
Enquiries to Democratic Services
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Date: 2nd September 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, 10th September 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 2nd July 2024, attached (**Page XX**).

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 XX**). 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. ANNUAL GOVERNANCE STATEMENT 2023-2024 – a report of the Assistant Director – Governance and Democracy, attached (**Page**)
7. UPDATES TO THE CONSTITUTION FROM THE CONSTITUTION REVIEW WORKING PARTY- a report of the Monitoring Officer attached (**Page**)
8. TREASURY MANAGEMENT 2024/25 – QUARTER ONE – a report of the Finance Manager -Treasury attached (**Page**).
9. 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).

10. EXCLUSION OF THE PUBLIC AND PRESS - 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) of Part I and II of Schedule 12A to the Act.
11. OVERVIEW OF MEMBER COMPLAINTS - UPDATE - a report of the Monitoring Officer.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

AUDIT & STANDARDS COMMITTEE

2nd July 2024

A meeting of the Audit & Standards Committee was held on Tuesday, 2nd July 2024 in the Council Chamber, Town Hall, Nuneaton.

Present

Councillor J. Bonner – Chair

Councillors: T. Cooper, L. Cvetkovic, B. Hancox, J. Hartshorn, W. Markham, K. Price, B. Saru, C. Smith, M. Kondakor (substituting for Councillor M. Wright) and S. Markham (substituting for Councillor D. Brown).

Apologies: D. Brown (Vice-Chair) and M. Wright.

PART I – PUBLIC BUSINESS

ASC1 **Minutes**

RESOLVED that the minutes of the Audit and Standards Committee meeting held on 12th March 2024 be approved and signed by the Chair.

ASC2 **Declarations of Interest**

As Councillors M. Kondakor and S. Markham were substitute Councillors for this meeting, their declarations 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 are as set out in the Schedule attached to these minutes, with the addition of the Declarations of Interests for Councillors M. Kondakor and S. Markham, who were substitute Councillors for this meeting.

ASC3 **Internal Audit Annual Report 2023 - 24**

A Report of the Head of Audit and Governance to present the Head of Audit and Governance Annual Report.

Public Speaker: Mr P. Smith

RESOLVED that

- a) the findings of an assessment of the internal audit function against the Public Sector Internal Audit Standards and quality assurance programme be noted;
- b) the summary of internal audit work which supports the Head of Audit and Governance opinion be considered; and
- c) the Head of Audit and Governance overall opinion on the control environment be noted.

ASC4 **Internal Audit Charter**

A Report of the Head of Audit and Governance gave Members the opportunity to consider and approve the Internal Audit Charter.

RESOLVED that the Internal Audit Charter be approved.

ASC5 **Review of Treasury Management Practices (TMPS)**

A Report of the Finance Manager - Treasury, and Assistant Director – Finance provided Committee Members with the revised Treasury Management Practices (TMPs) for approval.

RESOLVED that

- a) the revised TMPs be noted; and
- b) IT BE RECOMMENDED TO COUNCIL that the revised TMPs be approved.

ASC6 **Treasury Management 2023/24 – Year End Review**

The Finance Manager - Treasury, and Assistant Director – Finance provided a report which set out the Council's treasury position as at 31st March 2024.

RESOLVED that

- a) the annual report be noted; and
- b) IT BE RECOMMENDED TO COUNCIL that the annual report be approved.

ASC7 **Financial Procedure Rules – Update**

A Report of the Strategic Director – Corporate Resources provided Committee Members with details of the proposed changes to the Financial Procedure Rules further to a restructure of the Management Team, plus updates to outdated terminology and inclusion of details of Subsidy Control rules.

RESOLVED that

- a) the proposed updates be noted; and
- b) IT BE RECOMMENDED TO COUNCIL that the updated document is approved for inclusion in the Constitution.

ASC8 **Audit and Standards Committee Core Work Programme**

A Report of the Assistant Director – Democracy and Governance gave Members the opportunity to consider the Audit and Standards Committee Core Work Programme for 2024/25.

RESOLVED that

- a) the Audit and Standards Committee Core Work Programme for 2024-25 be approved; and
- b) the Audit and Standards Committee meeting scheduled for 21st January 2025 be moved to 4th February 2025.

ASC9 **Exclusion of the Public and Press**

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

ASC10 **Complaints Against Members: September 2023 To May 2024**

The Monitoring Officer provided the Committee with a report of the complaints received from September 2023 to May 2024.

RESOLVED that

- a) the report relating to complaints that have been received for the period September 2023 to May 2024 be noted; and
- b) a report be submitted to the Committee to look at discretionary powers being given to Officers to resolve minor incidents and complaints.

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. Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Exhall Education Foundation (Council appointment). 	
	T. Cooper	None	Member on the following Outside Bodies: <ul style="list-style-type: none"> • Camp Hill Urban Village: Pride in Camp Hill Board • Committee of Management of Hartshill and Nuneaton Recreation Ground 	
	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:	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			- The Labour Party - Unite the Union - British Gurkha Veterans Association (Adviser)	
	J. Hartshorn	Employed by Asda Nuneaton	Member of Nuneaton Conservatives	
	W. Markham		Governor at Ash Green School for SEND Member of Unite Union	
	K. Price	Warwickshire County Council		
	B. Saru	Director – Saru Embroidery Ltd	- Labour Party (sponsorship) - Armed Forced Covenant	
	C. Smith	Software Engineer – Prophet PLC	- Member of Labour Party and Unite - U16 Coach – Nuneaton RFC - Safeguarding – Manor Park RFC	
	M. Wright			

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

Agenda Item 4

	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 - Member of Nuneaton RFC - 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 – 10th September 2024

From: Assistant Director – Governance & Democracy

Subject: Annual Governance Statement 2023-2024

1. Purpose of the Report

- 1.1. To present the findings of an assessment of Nuneaton and Bedworth Borough Council's corporate governance framework as presented in the Annual Governance Statement.

2. Recommendations

- 2.1. To consider the findings of the review of corporate governance and internal control as set out in the Annual Governance Statement (AGS) at Appendix A to this report.
- 2.2. The AGS be approved subject to 2.1 above.

3. What is the Committee being asked to consider?

- 3.1. The key points to consider are:
 - Do the processes described within the AGS adequately reflect the effectiveness of the Council's governance framework?
 - Is the proposed action plan for 2024-25 complete and fit for purpose?

4. Annual Governance Statement

- 4.1. The production of an AGS is a statutory requirement for local authorities. Regulation 6 of the Accounts and Audit (England) Regulations 2015 states that every financial year a local authority must conduct a review of the system of internal control and prepare an AGS. The AGS must be approved in advance of the relevant authority approving the Statement of Accounts.
- 4.2. The AGS must meet the requirements of the revised 2016 Good Governance Framework. The Framework states that the AGS should be

prepared in order for the local authority to report publicly on the extent to which it has complied with its own code of governance, including how it has monitored and evaluated the effectiveness of the governance arrangements in the year, and on any planned changes in the coming year. The process of preparing the AGS should itself add value to the effectiveness of the corporate governance and internal control framework.

4.3. The AGS should include:

- An acknowledgment of responsibility for ensuring that there is a sound system of governance, incorporating the system of internal control, and reference to the Council's code of governance;
- Reference to and assessment of the effectiveness of the key elements of the governance framework and the role of those responsible for the development and maintenance of the governance environment, such as the Management team, the Audit & Standards Committee, Internal Audit and others as appropriate;
- An opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework;
- An action plan showing actions taken, or proposed, to deal with significant governance issues; reference to how issues raised in the previous year's annual governance statement have been resolved; and
- A conclusion.

