

Audit & Scrutiny Committee **Tuesday, 6th February, 2024 at 7.30 pm** **Council Chamber - Council Offices** **Agenda**

Members of the Audit & Scrutiny Committee

Councillor Ian Booth (Chair)	Councillor Martin Allen (Vice-Chair)
Councillor Perry Chotai	Councillor Michael Cooper
Councillor Sue Farr	Councillor Anna Jones
Councillor Carole North	Councillor Anna Patel
Councillor Lewis Sharp	Councillor Colin White
Councillor Sir Nicholas White	

Substitute Members

Councillor Bryan Black	Councillor Helen Bilton
Councillor Liam Hammond	Councillor Jeremy Pursehouse
Councillor Judy Moore	

If a member of the Committee is unable to attend the meeting, they should notify Democratic Services. If a Member of the Council, who is not a member of the Committee, would like to attend the meeting, please let Democratic Services know by no later than noon on the day of the meeting.

If any clarification about any item of business is needed, contact should be made with officers before the meeting. Reports contain authors' names and contact details.

David Ford

Chief Executive

Information for the public



This meeting will be held in the Council Chamber, Council Offices, Oxted and the public are welcome to attend. Doors for the Council Offices will open 15 minutes before the start of the meeting.



The meeting will also be broadcast online at tinyurl.com/webcastTDC. In attending this meeting, you are accepting that you may be filmed and consent to the live stream being broadcast online and available for others to view.



Information about the terms of reference and membership of this Committee are available in the Council's Constitution available from tinyurl.com/howTDCisrun. The website also provides copies of agendas, reports and minutes.



Details of reports that will be considered at upcoming Committee meetings are published on the Council's Committee Forward Plan. You can view the latest plan at tinyurl.com/TDCforwardplan.

democraticservices@tandridge.gov.uk Tel: 01883 722000

www.tandridge.gov.uk/Your-council/Councillors-and-committees

Tandridge District Council, Council Offices, 8 Station Road East, Oxted, Surrey, RH8 0BT

AGENDA

1. Apologies for absence (if any)

2. Declarations of interest

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter:

(i) any Disclosable Pecuniary Interests (DPIs) and/or

(ii) other interests arising under the Code of Conduct

in respect of any item(s) of business being considered at the meeting. Anyone with a DPI must, unless a dispensation has been granted, withdraw from the meeting during consideration of the relevant item of business. If in doubt, advice should be sought from the Monitoring Officer or her staff prior to the meeting.

3. Minutes of the meeting held on 28th November 2023 (Pages 3 - 8)

4. To deal with any question submitted under Standing Order 30

Questions must be sent via email or in writing to Democratic Services by 5pm on [2 working days before the meeting] and comply with all other aspects of Standing Order 30 of the Council's Constitution

5. To deal with any issues 'Called In' under Part F of the Council's constitution

6. External Audit Update (Pages 9 - 16)

7. Internal Audit Update - January 2024 (Pages 17 - 30)

8. Annual Governance Statement 2022/23 (Pages 31 - 76)

9. Anti Money Laundering Policy Review (Pages 77 - 92)

10. Future Tandridge Programme Update - January 2024 (Pages 93 - 124)

11. Complaints and Freedom of Information update (Pages 125 - 134)

12. Any urgent business

To deal with any other item(s) which, in the opinion of the Chair, should be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972.

TANDRIDGE DISTRICT COUNCIL

AUDIT & SCRUTINY COMMITTEE

Minutes and report to Council of the meeting of the Committee held in the Council Chamber - Council Offices on the 28 November 2023 at 7:30pm.

PRESENT: Councillors Booth (Chair), Allen (Vice-Chair), Cooper, Sue Farr, Anna Jones, Patel, Sharp, Colin White and Nicholas White

ALSO PRESENT (Virtually): Councillors Damesick and Smith

APOLOGIES FOR ABSENCE: Councillors Chotai and North

173. MINUTES OF THE MEETING HELD ON 26TH SEPTEMBER 2023

The minutes were confirmed and signed as a correct record.

174. EXTERNAL AUDIT UPDATE

The Committee received a report relating to the progress of the external audit of the 2021/22 statement of accounts and agreeing of audit fees.

In respect of the audit of the 2021/22 statement of accounts, Members were informed that:

- All areas of the audit had commenced, with 76% of the initial field work completed. Overall 60% of the audit had been fully completed.
- Progress since the last committee had been slower than anticipated. However, resources had been booked to work on the audit and it was being prioritised.
- The draft report included a number of control recommendations for consideration by the Committee.
- Management had corrected misstatements totalling £271k. A further £63k of uncorrected misstatements remained. It was noted that these numbers may alter once all testing had been completed.

In respect of the contested audit fees, Members were informed that both the Council and Deloitte had submitted evidence in respect of the fees incurred to Public Sector Audit Appointments (PSAA) and a decision from them was expected in due course.

In response to Member questions, the following points were clarified:

- PSAA had stated that they wanted to resolve the fee dispute swiftly. However, Officers stressed that they wanted to ensure the correct outcome was reached in the dispute and did not want to compromise the Council's financial position in favour of a prompt resolution.
- Values referred to in the audit report needed to reflect the balance sheet date of March 2022. All valuation and testing was completed at that point of time in order to show a correct value for that year's audit.
- Property valuations were a significant risk for most Local Authorities. Testing was currently in progress and all outstanding information had now been received and was being worked on by Deloitte.
- There was a process in place for producing robust working papers for audit. However, there was a workload and prioritisation issue which restricted how this could be

implemented to the satisfaction of the auditors. It was noted that 2022/23 will be the first audit year that the current financial team had been responsible for. It was therefore anticipated that the 2022/23 audit would be more straightforward.

- All misstatements would be contained in the final ISA260 for the Committee to consider.
- The register of interest processes run by both the Democratic Services and Finance Teams would be reviewed and a more coherent process to collate all of the required information would be introduced in the future. Deloitte had recommended that the Council review Member declarations of interest on a regular basis by way of an annual report to the Committee.
- It was confirmed that out of 486 public bodies, 10 were still completing the 2018/19 audit, 34 completing the 2019/20 audit, 106 completing the 2020/21 audit and 303 working through the 2021/22 audit. Of the Surrey authorities, it was confirmed that 33% were currently completing their 2019/20, 50% were completing their 2020/21 audit and 67% were completing their 2021/22 audit.
- The Council's new auditors, Grant Thornton, had proposed starting the 2023/24 audit in August or September 2024. This would be dependent on the current position of audits currently outstanding with Deloitte. Concerns were raised around the internal resourcing of multiple audits and the associated costs.

Councillor Allen proposed a motion to add the following further recommendation:

That the Audit & Scrutiny Committee agrees to inspect the Council's register of interests on an annual basis.

The motion was seconded by Councillor Cooper. Upon being put to the vote, the motion was carried.

In response to the statistics provided in respect of the level of backlog of Local Authority audits, Councillor Cooper proposed the following motion to add a further recommendation to the report:

That the Council draft a letter of complaint to the Department of Levelling Up, Housing and Communities, regarding the current position of the external audit. Wording of the letter to be agreed by the Chair and Vice Chair in advance of circulation to the Audit & Scrutiny Committee.

The motion was seconded by Councillor Sharp. Upon being put to the vote, the motion was carried.

RESOLVED – that:

- A) the Committee notes the 2021/22 external audit progress.
- B) the Committee notes the progress on addressing audit fee proposals.
- C) the Committee agrees to inspect the Council's register of interests on an annual basis.
- D) the Council draft a letter of complaint to the Department of Levelling Up, Housing and Communities, regarding the current position of the external audit. Wording of the letter to be agreed by the Chair and Vice Chair in advance of circulation to the Audit & Scrutiny Committee.

175. INTERNAL AUDIT PROGRESS REPORT - NOVEMBER 2023

The Committee received a progress report from the Southern Internal Audit Partnership (SIAP), which included:

- An analysis of live audit reviews that still had management actions pending or overdue.

- A progress update against the 2022/23 and 2023/24 Internal Audit Plan.
- A summary of any adjustments to the Internal Audit Plan and any significant issues that would impact on the Chief Internal Auditor's annual opinion.

It was confirmed that Housing Voids had been removed from the current Internal Audit Plan due to a significant amount of officer time being spent reviewing the service and how it would be provided in the future. Consequently, an audit of the collection and distribution of Community Infrastructure Levy and Section 106 funds had replaced it in the Internal Audit Plan.

The Committee commented on the positive progress of the internal audit progress and the level of information contained in the report.

RESOLVED – that the Committee notes the Internal Audit Progress Report – October 2023

176. FRAUD UPDATE MID-YEAR 2023/24

The Section 151 Officer presented a report that set out recent activity undertaken in respect of strengthening the Council's fraud arrangements and the steps taken to prevent fraudulent activity at the Council. The report provided details of recent activity that had been confirmed as fraud or could have potentially become a fraudulent event. The report also provided details of a recent theft of laptops from the Council Offices.

Members were informed that a joint working agreement, developed between the Head of Housing and Reigate and Banstead Borough Council (RBBC), had been introduced and expanded to cover a number of service teams in the Council. The work undertaken by RBBC, alongside further internal anti-fraud measures, were improving the Council's ability to investigate fraudulent activity.

In response to Member questions, Officers confirmed that:

- Fraudulent activity varies year to year and the two significant cases of fraud that had recently occurred was not unexpected when compared with activity at other authorities.
- The Chair and Vice Chair of the Committee had also been informed of the theft of Council laptops as part of the initial internal response.
- The annual cost of the joint working agreement was included in existing budgets and provided good value for money for the Council. The cost paid for a set amount of RBBC Officer time and it was agreed in advance how this would be targeted. The current focus was to improve the Council's policies and officer training with a view to then develop the delivery of day to day anti-fraud measures.
- Further clarification would be sought on the cashable savings and notional savings set out in the extract from the Monthly Fraud Report.

RESOLVED – that the Committee note the Council's arrangements in respect of fraud, its efforts to improve the management and reporting of fraud, strengthen its anti-fraud arrangements and put in place robust and regular reporting.

177. FUTURE TANDRIDGE PROGRAMME UPDATE - NOVEMBER 2023

The Section 151 Officer presented a report focusing on the governance, risk and issue management of the Future Tandridge Programme.

