zero-rated VAT code. This could impact on the VAT accounting arrangements, so advice should be sought from the Council’s VAT advisor to establish the appropriate VAT treatment for these income codes, and whether a voluntary disclosure should be made to HM Revenue & Customs for previous years.
- Testing identified one leasehold property that has had window and door replacement work completed in 2023, but although the works were inspected

and signed off by the Council's Clerk of Works on 04/09/23; to date the invoice for the costs has not yet been raised.

- In four of the ten major work outstanding debts reviewed the recovery action was slow and not in accordance with Council policy. The Recovery team used to provide the Capital Projects team with regular outstanding debt reports and met every 4 to 6 weeks to discuss outstanding cases. However, this arrangement ceased when Covid-19 began, and it has not been re-instated since then, which may explain the impact on the effectiveness of the recovery process.
- Approximately 40 invoices, with a combined value of around £8,600, were pre-2018/19 and have little or no recovery history, and some invoices appear to relate to deceased leaseholders. Therefore, these historical invoices should be reviewed, with a view to writing them off where appropriate.

Payroll

Our overall audit opinion is '**Satisfactory Assurance**'. The key findings and issues arising are as follows:

- There are Payroll operational procedures in place; however, these have not been reviewed for a number of years (some have not been updated since 2016); however, we appreciate that the procedures are now in the process of being reviewed and streamlined.
- Two of ten new starters reviewed were processed late due to delays in receiving the paperwork from the Service Manager, there was also delays in both cases confirming the bank account details.
- One of ten leavers reviewed was processed late, resulting in a small overpayment of £27.
- The Council has an Overpayments & Underpayments Guidance 2015 in place; however, this document has not been reviewed and updated since it was first implemented.
- A review of eight of the thirteen salary related overpayment invoices outstanding, we found that the recovery action on some of these was not effective, as they still had full balances outstanding without any repayment plans in place and large gaps between each recovery action.
- The document retention arrangement for leavers payroll data was not fully compliant with the Data Protection Regulations, as the Council is storing a vast amount of payroll reports containing sensitive personal data for longer than necessary, the documents have not been classified and stored according to the different retention periods required, so they all have the same destruction period of eight years from the leave date. However, we do appreciate that none of the leavers' folders have been deleted, due to the McCloud judgement that the reforms to public sector pensions in 2015 were age discriminatory, regulations on how it will apply to the Local Government Pension Scheme are now required.

Treasury Management

Our overall audit opinion is '**Limited Assurance**'. The key findings and issues arising are as follows:

- A review of the Treasury Management Strategy 2023/24 and 2024/25 showed that several of the recommendations in the revised CIPFA Codes had not been implemented:
 - A Policy Statement setting out the objectives of the Council's treasury management activities, has not been produced as required by Section 6 of the CIPFA TM Code.
 - The TM procedure manual, detailing the specific information on the systems and routines to be employed and the records to be maintained could not be located; therefore, it has not been possible to assess whether the procedures documented reflect current practice.
 - The Council has not implemented a Capital Strategy as required by the revised Prudential Code, though it is acknowledged that one is currently being drafted.
 - Treasury Management training was last provided to elected members in July 2019, but there has been no training since then. However, it is acknowledged that training is being planned to be delivered in the current year (2024) after the elections.
 - One of the revisions to the Prudential Code is a requirement for Councils to address the Environmental, Social and Governance investing issues within their treasury management policies and practices. However, we did not find any evidence to confirm that this had been addressed.
- Quarterly reports (end of June, end of September and end of December) should be presented to the Audit and Standards Committee that provide information on any treasury activity and performance, however, due to resource issues within Finance, no quarterly reports have been presented over the past two years, though we understand that this issue will be addressed shortly.
- Daily cash flow statements and balances are produced, monitored and updated by the Treasury team. At the end of the financial year 2022/23, the Council's total investment income was £1,082k compared to a budget of £497k, an increase of £585k (or 118%) due to a rise in interest rates. However, at the end of the financial year 2023/24, it was noted that the Council had breached its Debt Maturity limits when the full Debt of both the General Fund and Housing Revenue Account is considered (see the table below):

Total Debt Maturity Profile as at 31 March 2024				
Debt Maturity within	£m	Actual % of Total Debt	Actual % of Running Total Debt	% for Lower and Upper Limit of Debt
Under 6 months	10.0	13.8%	13.8%	0% - 30%
1 Year	0.0	0.0%	13.8%	0% - 35%
2 – 5 Years	38.7	53.2%	67.0%	0% - 50%
5 – 10 Years	16.0	22.0%	88.9%	0% - 75%
10 Years & Over	8.0	11.0%	100.0%	0% - 100%
Total Debt	72.7	100.0%	100.0%	

This is partly due to HRA debts that were transferred from Central Government to the Council in 2011/12 which are expecting to mature in the next 5 years, and also because the Council has been using internal borrowing since 2012, and only started to use external borrowing in March 24; therefore, the percentage of short-term debt that is maturing is higher. However, exceeding the limits is not considered a major cause for concern. With additional external borrowing being planned for in the current year (2024/25), this should ease the problem and ensure compliance going forward.

- Quarterly reconciliations of the loans and investments to the General Ledger had not been performed for 2022/23 and 2023-24. Therefore, there is a risk of fraud or error not being identified promptly and brought forward balances may be incorrect.

Follow-up Reviews

Assisted Funerals

An internal audit review of the Assisted Funerals was finalised in December 2023, and eight recommendations were made and agreed. We have now completed a follow up review to ensure that the agreed recommendations have been implemented and we are pleased to report that seven recommendations have been implemented and one is in progress relating to the need for a formal contract with a funeral director.

Our overall audit opinion remains as '**Satisfactory Assurance**'.

Emergency Planning

An internal audit review of Emergency Planning was finalised in May 2022, and four recommendations were made and agreed. We have now completed a follow up review to ensure that the agreed recommendations have been implemented.