4.4. Evidence sources for collating the AGS were as follows:

- Consultation with Management Team;
- Assurances provided by Directors through the completion of Assurance Statements;
- Work undertaken by internal audit and other inspection regimes;
- Taking account of the Recommendations from the LGA Peer Review; and
- Review of progress against the previous year's AGS action plan.

4.5. As part of the review, no significant governance issues have been identified other than noting the macro environmental factors, the details of which are outlined in the statement, but an action plan has been included within the AGS covering the areas for improvement.

Annual Governance Statement

Nuneaton and Bedworth Borough Council

ANNUAL GOVERNANCE STATEMENT
For the period 1st April 2023 to 31st March 2024

Scope of responsibility

Nuneaton and Bedworth Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. In discharging this responsibility, Councillors and Senior Officers are responsible for putting in place proper arrangements for the governance of Nuneaton and Bedworth Borough Council's affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions, and which includes arrangements for the management of risk.

To this end, Nuneaton and Bedworth Borough Council has approved and adopted a local code of corporate governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) joint framework for delivering good governance in local government. CIPFA issued an update to the Framework in 2016, which has informed the preparation of the Annual Governance Statement (AGS) from 2016/17 onwards. A copy of the local code can be found on the Council's website (dated 2019 at the time of issuing this statement).

This statement explains how Nuneaton and Bedworth Borough Council has complied with the local code and meets the requirements of regulation 6 of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement.

The purpose of the governance framework

The governance framework comprises the systems and processes for the direction and control of the Authority and its activities through which it accounts to, engages with, and leads the community. It enables the Authority to monitor the achievements of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Nuneaton and Bedworth Borough Council's policies, aims and objectives, to

evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

The governance framework has been in place at Nuneaton and Bedworth Borough Council for the year ended 31st March 2024.

Impact of the macro environmental impacts on the governance arrangements

The Council has faced continued challenges during 2023/24, particularly in respect to the ongoing effects of the war in Ukraine, the rate of inflation, borrowing rates and unforeseen utility prices promoting the cost of living crisis. Council receive an update to the Medium-Term Financial Plan (MTFP) as part of the budget setting process. The financial plan is updated annually and reported to Council in February. Regular budget monitoring for the General Fund, Housing Revenue Account and Capital Budgets, together with treasury management reports, were reported to Cabinet (and where applicable to Council) to outline the impact on the financial position of the authority and impact on services due to macro environment factors such as the war in Ukraine, the rate of inflation, borrowing rates and unforeseen utility prices.

Since many of the projects were approved via grant funding (Towns Fund, Future High Street Funds and Levelling Up Fund), the economic context has worsened, particularly due to the recent substantial increase in inflation and interest rates. The projects estimated total cost of £152.61 million, with £51.48m available from the three Levelling Up Funds, £10.75m available from other public sector sources, and a balance of £90.38m which was expected to come from the Council through internal borrowing (£12.01m) and external borrowing (£78.37m).

This level of external borrowing was far in excess of the Council's current borrowing level against the General Fund and would double the Council's overall level of borrowing from. The cost of servicing this debt was significant given interest rates of 5.33% on 40-year fixed rate Public Works Loan Board (PWLB) loans. Across the country, many local authorities were suffering from significant budgetary pressures, with a number in the Midlands issuing Section 114 Notices.

As result, the Council had to make significant changes to projects for the overall programme to remain viable and good value for money.

As part of the Department for Levelling Up, Housing and Communities (DLUHC) pathfinder status, government approved the Council's revised (reduced) package of projects, which meant the following were withdrawn and funding diverted into other key projects;

- Weddington Road Cycle Scheme
- Wheat Street Junction
- Corporation Street/ Queens Street Junction
- Museum

However, Warwickshire County Council are looking to fund some of the highway projects via own funding pot.

Review of effectiveness

Nuneaton and Bedworth Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

The review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors and the Head of Audit and Governance's Annual Report.
- Strategic Directors and Assistant Directors within the Authority who have responsibility for the development and maintenance of the internal control environment; and
- comments made by the external auditors and other review agencies and inspectorates.

Assurance statements have been received from the Chief Executive and Strategic Directors setting out their confirmation that the control systems in place are adequate and that they are being complied with.

The review for the 2023-24 statement has been carried out by the Management Team and the final statement approved 27th August 2024.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control includes:

Corporate Governance and Council

- The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect.
- The Council reviews the Local Code of Corporate Governance on a regular basis and adopts an action plan to deal with any issues. The Audit and Standards Committee approved a revised Local Code in July 2018, which is consistent with the principles set out in the CIPFA/Solace Delivering Good Governance in Local Government Framework 2016. The Local Code is due to be reviewed and updated during 2024/25.
- The Anti-Fraud and Bribery Strategy and Fraud Response Plan demonstrate the Council's commitment to the prevention and detection of all types of fraud, corruption and bribery and extends to members, employees, and partners. It also puts the onus on managers to create an environment in which employees, contractors and partners feel able to approach them with concerns. A revised Anti-Fraud and Bribery Strategy was approved by the Audit and Standards Committee in January 2018 and is due to be reviewed again during 2024/25.
- The Head of Audit and Governance has been appointed as the Council's 'Whistleblowing Officer' and will be the first point of contact in conjunction with

- the Monitoring Officer to receive concerns that are raised under the Council's Confidential Reporting Code.
- Overview and Scrutiny Panels (OSP's) can 'call in' a decision which has been made by the Cabinet, Portfolio Holder, or other authorised decision taker, where it has not yet been implemented, to enable them to consider whether the decision is appropriate. They allow people to have a greater say in Council matters by holding public inquiries into matters of local concern.
 - The Council's Partnership Framework supports the planning and delivery of effective partnership working and ensures that any partnerships the Council is involved in are managed with appropriate governance arrangements. A revised Framework was approved by the Audit and Standards Committee in March 2018.
 - Overview and Scrutiny Panels receive regular reports on the work of the key partnerships.
 - The Council has in place a Proceeds of Crime (Anti Money Laundering) Framework, which aims to maintain high standards of conduct and prevent criminal activity through money laundering. A revised Framework was approved by the Audit and Standards Committee in November 2017 and is due to be updated during 2023/24.
 - On the 17 April 2013 the Council approved a revised policy for inclusion in the Constitution on Gifts & Hospitality which incorporates the changes brought about by the Bribery Act 2010. The policy was reviewed during 2020/21 and a revised version was approved by Council in April 2021.
 - An annual report is presented to Elected Members to consider the Register of Members Interests and the content of the registers of Gifts and Hospitality for Members and Officers. The last report was presented to the Audit and Standards Committee in November 2023.
 - The Council has approved changes to the Constitution where appropriate to ensure decision making is legal, timely and robust. There is a Constitution Review Working Party which oversees and make recommendations on the Constitution or alternatively, considered by the Audit and Standards Committee. For instance, the Audit and Standards Committee (November 2023) approved and recommended to Full Council the updated Publicity Protocol and Contract Procedure Rules (February 2024) be incorporated into the Constitution
 - The Council has a trading arm – NABCEL – which operates commercially. There is a Shareholder Agreement in place which sets out clearly the decision-making responsibilities of both NABCEL and the Council as the only shareholder. The Shareholder Role is exercised through a politically balanced committee of Cabinet (titled as the Nuneaton and Bedworth Community Enterprise Limited (NABCEL) Shareholder Committee) which met three times during the 2023/24 Financial Year.
 - It is worth noting that NBBC is one of 8 shareholders in Sherbourne Recycling Limited. Coventry City Council is the main shareholder. Coventry City Council hold a Shareholder Committee in which performance data and updates are presented to the committee at least once a year. In addition, Board meetings take place at officer level and respective portfolio holders also meet to discuss progress.