Members were informed that:

- The Council was looking to recruit an Organisational Development Lead jointly with RBBC, although an appointment was not expected until March 2024. A business case was being developed for this recruitment and for the wider sharing of HR functions, which would come to Members for approval.
- A detailed project plan had been drafted in respect of the Council's new telephony implementation. It was expected that this would reduce the mitigation score for the Digital Transformation project.
- The risks relating to the procurement timetable for the grounds maintenance plan, had increased due to expected changes in the Council's procurement resource in early 2024. Procurement Officers were being jointly recruiting with RBBC which would mitigate the potential future risk to the Council.

In response to Member questions, it was confirmed that:

- Despite having secured resource to take forward the majority of the transformation plan, the Council did not want to reduce the mitigated risk score for the organisational development workstream until certain specific roles had been filled.
- The Council had strong governance in place in order to avoid unnecessary changes of scope to the Future Tandridge Programme. Any scope changes are deliberated by Management Team. It was noted that scope changes may be required in order to ensure that the FTP remained flexible.
- Council vacancies were advertised internally to provide the opportunity to recruit from within the organisation and potentially upskill existing employees.
- Any graduates or apprentices employed by the Council are managed through the Extended Management Team whilst the HR Organisational Development vacancy is out for recruitment.

RESOLVED – that the Committee:

- A) note the direction of travel for the FTP, the savings identified for delivery in 2023/24.
- B) note the approach to risk management being applied and the current programme level risks identified in Appendix D.

178. WHISTLEBLOWING POLICY REVIEW

The Head of Legal Services presented a report relating to a review of the Council's Whistleblowing Policy, which had last been reviewed in 2022. Key amendments to the policy included a wider definition of whistleblowing, further information on statutory protection, additional information on dealing with anonymous allegations and the inclusion of references to Freedom of Information requests.

In response to Member's questions, it was confirmed that section 6.5 of the policy, relating to the keeping an anonymous whistle-blower informed of progress and outcome of any investigation, would be reviewed and amended where necessary to take into account that their identity is unknown.

RESOLVED – that the Whistleblowing Policy, attached at Appendix A, be approved by the Committee and recommended for presentation to the Staff Forum and any subsequent amendments to be agreed by the Chair and Vice Chair of the Committee.

179. QUARTER 2 PERFORMANCE EXCEPTIONS

The Head of Policy and Communications presented a report that provided a performance and risk exception update for the Council's four policy committees. It was noted that overall performance had been good. Three red risks were noted on the Planning Policy Committee risk register, one red risk on the Housing Committee risk register and one on the Community Services risk register.

In response to Member questions, Officers confirmed that:

- Officers would look into the statistics on call abandonment to see if further clarification on how the timings are calculated. It was noted that KPIs would be reviewed with the introduction of the telephony system in 2024.
- The improvement on response to telephone calls had occurred due to a combination of factors including the Customer Service team having more staff, a slight drop in calls received and the time of year.
- Call response times may increase when the new telephony system is introduced as both staff and residents adapt to the new system. It was being explored as to whether additional resource would be required to negate this potential issue. Communications relating to the launch date of the new telephony system would be publicised so Members were aware in advance.
- The reporting of call handling would be developed and improved to provide year on year statistics.
- In respect of the number of working days lost to staff sickness, the figure was benchmarked against other Surrey authorities and the Council was broadly in line with the average figure across the county. It was noted that long term sickness was included in these data which significantly alters the final absence figure.

Members raised concerns relating to the Housing Committee KPIs that were off target. The KPIs related to the number of households living in temporary accommodation and the number of people in urgent need on the Housing Register. Officers informed the Committee that these points were discussed at Housing Committee and a significant number of factors outside of the Council's control contributed to the KPIs being off target. It was noted that the Housing Team was working hard to manage the situation and to bring in new council house accommodation and council housebuilding to help address the situation.

RESOLVED – that the Committee had reviewed and noted the policy committee's performance exceptions for Quarter 2 of 2022/2023 and the committee and corporate risks.

180. COMPLAINTS AND FREEDOM OF INFORMATION UPDATE

The Committee received a report which summarised the Council's complaints policy and presented breakdowns of the 29 Stage 1 complaints and 9 Stage 2 complaints received in the quarter from 1 July 2023 to 30 September 2023. Further to comments made at the previous meeting of the Committee, Members were provided with a breakdown of complaints on a ward-by-ward basis.

The report also provided a breakdown of the 210 Freedom of Information (FOI) requests received in the same quarter. The areas with the most requests were for Housing, ICT and Environmental Health.

In response to Member questions, Officers confirmed that any complainants who were not satisfied with the outcome from Stage 2 could take their complaint to the Local Government Ombudsman.

RESOLVED – that the Committee accepted and noted the report.

181. INDEPENDENT PERSON APPOINTMENT - VERBAL UPDATE

Members were informed that two applications had been received but it had not been possible to interview in November. Interview dates were currently being arranged with all relevant parties.

RESOLVED – that the Committee noted the update received on the recruitment of an Independent Person to the Audit & Scrutiny Committee.

Rising 9.13 pm

External Audit Update - 2021/22 and 2022/23

Audit & Scrutiny Committee - Tuesday, 6th February 2024

Report of: Director of Resources (Section 151)

Purpose: Information

Publication status: Unrestricted

Wards affected: All wards

Executive summary:

This report updates the Committee on the progress of the external audit of the 2021/22 Statement of Accounts alongside an update on related matters.

The report also sets out progress to-date in addressing audit fees with Deloitte for the financial years 2019/20, 2020/21 and 2021/22.

This report supports the Council's priority of: Building a better Council.

Contact officer Mark Hak-Sanders Director of Resources (S151)
mhaksanders@tandridge.gov.uk

Recommendation to Committee:

- A) That Committee notes the 2021/22 external audit progress.
 - B) That Committee notes progress in finalising the 2022/23 Statement of Accounts.
 - C) The Committee notes the letter from the Minister for Local Government re the proposed audit backstop (Appendix A).
 - D) That Committee notes progress on addressing audit fee proposals.
-

Reason for recommendation:

Local authorities are required to prepare an annual statement of accounts, publish such accounts and have those accounts audited. Audit and Scrutiny Committee is responsible for approving the final audited statements.

2021/22 External audit

1. On 28th November 2023, the Audit and Scrutiny Committee received a report relating to the progress of the external audit of the 2021/22 Statement of Accounts and the discussions relating to audit fees.
2. Members were informed that all areas of the audit had commenced, with 76% of the initial field work completed.
3. The audit of the 2021/22 statements is progressing. There have been delays over Christmas and New Year due to auditors' annual leave. Meetings are progressing between Officers and Deloitte to complete the final audit work and checks to enable the statements to be signed. Deloitte are in the process of preparing a more detailed progress report which will be shared with Members when available.
4. The project plan is being monitored on a weekly basis so that progress towards 100% completion of outstanding audit areas can be tracked. The aim is for all outstanding audit work to be completed by the end of February 2024. The intention is for the final Audit Findings Report and the Statement of Accounts for 2021/22 to be presented to the 11th April 2024 Committee meeting.
5. It has also been agreed that Deloitte and Council Officers should meet with the Chair and Vice Chair of the Committee on a monthly basis to provide updates on the progression of the audits between Committee meetings. These meetings are being scheduled.

Audit Fees

2019/20 and 2020/21

6. As previously reported the fee proposals from Deloitte are as follows:
 - 2019/20: £136k
 - 2020/21: £209k
 - **Total: £345k**

This can be compared to the standard scale fee of £36k per year for both 2019/20 and 2020/21. It represents a 479% increase and 3% of the Council's annual budget.

7. As reported to Committee in November both the Council and Deloitte had submitted evidence in respect of the fees incurred to Public Sector Audit Appointments (PSAA) and a decision was expected in due course.
8. Officers have been in contact with PSAA. PSAA have stated that they are still working on the fee variations issue. They are continuing to have meetings with Deloitte and are looking at various parts of the audit file. Whilst all parties are keen to resolve the situation as quickly as possible, PSAA are aiming to

ensure that the correct outcome is reached and do not wish to compromise the process.

9. Once PSAA have completed their work they will write to the Council setting out their determination. They are aiming that this will be in either late January or early February. The Council will challenge this if it is not satisfied by the outcome.

Future Audit Fees

10. As reported to previous Committee meetings, the scale fee set by PSAA for the 2021/22 audit is £36k (the same as the previous two years). Deloitte reported to the November Audit and Scrutiny Committee that they proposed to increase the audit fee for 2021/22 to £66k as a result of additional work required to assess Value for Money (VFM), increased use of specialist expertise and changes to various International Auditing Standards. Deloitte also reported that they have incurred additional costs of £63k due to a delay in providing information. These figures are provisional and further amendments may be proposed. Similarly, the Council will continue to challenge any proposed fees if it does not deem them to offer value for money.
11. The audit of 2022/23 is referred to separately, below, however the £36k standard scale fee applies as in previous years.
12. The 2023/24 external audit will be undertaken by Grant Thornton. PSAA has published the 2023/24 audit scale fee following a consultation. The new fees have been set at a time of significant change in the local audit system and the scale fees have attempted to replace the need for future fee variations. Under the new regime the scale fee is £151k.
13. The increased fees highlighted in paragraph 12 above have been built into the Council's proposed 2024/25 budget.

2022/23 Statement of Accounts and External Audit

14. The Statement of Accounts for 2022/23 is in the process of being finalised and will shortly be published in draft form on the Council's website. The intention is that it will be published by the end of February 2024. From the date of publication, the draft accounts will be subject to a 30-working day public inspection period, during which time any person interested may on reasonable notice inspect the accounts and supporting documents, except where the latter includes commercially sensitive or personal information.

Addressing the Local Audit backlog

15. Throughout 2023 the Government have been consulting with the sector on a range of proposals designed to address the backlog of local audits in England.

The proposals included enforcing statutory deadlines and issuing qualifications and disclaimers of opinion in the short term.

16. The Levelling Up, Housing and Communities Committee published a report in November 2023 acknowledging that a resetting of the system through a limited series of statutory deadlines was necessary as a first step to resolve the audit backlog.
17. The Department for Levelling Up, Housing and Communities (DLUHC) has continued to work with the Financial Reporting Council (FRC). The Minister has written to the Committee to follow up its report on financial reporting and audit in local authorities. This letter, dated 9 January 2024, explicitly mentions the proposed date of 30 September 2024 as the first statutory deadline for all outstanding local audits in England up to and including the financial year 2022/23. It also announces that the department and the NAO will commence consultation shortly on proposals to implement changes to facilitate the system re-set and recovery. The letter is attached as Appendix A.
18. These proposals are subject to consultation. The letter makes it clear that whilst consultations take place, councils and auditors should continue undertaking existing work to produce and audit local authority financial statements to ensure that the system is in the best place possible to implement and final package of measures.
19. Officers are discussing the implications of this with Deloitte, and Committee will be updated and consulted as those discussions progress.