Our review has concluded that of the four actions agreed, one action is in progress and the following three actions remain outstanding:

- Creating a dedicated webpage on the Council's arrangements for Emergency Planning to guide readers on how NBBC will respond to emergencies in collaboration with Coventry Solihull Warwickshire Resilience and Local Resilience Forum 'Warwickshire Prepared'. (Priority 3)
- To provide awareness training to the nominated staff and elected members on emergency planning and social media, so that the Council has a coherent approach in the event of an incident. (Priority 2)
- Actual testing of the approved Emergency Management Plan to demonstrate its effectiveness in responding to local and major incidents. (Priority 2)

Our overall audit opinion remains unchanged as '**Satisfactory Assurance**'.

Sports Development

An internal audit review of Sports Development was finalised in August 2023, and three recommendations were made and agreed. We have now completed a follow up review to ensure that the agreed recommendations have been implemented.

Our review has concluded that of the three actions agreed, one action requires no further action, one action is partially addressed, and one action remains outstanding.

The outstanding action relates to:

- Ensuring that quarterly usage and income data reports are supplied by the Bedworth Sports Club (BSC), in accordance with the terms and conditions set out in the formal Community Use Agreement. (Priority 3)

Our overall audit opinion remains unchanged as **‘Satisfactory Assurance’**.

Definition of Assurance Levels

Assurance Level	Definition
Significant	There is a sound system of internal controls that are being consistently applied
Satisfactory	There is basically a sound system of internal controls although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.
Limited	There are some weaknesses in the adequacy of the internal control system and/or the level of non-compliance puts some of the system objectives at risk.
No Assurance	Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

Definition of Recommendation Priority ratings:

Priority	Definition
1	Fundamental weakness in the design of controls or consistent non-compliance with controls that could lead to a significant loss or damage to the Authority’s assets, information or reputation.
2	Weakness in the design of controls or inconsistency in compliance with controls that could cause limited loss of assets or information or adverse publicity or embarrassment.

3	Minor weakness in the design of controls or inconsistency in compliance with controls that could result in inefficiencies
4	Recommended best practice only.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee

From: Customer Experience and Data Protection Officer

Subject: Local Government and Social Care Ombudsman Annual Report

Portfolio: Central Operations

1. Purpose of Report

- 1.1 The report provides members with the annual summary of the complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2024.

2. Recommendations

- 2.1 The information offers valuable insight into how Nuneaton and Bedworth Borough Council approach complaints, ensuring we have effective ownership and oversight of complaint outcomes, which offer valuable opportunities to learn and improve.

3. Background

- 3.1 The report comprises of 3 main elements, these are set out below.
- 3.2 Complaints upheld, complaints where fault has been found in Nuneaton and Bedworth Borough councils' actions, including where we have accepted fault before any investigated.
- 3.3 Compliance with recommendations this is a way for us to put things right when faults have caused injustice and monitor their compliance with our recommendations.
- 3.4 Satisfactory remedy provided by Nuneaton and Bedworth Borough Council. In these cases, we upheld the complaint, and we agreed and offered to put things right.
- 3.5 The complaints that have been referred to the Local Government Ombudsman have exhausted our formal complaints process however the complainant is still seeking redress or disagrees with the outcome that we have provided.

4. Body of Report

4.1 In total 41 cases were referred to the Ombudsman from 1st April 2023 to 31st March 2024, out of the 41 cases, 28 cases were not investigated, 4 were investigated but no fault found and a further 9 that were investigated, Nuneaton and Bedworth Borough Council were found at fault and the complaint was upheld by the Ombudsman. The details are set out below.

4.2 **Complaints Upheld**, 9 out of 13 complaints or 69% that went onto investigation were upheld, this compares to 63% for a similar comparable authority. Or 6.6 per 100,000 residents compared to 1.2 per 100,000 residents from a similar comparable authority. In these cases, we were instructed to provide financial redress to the sum of £15,100 in total.

4.3 **Compliance Outcomes**, in 100% of cases we successfully implemented the recommendations that the Local Government Ombudsman requested, this compares to an average of 99% of a similar comparable authority.

4.4 **Satisfactory Remedy Decisions**, in 11% of upheld cases we provided a satisfactory remedy before the complaint reached the Ombudsman. This compares to an average of 21% in similar comparable authorities.

4.5 Total cases (41) received by the Ombudsman

Reference	Category	Received
23001279	Benefits & Tax	01/08/2023
23013717	Benefits & Tax	30/11/2023
23019176	Benefits & Tax	28/02/2024
22018128	Corporate & Other Services	04/04/2023
23001546	Corporate & Other Services	03/05/2023
23005157	Corporate & Other Services	13/07/2023
23009523	Corporate & Other Services	27/09/2023
23013393	Corporate & Other Services	23/11/2023
23016911	Corporate & Other Services	29/01/2024
23000087	Environmental Services & Public Protection & Regulation	03/04/2023
23000645	Environmental Services & Public Protection & Regulation	20/04/2023
23002208	Environmental Services & Public Protection & Regulation	16/05/2023
23002563	Environmental Services & Public Protection & Regulation	30/05/2023

23003828	Environmental Services & Public Protection & Regulation	20/06/2023
23004625	Environmental Services & Public Protection & Regulation	06/07/2023
23005288	Environmental Services & Public Protection & Regulation	17/07/2023
23008576	Environmental Services & Public Protection & Regulation	05/09/2023
23008620	Environmental Services & Public Protection & Regulation	06/09/2023
23009441	Environmental Services & Public Protection & Regulation	25/09/2023
23009724	Environmental Services & Public Protection & Regulation	27/11/2023
23010856	Environmental Services & Public Protection & Regulation	02/10/2023
23011618	Environmental Services & Public Protection & Regulation	30/10/2023
23013294	Environmental Services & Public Protection & Regulation	20/11/2023
23013413	Environmental Services & Public Protection & Regulation	24/11/2023
23013622	Environmental Services & Public Protection & Regulation	09/01/2024
23015806	Environmental Services & Public Protection & Regulation	09/01/2024
23019059	Environmental Services & Public Protection & Regulation	26/02/2024
23019738	Environmental Services & Public Protection & Regulation	06/03/2024
23020922	Environmental Services & Public Protection & Regulation	28/03/2024
23012973	Highways & Transport	16/11/2023
23015524	Highways & Transport	05/01/2024
23018501	Highways & Transport	16/02/2024
23020049	Highways & Transport	12/03/2024
22017684	Housing	06/11/2023
23000326	Housing	14/04/2023
23000012	Planning & Development	06/04/2023
23005166	Planning & Development	14/07/2023
23006639	Planning & Development	07/08/2023
23007015	Planning & Development	11/08/2023
23011964	Planning & Development	03/11/2023
23014933	Planning & Development	19/12/2023