- In addition, NBBC is also a shareholder, amongst 32 others of West Midlands Employers (WME). WME have a representative body comprising of the Chief Executive of each subscribing member council who agrees the business plans, budgets and other constitutional matters. WME also report through an Elected Member Management Board nominated from sub-regional groupings covering Birmingham; Black Country; Coventry, Solihull and Warwickshire; Worcestershire; Herefordshire, Telford and Wrekin and Shropshire; and Staffordshire and Stoke with an additional member representing the District Councils. The chair of the WME Management Board is Cllr Ken Meeson, Cabinet Member for Solihull MBC and the Vice Chair is Cllr Tristan Chatfield, Cabinet Member for Birmingham City Council.
- The Council has a zero tolerance to all forms of fraud and corruption. The Council employs a Counter Fraud Officer who works closely with the Revenue and Benefits and Housing Teams to identify, deter, and prevent fraud. The Audit and Standards Committee received an annual report on 5th September 2023 summarising the Counter Fraud Activity for the 2022/23 Financial Year.
- The Council has a joint working arrangement with the Department for Work and Pensions so cases which involve both Housing Benefit and a Council Tax Reduction will be investigated jointly.
- The Council established a further standing committee to deal with employment matters and related issues concerning, amongst other things, terms & conditions of employment and the approval of Human Resources policies in July 2021 and this committee (Employment Committee) continued to operate during the statement period meeting three times during the 2023/2024 Financial Year.
- The following policies, procedures and strategies were considered and approved during 2023/2024:
 - September 2023 – Cabinet - Customer Experience and Digital Strategy
 - September 2023 – Cabinet – Cultural Strategy
 - September 2023 – Cabinet – Corporate Enforcement Policy and Corporate Debt Policy
 - July 2023 – Cabinet – Playing Pitch and Outdoor Sports Policy
 - March 2024 ICMD- H&S Permit to Work Policy.
 - October 2023- Licensing Committee- Hackney Carriage, Private Hire Drivers, Operators Policy adopted
 - October 2023- Licensing Committee- The Vehicle Licensing Policy amended.
 - March 2024 – Cabinet – Homelessness and Rough Sleeping Strategy 2024 to 2029.
 - November 2023 – ICMD – Temporary Accommodation Rechargeable Repairs Policy.
 - November 2023 – ICMD – Housing Assistance Policy.
 - March 2024 – ICMD – Housing Solutions Temporary Accommodation storage and pets Policy.
 - May 2023 Cabinet - Downsizing Policy (Housing Tenancy)
 - May 2023 Cabinet – Flexible Tenancy Policy (Housing Tenancy)
 - Employment Committee – June 2023 – Disciplinary Policy and Dismissal Procedures, Grievance Policy and Procedure; September 2023 – Authorized Leave Policy; Employee Code of

Conduct; March 2024 – Capability Policy, Flexible Working Policy, Drivers and Driving Policy, Policy on Provision of Employment References.

“ICMD” means Individual Cabinet Member Decision.

Information Management

- A revised Information Governance Framework, ICT Code of Conduct for Employees, and the Members Protocol for use of the Council’s ICT Resources was approved by the Portfolio Holder for Central Services in August 2017
- The Information Management Group is made up of Officers from across the Council that represent all Council Directorates.
- With the management Team restructure completed in September 2021, the Director Customer & Corporate Services was appointed as the Senior Information Risk Owner and the Head of Audit and Governance is the Deputy.
- A Customer Experience Officer was appointed in October 2021 whose role expanded to include that of the Data Protection Officer. The role is now titled Customer Experience and Data Protection Officer. The post holder has undergone external training to support this additional responsibility.
- The Council has introduced an electronic process for reporting data breaches and near misses internally to the Data Protection Officer ensure that all appropriate action can be taken promptly.
- All data breaches and near misses are discussed with the Information Management Group to enable any lessons learned to be shared.
- Data protection training is part of the council training package .
- Subject Access and other information rights requests are processed in line with the new statutory timescales

The Council carries out an annual compliance check to ensure its infrastructure is sufficiently secure to connect to the Public Service Network. The current certificate expired in February 2024. An assessment has since taken place and work is underway to address all issues in the remediation plan in order to achieve compliance by October 2024

The Council was assessed as meeting the Government backed Cyber Essentials Scheme and as such has defences that are satisfactory against commodity based cyber-attacks. The certificate expired in December 2018 and was to be renewed when the unsupported Northgate Housing Software was replaced. There was a delay in the implementation with the new CIVICA CX system, however this work is now complete. The Council has subsequently been assessed and has fallen short of certification due to some components installed as part of the Civica Xpress Electoral Registration system, which are unsupported. Procurement of a replacement system has commenced and an application for Cyber Essentials Accreditation will be pursued once this has been completed.

Audit and Standards Committee

- The purpose of the Council’s Audit and Standards Committee is to provide independent assurance of the adequacy of the risk management framework and the internal control environment. It provides an independent review of

governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal and external audit, helping to ensure efficient and effective assurance arrangements are in place.

- To ensure high standards of conduct and probity, the Committee also plays a key part in strengthening and maintaining the highest standards of ethical conduct which the public is entitled to expect from both Members and Officers of the Council. The Committee approved a new Code of Conduct for Elected Members in March 2021, based upon the model used by Warwickshire County Council. The intention behind this was to ensure that a single code applied, particularly where there are “twin-hatters” (Members of the Council who undertake a Councillor role for both the Local Council (Nuneaton & Bedworth) and the County Council (Warwickshire County) who are subject to both the Council’s and the County Council’s code of conduct.
- The Audit and Standards Committee received the Head of Audit and Governance annual report for 2023/2024 on the 2nd July 2024. The report included a statement on conformance with the Public Sector Internal Audit Standards; the results of the quality assurance and improvement programme; the Head of Audit and Governance opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control, which was satisfactory; and a summary of the work that supports that opinion.

Management Team

- The Management Team meets on a weekly basis and reviews progress on performance measures, risk management reviews and inspections at the end of each month. These are done by exception to focus attention on key issues that may require action. Management Team and Cabinet also receive a monthly Strategic Performance Report showing key financial and non-financial performance data, using a ‘traffic light’ system.
- The Management Team structure changed with effect from the 1st April 2023. The change resulted in a new senior management structure of:
 - Chief Executive
 - Four (4) Strategic Directors
 - Nine (9) Assistant Directors

One of the Strategic Directors was designated as the Deputy Chief Executive and another designated as the Section 151 Officer. One Assistant Director was designated as the Deputy Section 151 Officer and the Monitoring Officer role designated to the Head of Legal/Solicitor to the Council.

Performance Management

- Performance management is reported to Scrutiny Panel on a quarterly basis during the year, via integrated finance and performance reports.

- The Council's Performance Management Framework was updated and approved by the Audit and Standards Committee in January 2024 and is included in the Council's Constitution.