Consultation

Not required.

Key implications

Comments of the Chief Finance Officer

The financial implications of the report are set out above. The external auditor has pointed out that it is likely that fee variations will be required. The Director of Resources will continue to advise Deloitte that, in accordance with PSAA requirements, the fee implications should be discussed with management at the earliest opportunity and will be subject to Committee approval.

Comments of the Head of Legal Services

In relation to the Council's Constitution and the specific role and responsibilities of this Committee the Constitution provides that the overall purpose of the Committee is *'to be responsible for the review and scrutiny of the decisions and performance of the Council, audit arrangements and providing opportunities for other organisations to present / explain key aspects of their local services'*. In particular, the Committee is responsible for overseeing both internal and external audit helping to ensure that efficient and effective assurance arrangements are in place.

Equality

There are no Equalities implications directly arising from the statutory audit of the financial statements.

Climate change

There are no Climate Change implications directly arising from the statutory audit of the financial statements.

Appendices

Appendix A - Local Audit letter - Minister Hoare to Clive Betts

Background papers

None

----- end of report -----

This page is intentionally left blank



Department for Levelling Up,
Housing & Communities

Simon Hoare MP
Minister for Local Government
2 Marsham Street
London
SW1P 4DF

Clive Betts MP
Chair, Levelling Up, Housing and Communities Committee
House of Commons
London
SW1A 0AA

9A

January 2024

Dear Clive

Thank you for your considered report on *Financial Reporting and Audit in Local Authorities*, published by the Levelling Up, Housing and Communities Committee on 24 November 2023.

The Government recognises the vital role played by our systems of local authority financial reporting and audit. Accurate and independently audited financial information, delivered on time, enables local bodies to effectively plan, make informed decisions and manage their services. This aids transparent and accountable local democracy which engenders public confidence and trust.

In July my predecessor, Lee Rowley MP, wrote to you providing a cross-system statement on proposals to clear the backlog of local audits. He set out that there exists a shared resolve and commitment amongst the organisations which comprise the local audit system to take action to tackle the exceptional circumstances of the current backlog and ensure a return to timely delivery of high-quality financial reporting and external audit in local bodies. This resolve remains strong and considerable. Detailed development of the proposals, alongside engagement with stakeholders across the sector, has taken place since the Summer. I am pleased that the Committee have acknowledged that "*a resetting of the system through a limited series of statutory deadlines... represents a necessary first step...*".

I can now confirm that the Department, supported by the FRC, alongside the National Audit Office, will launch consultations on these proposals soon. Our proposals will include an initial backstop date for local authorities and auditors of 30 September 2024 for all outstanding local audits in England up to and including the financial year 2022-23. Subject to the outcome of the consultations on necessary legislative changes as well as changes to the Code of Audit Practice, we intend to bring forward legislation to implement the backstop proposals. While these consultations take place, preparers and auditors should continue undertaking existing work to produce and audit local authority financial statements to ensure the system is in the best place possible to implement any final package of measures.

The Government is carefully considering the Committee's report, and its content is helping to inform our work with key system partners to develop solutions to the challenges in the local authority financial reporting and audit system. The Committee's report makes a wide range of recommendations for both the backlog and the future of local financial reporting and audit and I agree that important questions concerning systemic challenges must be addressed.

SIMON HOARE MP
Minister for Local Government

This page is intentionally left blank

Internal Audit Progress Report (December 2023)

Audit & Scrutiny Committee – Tuesday 6 February 2024

Report of: Neil Pitman – Head of Southern Internal Audit Partnership
Neil.pitman@hants.gov.uk

Purpose: For information

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report provides an overview of internal audit activity against assurance work completed in accordance with the approved audit plan for 2023-24 and to provide an overview of the outstanding management actions.

This report supports the Council's priority of: Building a better Council

Contact officer Mark Hak-Sanders – Director of Resources (Section 151)
mhaksanders@tandridge.gov.uk

Recommendation to Committee:

That the Committee notes the Internal Audit Progress Report – December 2023

Reason for recommendation:

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee.

Introduction and background

- 1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:
 - ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and
 - undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.
- 2 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee, summarising:
 - The status of 'live' internal audit reports (outstanding management actions);
 - an update on progress against the annual audit plan;
 - a summary of internal audit performance, planning and resourcing issues; and a summary of significant issues that may impact on the Chief Internal Auditor's annual opinion.
- 3 Appendix A summarises the activities of internal audit for the period up to the end of December 2023.
- 4 The progress report provides a clear and transparent articulation of internal audit activity, performance, and outcomes during the period up to the end of December 2023.

Key implications

Comments of the Chief Finance Officer

The Progress Report on Internal Audit provides the Council an important insight into areas of risk for the Council where its key processes are not functioning effectively, and their improvement must be prioritised. There are however no direct financial implications of this report.

Comments of the Head of Legal Services

The Accounts and Audit Regulations 2015 came into effect on 1 April 2015 and require councils to undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

The Progress Report on Internal Audit is intended to ensure that effective systems of internal control are in place. This protects the Council and its Officers and provides an assurance to stakeholders and residents regarding the security of the Council's operations.

Equality

There are no equality implications associated within this report.

Climate change

There are no environmental / sustainability implications associated with this report.

Appendices

Appendix 'A' – Internal Audit Progress Report – December 2023

Background papers

None.

This page is intentionally left blank



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

TANDRIDGE DISTRICT COUNCIL
INTERNAL AUDIT PROGRESS REPORT – 2023/24

Prepared by: Natalie Jerams, Deputy Head of Partnership

December 2023

Contents:

1.	Role of Internal Audit	2
2.	Purpose of report	3
3.	Performance dashboard	4
4.	Analysis of 'Live' audit reviews	5
5.	Executive summaries 'Limited' and 'No' assurance opinions	6
6.	Planning and resourcing	6
7.	Rolling work programme	6-8
8.	Adjustments to the Plan	8
	Annex 1 – Previous TDC Assurance Opinions	9

1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

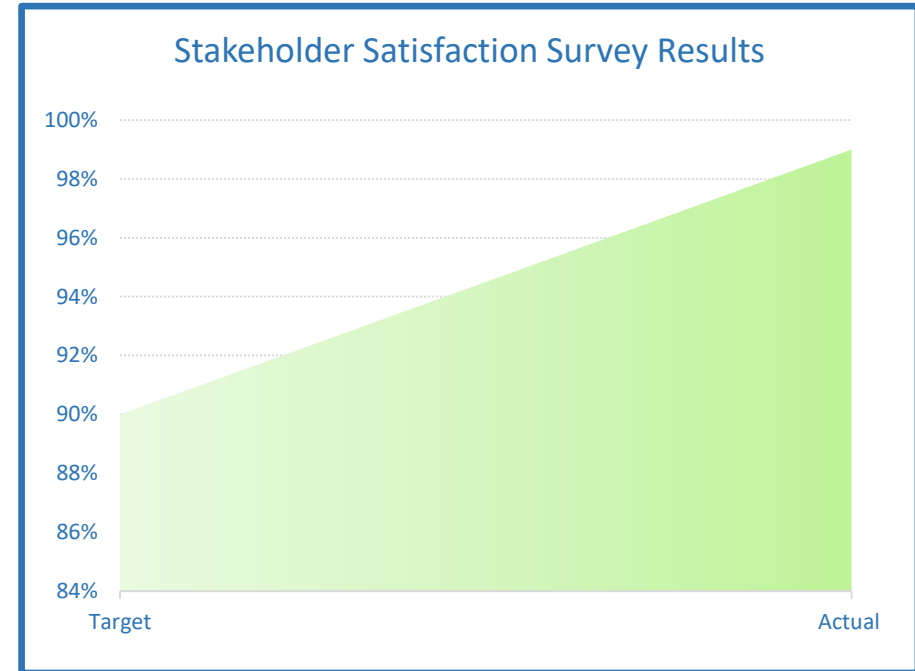
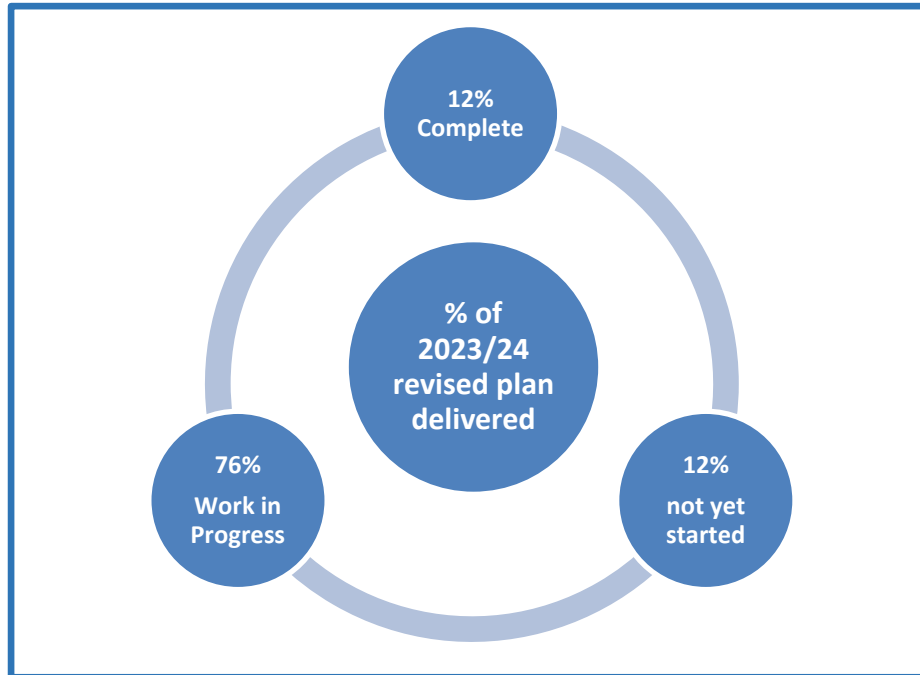
- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

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

** Some reports listed within this progress report (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to adoption of the CIPFA standard definitions, reference is provided at Annex 1*