4.6 Cases that incurred a financial penalty

Date	Service Area	Summary	Remedy
07/06/2023	Waste Management	Missed bin collections	£150
26/06/2023	Waste Management	Animal Sanctuary Waste Disposal and Advice	Next Steps
17/07/2023	Planning and Building Control	Overlooking new build/extension planning permissions	£2,500
04/08/2023	Planning and Building Control	Overlooking new build/extension planning permissions	£6,000
15/09/2023	Planning and Building Control	Overlooking new build/extension planning permissions	£1,000
29/09/2023	Waste Management	Missed bin assisted collection	£150
25/10/2023	Planning and Building Control	Overlooking new build/extension planning permissions	£1,000
19/12/2023	Planning and Building Control	Overlooking new build/extension planning permissions	£2,300
06/02/2024	Planning and Building Control	Overlooking new build/extension planning permissions	£2,000

5. Conclusion

5.1 The service areas that Nuneaton and Bedworth Borough Council were found at fault are Planning and Waste Management. Both service areas have since placed robust measures in place that should prevent re occurrence of the same or similar issues moving forward.

5.2 There have been no reoccurrences of the same or similar issues in 2024/25 to date which suggests that the measures put into place are working.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 12th November 2024

From: Constitution Review Working Party

Subject: Removal of Elected Members from Grayson Place (NBBC) Limited and NABCEL directorship roles

1. Purpose of the Report

- 1.1. Following a meeting of the Constitution Review Working Party (CRWP) held 20th August 2024, the report seeks to recommend the removal of Elected Members from Grayson Place Limited and NABCEL directorship roles.

2. Recommendations

- 2.1. To consider the report;
- 2.2. To endorse the recommendation to remove Elected Members from Grayson Place (NBBC) Limited and NABCEL directorship roles for the reasons outlined in this report; and
- 2.3. Subject to 2.2, IT BE RECOMMENDED TO COUNCIL to approve the removal of Elected Members from Grayson Place Limited and NABCEL directorship roles; and
- 2.4. Subject to 2.2, Delegated Authority be given to the Head of Paid for Service to appoint a third Director of Grayson Place (NBBC) Limited to meet the minimum threshold as per the Articles of Association; and
- 2.5. Subject to 2.2, The Council support the amendment to the Articles of Association for NABCEL to reduce the number of Directors from five (5) to four (4).

3. Background

- 2.1. Nuneaton and Bedworth Borough Council wholly owns two Local Authority Trading Companies (LATC's):
 - 2.1.1. Nuneaton and Bedworth Community Enterprises Limited (NABCEL); and
 - 2.1.2. Grayson Place (NBBC) Limited.

2.2. Both LATC's have Articles of Association each of which require a minimum number of Directors to be present for a director's meeting. These are outlined below and include a mixture of Council Officer Director appointments, Elected Member Director appointments and for NABCEL only, Non-Executive Director's.

2.2.1. **NABCEL:** *"The number of Directors shall be 5, unless otherwise determined by ordinary resolution¹".*

At the time of writing this report, the minimum number of Directors has been met with five (5) appointments.

Furthermore, the quorum for the transaction of business of the directors shall be not less than 1 Executive Director and 2 Non-Executive Directors.

2.2.2. **Grayson Place (NBBC) Limited:** *"Unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum and the minimum number is 3²".*

At the time of writing this report, there are two (2) x Council Officer Director Appointments and one (1) x Elected Member Director Appointment (as per Full Council's decision 15th May 2024).

The quorum for the transaction of business of the director shall be two (2) directors with at least one (1) director being a council officer (or a person appointed as their alternate director) and one (1) director being a council member (or a person appointed as their alternate director). A person who holds office only as an alternate director shall only count for quorum purposes if their appointor is not present.

2.3. The Council, as the shareholder and as per the Articles of Association for each LATC, can remove any director from office.

2.4. The method for appointing directors can be made by the Council for the purposes of Grayson Place (NBBC) Limited. As for NABCEL, appointments can be made by ordinary resolution, or by a decision of the directors, or in any other way permitted by the articles (which include appointment by the Council as per 20.2 of the Articles of Association).

2.5. In the case of both LATC's, the shareholder (the Council), reserve powers *"by special resolution, direct the directors to take, or refrain from taking, specified action³".* Furthermore, the Council has a Shareholder Committee, whose remit is to review, scrutinise and approve (where relevant) performance data, business plans and key operational and/or

¹ Copied from the Articles of Association (Nuneaton and Bedworth Community Enterprises Limited).

² Copied from the Articles of Association (Grayson Place (NBBC) Limited).

³ Copied from the Articles of Association (Nuneaton and Bedworth Community Enterprises Limited and Grayson Place (NBBC) Limited).

strategic matters. This is a common approach across the public sector. Coventry City Council's shareholder committee considers reports from its wholly owned entities such as Coventry Municipal Holdings Limited, Sherbourne Recycling Limited, UKBIC Ltd and Coventry and Warwickshire Growth Hub to name a few.

3. Alternative arrangements compared to current LATC arrangements

- 3.1. A council company is subject to a numerous obligations imposed by the Companies Act 2006 in addition to legislation specific to local authority companies and the requirements (finance and accounting, health and safety, employment, procurement, data protection, freedom of information and environmental reporting law). Careful consideration must then to be given to the appointment of the company's board of directors, who are responsible for strategy and overseeing company operations, and who will owe their duties to the company. There are various options as to the composition of a board, which may include a mix of executive and independent, non-executive directors. Whatever form a board takes, the directors should provide for a complementary blend of strategic, practical and operational experience.
- 3.2. It is worth noting that LATC's are setup in different ways but ultimately some LATC's have no elected member involvement in terms of the Directorship and others do.
 - 3.2.1. For instance, Hastings Borough Council established a wholly owned private housing company in 2017 with no elected member holding a directorship role. The structure comprised of four (4) directors (chair of the Charity Committee, the Assistant Director of Housing & Built Environment, Income Generation Manager and the Chief Accountant) with a quorum for the transaction of business being three (3) directors.
 - 3.2.2. Alternatively, Oxford City Council established a LATC in 2017 and its structure takes decisions on matters not reserved to the Shareholder and delegates day-to-day running of the company to the Managing Director. The Board composition is for a minimum of three (3) and a maximum of six (6) Directors. The Board is made up of Council officers.⁴
 - 3.2.3. Whilst 3.2.1 and 3.2.2 above are two examples, this is not to say it is the right or wrong way to setup. The point made is that there are a range of different models and its what best suits the company and shareholder(s).
 - 3.2.4. It is noted in the LATC Guidance produced by Local Partnerships a recommendation that it is particularly not advisable for cabinet members with budget responsibility for a particular service to sit on the board of a company delivering that service as this means that the company cannot be held to account.