Financial Management Arrangements

- The Council appointed a Chief Financial Officer (CFO) in January 2022, which is a statutory post responsible for the financial management arrangements of the authority. The post holder has the role of Strategic Director – Finance & Governance. The CFO is a member of the Management Team. The role conforms to the requirements within the updated CIPFA statement on the role of the CFO in Local Government and the post holder remains with the Council. The CFO provides regular financial updates relating to performance against the budget to Cabinet for noting and provides the opportunity for scrutiny panels to challenge detail within the reports.
- The Financial and Contract Procedure Rules [FPRs and CPRs] are used by all officers and Members to ensure effective use of resources and robust and transparent decision making. Both the FPR's and CPRs were reviewed in 2019/20 and approved in May 2020. The CPR's were further reviewed during 2023/2024 and adopted by Council in February 2024 with the FPR's due for review in 2024/25. With regards to the CPRs, the Government issued a Green Paper in December 2020 (titled Transforming Public Procurement) setting out its vision to transform the public procurement regime. At the time of writing this Annual Governance Statement, the Bill has progressed through the House of Lords, approved by the House of Commons and has sought Royal Assent. It has been confirmed that the new Procurement Act and subsequent legislation will go live on the 28th October 2024 which has promoted a full review of the CPR's due to be considered and adopted during 2024/2025. The Procurement team frequently review updates and inform key stakeholders of the updates in readiness for the new Act to ensure NBBC is ready (as best as it can be) for the new regime.
- Corporate Governance Training programme provided to Senior Officers throughout 2023/24 including the following topics:
 - Procurement
 - Accounts Payable
 - Contract Management
 - Bribery
 - Gifts and Hospitality

Note that e-learning corporate governance was still available.

- A revised Medium-Term Financial Strategy (MTFS) was reported to Cabinet in November 2022 covering a rolling five-year plan that sets out the Council's commitment to provide services that meet the needs of local people with focus on value for money, working within the resources available in accordance with the objectives set in the Build a Better Borough Corporate

Plan. It outlined the savings required over the period 2022 - 2027, based on the one-year 'roll-over' settlement offered by central government for 2021/22. One-year roll-over settlements have been offered by central government for every year to 2023/24. High-level reviews of the Plan were carried out in February 2023 and February 2024 as part of the budget setting process. There are increasing difficulties to longer-term financial planning in the absence of a multi year settlement. The uncertainty surrounding a potential full spending review and Business Rates reset adds to the financial risks. The key messages from the Plan are communicated to all employees. The Corporate Peer Challenge specifically noted the need for an updated Medium Term Financial Strategy, and this has been incorporated into the 2022/23 Action Plan. A further review of the MTFS will be undertaken during 2024/25, after the local government settlement is announced for 2025/26. The Treasury Management Strategy is reviewed each year, as a result of the economic conditions and investments. We have continued to keep our Counterparty list under review, in liaison with our external advisors. Council received reports on our Treasury activity in September 2023 which provided an annual report for 2022/23, mid-year review in November 2023, and a report regarding the Treasury Strategy & Budgetary Framework 2024/25 in February 2024.

- Effective financial management arrangements have been crucial during the financial year, noting the macro environmental factors. Key decisions were made by Cabinet (such as Bedworth Physical Activity Hub and Bedworth Civic Hall).
- The Council implemented a formal No Purchase Order No Pay Policy with effect from April 2023, providing more financial control and an increased level of financial governance.

Risk Management

- The Council's Risk Management Strategy was last updated and approved by the Audit and Standards Committee in January 2024.
- The Audit and Standards Committee is responsible for monitoring the effective development and operation of risk management procedures across the Council.
- Overview and Scrutiny Panels receive quarterly reports on the risks within the Strategic Risk Register that are relevant to their area of responsibility. At the end of the financial year, they have sight of the full register.
- The Council insures against the risk of loss, particularly financial loss. The levels of cover and the excess amounts are continually reviewed and updated to reduce exposure to an acceptable level.
- Since 1st April 2016 the insurance service has been provided by Warwickshire County Council under a formal service level agreement and the Council also obtains strategic support, advice and risk management services from its appointed Insurance Broker (Arthur J. Gallagher (UK) Limited).

Internal Audit

- Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisations operation. It is responsible for monitoring the quality and effectiveness of the control environment comprising risk management, control, and governance.
- A risk model is used to formulate the internal and computer audit plans which are agreed by the Management Team and approved by the Audit and Standards Committee.
- Where necessary, internal audit will identify areas for improvement and make recommendations and agree an action plan for Service Managers. A summary of the issues arising is presented to the Audit and Standards Committee. The last reports were considered by the Committee in September 2023 and November 2023
- A review of the effectiveness of Internal Audit is completed annually; an external quality assessment was completed in January 2019, with the next review due during 2024, to ensure compliance with the Public Sector Internal Audit Standards. The overall conclusion was that the internal audit service complies with the Public Sector Internal Audit Standards and provides an efficient and effective service to the Council.

Transparency

- The government maintains a commitment to increasing transparency across central and local government in order to make data more readily available and enable residents to hold service providers truly to account. As a publicly funded organisation, Nuneaton and Bedworth Borough Council is equally committed to openness and accountability.
- In 2023-24, the council published a series of datasets in line with the Local Government Transparency Code 2015 and other transparency commitments including; senior staff salaries, organisation chart, spending on items over £500, credit card transactions, details of contracts (goods, services and works), register of Purchase Orders and also the adopted Pay Policy Statement. To promote transparency and wider engagement with council decisions, residents can use digital platforms such as; Facebook, Twitter, and YouTube to get updates from, and interact with, the authority.
- Cabinet approved in September 2023, the Borough Councils group Modern Slavery and Human Trafficking Annual Statement for the 2022/23 Financial Year. The Modern Slavery and Human Trafficking Annual Statement for the 2023/24 Financial Year will be created and issued to Cabinet for approval but likely to be at the same time as this AGS or shortly after.

Other Sources of Assurance

As stated above, reliance has been placed on other sources of assurance in 2023/2024 with respect to the Head of Audit and Governance's opinion. Other

sources of assurance have been obtained in year activity but also by reflecting on past opinions and the basis of these.

The Council's External Auditors have met with the Section 151 Officer throughout 2023/24 and have also attended Audit and Standards Committee meetings. During this time, the External Auditor has not expressed any specific concern on the governance and/or financial arrangements operating within the Council.

Other examples of assurance obtained in year include:

- Completion of statutory returns, VAT returns, and grant claims.
- Regular internal quality monitoring activities across many services.
- Completion of annual development reviews of staff.
- Regular performance, risk, contract and financial monitoring.
- Mandatory training programme for all appropriate members of staff.

Identifying the needs of Officers and Members

- The Council has continued to develop Senior Managers with specific key learning topics, including regular finance updates and is embedding the council's values throughout the organisation.
- The Council's values form part of the recruitment process and employee's annual development reviews.
- The Council has a Corporate Training System, DELTA (Develop, Enhance, Learn, Train, and Accomplish) which holds all training courses including mandatory ones. The system holds employees individual training records and sends notifications for refreshers. This will give the Council a more effective method of ensuring all training, specifically mandatory, is up to date and will ensure that an attendance record is maintained.
- Employees are updated on corporate issues through regular communication updates, in addition to specific publications from Management Team, as well as annual finance updates and training opportunities.
- Corporate Governance Training for Elected Members is in place alongside annual programme of Elected Member training.