3. Performance dashboard



Page 25

Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)*	Not Yet Due*	Complete*	Overdue		
							L	M	H
Council Tax	02.10.20	DofR	Adequate	5(2)	0(0)	4(2)		1	
Fraud Governance Arrangements	24.03.22	HofL&DS	Limited	15(11)	0(0)	12(8)			3
Income Collection	08.08.22	DofR	Reasonable	5(0)	0(0)	4(0)		1	
Contract Management	11.08.22	HofL&DS	Limited	20(3)	0(0)	13(1)		5	2
Business Continuity & Emergency Planning	08.09.22	HofC	Limited	12(11)	0(0)	7(6)			5
Environmental Health & Licensing	08.02.23	HofH	Reasonable	6(0)	2(0)	4(0)			
Accounts Payable	15.06.23	DofR	Reasonable	8(2)	2(1)	5(1)		1	
Risk Management	02.08.23	HofP&C	Limited	5(0)	3(0)	2(0)			
IT Application Management (Orchard)	16.08.23	DofR	Limited	21(10)	6(1)	12(7)		1	2
Annual Governance Statement 2022/23	16.10.23	HofL&DS	Limited	10(5)	7(2)	3(3)			
Accounts Receivable & Debt Management	31.10.23	DofR	Reasonable	6(2)	6(2)	0(0)			
IT Disaster Recovery	13.11.23	DofR	Reasonable	8(0)	5(0)	0(0)	2	1	
Total				121(46)	31(6)	66(28)	2	10	12

*Total number of actions (total number of high priority actions)

5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There have been no new reports published concluding a “limited” assurance opinion since our last progress report in November 2023.

6. Planning & Resourcing

The internal audit plan for 2023/24 was presented to the Management Team and the Audit & Scrutiny Committee in April 2023.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2022/23 (carry forward)								
Health and Safety	HofE	✓	✓	✓	✓			Incorporated within the 2022/23 Annual Report & Opinion.
Main Accounting	DofR	✓	✓	✓	✓			
Payroll	DofR	✓	✓	✓	✓	⊙	Limited	
Operational Services	HofE	✓	✓	✓	⊙			
Follow Up – Building Control	HofBC	✓	✓	✓				
2023/24								
Corporate								
Savings Realisation / FTP	DofR	✓	⊙	⊙				
Asset Management – Statutory Checks	DofR	⊙	⊙	⊙				
Governance								
Human Resources & OD	DofR	⊙	⊙					
Ethical Governance	HofL&DS							Q4 – scoping on 31/1/2024

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
IT								
IT Disaster Recovery	DofR	✓	✓	✓	✓	✓	Reasonable	
Cyber Security	DofR							Q4 – scoping to be arranged
Core Financial Reviews								
Council Tax	DofR	✓	⊙	⊙				
NNDR	DofR	✓	✓	✓				
Service Reviews								
Operational Services - Tree Inspections	HofE	⊙						
Homes for Ukraine	HofH	✓	✓	✓	✓	✓	Substantial	
Development Management	CPO	⊙						
Community Infrastructure Levy (CIL) / S106	CPO	⊙						
Leisure Centres – Governance Arrangements	HofC	✓	✓	⊙				
Other								
Follow Up – Fraud Framework	DofR	✓	✓	✓				
Follow Up – Contract Management	DofR	⊙	⊙					
Follow Up – Business Continuity & Emergency Planning	HofC	⊙	⊙					
Follow Up - Safeguarding	HofC	⊙	⊙					

⊙ - This symbol reflects the progress that has been made since the last progress report was presented to the Audit & Scrutiny Committee on 28th November 2023.

Audit Sponsor					
CE	Chief Executive	DCE	Deputy Chief Executive	DofR	Director of Resources
HofL&DS	Head of Legal & Democratic Services	CPO	Chief Planning Officer	HofP&C	Head of Policy & Communications
HofE	Head of Environment	HofC	Head of Communities	HofH	Head of Housing
HofBC	Head of Building Control	HofA&R	Head of Assets & Regeneration		

8. Adjustment to the Internal Audit Plan

There have been the following amendments to the 2023/24 plan to date.

Plan Variations for 2023/24	
Added to the plan	Reason
Community Infrastructure Levy (CIL) / S106	To review the collection and distribution of CIL/S106.
Removed from the plan	Reason
Housing Voids	Reschedule to enable completion of the ongoing service review in this area.

Tandridge District Council Assurance Opinions (Pre 2020-21)

Substantial	A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
Adequate	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
Limited	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk.
No	Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives.

Review of the Council's Draft Annual Governance Statement 2022/23

Audit & Scrutiny Committee Tuesday, 6 February 2024

Report of: Head of Legal Services & Monitoring Officer

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

The Accounts and Audit (England) Regulations 2015 require the Council to prepare an Annual Governance Statement ('AGS') which must accompany the Statement of Accounts.

A draft AGS for 2022/23 was considered by the Committee on 26th September 2023.

Following feedback from the Committee in September 2023, two revisions have been made, in paragraphs 10.4 and 14 to the AGS. In addition, two other changes were made: a new paragraph 16 was added to include changes to legislation and revised wording to paragraph 17, 'the Conclusion'.

This report supports the Council's priority of: Building a better Council

Recommendation to Committee:

To:

- a) approve the Annual Governance Statement 2022-23 (Appendix A) for inclusion in the Statement of Accounts 2022-23.
 - b) approve that the Leader of the Council and Chief Executive sign the Annual Governance Statement 2022-23 and be published with the Council's Statement of Accounts.
 - c) note the Action Plan for 2023/24 and the outstanding actions from 2022/23.
-

Reason for recommendation:

To seek Members approval of the Annual Governance Statement for 2022/23 based upon their satisfaction that it is based upon relevant and reliable evidence. The recommendation is being made to ensure that the Council meets its statutory requirements and those of the Committee's Terms of Reference that the Council has in place appropriate corporate governance systems and controls.

Background

1. The Accounts and Audit (England) Regulations 2015 require the Council to prepare an Annual Governance Statement ('AGS'), which must accompany the Statement of Accounts.
2. A draft Annual Governance Statement for 2022/23 was considered by this Committee on 26th September 2023.
3. The Head of Legal and Monitoring Officer together with the Director of Resources (S151 Officer) is responsible for co-ordinating and overseeing the Council's corporate assurance arrangements and preparing the AGS to demonstrate the Council's compliance with the principles of good governance and recommending improvements, to be published in the Council's Annual Statement of Accounts.
4. The AGS is included in Appendix A.

Amendments

5. As a result of the September Committee, amendments have been made to:
 - a) Paragraph 10.4 – Based on the internal audit work undertaken at the Council in 2022/23, the Council received "Limited Assurance" from the Head of Internal Audit. The following paragraph has been added to this paragraph:

"The Annual Report of the Head of Internal Audit for the year ending March 2022/23 provided only 'Limited Assurance' that the system of internal control accorded with proper practice. Several internal audit reports had limited assurance. However, the report provided that "Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement." The report was reported to the Audit & Scrutiny Committee in September 2023"
 - b) Paragraph 14 – the request by Cllr Cooper to include planning statistics from 2022. These have been reflected throughout the paragraphs in 14.

6. Following a further review, amendments have also been made:-
- a) New Paragraph 16 – to cover all the various Bills going through Parliament that would impact the Council.
 - b) Amending the wording in the Conclusion in Paragraph 17 to better reflect the ‘Limited Assurance’ that was given by the Head of Internal Audit. There is also reference to plan of improvements (Appendix B – Action Plan - 2023/24) to strengthen governance arrangements during 2023/24 as well as the outstanding actions from the previous Action Plan 2022/23 (Appendix C).

Key implications

Comments of the Chief Finance Officer

There are no direct financial implications arising from this report. The Annual Governance Statement is a key requirement of the final published Financial Statements. It is therefore vital that we have a relevant statement, signed off by the Leader and Chief Executive that supports the standards of good governance within the Council.

Comments of the Head of Legal Services

The Accounts and Audit Regulations 2015 require councils to undertake an annual review of their governance. The Regulations require that an Annual Governance Statement, prepared to fulfil this requirement, should form part of the Council’s Statement of Accounts. The Regulations also state that the Annual Governance Statement should be prepared in accordance with proper practices. Compliance with the CIPFA guidance fulfils this requirement. The format of the Draft AGS reflects the good practice guidance from CIPFA.

Equality

Under section 149 of the Equality Act 2010, the ‘general duty’ on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public-sector equality duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations and demonstrate that it is paying ‘due regard’ in its decision making in the design of policies and in the delivery of services.

The Annual Governance Assurance Statement does not specifically highlight any equality implications, however in discharging their duties Members are required

to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010.

Climate change

There are no climate change implications arising directly from the proposed policy.

Appendices

Appendix A – Annual Governance Statement

Appendix B – Action Plan 2023/24

Appendix C – Action Plan 2022/23

Background papers

None.

----- end of report -----

Annual Governance Statement 2022-2023



Message from the Leader of the Council and the Chief Executive

We both recognise the importance of having good management, effective processes and other appropriate controls in place to enable the Council to deliver services and achieve the best possible outcomes for the residents of Tandridge.

The Council has been managing increasing demand on its services with significant reductions in funding over the last few years making the need for good governance paramount. Given the economic situation during the year brought on by the cost-of-living increase as well as supply chain issues from Brexit and the war in Ukraine, the Council is exposed to unprecedented challenges.

Notwithstanding these challenges, the Council must continue to ensure transparency, accountability, and effective governance. While it is recognised that there have been changes to delivery of some frontline services due to the skills shortages and the Future Tandridge Programme, we are confident that for the most part, during 2022-2023, the controls and governance framework has been maintained.

The Council supports good service delivery and wants to provide the public with confidence in its services. The Council has a complaints structure in place that investigates instances, when service provision has not met expectation, without creating a blame culture that stifles innovation and undermines service delivery.

This Annual Governance Statement provides the opportunity for an honest reflection on whether our governance arrangements are fit for purpose. We will continue to enhance our governance arrangements as recommended in the Action Plan (2023/24) that underpins this Statement. We are satisfied that these steps will address the need for improvements that were identified and will be implemented during 2023/24 and beyond.