⁴ [Appendix two](#) of a report produced by Gravesham Borough Council related to example of Local Authority Companies.

4. Risks and Concerns to note

- 4.1. The key concern related to an elected member being in a directorship role for a LATC alongside the undertaking of their elected member role, is the risk of conflict of interests.
 - 4.1.1. It is essential to avoid conflicts of interest arising between the company and the council. For council officers who have been appointed as directors, such conflicts can be managed through a formal letter of appointment in which the council directs that, when acting as a director, the officer must act in the best interests of the company and that the statutory duty to do so will take precedence over the duty owed to the council by its officer.
 - 4.1.2. However, as a matter of public law, elected members must always act in the best interests of their council, so there will always be at least a potential conflict of interest when, as a director, they must resolve a decision in favor of the company. When appointed as a Director, a Director is required to exercise independent judgment to make decisions and avoid conflicts of interest. As such, whilst it is possible, very careful consideration will need to be given to appointing members as directors of a council company, their involvement in the company may well be better facilitated through their being appointed instead to a shareholder board or member committee as discussed below. Directors' first duty is to act in the best interests of the company. Situations can inevitably arise where the same person will be a decision maker or advisor both for the council and one of its entities. For example, in matters of reporting, contractual discussions, investment requests or resourcing agreements. It is therefore important to consider the rationale for having members or officers on boards of companies with a close association with the nature of their work.
- 4.2. Although many local authority trading companies are successful, there have been some failures with companies being wound up and services brought back in house. The reasons for these are often in relation to the inappropriate governance of the company rather than the commercial idea being flawed. This can be because it is easy for the shareholder to become too involved in the day-to-day running of the company. This therefore can limit the LATC's freedom to operate in a commercial manner, making decisions that it sees fit. This situation can become worsened when elected members hold directorship roles and/or sit on the Board with voting rights as this not only stifles innovation and growth but can mean serious conflicts of interest that pose a risk for members.
- 4.3. Notwithstanding the above, it is worth clarifying that some LATC's are successful yet having a mixed directorship listing of council officers, external non-executive directors and elected members. The critical aspect is ensuring critical steps are taken to ensure the LATC operate effectively, including: having a clear strategy; getting the right culture; good governance; investing in technology; and being realistic with

returns on investment.

5. Implications for the Shareholder and each LATC

- 5.1. Should the recommendations be approved, based on the current structure of each LATC, the shareholder would have the following considerations and decisions to make:
 - 5.1.1. Grayson Place (NBBB) Limited: Appoint at least one (1) new Director to ensure the minimum threshold as per the Articles of Association is met.
 - 5.1.2. NABCEL: Appoint at least one (1) new Director to ensure the minimum threshold as per the Articles of Association is met or consider supporting the option to reduce the number of Director appointments to a minimum of four (4). It should be noted that whilst having an even number of Directors can cause issue from a voting perspective if all are present, the Articles of Association do permit the chair of the meeting to have the casting vote. Please also note the quorum for a meeting is three (3). Furthermore, to amend the minimum threshold of five (5), it would require ordinary resolution as per section 282 of the Companies Act.
- 5.2. For both LATC's, if the recommendations are approved, the elected members would need to be removed from the APPOINTMENTS BY OFFICE as agreed at Annual Council in May 2024.

6. Reference materials

A range of reference material has been used to help produce this report. Please see below the sources of such reference materials.

- [Grant Thornton Blog: Latest Trends in Local Authority Trading Companies](#)
- [Anthony Collins: Council company governance](#)
- [Appendix two](#) of a report produced by Gravesham Borough Council related to example of Local Authority Companies.
- [Local Authority Company Review Guidance 2023 produced by Local Partnerships.](#)

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 12th November 2024

From: Assistant Director – Democracy & Governance and Monitoring Officer

**Subject: Recommendations from the Constitution Review Working Party –
Removal of Appeal Committee on Dismissal of Employees**

1. Purpose of the report

- 1.1 To consider and approve the recommendations from the Constitution Review Working Party and recommend changes to the Constitution.

2. Recommendations

- 2.1 That the recommendations as set out in the report and appendices be approved, and;
- 2.2 IT BE RECOMMENDED TO COUNCIL that the Constitution be amended accordingly.

3. Background

- 3.1 On the 16th October 2024 the Constitution Review Working Party met and consider the report attached at Appendix A from the People Services Manager proposing the removal of the Appeals Committee in relation to the dismissal of employees.
- 3.2 The reports summarises the recommendations in accordance with the ACAS Code of Practice on Appeals of Disciplinary and Grievance Procedures which provides that employers must follow a full and fair procedure in line with the Acas code for any disciplinary and grievance case as the procedure followed will be taken into account if the case reaches an employment tribunal.
- 3.3 The Acas code also recommends that regardless of the size of the organisation, all employers should follow a full and fair grievance procedure as set out in the guidance. This includes allowing employees the right to an appeal against a dismissal or grievance outcome.
- 3.4 The Council's current process provides for a two stage appeal, the first to an Assistant Director and the second to the Appeals Committee. The remit of the Appeals Committee in the case of a grievance, disciplinary action or dismissal is to determine whether the procedures in the Council's policies have been correctly followed and applied and if the procedures followed do not comply with the relevant policy then to remit the decision to the original decision maker to consider the matter afresh having regard to the findings of the committee panel.