An update on the action plan for 2022/23 is shown in the table below:

Table 1

Action	Responsible Officer/Group	Planned Completion Date	Status
Implement a Corporate Document Retention Policy	Data Protection Officer	Rolled over to 2023/24	Outstanding. Draft policy.

An update on the action plan for 2023/24 is shown in the table below:

Table 2

Action	Responsible Officer/Group	Planned Completion Date	Status
Implement a Corporate Document Retention Policy	Data Protection Officer	Rolled over to 2023/24	Outstanding. Draft policy.
Undertake training for the Audit and Standards Committee on the Statement of Accounts and Treasury Management	Head of Financial Services	February 2023	Completed May 2023
Undertake training for the Audit and Standards Committee on the roles of internal and external audit	Head of Audit and Governance	January 2023	Completed September 2023
Cyber essentials assessment undertaken and certified. PSN compliance obtained	Strategic Director – Economy and Transformation	Assessment completed and remedial work identified. Revised assessment to be undertaken - 2023/24 Cyber Essentials accreditation is not possible due to some legacy systems. These are in	In progress. Revised target 2024/2025 or 2025/2026.

		scope for change/renewal in 2024/25. Revised target 2024/2025 or 2025/2026.	
An updated Medium Term Financial Strategy needs to be considered by the Council prior to its budget setting process in February 2023	Strategic Director – Finance & Governance	November 2022	Completed full Strategy Nov 2022 and updated in Feb 2023
Ensure staff recruitment and retention is linked to the People Strategy and underlying policies	Strategic Director – Economy and Transformation	Linked to employment committee work. Tabled for 2022/23	Ongoing
Implement a Corporate Programme Management approach to further improve Governance related to major projects	Strategic Director – Housing and Community Safety	Implementation & officer training May 2022 to March 2023 Full roll out April 2023	Completed.
Review the remit of the Corporate Governance Group to take account of the Corporate Programme Management approach.	Strategic Director – Finance & Governance	Completed	Completed.
Contract & Financial Procedure Rules review & update	Strategic Director – Finance & Governance	CPRs: Completed But a further review is due in 2024/25 in light of the new Procurement legislation.	Completed - FPRs approved July 2024
Policy review to accommodate more agile working	Strategic Director – Economy and Transformation	The Employment Committee has received and will continue to receive employment policies for review, amendment and approval.	Policies reviewed and approved in line with schedule

Asset review, especially use of the Town Hall	Strategic Director – Economy and Transformation & Strategic Director – Housing and Community Safety	Ongoing but the Council is in Negotiations to lease part of the Town Hall to a public sector partner.	In progress. Rolled over to 2024/2025.
Undertake a Residents’ Survey	Strategic Director – Economy and Transformation & Strategic Director – Housing and Community Safety	Rolled forward to 2022/23.	Tenants Satisfaction Survey - Completed.
Consider the effective and consistent use of appropriate data to inform decision making	Management Team	Ongoing	Performance Data review and Management Team Decision Making Structure under review to align better with Senior Management Restructure. 2024/2025 target.
Complete the development of some of the key strategies e.g. Economic Development Strategy, Town Centre Strategy	Strategic Director – Economy and Transformation	December 2022 Draft documents being consulted upon. Adoption in 2023/24	Rolled over to 2024/2025
Ensure key projects have a clear purpose i.e. maximise income	Strategic Director – Housing and Community Safety	Linked to Corporate Programme Management	Completed.

generation opportunities, social value etc		approach – full roll out April 2023	
Local Code of Corporate Governance, Anti-Fraud and Bribery Strategy and Fraud Response Plan.	Head of Audit and Governance	March 2023.	Rolled over to 2024/2025
Identify and implement a replacement for the previously titled TEN Performance Management System	Strategic Director – Economy and Transformation + Strategic Director – Finance & Governance	Scope and Procurement – 2023/2024 Implementation 2024/2025	In progress. See 3 rd column.

The review of the governance framework during 2023/24 has identified the following issues to be addressed in 2024/25, notwithstanding any outstanding items from the previous action plan as per table 2 above.

Table 3

Action	Responsible Officer/Group	Planned Completion Date
To update the Operational Risk Registers and bring in line with a revised format. Similarly, this will enable the Strategic Risk Register to be refined and to focus wholly on corporate strategic risks.	Corporate Governance Group and Management Team	March 2025
Fundamental review of the Performance Management data, metrics and format.	Assistant Director – Democracy and Governance, all Strategic Directors and Assistant Directors	March 2025
Revise the Corporate Plan as existing Corporate Plan expires March 2025.	All Strategic Directors and Assistant Directors	March 2025

Constitution to be updated to ensure that it captures changes made in the previous 12 month period.	Monitoring Officer	September 2024
Local Code of Corporate Governance, Anti-Fraud and Bribery Strategy and Fraud Response Plan.	Assistant Director – Democracy and Governance Assistant Director – Finance	March 2025

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness. This Statement is intended to provide reasonable assurance on the strength of the authority’s governance arrangements, although no system of control can provide absolute assurance against material misstatement or loss. The review of the control environment and governance framework has concluded that it is sound and fit for purpose and the actions needed above will ensure that further improvements are made. These issues will be addressed during 2024/25 and the action plan will be monitored by the Leadership Board.

Signed (Leader):

Councillor Chris Watkins

Date: XX.....

Signed (Chief Executive):

Tom Shardlow

Date: XX.....

Leader and Chief Executive on behalf of Nuneaton and Bedworth Borough Council

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 10 September 2024

From: Monitoring Officer

Subject: Recommendations from the Constitution Review Working Party

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 20th August 2024 the Constitution Review Working Party met and consider proposals to update the Council's Constitution. The changes are summarised below and are shown in the Appendices attached to this report.

4. Recommended changes

4.1 Update Officer details to the Confidential Reporting Code

The working party considered and agreed changes to the Whistleblowing Officer role from the Head of Audit and Governance to the Assistant Director – Democracy and Governance.

In November 2023 the Audit and Standards Committee considered a report on the review of the internal audit services to improve resilience and management to ensure risk control across the Council. As part of this review it was proposed that the internal audit service was moved to the Central Midlands Audit Partnership (CMAP) from 1st April 2024.

Following the move of the Internal Audit Service to CMAP, the Head of Audit was transferred to CMAP and is therefore no longer employed directly by the Council.

It was therefore recommended by Management Team that the responsibility for the Whistleblowing Officer be moved to the Assistant Director - Democracy and Governance.

The changes are as highlighted in Appendix A – Confidential Reporting Code.

4.2 Updates to Council Procedure Rule 4A.9.2 and 4A.10.3

The working party considered amendments to Rule 4A.9 sub paragraph 4.9.2 AND 4.10.3 (a) of the Council Procedure Rules which allow for the public and members to submit questions or statements at Council Meetings.

The current deadline for submitting the questions/statements for both the public and members is 12 noon on the day before the meeting. The working party considered proposals from officers to change the deadline from Tuesday noon to Monday noon & change this to “2 clear working days” in the event that a meeting should take place on any other day and the deadline would fall on a bank holiday.

The proposals received support from the working party as they agreed this would provide both members and officers who may be asked to provide information to support the responses sufficient time to be able to prepare and provide a better response.

The changes to the relevant rules are shown in square brackets and wording proposed to be removed shown with the strike through formatting as follows:-

4A.9 PUBLIC PARTICIPATION

4.9.1 General

At each Ordinary Meeting or Extra Ordinary Meeting of the Council, 20 minutes (which can be extended at the discretion of the Mayor) shall be set aside for questions or statements from the public gallery by any resident of the Borough in relation to matters in respect of which the Council has powers or duties, or which affect the Borough. In the case of an Extra Ordinary Meeting the question or statement must relate to the business of that meeting.