Signed on behalf of Tandridge District Council

INSERT SIGNATURE

Leader of the Council

Date:

INSERT SIGNATURE

Chief Executive

Date:

1. Introduction

- 1.1 The Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to the above.
- 1.2 The Council operates in a complex and constantly evolving financial, policy and legislative environment. The role, responsibilities and funding models of local government continue to be in a period of rapid transition. The Council continues to progress the delivery of its ambitious transformation programme, **the Future Tandridge Programme**, with officers and councillors engaged in working towards the realisation of the vision.
- 1.3 The changes taking place present both opportunities and challenges. The Council must continue to engage in a broad programme of innovation and service redesign work so it can maintain services for residents which are efficient, effective and deliver value for money using available resources. This document explains the governance mechanisms in place during 2022/2023 to ensure appropriate oversight of this work.
- 1.4 The structure of this AGS has been prepared with reference to themes from key elements of the structures and processes outlined in the Chartered Institute of Public Finance and Accountancy's (**CIPFA**) Delivering Good Governance in Local Government Framework (which is the most up to date guidance in this area) and the Council's Code of Corporate Governance (**the Code**) which has at its heart the following core principles:
- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
 - Ensuring openness and comprehensive stakeholder engagement.
 - Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - Developing the entity's capacity, including the capability of its leadership and the individuals within it.
 - Managing risks and performance through robust internal control and strong public financial management.
 - Implementing good practices in transparency, reporting and audit to deliver effective accountability.
- 1.5 This is a document that describes how well the Council's governance system has functioned during the year ended 31 March 2023 and sets out areas for development for the year ahead.

2. The Code of Corporate Governance

- 2.1 The Code of Corporate Governance ([Code of Corporate Governance](#)) is a key governance instrument which acts as a reference point for the expectations and rules about, for example, who in the Council can make decisions and about which issues. Some of the processes are required by law, while others are a matter for the Council to choose.

- 2.2 The Code is reviewed annually to ensure it remains 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.
- 2.3 This statement explains how the Council has complied with the Code, including how the effectiveness of arrangements has been monitored. It also meets the requirements of regulation 6 (1) of the Accounts and Audit (England and Wales) Regulations 2015, which requires all relevant bodies to prepare an annual governance statement.

3. Acknowledgement of responsibility

- 3.1 The Council recognises there are areas where it wishes to enhance its arrangements to ensure that it continues to do the right things, in the right way, in line with its values and to consider significant challenges.
- 3.2 The Council is currently aware of further issues that could also affect its financial position such as, but not limited to, exceptional inflationary pressures, planning appeals, appeals against housing/homeless decisions, business rates appeals, enforcement and other matters.
- 3.3 The 2021/2022 Annual Governance Statement highlighted several issues, with a commitment to monitor them during 2022/2023. Progress against these issues has been reviewed during the year through the Council's normal systems of governance, risk and control. In addition to these systems, an AGS Action Plan was compiled, listing all the action points flowing from the 2021/2022 AGS. The Head of Legal & Monitoring Officer provided reminders to EMT regarding completion of the points in the Action Plan. These Action Plans are included in the Appendices to this Statement.
- 3.4 The Council continues to be impacted in the aftermath of the Covid-19 pandemic, however the Council has maintained all its front-line services to residents and customers throughout. There is no doubt that the Covid-19 crisis and its aftermath is likely to have a lasting impact on income levels, resulting from fundamental changes in social movements, behaviours and preferences. It could remain difficult for councils to reduce their spending back to pre-crisis levels and income streams will not necessarily bounce back quickly, especially given the new challenges brought about by the local and national economy being close to a recession.
- 3.5 The war in Ukraine continues to place significant pressure on the economy, which has a knock-on effect on end-use consumers, (our residents) who are finding it increasingly difficult to make ends meet. The pressures on all local authorities to provide ever-increasing levels of assistance to residents, inevitably impacts our Housing, and Revenue & Benefits Teams. The Council also continues to provide support to our refugee contingent in the district, through the Homes for Ukraine project.

4. Corporate governance

- 4.1 Corporate governance is the term used to describe the system by which local authorities direct and control their functions and relate to their communities. The Code

has undergone an extensive review for the 2022/2023 period and was presented with the Draft AGS for consideration to the Audit & Scrutiny Committee on 26 September 2023.

- 4.2 The Council recognises a crucial aspect in delivering good governance is the way that it is applied. The ethos of good governance cannot be achieved by structures, rules, and procedures alone. Effectively, good governance needs to be embedded within the Council and its culture and the need for and value of, good governance must be explicit.
- 4.3 One of the key elements of the Council's governance is its Constitution. The Council's Constitution records the rules and laws under which the Council operates, including the Financial Regulations. The Constitution is published on the Council's website here: www.tandridge.gov.uk/Your-council/Councillors-and-committees/How-the-Council-is-run.
- 4.4 In addition, there are a range of policies and procedures to direct and guide councillors and officers, as well as codes of conduct ([Councillor conduct - Tandridge District Council](#)) that set out standards of behaviour expected from councillors and officers. The Council's Financial Regulations and Contract Standing Orders were reviewed by the Strategy and Resources Committee on 29 June 2023 ([Agenda for Strategy & Resources Committee on Thursday, 29th June, 2023, 7.30 pm - Tandridge District Council \(moderngov.co.uk\)](#)).
- 4.5 Standing Orders in the Constitution ([How the Council is run](#)) allow the Council to delegate decision making to committees, sub-committees, or officers and sets out the rules which apply to the running and operation of Council and committee meetings.
- 4.6 Another key element of the Council's governance is its Strategic Plan 2020-2021 to 2023-2024 ([Strategies and plans](#)) which includes four objectives for:
- **Building a better Council** – making the Council financially sustainable and providing residents with the best possible services
 - **Creating the homes, infrastructure and environment we need** – both now and in the future.
 - **Supporting economic recovery in Tandridge** – from lockdown to growth that everyone benefits from.
 - **Becoming a greener, more sustainable District** – tackling climate change
- 4.7 A new plan will be developed for 2024-2028 which will set the direction for the Council and enable the Council to track progress against corporate objectives, as well as help services and teams understand the strategy and how their work directly impacts its success. The Corporate Plan ensures every level of the organisation is aligned around a shared purpose and officers understand their role in delivering services which meet the corporate objectives. The Key Officer Forum meetings take place monthly and are attended by service area representatives. Agendas and minutes are available for all Officers.
- 4.8 The Council also adopted new Values and Behaviours, these being: Taking Ownership, Committed and Supportive, Learning and Development and Positive and Flexible.

These Values and Behaviours were developed with staff and form an integral part of the Appraisal system.

- 4.9 The Council has reviewed the way in which it engages with its officers. Staff Conference has evolved into a Staff Forum, which is aimed at providing a far more interactive method of engagement. A recognition agreement has also been concluded with UNISON. These new arrangements will encourage greater officer participation in matters of mutual interest, as well as enabling officers to feel they are an integral part of the Future Tandridge Programme. Staff Briefings are held monthly and are well-attended. In terms of providing induction and identifying the development needs of new statutory officers in relation to their strategic role within the Council, a handbook has been produced. The intention is to also produce something similar for newly appointed EMT members.
- 4.10 The Council has appointed the required statutory officers which includes the Head of Paid Service (Chief Executive), a Deputy Chief Executive, the Monitoring Officer (Head of Legal Services) and the Chief Finance Officer, also referred to as the Section 151 Officer. These Officers try to meet at least six times a year. The AGS, IT governance, Committee reports and delegations are standing items the agenda. Agendas and minutes are kept.
- 4.11 All Heads of Service are members of the Extended Management Team (**EMT**) which meets once a week. This also includes those Heads of Service who hold a statutory officer role. EMT is responsible for identifying improvement actions and/or future planned developments in relation to key governance arrangements and continuous improvement.
- 4.12 The Council has appropriate policies and procedures relating to HR and these are available on the Council's intranet and are easily accessible.
- 4.13 The Council's Anti-Fraud, Bribery and Corruption Policy has been reviewed and was presented to the Audit & Scrutiny Committee on 26 September 2023. The Policy and the Anti-Fraud Strategy can be accessed on our website here: [Transparency and open data](#).
- 4.14 Independent and objective assurances are provided by Southern Internal Audit Partnership (SIAP) whose function as internal auditors, including the Chief Internal Auditor role, is designed to add value and improve the Council's operations. This in turn helps the Council accomplish its strategic ambitions by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the Council's risk management, internal control and governance processes.
- 4.15 The Council's internal audit arrangements are consistent with the CIPFA Statement on *The Role of the Head of Internal Audit in Public Service Organisations* (2019).
- 4.16 The Council proactively engages with residents and businesses to maintain the Council's reputation, gain understanding and support for the organisation's vision and objectives and keep customers informed about priorities, services and campaigns.

- 4.17 Progress against the existing Strategic Plan priorities and budgets has been monitored by EMT using a corporate action tracker. Many of these actions have now moved into business-as-usual work. A first draft of the new Corporate Plan will be shared with councillors. After this, a wider consultation will take place to invite all stakeholders to comment on the draft plan. The draft plan will be taken to the Strategy & Resources Committee in March 2024. Following the elections in May 2024 the plan will be reviewed and if necessary, revised before being formally adopted and launched.
- 4.18 The Council has arrangements in place to regularly monitor financial performance, service performance, the progress of key corporate projects and to oversee the implementation of recommendations from internal audit reports. A noteworthy improvement in respect of Information Governance has been recorded during 2022/2023, with 11 out of 14 management actions being fully implemented, and 3 partially implemented.
- 4.19 In the Council's day-to-day operations, a framework of internal controls (e.g. authorisation, reconciliations, separation of duties, etc.) manages the risks of fraud or error and this framework is reviewed by internal audit. The Council has appropriate arrangements in place to deal with fraud and corruption risks and is committed to maintaining its vigilance to tackle fraud.
- 4.20 The Audit and Scrutiny Committee has continued to play a key role in obtaining the relevant assurances and in accordance with CIPFA guidance is independent of key decision makers and able to question and challenge the material before it. On 27 June 2023, the Audit & Scrutiny Committee approved that an independent person be recruited to the Committee to help ensure:
- Effective, independent assurance on the adequacy of the risk management framework.
 - Independent review of the Council's financial and non-financial performance.
 - Independent challenge to and assurance over the Council's internal control framework and wider governance process.
 - Oversight of the financial reporting process.
- The approval of this recruitment follows best practice established by the *Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting*, by Sir Tony Redmond.
- 4.21 Significant and cross-cutting service risks are amalgamated into the Corporate Risk Register, which is regularly presented to EMT and the Strategy and Resources Committee. Every report presented to committees, Full Council, working groups and delegated decisions to officers is risk assessed. The Council's approach to risk management is to be further improved during 2023/2024.
- 4.22 Savings realisation is subject to particularly robust governance arrangements, with an internal audit in 2022/2023 providing 'substantial' assurance over the arrangements. This audit is to be repeated in 2023/2024.
- 4.23 Partnership working is governed by agreements, protocols or memoranda of understanding relevant to the type of work or relationship involved. The Council's legal services and procurement team ensure such arrangements are fit for purpose and that the Council's interests are protected.