- 3.5 The two stage appeal process can lead to delays and prolong matters for the employee and the Council in bringing the case to a conclusion.
- 3.6 Benchmarking with other authorities in the region have confirmed that they have only one stage of appeal, usually to a senior or chief officer.
- 3.7 The changes being recommended would therefore accord with both the Acas Code on Disciplinary and Grievance Procedures and other authorities in the region.

4. Recommended changes

- 4.1 The appeal to Members on process in relation to the dismissal of employees be removed;
- 4.2 Changes to Article 8.2, Part 4H - Employment Procedure Rules and the Council's Grievance, Dismissal and Disciplinary Policies be amended accordingly to reflect the changes referred to in the report.

**MATTHEW WALLBANK/
WAHEEDA SHEIKH**

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Constitutional Review Working Party

From: Ruth Bartlett, People Services Manager

Subject: Appeals – employee related matters

1. Purpose of Report

1.1 To brief the CRWP on the current process in relation to recruitment and appointment of Chief Officers and suggest changes for consideration.

2. Recommendations

2.1 To consider the contents of the report and decide on approach going forward

3. Background

3.1 In line with ACAS Code of Practice, employees have a right to appeal against decisions made under both the Council's Disciplinary Policy and Dismissal Procedures and the Grievance Policy.

3.2 In summary, the right of appeal would cover the following:

- If the sanction applied as disciplinary action was wrong or too severe
- If the grievance outcome may be incorrect
- If any part of the disciplinary or grievance procedure was followed incorrectly and/or unfairly
- If dismissed, was the reason for dismissal fair
- Consider any new evidence that may have come to light and if this would impact the outcome

3.3 Although not strictly covered by employment legislation, where an employer does not have an appeals process this may reflect negatively should cases progress further, for example to Employment Tribunal.

3.4 The Council's policies and procedures for both Disciplinary and Grievance include an appeals process. The current wording states that appeals will be heard in line with the Council's Constitution. As it stands, this means employees have an initial appeal to Assistant/Strategic Director. This right of appeal covers all points noted at 3.2.

3.5 In addition, the Council's Constitution currently states the below:

Appeals Panel

- a) *The Appeals Panel shall consider appeals on any decision in connection with a grievance under the Council's Grievance Policy; or to dismiss or discipline taken under the Council's Disciplinary & Dismissals Policy in respect of any member of staff (other than the Council's statutory officers who shall be dealt with in accordance with the Employment Procedure Rules);*

and

In the case of a grievance, disciplinary action and dismissals, the role of the Panel shall be to determine whether the procedures outlined in the Grievance or Disciplinary and Dismissal Policies have been correctly followed and applied. Should the Panel find that the procedures do not comply with the relevant policy, the Panel shall remit the decision to the original decision-maker to consider the matter afresh, having regard to the findings of the Panel. Upon the taking of that further decision, there shall be no further appeal to the Panel and the matter shall be dealt with by the Employment Tribunal, upon application of the affected employee.

- 3.6 In summary, any appeals that progress to an Elected Member appeal process would be based solely on any issues related to process and/or procedure followed. This appeal would not look to deal with a review of any evidence and/or the outcome of any prior proceedings. This clarification is made clear to employees following the outcome of their initial appeal.
- 3.7 Employees cannot 'skip' the first appeal, i.e. they would need to appeal via Assistant/Strategic Director in the first instance. Therefore, the entire process from initial hearing to any final members appeal can be considerable. In cases of dismissal in particular, in this intervening period the Council is unable to recruit to any vacated posts.
- 3.8 Since 2020, records indicate only one appeal has progressed to elected member appeal stage.
- 3.9 Any member sitting on such an appeal panel is required to undertake training every two years. In addition, should cases progress to Employment Tribunal, members may be called upon as witness for cases.

4. **Benchmarking**

- 4.1 For the purposes of this review, a number of other local authorities in the region have been asked for details in relation to their approach on elected member involvement in appeals. The table below is a summary of responses:

Authority	Member Involvement In appeals	Comments
Warwick District Council	No	One stage appeal process to Chief Officer only

Stratford Council	District	No	One stage appeal to officer not previously involved in case
Malvern Hills and Wychavon Councils	District	No	One stage appeal to member of SMT
Rugby Council	Borough	No	One stage appeal to Chief Officer

5. Recommendations

- 5.1 The Council complies with the ACAS Code of Practice in relation to appeals for Disciplinary and Grievance matters. This obligation is fulfilled by the current first stage appeal to Assistant/Strategic Directors.
- 5.2 Given the above, and the length of time a protracted appeal process can take, it is proposed that an appeal to members on process only is removed.

6. Conclusion

- 6.1 The authority complies with ACAS Code of Practice as part of the Disciplinary and Grievance Policies which includes the one stage appeal process.
- 6.2 The current second stage appeal by elected members can only review process, and those members may be called as witnesses at Employment Tribunal, which may represent issues in the defence of any proceedings.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 12th November 2024

From: Assistant Director – Democracy & Governance and Monitoring Officer

Subject: Recommendations from the Constitution Review Working Party – Changes to the Delegations of the Assistant Director of Planning

1. Purpose of the report

- 1.1 To consider and approve the recommendations from the Constitution Review Working Party and recommend changes to the Constitution.

2. Recommendations

- 2.1 That the recommendations as set out in the report and appendices be approved, and;
- 2.2 IT BE RECOMMENDED TO COUNCIL that the Constitution be amended accordingly.

3. Background

- 3.1 On the 16th October 2024 the Constitution Review Working Party met and consider the report attached at Appendix A.
- 3.2 The reports summarises the recommendations in relation to the delegations to Assistant Director for Planning as set out in the constitution and the recommended changes.
- 3.3 The changes aim to ensure that only the most significant and or important applications are presented to Planning Applications Committee for consideration.

4. Recommended changes

- 4.1 The delegations of the Assistant Director of Planning be amended to reflect the recommended changes in Appendix A.

**MATTHEW WALLBANK/
WAHEEDA SHEIKH**

Constitution Review Working Party (CRWP) – Briefing Note for Planning Changes

The Constitution sets out a scheme of delegation relating to the determination of planning applications. One of the aims of this is to ensure that only the most significant and/or contentious planning applications are presented to Planning Applications Committee for consideration. The scheme of delegation is kept under constant review to ensure that it achieves this aim. This has resulted in five areas of potential change being identified as set out below.