4.9.2 Notice of Questions and Statements

No such question shall be asked, or statement made, unless it shall have been delivered in writing to the Head of Paid Service no later than 12 noon ~~on the day~~ [2 working days] before the meeting of the Council.

.....

4.10.2 Questions on Notice at Full Council

At each meeting a Member of the Council may ask no more than one question (but see 4.10.3(b) below) on any matter in relation to which the Council has powers or duties, or which affects the Borough. A Member may choose to ask their permitted question of either:

- *a Member of the Cabinet; or*
- *the Chair of any Committee, Panel or Sub-Committee*

4.10.3 No such question under paragraph 4.10.2 shall be asked unless:

- (a) *the question has been delivered in writing to the Head of Paid Service and Leader [2 working days] before ~~12 noon~~ on the day before [of] the meeting of the Council; or*
- (b) *where the question relates to urgent matters, they have the consent of the Mayor or the Leader of the Council or the Portfolio Holder to whom the question is to be put or in the case of a Committee, Panel or Sub-Committee, the Chair, and the content of the question is given to the Head of Paid Service at least three hours before the time that the meeting is due to start.*

4.10.4 The Member who put the question may ask one supplementary question of the Member to whom the first question was asked if it arises directly out of the original question or the reply, and shall be put and answered without discussion.

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AGENDA ITEM 6

5I CONFIDENTIAL REPORTING CODE

Introduction

- 1.1 The Council is committed to fostering an open and transparent culture where employees feel empowered to raise issues internally as they arise. In turn, the Council will ensure that all issues raised are treated seriously and investigated appropriately in line with the relevant policy.
- 1.2 The Council recognises that employees are often the first to realise that there may be something wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.
- 1.3 This policy provides a framework and guidance on raising issues, commonly known as 'blowing the whistle' or 'whistle-blowing', and how they will be dealt with. It also details the legal responsibilities that the Council will adhere to when dealing with certain issues.
- 1.4 As individual circumstances cannot always be accounted for within a written procedure, there may be other circumstances that arise that are not covered by this policy. In these cases, advice should be sought from the Whistle Blowing Officer or a member of Human Resources. Complaints that don't count as 'whistle blowing' are personal grievances e.g. bullying, harassment or discrimination. These should be reported using the Council's grievance policy.
- 1.5 This policy has been discussed at local level with Unison, Unite and GMB by the Monitoring Officer and has their support.
- 1.6 This policy does not form part of any employee's contract of employment and may be amended at any time.

2. Scope

- 2.1 This policy applies to all employees and those contractors working for the Council on Council premises, for example, agency staff, builders and drivers. It also covers suppliers and those providing services under a contract with the Council in their own premises.

3. Policy Remit and Aims

3.1 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, it encourages employees and others that we deal with, who have serious concerns about any aspect of the Councils work, to come forward and voice those concerns. It is recognised that most cases will have to proceed on a confidential basis. This Code makes it clear that you can do so without fear of victimisation, subsequent discrimination or disadvantage. This Confidential Reporting Code is intended to encourage and enable employees to raise serious concerns within the Council rather than overlooking a problem or “blowing the whistle” outside. The nominated “Whistle-blowing Officer” is the Council’s [Audit & Governance Manager Assistant Director – Democracy and Governance](#).

3.2 This policy aims to:

- encourage you to feel confident in raising serious concerns through the Whistle-blowing Officer and to question and act upon concerns about working practices;
- provide avenues for you to raise those concerns and receive feedback on any action taken;
- ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied, although it should be noted that anonymous whistle blowers will not ordinarily be able to receive feedback; and
- re-assure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that you have made any disclosure in good faith.

4. Roles and Responsibilities

4.1 It is expected that all employees and those working on behalf of the Council will work in line with the spirit and intention set out in the core values.

4.2 Managers

Managers have a general responsibility to ensure that they are conversant with all relevant policies and that their employees are set clear guidelines in line with these.

Managers are also responsible for encouraging a culture where members of their team feel able to raise any issues as they occur, with the knowledge that such issues will be dealt with appropriately.

4.3 Employees

All employees and those working for or on behalf of the Council have a responsibility to make themselves aware of relevant policies and procedures and report any concerns as soon as possible.

Any serious concerns that you have about any aspect of service provision or the conduct of officers of the Council or others acting on behalf of the Council can be reported under this Confidential Reporting Code. This may be about something that:

- makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the Council subscribe to; or
- is not in keeping with the Council's constitution and internal policies and procedures; or
- falls below established standards of practice; or
- amounts to improper conduct.

4.4 Whistle-Blowing Officer

The Whistle-Blowing Officer is a point of contact for concerns raised under this policy and is responsible for ensuring issues are dealt with appropriately. They will also monitor and report on concerns raised under this policy and liaise with the Council's Monitoring Officer for complex issues or reviews of this policy. Details of the Council's Whistle-blowing Officer and other useful contacts are at Appendix A.

4.5 Monitoring Officer

The Monitoring Officer has overall responsibility for the maintenance and operation of this policy. That officer maintains a record of concerns raised and the outcomes, but in a form which does not endanger your confidentiality, and will report as necessary to the Council.

4.6 Trade Unions

Trade Unions also have a responsible to raise concerns and issues as they arise. They are also able to offer advice and support to employees.

5. Legal Requirements and Definition

- 5.1 The law affords certain protections to disclosures that fall in line with the legislation noted below. However, in adhering to our values, the Council aims

to encourage all employees and workers to raise any concerns and efforts will be made to extend the same principals to all.

5.2 Part IVA of the Employment Rights Act 1996 makes specific provision to protect workers who make a “protected disclosure”. To be protected by the provisions of this legislation it is not sufficient for a worker to merely make allegations but there must also be a disclosure of information. The distinction between these is complex but generally information will contain specific facts and not simply raising a concern.

5.3 Workers

For the purposes of the Act, a “Worker” is defined as those directly employed by the Council. However, it may also apply to agency workers and those employed by contractors for the Council. Such workers will be afforded the protection given under the Act. That said, all those that are either employed or carry out work on behalf of the Council, including members, are encouraged to raise concerns in line with this policy. In return, every effort will be made to ensure the principals of the Act are applied to all issues raised.

5.4 Protected Disclosures

A protected disclosure is a disclosure for reasons set out in section 43B of the Act as follows:

Disclosure which, in the reasonable belief of the worker making the disclosure (the “Whistle blower”), is made in the public interest and tends to show one or more of the following—

- that a criminal offence has been committed, is being committed or is likely to be committed,
- that a person has failed, is failing or is likely to fail to comply with any legal obligation to which he is subject,
- that a miscarriage of justice has occurred, is occurring or is likely to occur,
- that the health or safety of any individual has been, is being or is likely to be endangered,
- that the environment has been, is being or is likely to be damaged, or
- that information tending to show any matter falling within any one of the preceding paragraphs has been, is being or is likely to be deliberately concealed.

The following are not “protected disclosures” for the purposes of the Act:

- where the person making the disclosure commits an offence by making it; or
- the disclosure is of information in respect of which a claim to legal professional privilege could be maintained in legal proceedings if made by a person to whom the information had been disclosed in the course of obtaining legal advice.