- 4.24 The Council publishes its statutory Statement of Accounts on an annual basis, in compliance with the CIPFA Code of Practice on Local Authority Accounting. Delays in the external audit process mean the Council is unable to comply with statutory timescales for 2021/2022, however it has made the relevant disclosures to this effect on its website. Good progress is being made both in respect of the outstanding external audit of the 2020/2021 accounts and the production and publishing of the 2021/2022 accounts. The Council is far from isolated in these delays and they reflect a sector-wide crisis in audit resourcing, as well as local circumstances which led to the fundamental review of the Council's Finance function and subsequent restructure of the Finance team. The Statement of Accounts and external audit process incorporate the full requirements of best practice guidance in relation to corporate governance, risk management and internal control.
- 4.25 The Council is subject to independent audit by Deloitte and receives an Annual Audit Letter reporting on findings. The Council supplements this work with the Southern Internal Audit Partnership and ad hoc external peer reviews. The Audit and Scrutiny Committee undertakes the core functions as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*.
- 4.26 Information Governance and cyber security continued to be a key priority for the Council as officers are working differently and are totally reliant on technology to continue to deliver services effectively. Working at home presents a new set of challenges to be managed. Information Governance, cyber security and Data Protection training is delivered via a range of media, including briefing notes, workshops and E-tutorials.
- 4.27 The Information Governance Management Team meets quarterly to discuss and monitor compliance with corporate systems of internal control, cyber security and governance issues. The group includes the IT & Projects Delivery Manager, the Council's Monitoring Officer, the FOI and Deputy FOI Officers, Support Services Manager, the Data Protection Officer, the Deputy Data Protection Officer, the Head of Information Governance, Head of Policy and Communications and a Communications Specialist. Feedback is provided from Data Champions meetings. Overdue FOI requests are reported and work is ongoing to implement additional measures to reduce these.
- 4.28 The Freedom of Information Act (FOIA) and the Environmental Information Regulations (EIR) give rights of public access to information held by public authorities, including the Broads Authority. Considerable improvement has been made in relation to processes related to compliance with requests under the FOIA and EIR. However, further work with EMT is required to ensure that response to requests and complete internal reviews are improving.
- 4.29 The Council's Publication Scheme highlights the information it publishes, how it makes it available. The Council's commitment to protecting people's privacy and processing personal data in accordance with data protection legislation is set out on the Council webpage (<https://www.tandridge.gov.uk/Your-council/Freedom-of-information-and-data/Data-protection-and-freedom-of-information>).

- 4.30 The Council has an overarching **Corporate Business Continuity Plan** which provides critical information to enable the Council to continue operating during an unplanned significant event, including loss of premises, IT/telecommunications systems and utilities, national lockdown (eg pandemic) and major travel disruption. The plan relates to events that impact all or most of the Council's operations and that require immediate action. Measures to respond to other identified and predictable business risks (such as significant loss of income or key staff) are covered elsewhere, including within our risk registers and individual project plans.
- 4.31 The Council's Emergency Planning and Resilience Specialist oversees and monitors the Council's range of business continuity plans including **the Corporate Business Continuity Plan**. Work on this has taken place during 2023 at the Key Officer Forum.

5. The Council and how it operates

- 5.1 The Council operates a committee system of governance and comprises 42 councillors across 20 wards. Since May 2021 the Leader of the Council is Councillor Catherine Sayer, who is also Chair of the Planning Policy Committee.
- 5.2 The Council sets out how it is run on its website, and detailed information is accessible to residents, here: <https://www.tandridge.gov.uk/Your-council/Councillors-and-committees/How-the-Council-is-run>

6. CIPFA financial management code

- 6.1 In December 2019, CIPFA introduced its Financial Management Code (FM Code) to reflect exceptional financial circumstances faced by local authorities. Previous CIPFA work had revealed fundamental weaknesses in financial management at some councils (not in Tandridge), particularly in relation to organisations that may be unable to maintain services in the future. The FM Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. Each local authority must demonstrate that the requirements of the FM Code are being satisfied. Demonstrating this compliance with the FM Code is a collective responsibility of councillors, the Chief Finance Officer (S151) and their professional colleagues in the Finance team.
- 6.2 Local authorities have been required to apply the requirements of the FM Code with effect from 1 April 2020. CIPFA considered the implementation date of April 2020 should indicate the commencement of a shadow year and by 31 March 2021, local authorities should be able to demonstrate they are working towards full implementation of the code. The first full year of compliance with the FM Code was 2021/2022. The Code provides guidance for good and sustainable financial management in local authorities and offers assurance that authorities are managing resources effectively. The Council undertook an assessment of its compliance with the Code during 2021/2022 and will look to refresh that assessment during 2023/2024.
- 6.3 The Council's governance arrangements for budgeting, the accounts, financial decision making and compliance with codes of practice and legislation are in accordance with the financial management standards set out in the FM Code. No significant issues or concerns have been raised by internal or external audit. However, the Council has commissioned two bespoke external reviews to address its

Financial Management capability, particularly a review by Grant Thornton and a further review by an independent financial expert, focused on the circumstances leading to a significant error in the Council's budgeting for pensions. These reviews led to several recommendations which were built into the Tandridge Finance Transformation Programme and the Future Tandridge Programme. Finance Fundamental Modules are provided on a rolling basis to new Councillors, by the Section 151 Officer and Senior Finance Business Partner.

7. Future Tandridge Programme

- 7.1 The original aims of the FTP are to transform the operating model for Tandridge, creating a smaller, more strategic, agile and responsive organisation with resources targeted at Council priorities and where need is greatest, underpinned by a more business-like approach to the way the Council operates.
- 7.2 These aims evolved as the transformation process unfolded and in March 2023, the Council's Strategy & Resources Committee noted that the Future Tandridge Programme and Service Reviews are the mechanism for delivering value for money, providing assurance that the Council as a whole and individual services, are designed to deliver priorities to an agreed quality within available funding. Full details of the new direction of the FTP are available here: <https://tandridge.moderngov.co.uk/mgChooseDocPack.aspx?ID=1339> and here (Minutes): <https://tandridge.moderngov.co.uk/ieListDocuments.aspx?CIId=137&MIId=1356&Ver=4>
- 7.3 Overall, the Council has the required policies in place to support the delivery of services. However, a number of these functions overlap, such as disaster recovery, risk management, emergency planning and business continuity planning. There are also other significant statutory compliance arrangements the Council must follow that cover Human Resources, Legal and Financial functions. It is the case that for the Council to be fully compliant, large numbers of officers need to be aware of the correct processes and there needs to be capacity to deliver the associated administration. As a result of the FTP capacity issues are a concern. The implications of this will need to be monitored in 2023/2024.

8. Review of effectiveness

- 8.1 The 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 effectiveness is informed by:
- a) The work of the EMT which has responsibility for the development and maintenance of the governance environment. Confirmations have been obtained from each EMT member that reasonable steps have been taken to ensure compliance with established policies, procedures, laws and regulations. They have been asked to confirm that risk management is embedded in their service areas and ensure scrutiny of the annual managers' governance assurance responses (see b) below).
 - b) The Head of Legal conducts an annual self-assurance process for EMT members on their compliance with key governance issues across the seven core principles of good governance included in the Council's Code of Corporate Governance (see

above). For 2022/23, the form was updated to include more detail. The following areas were covered:

- Codes of Conduct.
- Regulatory Compliance.
- Whistleblowing.
- Procurement.
- HR Policies familiarity and Appraisals/1-1s/ Check-Ins.
- Project Management.
- Scheme of Delegation.
- Business Continuity Plan.
- Health & Safety.
- Risk Management.
- Anti-Fraud, Bribery and Corruption
- Records Management & Information Security.
- Compliance with the Council's Financial Regulations & Budgetary Control.
- Complaints.

- 8.2 In August 2023, each member of the EMT completed the statement of assurance providing details as to the extent and quality of internal control arrangements operating within their service area during the previous year. An Action Plan to monitor these will be circulated to EMT and updated monthly.
- 8.3 An online training facility – Workrite - is in place for officers and there are certain training modules that have been categorised as mandatory – for example Safeguarding, Display Screen Equipment and Data Protection. Anti-fraud training has been added to this list and will be rolled out at the earliest.
- 8.4 The governance arrangements in place comply with the principles outlined in the Council's Code and can be regarded as fit for purpose. Areas for development have been identified in the Action Plan attached at **Appendix A**, and addressing these will further enhance the Council's governance arrangements.

9. Subsidiary company

- 9.1 The Council has three subsidiary companies Gryllus Holdings Ltd, Gryllus Property Ltd and Gryllus Housing. Gryllus Property was set up to manage a small number of out-of-district investment properties. Assurance on the proper running of the companies is provided by the Head of Legal Services and Monitoring Officer acting as company secretary, expert asset advice provided by the Asset Management Team and expert financial advice provided by the Commercial Finance team at Surrey County Council, through the Joint Working Agreement.

10. Statutory assurances

10.1 Head of Paid Service

As Chief Executive and the Head of Paid Service, I am responsible for the overall corporate and operational management of the Council. In yet another challenging year

for the Council, I remain both impressed and proud of the way the organisation continues to deal with the significant and increasing service and economic pressures our services face, exacerbated by the growing cost of living crisis. I believe our governance arrangements are improving and are reviewed regularly to ensure they support a more agile way of working. We have also made excellent progress in taking forward our transformation programme, the Future Tandridge Programme. This involves a series of service and cross-cutting reviews designed to ensure our resources are targeted to where they will most positively impact on our residents.

Introducing a commissioning-based approach focused on continuous improvement to service delivery is a key priority going forward. This will include different and more effective ways in which council services can be delivered. One way of doing this is through working more closely with our east Surrey neighbours and there will be much more of this, as well as exploring other partnership opportunities, in 2023 and 2024.