Change 1 – Council Applications

Current wording:

5D.7 DEVELOPMENT PROPOSALS SUBMITTED BY MEMBERS AND OFFICERS AND DEVELOPMENT BY THE COUNCIL a) All proposals by Members and Officers and all proposals by the Council itself will be determined by Planning Applications Committee, regardless of any Scheme of Delegation in force at the time. A Member or an officer who has submitted a planning application will take no part in the determination of that application or the decision-making process leading to the determination of that application.

Proposed wording:

5D.7 DEVELOPMENT PROPOSALS SUBMITTED BY MEMBERS AND OFFICERS AND DEVELOPMENT BY THE COUNCIL a) All proposals by Members and Officers and all major development proposals (as defined in statistical returns to the Government) by the Council itself will be determined by Planning Applications Committee, regardless of any Scheme of Delegation in force at the time. A Member or an officer who has submitted a planning application will take no part in the determination of that application or the decision-making process leading to the determination of that application.

Reason for the Change:

Section 3E.7.b.viii of the Constitution gives delegated authority to “process and make decisions on all planning applications as defined in Schedule 1 below except in any one of the following cases ... The proposal involves the Borough Council either as applicant or land owner, and the scheme is not of a minor nature, as defined in statistical returns to the Government.”

Section 5D.7 of the Constitution contradicts the above and takes precedent when considering which Council applications to take to Committee. The effect of this is such that any planning application submitted by the Council has to be determined by Committee. This means that even minor applications relating to Council owned houses have to be reported to Committee. For example, this has resulted in an uncontentious application with no objections for a ramp to the front of a Council house being reported to Planning Applications Committee.

Benefits of the Change:

The proposed change would ensure consistency between section 5D.7 and section 3E.7.b.viii. of the Constitution. Moreover, it would result in a better use of Planning Applications Committee's time because minor and uncontentious applications would not automatically have to be determined by them. It would also help the Council to provide a more effective and efficient service by enabling decisions to be made at the earliest opportunity rather than having to delay this whilst waiting for the next available Committee.

Implications of the Change:

Any major application submitted by the Council will need to be determined by Planning Applications Committee. All other applications submitted by the Council will be determined in line with the scheme of delegation. This means that appropriate checks and balances would remain in place. For example, a Councillor could still request for an application in their Ward to be determined by Committee.

Change 2 – Applications with Viability Issues

Current wording:

Delegated authority is given by section 3E.7.b.vii “To process and make decisions on all planning applications as defined in Schedule 1 below except in any one of the following cases ... The terms of a legal agreement needs to be agreed other than where a contribution is in accordance with a tariff agreed in adopted Supplementary Planning Guidance.”

Proposed wording:

Delegated authority is given by section 3E.7.b.vii “To process and make decisions on all planning applications as defined in Schedule 1 below except in any one of the following cases ... The terms of a legal agreement needs to be agreed other than: where a contribution is in accordance with a tariff agreed in adopted Supplementary Planning Documents; or where a viability assessment submitted with the planning application has been scrutinised by an independent viability consultant instructed by the Council who has then advised that the scheme is not viable and therefore cannot make all or some of the contributions that would ordinarily be sought in accordance with a tariff agreed in adopted Supplementary Planning Documents.”

Reason for the Change:

Applications which are accompanied by a viability assessment are currently scrutinised by an independent viability consultant instructed by the Council. The consultant then advises the Council whether or not the scheme is viable. If it's found to be unviable then the Officer will assess whether it would be appropriate for the scheme to not make some or all of the contributions that would ordinarily be sought in accordance with adopted Supplementary Planning Documents. This decision is based on planning judgment and is informed by having regard to both local and national policy and guidance.

The process described above would still continue. However, at present, the scheme would automatically have to be determined by Planning Applications Committee even if the independent Consultant advises that the scheme is not viable and therefore cannot

make all or some of the contributions. The proposed change would allow such applications to be determined under delegated powers unless one of the other cases described in section 3E.7 of the Constitution has been triggered.

Benefits of the Change:

The proposed change would result in a better use of Planning Applications Committee's time because it would not have to consider applications purely on the basis that a scheme is unviable and therefore can't afford to make some or all of the contributions that would ordinarily be sought. It would also help the Council to provide a more effective and efficient service by enabling decisions to be made at the earliest opportunity rather than having to delay this whilst waiting for the next available Committee.

Implications of the Change:

Schemes which are found to be unviable following scrutiny by an independent viability consultant and therefore can't afford to make some or all of the contributions that would ordinarily be sought would no longer have to be determined by Committee on that basis alone. Such applications would still have to be determined in line with the scheme of delegation. This means that appropriate checks and balances would remain in place. For example, a Councillor could still request for an application in their Ward to be determined by Committee.

Change 3 – Non-Material Amendments

Current wording:

Delegated authority is given by section 3E.7.b.vii "To process and make decisions on all planning applications as defined in Schedule 1 below except in any one of the following cases ... [criteria i-ix not reproduced here]". Schedule 1(8) states that this includes applications for "Non-Material Amendments".

Proposed wording:

Schedule 1 be amended to remove number 8 - applications for "Non-Material Amendments".

Amending the delegated authority to include section 3E.7.k [new addition] to "Determine applications for Non-Material Amendments".

Reason for the Change:

When planning permission is granted, development must take place in accordance with the permission and conditions attached to it. However, new issues may arise after planning permission has been granted, which require modification of the approved proposals. One such way to do this is by a non-material amendment application under Section 96A of the Town and Country Planning Act. This can only be used where the amendment is very minor and is not a material change to the development as approved. For example, if a window needs to be moved 10cm to the right of the approved position or the width of an extension needs to be reduced by 20cm. Whether or not it is acceptable is a matter of planning judgment and the Council must have regard to the effect of the change, together with any previous changes.

Essentially, applications for non-material amendments only relate to minor changes to an approved development where it is deemed there would be no new or further harm because of the change. However, at present such applications can only be determined under delegated powers providing none of the cases listed in section 3E.7.b are triggered. This means that Committee could be asked to consider and determine non-material applications for issues as small as a window needing to be moved 10cm to the right of an approved position.