6. How to Raise a Concern

- 6.1 As a first step, you should normally raise concerns with your immediate manager or their superior who may wish to then raise the issue with the Whistle-blowing Officer. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that management is involved, you should approach the Whistle-blowing Officer directly or, in their absence, the Monitoring Officer.
- 6.2 Concerns may be raised verbally or in writing by using the form at Appendix B. Employees who wish to make a written report are invited to set out the background and history of the concern, giving names, dates and places where possible and the reason why you are particularly concerned about the situation. Although you are not expected to prove beyond doubt the truth of an allegation you will need to demonstrate to the person contacted that there are reasonable grounds for your concern.
- 6.3 The earlier you express the concern the easier it is to take action.
- 6.4 You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two or more of you who have had the same experience or concerns
- 6.5 You may invite your trade union or professional association to raise a matter on your behalf.

7. How the Council will Respond

- 7.1 Once you have raised your concern, the Whistle-blowing Officer will carry out an initial assessment to determine the scope of any investigation. All concerns raised will be treated seriously and consistently. The Whistle-blowing Officer will then respond to your concerns giving an indication of the action proposed.
- 7.2 Where appropriate, the matters raised may:
- be investigated internally by the Whistle-blowing Officer, internal audit or through the disciplinary process;
 - be referred to the Police if there is evidence of criminal activity;
 - be referred to the External Auditor; or

- form the subject of an independent enquiry.

7.3 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the Council will have in mind is the public interest.

7.4 Some concerns may be resolved by agreed action without the need for an investigation. If urgent action is required this will be taken before any investigation is conducted.

As soon as is practically possible but certainly within ten working days of a concern being raised, the person dealing with your concern or the Whistle-blowing Officer will write to you:

- acknowledging that the concern has been received;
- indicating how we propose to deal with the matter;
- giving an estimate of how long it will take to provide a final response;
- regular updates will be provided if it is a prolonged investigation;
- telling you whether any initial enquiries have been made;
- supplying you with information on staff support mechanisms e.g. mentoring, advice and counselling; and
- telling you whether further investigations will take place and, if not, why not.

All responses shall be in writing either to your home address or by email as agreed in advance.

7.5 The amount of contact between the officers considering the issues and you will depend upon the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from you.

7.6 When any meeting is arranged, you can be accompanied by a union representative or a work colleague.

7.7 The Council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For example, if you are required to give evidence in criminal or disciplinary proceedings, the Council will arrange for you to receive advice about the procedure.

7.8 The Council accepts that you need to be assured that the matter has been properly addressed. Therefore, where possible and subject to legal or other constraints, we will inform you of the outcome of any investigation.

8. How the Matter can be Taken Further

8.1 This policy is intended to provide you with an avenue to raise concerns within the Council and the Council hopes that you will be satisfied with any action taken. If you are not happy with the way in which your concern has been handled, you can raise it with one of the other contacts in paragraph 6.1. Alternatively you may contact the chairman of the Audit Committee; **OR** our external auditors. Contact details are set out at the end of this policy at Appendix A.

9. Safeguards

9.1 Harassment or Victimisation

9.1.2 The Council recognises that the decision to report a concern can be a difficult one to make. If what you are saying is true, you should have nothing to fear because you will be doing your duty to your employer and those for whom you are providing a service.

9.1.3 The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in good faith. Employees must not suffer any detrimental treatment as a result of raising a concern. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Whistle-blowing Officer immediately. If the matter is not remedied employees can raise it formally using our Grievance Procedure other workers e.g. agency staff, can raise it using the Complaints Procedure.

9.1.4 Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you.

9.1.5 Employees must not threaten or retaliate against colleagues making disclosures in any way. Such conduct may be subject to disciplinary action. In some cases the Whistle-blower could have a right to sue the perpetrator personally for compensation in an employment tribunal.

9.2 Confidentiality

9.2.1 All concerns will be treated in a confidential and sensitive manner and every effort will be made not to reveal your identity if you so wish. At the appropriate time, however, you may need to come forward as a witness. If it is necessary for anyone investigating your concern to know your identity, we will discuss this with you

9.3 Anonymous Allegations

9.3.1 This policy encourages you to put your name to your allegation whenever possible.

9.3.2 Concerns expressed anonymously are much less powerful, but they will be considered at the discretion of the Council.

9.3.3 In exercising the discretion, the factors to be taken into account will include:

- the seriousness of the issues raised:
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

9.4 Untrue Allegations

9.4.1 If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you.

10. **External disclosures**

10.1 The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body, such as a regulator. It will very rarely, if ever, be appropriate to alert the media. We strongly encourage you to seek advice before reporting a concern to anyone external. The independent charity, Public Concern at Work, operates a confidential helpline. They also have a list of prescribed regulators for reporting certain types of concern. Their contact details are at the end of this policy.

10.2 Whistleblowing concerns usually relate to the conduct of our staff, but they may sometimes relate to the actions of a third party, such as a contractor, supplier or service provider. In some circumstances the law will protect you if you raise the matter with the third party directly. However, we encourage you to report such concerns internally first.

USEFUL CONTACTS

Whistle-blowing officer	<p>Linda Downes Matthew Wallbank</p> <p>Audit and Governance Manager Assistant Director – Democracy and Governance</p> <p>Telephone: 7637 6260 024 7637 6258</p> <p>linda.downes@nuneatonandbedworth.gov.uk matthew.wallbank@nuneatonandbedworth.gov.uk</p>
Monitoring Officer	<p>Philip Richardson Waheeda Sheikh</p> <p>Director – Democracy, Planning & Public Protection Solicitor to the Council</p> <p>Telephone: 024 7637 6233 024 7637 6897</p> <p>philip.richardson@nuneatonandbedworth.gov.uk Waheeda.sheikh@nuneatonandbedworth.gov.uk</p>
Chairman of the Audit Committee	
External auditors	<p>Grant Thornton UK LLP The Colmore Building 20 Colmore Circus Birmingham B4 6AT T 0121 212 4000</p>

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	www.grant-thornton.co.uk
Public Concern at Work (Independent whistleblowing charity)	Helpline: (020) 7404 6609 E-mail: whistle@pcaw.co.uk Website: www.pcaw.co.uk

CONFIDENTIAL REPORTING FORM

Name (s) of complainant:	
Service Unit:	
Line Manager:	
Description of concern, including dates, incidents, names and reasons for concern (please continue on separate sheet if necessary):	
Signed:	Date:

Office Use:

Date complaint received:	
Action to be Taken:	
Name of Investigation Officer is applicable:	
Date assigned:	

AGENDA ITEM NO.8

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 10th September 2024

From: Finance Manager - Treasury

Subject: Treasury Management 2024/25 – Quarter 1 Review

1. Purpose of Report

1.1. The Council is required through the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) to report to full Council a mid-year review.

1.2. This report sets out the Council's treasury position as at 30th June 2024 and therefore any decisions made after this date are not reflected in this report.

2. Recommendations

2.1. That it be recommended to Council that the Treasury Management Report for 2024/25 – Quarter 1 be noted.

3. Background

3.1. The Council operates a balanced budget, which broadly means cash raised during the year will meet cash expenditure. Part of the purpose of treasury management operations is to ensure cashflow is planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity to meet cashflow before considering optimising investment returns.