As a leadership group, EMT is working more cohesively as a team. The Senior Leadership team has been strengthened by the appointment of a new Deputy Chief Executive with responsibility for front-line services. A new permanent Chief Planning Officer is also now in post to drive forward much needed improvements to the delivery of the planning service. We are now looking collectively at what we need to do organisationally to make Tandridge a council people want to work for. Instilling the values and behaviours we have all agreed to throughout the organisation will be a key priority for 2023. Investing in and nurturing talent and developing managers and staff is also a priority. We are currently putting together a Leadership and Team development programme to drive this forward.

The re-establishment of the Key Officer Forum is an important step towards strengthening the organisation and creating more resilience and capacity at middle management level. For managers and staff, setting clearer objectives, agreeing individual development plans and looking at ways in which we can reward good performance will also be a focus for 2023, starting with the introduction of service plans and appraisals from April. Investing in manager and staff development and nurturing talent is also a key priority.

Finally, the development of a new Corporate Plan will clarify our priorities and objectives for the next three to four years. This in turn will be linked to the budget-setting process and inform service planning and appraisals.

I support the areas for improvement presented in this Annual Governance Statement.

10.2 Chief Finance and Section 151 Officer

As Section 151 Officer, I have responsibility to ensure the proper administration of the Council's affairs. Key elements of this are to make sure the Council's budget and reserves are robust and arrangements are in place to secure value for money.

The annual Budget and Medium-Term Financial Strategy (MTFS) is the Council's key General Fund financial planning document and sets out the Council's strategic approach to the management of the General Fund including Council tax levels, capital funding and treasury management.

As S151 officer, I continue to assess risks to the financial stability of the Council, both externally and internally. External risks take the form of high inflation, increasing construction costs, high interest rates and volatile government funding. Internal factors include ensuring budget holder accountability is strong, contract management

and procurement arrangements are suitable and the finance function is robust and provides adequate checks and balances across the organisation. I also assess the financial and governance implications of new partnerships and commercial arrangements that are becoming a more high-profile part of the Council as it seeks to work more closely with other local government bodies, Health partners and community groups.

In addition, the organisation is taking steps to ensure a business partnering approach is adopted to demonstrate the finances of the Council are directed appropriately to its priorities. This approach is set out in a Finance Business Partnering Agreement but it is intended to roll the business partnering out to other services.

The projected gap between government funding and expected spend has necessitated the MTFS to be regularly reviewed and updated. Councillors have approved financial resilience measures which have stabilised the General Fund balance for this and future financial years, including a strategy to avoid the use of reserves and the adoption of a budgetary contingency as part of the annual budget process.

The 2022/2023 Budget report was taken to Council on 10 February 2022. The Budget Report is a formal report and is part of a continuum of professional advice and detailed work carried out with EMT and councillors. The Medium-Term Financial Strategy (MTFS) was approved as part of the same report and outlined how the budget would be delivered over the medium term.

I conclude the estimates for 2022/2023 were robust, the budget was lawful and levels of balances improved and would be adequate and reasonable in meeting the Council risks. The outturn variance was a small surplus of £111k / 1%.

Section 7 of this report sets out more detail on the Future Tandridge Programme, particularly how this has been adopted as the key mechanism for securing value for money in the delivery of services.

10.3 Monitoring Officer

As the Council's Monitoring Officer, I am required to report to the Council in any case where it appears that any proposal, decision, or omission by the authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989; (LGHA 89).

I am satisfied that the Council has robust processes for decision making, however, there remains a need to ensure that a broader range of considerations as highlighted in the Council's Local Code of Corporate Governance are considered in the development of policies, projects and when making decisions.

I also have no significant concerns regarding overall councillor conduct and there is now a positive relationship with Group Leaders that has helped to address any isolated issues that do arise. The Monitoring Officer also considers the Council has an effective Standards Committee in place.

The Member Code of Conduct was reviewed during 2020/2021 by the Standards Committee and updated, to address the areas of best practice identified by the committee on Standards in Public Life in its review of Local Government Ethical Standards. In particular, the Council adopted the Local Government Association's

Model Code in the last municipal year. A further review will be considered by the Council early in the new municipal year.

Member Code of Conduct training has again been provided in the last year and there is considered to be good awareness of the requirements of the Code of Conduct. The Council has good procedures in place for the review of both councillors' and officers' Register of Interests. There have been several complaints alleging a breach of the Member Code of Conduct during the past year and all of these have been dealt with in accordance with the Council's adopted procedures for handling such complaints.

10.4 Internal Audit opinion 2022/2023

Delivery of the Council's Internal Audit is carried out by Southern Internal Audit Service (SIAP) and managed by the Chief Finance Officer and Section 151 Officer. By reviewing the Council's systems of internal control, risk management and governance in accordance with an approved Audit Plan, SIAP contribute to the Council's corporate governance.

SIAP operates to defined professional standards, i.e. the Public Sector Internal Audit Standards (PSIAS) and the Client Audit Manager reports to the Council's Strategic Director (Chief Finance Officer and Section 151 Officer) providing updates on internal audit progress and issues at regular liaison meetings.

Regular updates are presented to the Audit & Scrutiny Committee throughout the year which outline the key findings of the internal audit work undertaken during 2022/2023, including any areas of significant weakness in the internal control environment.

A list of all limited or no assurance reviews are listed in the 2022/2023 annual report and opinion that was be presented to the Audit & Scrutiny Committee in September 2023.

In each instance where it has been identified the control environment was not strong enough or was not complied with sufficiently to prevent risks to the organisation, SIAP has highlighted such issues through reporting to management who have developed management actions to further improve the system of control and compliance. All management actions are followed through to implementation and reported to the Audit & Scrutiny Committee.

The Annual Report of the Head of Internal Audit for the year ending March 2022/23 provided only 'Limited Assurance' that the system of internal control accorded with proper practice. Several internal audit reports had limited assurance. However, the report provided that "Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement." The report was reported to the Audit & Scrutiny Committee in September 2023.

The Internal Audit Opinion has been considered in the development of the Annual Governance Statement.

10.5 Delays in external audit

Over the last four years there has been an increasing national backlog in the external audit of councils' Statement of Accounts. This has been due to a shortage in capacity in the external audit market. The Council's Statement of Accounts for 2021/2022 is still to receive its Audit completion certificate. The Leader and Chief Executive have not therefore received the full assurance they could expect from the external audit process. The Department for Levelling Up Housing and Communities is looking to deliver a recovery plan which will address this national issue.

Our external auditors (Deloitte LLP) will issue their External Audit Report ISA260 report for 2021/2022 in due course. The external audit for 2021/2022 has commenced but will be delayed for the reasons set out above, particularly pressures on the external audit market. The report will be considered by the Audit & Scrutiny Committee as soon as possible. The document will summarise their key findings in relation to their external audit of the Council for 2021/2022 and will contain an opinion on the Council's financial statements, the control environment in place to support the production of timely and accurate financial statements and the Council's significant risk areas.

11. Communications

- 11.1 The Council works hard to raise awareness and understanding among stakeholders about objectives, policies and services, as well as to improve and encourage proactive engagement between the Council and its stakeholders. In addition, the Council aims to consult widely and inclusively, listen to feedback and use it to inform policies.
- 11.2 The Council uses a range of channels to communicate with residents, businesses and customers. These include the website, e-newsletters which provide the latest information about initiatives and services, community news and events and social media.
- 11.3 The [Leader of the Council](#) writes a monthly column for the CR3, CR6, RH8, RH9, TN16 series of magazines, as well as for the Tandridge Independent. The Leader of the Council column is published on the Council's webpage ([Leader of the Council column - Tandridge District Council](#)).
- 11.4 Throughout the Covid-19 pandemic, the Council played an active role in promoting and signposting residents and businesses to the government's package of guidance and support measures. This has evolved into providing information to support residents and business during the cost-of-living crisis.
- 11.5 A residents' survey is carried out every two years to ask residents for their views of the Council, its services and their local area. The last survey was carried out in 2023. The 2023 results were presented to the Audit & Scrutiny Committee on 26 September 2023.

12. IT strategy

- 12.1 The Council developed and approved an IT & Digital Strategy in June 2021. The overarching goal of the strategy is to improve service outcomes as well as reduce costs and to do this by making it easier for residents, partners and businesses to engage and transact with the Council.
- 12.2 The ambition is to provide efficient, cost-effective services 24/7 to a growing majority of the residents.
- 12.3 The digital aspirations were underpinned by three critical ambitions:
- Accelerating channel shift
 - ICT modernisation and resilience
 - Working smarter
- 12.4 A business case to develop the digital offering to residents and businesses has been agreed and the work programme underway. A review of the ICT estate will also be carried out, to provide insight on the best use of current technology and the benefits and cost of cloud migration. This work will be a key project within the Future Tandridge Programme.

13. Partnership

- 13.1 The Council continues to use partnership arrangements with other public bodies to deliver services. The Council remains committed to meeting the challenge of ensuring the appropriate governance arrangements are in place for each of the major partnerships that the Council has entered or will enter.
- 13.2 The Council has the following partnerships in place:

Environmental Health – Mole Valley District Council and Tandridge District Council have operated a shared Environmental Health and Licensing service to protect residents and support businesses since April 2017. Mole Valley operates as the host authority for the delivery of the service. Each Council retains its licensing and regulatory committees and sub-committees. The Environmental Health Partnership is run through an inter-authority agreement which includes details of the Principles of the Shared Service, governance and monitoring. The Joint Partnership Board meets quarterly.

Building Control – the Council hosts the Southern Building Control Partnership, which includes Reigate and Banstead Borough Council and Mole Valley District Council. The partnership is governed by an inter-authority agreement, which is currently under review. The Joint Partnership Board, on which the councils are represented by Councillors and Officers, meets at least three times a year to approve the partnership's budget, review income, performance and risk.

Internal Audit - the Southern Internal Audit Partnership meets regularly with EMT and the Chief Finance Officer (S151) All areas of performance, professional practice, and sharing best practice are discussed.

Finance function – in March 2021, the Strategy & Resources Committee approved the Joint Working Agreement with Surrey County Council for Tandridge’s Finance Function. This was to address the issues of recruitment of a new S151 Officer and enhancing the resilience of the Finance team. At the heart of this Joint Agreement is the Tandridge Finance Transformation Programme (TFT). The arrangement is comprised of three phases concluded through a gateway process. Phase 1 was due diligence and completed in June, phase 2 is the delivery of the TFT which was concluded in July 2022 and a follow up review one-year-on was provided to the Audit & Scrutiny Committee in June 2023.