Benefits of the Change:

The proposed change would result in a better use of Planning Applications Committee's time because it would not have to consider or determine any applications for non-material amendments. This would help the Council to provide a more effective and efficient service by enabling decisions to be made at the earliest opportunity rather than having to delay this whilst waiting for the next available Committee.

Implications of the Change:

All applications for non-material amendments would be determined by Officers under delegated powers.

Change 4 – Called-In Applications

Current wording:

Delegated authority is given by section 3E.7.b.v “To process and make decisions on all planning applications as defined in Schedule 1 below except in any one of the following cases ... Where a Member requests and the Assistant Director - Planning agrees (having consulted the chair and vice-chair of the Planning Applications Committee that:

- i. in the case of a minor application in their ward; or
- ii. in the case of a major application, any 3 Councillors,

that application be dealt with by the Planning Applications Committee.

The request has to be made to the Assistant Director - Planning in writing or by e-mail within 28 days of the date of the relevant weekly list of planning applications (or 14 days in the case of proposals submitted to other authorities). In both cases above, sufficient and rational reasons need to be given for the call in to be determined by Assistant Director - Planning, in consultation with the chair and vice-chair of Planning Application Committee.”

Proposed wording:

Delegated authority is given by section 3E.7.b.v “To process and make decisions on all planning applications as defined in Schedule 1 below except in any one of the following cases ... Where:

- i. a Councillor in the case of a minor application in their Ward; or
- ii. in the case of a major application, any three individual Councillors,

request(s) and the Assistant Director - Planning agrees (having consulted the chair and vice-chair of the Planning Applications Committee), that application be dealt with by the Planning Applications Committee.

The request(s) must be made to the Assistant Director - Planning in writing or by e-mail within 28 days of the date of the relevant weekly list of planning applications (or 14 days in the case of proposals submitted to other authorities). In both cases above, sufficient and rational reasons need to be given for the call in to be determined by Assistant Director - Planning, in consultation with the chair and vice-chair of Planning Application Committee.”

Reason for the Change:

The current wording is unclear and specifies that “Where a Member requests ... that: ii. in the case of a major application, any 3 Councillors, that application be dealt with by the Planning Applications Committee.” The proposed change seeks to make it clear that requests in the case of major applications have to be made by three individual Councillors.

Benefits of the Change:

The proposed change would make the scheme of delegation clearer for called-in applications.

Implications of the Change:

Clarity in that a Councillor can call-in a minor application in their Ward and that any three individual Councillors can call-in major applications anywhere in the Borough.

Change 5 – Processing Appeals

Current wording:

None.

Proposed wording:

Addition – 5D.13.g: In the event that a Planning Appeal is received following the resolution of Planning Applications Committee to refuse an application, the Assistant Director – Planning will consider whether the reason(s) for refusal are defensible. In the event that the reason(s) for refusal are not considered to be defensible, the Assistant Director – Planning may present a further report to the Planning Applications Committee setting out why the reason(s) for refusal are not considered to be defensible together with the implications of this and options available for the Council. These options may include asking Planning Applications Committee to not defend the reason(s) for refusal. Planning Applications Committee may then be asked vote on their preferred option.

Reason for the Change:

To provide clarity concerning the ability of Planning Applications Committee to make a decision on whether or not to defend reason(s) for refusal following their resolution to refuse an application. This follows queries and debate concerning whether Planning

Applications Committee had the authority to do this in connection with the recent appeal relating to Woodlands Farm in Bedworth.

Benefits of the Change:

The proposed change would make it explicitly clear that Planning Applications Committee have the authority to make a decision on whether or not to defend reason(s) for refusal following their resolution to refuse an application.

Implications of the Change:

Clarity that Planning Applications Committee have the authority to make a decision on whether or not to defend reason(s) for refusal following their resolution to refuse an application.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 12 November 2024

From: MONITORING OFFICER

Subject: Review of the Register of Members' Interests and Gifts and Hospitality Registers 2023- 2024

1. Purpose of Report

1.1 To review the registration of Members' Interests and, Gifts and Hospitality by Members and Officers for the period 24th October 2023 – 15th October 2024.

2. Recommendation

2.1 That the contents of the register of Members' Interests between 24th October 2023 and 15th October 2024 be considered and noted; and

2.2 That the contents of the registers of Gifts and Hospitality for Members and Officers between 24th October 2023 and 15th October 2024, as set out in Appendix A, be considered and noted.

3. Background

Members' Interests

3.1 The Localism Act 2011 ('the Act') introduced "Disclosable Pecuniary Interests" (DPIs) which Members are required to disclose either in advance or at a meeting where that interest is engaged.

3.2 In order to comply with the Act and the Council's Code of Conduct, the Monitoring Officer is required to prepare and maintain a register of Member's interests, which must be available for public inspection and available on the Council's website. Hard copies of the current Register of Interests will be available at the meeting for inspection by the Committee. The Committee is asked to consider whether there are any recommendations it wishes to make in connection with the Register or highlight any concerns.

Gifts and Hospitality

3.3 In line with the recommendations from the Committee on Standards in Public Life and as a matter of best practice, the Council maintains a register of gifts and hospitality. The Committee on Standards in Public Life recommend that this be reviewed by the Audit & Standards Committee at least once a year to consider

whether there are any issues or recommendations on best practice. Similarly, Officers are required to make declarations under the Local Government Act 1972.

- 3.4 Provision for the annual review of the registration of Members' Interests and Gifts and Hospitality by members and officers, was made in the Committee work plan for 2023 - 2024.

4. Information

Members' Interests

- 4.1 The Council complies with the Act by maintaining a register of interests. The register is available on the Council's website and for inspection at the Town Hall, Nuneaton on request. The On-line version does not however replace the paper version of the Members Register of Interests held by the Monitoring Officer.

Gifts and Hospitality

- 4.1.1 The Gifts and Hospitality register for Officers and Members are kept at the Town Hall, Nuneaton and are available for public inspection on request. The Gifts and Hospitality registers are also published in typewritten format on the Council's website, achieving greater transparency and public accountability.
- 4.5 Appendix A attached to this report, shows the register of Gifts and Hospitality of Members and Officers between 24th October 2023 – 15th October 2024.
- 4.6 Committee is asked to review the register and to consider whether there are any issues that need addressing. One key issue would be whether the committee felt that there were omissions from the register. Although these may be difficult to identify, some members may be aware of events that officers and members have attended in some capacity, which ought to be recorded.
- 4.7 As a matter of good practice, it is also recommended that the Monitoring Officer write to all Members and Officers to remind them of the importance of keeping the registers up to date and accurate. This is seen as a benchmark of openness and transparency and ensures that the public can have confidence in the Council's Governance arrangements.