3.2. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

3.3. Accordingly, Treasury Management is defined by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice as: "The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital

market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

3.4. This report has been written in accordance with the requirements of the CIPFA’s Code of Practice for Treasury Management. The primary requirements of the Code are as follows:

- i.) Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities.
- ii.) Creation and maintenance of Treasury Management Practices which set out the way the Council will seek to achieve those policies and objectives.
- iii.) Receipt by the full Council of an annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a Mid-year Review Report (this report) and an Annual Report covering activities during the previous year.
- iv.) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- v.) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council, the delegated body is the Audit & Standards Committee.

3.5. This mid-year report has been prepared in compliance with the Code and covers the following:

- An economic update for the first three months of 2024/25.
- A review of the Council’s investment portfolio as of Q1 2024/25.
- A review of the Council’s debt portfolio as of Q1 2024/25.
- A review of any debt rescheduling undertaken during 2024/25.

4. Economic Update for Q1 of 2024/25

4.1. The Council’s in-house team of qualified finance staff monitor and maintain the Council’s Treasury Management activity in line with the Council’s Strategy. The Council employs Link Group as its treasury management advisor and officers hold regular meetings with them concerning existing and future potential economic circumstances regarding both investments and short/long-term borrowing.

4.2. The first quarter of 2024/25 saw:

- UK GDP fell to 4.6% in April 2024 from 4.9 in December 2023 and 8.1% in April 2023.
- Sales in the Retail section increased by 2.9% in May 2024 above the market expectation of 1.5%, and the GPI Consumer confidence index improved to -14 in June 2024 (the highest value since November 2021)

- CPI inflation fell to 2.8% in May 2024 down from 3.8% in February.
- The unemployment rate rose to 4.4% in April 2024 (from 4.3%) The highest figure since September 2021.
- Despite the increase in unemployment, average weekly earnings, including bonuses in the UK, rose by 5.9% y/y to in the three months to April, better than the market was expecting.
- Bank Rate stayed at 5.25% over the quarter. However, speculation is that the Bank of England Monetary Policy Committee (MPC) will reduce the Bank Rate soon as two members have voted for a cut in June 2024 with our advisors expecting a reduction in September 2024 to 5.0%

4.3. The consequence of the above is that PWLB rates have rose slightly since our last update. PWLB 5 to 50 years Maturity Rates are, generally, in the range of 5.03% to 5.60%. This means it costs a little more to take out new borrowing now than previously. We are expecting, as the bank rate decreases, the PWLB rates to reduce, as well as other possible lenders.

4.4. We view the markets have built in decreases in the long-term gilt rates, but there are some differences in opinions on when a rate cut will occur meaning some variances in the short-term gilt market which will affect short term borrowing and the rates of any Money Market Funds (MMFs).

4.5. The Prime Minister had called for a general election on the 4th July 2024. This may lead to a new Prime Minister and different budgetary policy for the government. This has added a little, very short-term uncertainty, but this is in markets that the Council does not trade in.

4.6. Overall, there are predicted improvements to the UK economy, which will lead to reductions of the Bank of England Base Rate however the speed and amount of them will change.

5. The Council's Investment Portfolio as at 30th June 2024

5.1. The Treasury Management Strategy Statement (TMSS) for 2024/25, which includes the Annual Investment Strategy, in accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

5.2. A list of all investments held as at 30th June 2024 is shown below:

Counterparty	Amount Invested	Deposit Period	Maturity Date	Interest Rate
Fixed Term Deposit:				
Blackpool Council	£5.0m	3 Months	Jul 2024	5.30%
Cheshire East Council	£5.0m	4 Months	Aug 2024	5.30%
Hull City Council	£4.0m	3 Months	Jul 2024	5.30%
Bournemouth, Christchurch and Poole Council	£5.0m	2 Weeks	Jul 2024	5.20%
Total Fixed Term Deposits	£19.0m			5.27%
Notice Accounts:				
Total Notice Accounts	£0.0m			N/A
Property Funds				
CCLA Local Authority Property Fund	£2.0m	N/A	N/A	4.76%
Total Property Funds	£2.0m			4.76%
Money Market Funds:				
Federated Prime Rate	£2.0m	N/A	N/A	5.17%
Total Money Market Funds	£2.0m			5.17%
Instant Access/Call Accounts				
Lloyds Bank (Current Account)	£3.74m	Overnight	N/A	5.15%
Total Instant Access	£3.74m			5.15%
Total Investments	£26.74m			5.21%

5.3. Investment Counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

6. The Council's Debt Position as at 30th June 2024

6.1. The Council's borrowing activity for the first 3 months of the financial year can be summarised as follows:

- No new loans were taken out
- £2.5m of debt matured
- £70.205m of debt is outstanding as at 30th June 2024 at an average rate of 3.54%. There are three loans due to be repaid in 24/25 totalling £7.5m

6.2. Due to the high interest rates, the Treasury Team is minimalizing the amount of new external debt that the council is undertaking, and are waiting for the rates to drop unless there is a cashflow reason for

6.3. The Council's Debt Position as at 30th June 2024 is shown below:

Borrowing	2024/25 Opening Balance £m	Balance as of 30th June 2024 £m	2024/25 Closing Forecast £m
General Fund			
PWLB	6.75	6.75	33.48
Market LOBO	2.00	2.00	2.00
HRA			
PWLB	63.96	61.46	63.96
Total	72.71	70.21	98.57

7. Debt Rescheduling

7.1. Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted PWLB new borrowing rates. No debt rescheduling has therefore been undertaken to date in the current financial year.

7.2. The Council is currently breaching their Debt Maturity limits when the full Debt of both the General Fund and the HRA is considered. This is mainly 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.

7.3. Part of the reason for the breach has been the use of internal borrowing over the last few years. Whilst making financial sense due to the high interest rates, this has indirectly led to the breach as the council is not borrowing more long-term debt, and therefore the percentage of debt that is maturing shortly is higher. As the CPR figure earlier showed, the council has more capacity for debt and therefore this is not as much a problem as if we were over-borrowed.

The Council is expecting to use external borrowing later this year, which should assist with correcting the Debt Maturity breach, even if you include the HRA figures.

Total Debt Maturity Profile				
Debt Maturity within	£m	% of Total Debt	% of Running Total Debt	% for Lower and Upper Limit of Debt
Under 6 months	7.5	10.6%	10.6%	0%-30%
1 Year	0.0	00.0%	10.6%	0%-35%
2-5 Years	38.7	55.1%	65.6%	0%-50%
5-10 Years	16.0	22.7%	88.6%	0%-75%
10 Years and Over	8.0	11.3%	100.0%	0%-100%
Total Debt	70.2	100.0%	100.0%	

7.4. If we look at just the General Fund Debt, there is no breach of the Debt Maturity limits. There is also room for capital loans in the 5-10 year region if needed, but this would have to be evaluated over the Council's priorities and the expected lifespan of the asset linked to the capital spend.

General Fund Maturity Profile				
Debt Maturity within	£m	% of Total Debt	% of Running Total Debt	% for Lower and Upper Limit of Debt
Under 6 months	0.00	0.0%	0.0%	0%-30%
1 Year	0.00	0.0%	0.0%	0%-35%
2-5 Years	3.75	42.9%	42.9%	0%-50%
5-10 Years	0.00	0.0%	42.9%	0%-75%
10 Years and Over	5.00	57.1%	100.0%	0%-100%
Total Debt	8.75	100.0%	100.0%	

8. Conclusion

8.1. That Cabinet is recommended to note the Treasury Management 2024/25 Quarter 1 review

9. Appendices (if none, state none)

9.1. None

10. Background Papers (if none, state none)

10.1. None