WAHEEDA SHEIKH

Nuneaton & Bedworth Borough Council

Register of gifts and hospitality - officers and members 24th October 2023 - 25th October 2024

Date informed of gift or hospitality	Date gift or hospitality received	Recipient	Person or company offering gift or hospitality	Brief details of gift or hospitality	Approximate value of gift or hospitality	Reason for accepting gift or hospitality	Has this been received before
05/12/2023	05/12/2023	Mandy Malin	A customer	Small box of Quality Street chocolates	£3	DECLINED - Gift was an offer of apology for his behaviour and for assisting in his complaint with housing to sort his problems out	No
07/12/2023	07/12/2023	Graeme Aitken for NBBC Housing Solutions Team	National Residential Landlords Association (NRLA)	Attended training/conference on the 9th June 2023. On the 12th July, the NRLA advised there was no need for the Council to have bought the ticket. They would give local authorities a ticket to attend and would refund the ticket in due course. This refund was confirmed on the 7th December 2023.	£150	Long term partnership working as part of the rented sector and engagement with landlord. NBBC are a business member of the Association. The event was to learn about future rental reforms and topical information.	No
14/12/2023	14/12/2023	Housing Solutions Team	County Rents - Temporary Accommodation provider	Gift box of a selection of chocolates and sweets	Under £20	Thank you to the team	No
15/12/2023	14/12/2023	Helena Lidgate	Conservation Volunteers	Volunteers told us after the meal that they had already paid for our meal at the team building exercise	£20	Very generous collective gift from the volunteers - no particular reason. Tried to resist offer but they declined to let us pay.	No
15/12/2023	14/12/2023	Katherine Webster	Conservation Volunteers	The Conservation volunteers had already paid for my meal as a gesture of goodwill. I did offer to pay them back, but they said they wanted to pay for my meal, which I thanked them for.	£20	Team building meal	No
19/12/2023	19/12/2023	Ellis Gardner	Liz Whitfield	Amazon Gift Card	£30	DECLINED - Thank you for all the help I've given her with making sure she gets paid on time even during busy periods.	No
03/01/2024	01/12/2023	Councillor Michael Green	Warwickshire County Council - School Appeals	Waitrose Gift Card	£25	Member of School Appeals Panel	No
04/01/2024	04/01/2024	Housing Solutions Team	Watling Inn - Temporary Accommodation provider	Hamper box of chocolates	Under £20	Thank you for working together on Temporary Accommodation	No
11/01/2024	09/11/2024	Elaine, Lesley, Leoni	Hacketts	Prosecco and chocolates	£8 each	Christmas	Yes

25/01/2024	23/01/2024	Lisa Biling	Macy's Lifestyle Ltd	Jar of honey	£4	I was there for a food Hygiene inspection and the lady sells honey; she insisted i took one even though i declined several times. It would have caused offense if I did not accept it.	No
27/03/2024	27/03/2024	Housing Solutions Team	TA provider - Exclusive Housing Solutions	Mini Easter Eggs	Under £20	Gift shared around team as low value	No
17/04/2024	17/04/2024	Samantha Bull	Mrs Wendy Tandy	Thank you card and a box of Cadburys milk tray	£6	Thank you	No
28/06/2024	26/06/2024	Tom Shardlow	West Midlands Employers	Welcome pack from WME (pen, notebook, chocolates, water bottle)	£15	Congratulating the new CEO and making a connection. Delivered by post	No
23/07/2024	23/07/2024	Matthew Wallbank Councillor S.	Edge PS	Invite to drinks reception	£20	DECLINED as not appropriate or required	No
26/07/2024	12/07/2024	Markham Councillor W.	Life Church, Bedworth	Buffet prior to presentation	£5 - £10	Buffet offered prior to presentation	No
26/07/2024	12/07/2024	Markham	Life Church, Bedworth	Buffet prior to presentation	£5 - £10	Buffet offered prior to presentation	No
30/07/2024	20/07/2024	Catherine Nisbet	Val Hunt - Artist	Tin of assorted biscuits for all staff	£8	Put up successfully her new temporary exhibition at Museum	No
13/09/2024	11/09/2024	Tom Shardow	Hampton by Hilton	Invited to the grand opening of the new HBH Hotel. The property is owned by NBBC and Hampton are trading on NBBC's behalf. The offering included drinks, reception, food, entertainment and reduced accommodation	£200	DECLINED	No
24/09/2024	25/09/2024	Kevin Hollis, Victoria Summerfield, Tom Shardlow, Katie Memetovic-Bye	Everyone Active - NBBC Leisure Operator	Brunch - This event welcomed 50 plus guests to the event, which EA provided the T/C, light refreshments and brunch etc.	£10 per person	Everyone Active (EA) offered the hospitality and organising of the refreshments as part of the formal "breaking ground" of the Bedworth Physical Activity Hub project in Bedworth.	No

25/09/2024	25/09/2024	Matthew Wallbank	Sports and Leisure Management Limited t/a Everyone Active	Hospitality - selection of sandwiches and a cup of tea. This is a one off event in connection with a Council project. For the purposes of the meeting, it was held in a studio at the current Bedworth Leisure Centre.	up to £5	This was provided as part of the event held at Bedworth Leisure Centre for the commencement of the new Bedworth PAH construction on site. The event included a welcome from Council Officers, Elected Members and the MP for Bedworth, followed by a site visit of the Construction site. This took place over 3 hours. Attendance included Council Officers, Elected Members, Project Team, Construction Contractor, Sport England and representatives from Government (Bedworth MP and representatives from Ministry of Housing, Communities & Local Government) all of whom have been involved or connected to the new Bedworth Physical Activity Hub development.	No
27/09/2024	23/09/2023	Catherine Nisbet	Val Hunt - Artist	M&S chocolate biscuits and bottle red wine	£10	Putting up and dismantling her temporary exhibition at the Museum	Yes