Wellbeing Prescription

The Wellbeing Prescription team has been supporting both Tandridge and Reigate and Banstead residents since 2015. The team is commissioned by NHS Surrey Heartlands ICS to support residents in East Surrey to improve their health and Wellbeing. The Strategy & Resources Committee approved a one-year extension to the current contract till March 2024. During the year a new model will be developed across East Surrey ready for a new commissioned contract in 2024.

14. Planning

- 14.1 During 2022/2023, the Council received 948 valid planning applications and determined a total of 811 during this period. 99% of these decisions (803) were delegated to officers and 1% determined by the Planning Committee (8). 86% (694) were granted - this is comparable with the overall average for England – and 109 refused. [Comparable figures: During 2021/2022, the Council received 1,219 valid planning applications and determined a total of 1,164 during this period. 98% of these decisions (1141) were delegated to officers and 2% determined by the Planning Committee (23). 83.5% (953) were granted and 188 refused].
- 14.2 During 2022/2023, 58 appeals were decided by the Planning Inspectorate, 55% (32) were dismissed during the same period, 41% (24) were allowed and 3% (2) had a split decision. [Comparable figures: During 2021/2022, 86 appeals were decided by the Planning Inspectorate, 65% (56) were dismissed during the same period, 33% (28) were allowed and 2% (2) had a split decision].
- 14.3 During 2022/2023, of the 58 appeals, 56 were planning appeals where 55% (31) were dismissed, 43% (24) were allowed and 2% (1) had a split decision. [Comparable figures: During 2021/2022, of the 86 appeals, 79 were planning appeals where 66% (52) were dismissed, 33% (26) were allowed and 1% (1) had a split decision].
- 14.4 During 2022/2023, of the 58 appeals, 2 were planning enforcement appeals where 50% (1) were dismissed, 0% (0) were allowed and 50% (1) had a split decision. [Comparable figures: During 2021/2022, of the 86 appeals, 7 were planning enforcement appeals where 57% (4) were dismissed, 29% (2) were allowed and 14% (1) had a split decision].
- 14.5 During 2022/2023 the Council issued 21 enforcement notices. A total of 367 enforcement cases were opened and 357 were closed during this period. Officers issued 15 Enforcement Notices, 1 Section 215, 4 Temporary Stop Notices and 1 Stop Notice. [Comparable figures: During 2021/2022 the Council issued 15 enforcement notices during this period. A total of 365 enforcement cases were opened and 391 were closed during this period. Officers issued 12 Enforcement Notices, 2 Breach of Condition, 1 Stop Notice].

15. Equality

- 15.1 The Council is committed to delivering services equally to all residents and improving the quality of life for its residents. Any new Council policy, proposal or service, or any change to these that affects people must be the subject of an Equality Impact Assessment (EIA) to ensure that equality issues have been consciously considered throughout the decision-making processes. Given the importance of properly considering the impact of the Council's public sector equality duty on Council proposals, EMT members undertook compulsory training (on 19 September 2023) in this area and the question of whether or not an EIA is required will be embedded within Council processes.

16. Changes in Legislation

- 16.1 The Council is required to ensure it is compliant with legislation in a broad range of fields. Key known changes the Council will need to respond to include:
- Social Housing (Regeneration) Bill – this bill will strengthen the powers of the housing ombudsman where there are concerns relating to the provision of social housing. Councils will be required to report against a range of tenant satisfaction measures and appoint specific officers to lead on ensuring compliance with housing standards. The Council has sought to pre-empt elements of the Bill through its revised housing related strategies.
 - Building Safety Act 2022 – this Act primarily comes into effect during the 2023/24 year. This creates mandatory standards for management of high rise buildings, which must be registered with a nominated regulator.
 - Environment Act – the Environment Act was passed in November 2021, which has the potential to significantly change Council environmental service operations. However, much of the secondary legislation and guidance which will clarify what changes are required, and the timing of these changes, is yet to be passed.
 - Levelling Up Bill – this bill includes a wide range of changes across a range of Council activities. Particular changes are identified in respect of planning, whereby the current community infrastructure levy is likely to be replaced. Other elements of the Bill include specific restrictions on Council investment activity.
 - Procurement Bill – this bill is likely to see significant shifts in current procurement legislation. For example, the Council will be required to publish information in supplier performance.
 - The government has been consulting on proposed changes to MEES legislation over the past 2 years. Formal changes are yet to be made however it is anticipated that non-residential buildings will be required to meet an Energy Performance Certificate (EPC) rating of D by 2025, C by 2027 and B by 2030. Given no legislation has been passed yet it is difficult to plan, however this is being factored in when undertaking asset reviews and considering future investment requirements in the Council's non-residential property assets.

17. Conclusion

- 17.1 The Council recognises the longer-term impact of the pandemic, alongside the current economic climate and general inflation cost pressures will continue to bring with it substantial risks to the Council and these will be monitored by the respective committees and EMT, with the Audit & Scrutiny Committee seeking assurance all possible mitigations are in place through its monitoring of this priority risk.
- 17.2 The Council annual review has provided an effective process to identify any governance issues and to put in place the necessary improvement actions. The Council will seek to prioritise areas identified in the Internal Audit Opinion as requiring further improvement to ensure our arrangements are fit for purpose and resilient moving forward. It is recognised that the Council will have significant issues to consider and address which will have longer-term implications for how services are delivered and the financial resources available to support that service delivery.
- 17.3 Both the annual review process and action plan (2023/24) demonstrates the culture of the Council to robustly challenge itself and constantly seek out and demonstrate opportunities to improve further with the necessary actions being agreed. Progress in implementing the action plan will be carefully monitored during the year ahead through the EMT meetings, and an update will be reported in next year's AGS.
- 17.4 The Action Plan is attached as Appendix A (2023/24) and Appendix B (2022/23) which includes outstanding activities carried over from the 2021/22 AGS.

This page is intentionally left blank

AGS Action Plan 2023/2024

Core CIPFA Governance Principle	Overall assessment	What's working well	Where we can improve (Priorities for 2023-2024)	Responsible Officer	Assessment of Impact / Outcomes Achieved
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		<ul style="list-style-type: none"> • Our values and behaviours Our vision, values and behaviours - Tandridge District Council • Member Code of Conduct Councillor conduct - Tandridge District Council • Council Meeting minutes Browse Meetings, 2024 - Tandridge District Council (modern.gov.co.uk) • Anti-Fraud & Corruption Strategy Strategies, plans & policies - Tandridge District Council • Anti-Fraud & Corruption Policy Strategies, plans & policies - Tandridge District Council • Fraud e-learning Course • Anti-Money Laundering Policy • Whistleblowing Policy Whistle-blowing Policy - Tandridge District Council • Internal Audit reports 	<ul style="list-style-type: none"> • Monitor and continually improve our complaints procedure 	HoPC	Further work is required, as this is an ongoing task.
			<ul style="list-style-type: none"> • Review of Whistleblowing Policy 	HoDT	This is now published on the Council's webpage. Nov-23 Complete
			<ul style="list-style-type: none"> • Review Anti-Money Laundering Policy 	HoL/s151	Report being considered by Audit & Scrutiny Cttee on 6 th February 2024.
			<ul style="list-style-type: none"> • Officer training on Anti-Fraud & Corruption Policy, Anti-Money Laundering Policy and Whistleblowing Policy 	HoDT	Further work is required, as this is an ongoing task.

		<ul style="list-style-type: none"> • Register of Members' Interests Councillor conduct - Tandridge District Council • Compliments, complaints and feedback Procedure Compliments, complaints and feedback - Tandridge District Council • Financial Regulations How the Council is run - Tandridge District Council • Contract Standing Orders How the Council is run - Tandridge District Council 	<ul style="list-style-type: none"> • Preparation for new Environment Act Legislation 	CPO	Mar-24
		<ul style="list-style-type: none"> • Grievance Policy and Procedure### • Constitution How the Council is run - Tandridge District Council 	<ul style="list-style-type: none"> • Ensure that complaints are investigated and responded to within timeframes in Complaints Policy 	HoPC	Further work is required, as this is an ongoing task.
			<ul style="list-style-type: none"> • Complete work currently underway to improve on lead times for finance and legal comments for Committee reports. 	HoL	Further work is required, as this is an ongoing task.
			<ul style="list-style-type: none"> • Reports to Committees will contain all information necessary to ensure that decisions are made taking into account the principles of rationality, legality and natural justice (if applicable). 	HoL	<p>There is still some further work required to improve on presentation of Committee reports</p> <p>Mar 24</p>
			<ul style="list-style-type: none"> • Resilience in the Monitoring Officer function 	HoL	<p>Recruited a new Deputy as well as having the existing Senior Deputy in place. There are now 2 deputies in post.</p> <p>Complete</p>

B. Ensuring openness and comprehensive stakeholder engagement		<ul style="list-style-type: none"> • Public attendance at Council meetings • Constitution • Publication of all Committee and Council agendas and minutes How the Council is run - Tandridge District Council • Publicity and Media Protocol (hyperlink)### • Public inspection of accounts • FOI log / spreadsheet of overdue • Partnership Agreements • Public speaking in Committee meetings Equality Impact Assessment 	<ul style="list-style-type: none"> • Training on Equality and Equality Impact Assessment on 19/09/23 for EMT Members 	EMT	Sept-23 Complete
			<ul style="list-style-type: none"> • Continuous and regular engagement with EMT by Information Governance Team, to reduce the number of overdue FOI requests 	EMT	Further work is required, as this is an ongoing task.
			<ul style="list-style-type: none"> • Residents' Satisfaction Survey to be reviewed and assessed 	HoPC	Complete
			<ul style="list-style-type: none"> • Ongoing improvement of the planning function through KPIs 	CPO	Complete – KPIs are reported regularly to the Planning Policy Committee and are reports on these are listed on the Forward Plan.
C. Defining outcomes in terms of		<ul style="list-style-type: none"> • Council's values and behaviours • Annual Governance Statement • Statement of Accounts 	<ul style="list-style-type: none"> • Publication of the Annual Governance Statement and update to the Code of Governance 	HoL	Report being considered by Audit & Scrutiny Cttee on 6 th February 2024. Feb 24

sustainable economic, social, and environmental benefits		<ul style="list-style-type: none"> • External Auditors letter and report • Service Plans under the Future Tandridge Programme • Performance Management including regular reporting of key performance indicators • Project register • Climate Strategy and Action Plan • Evolving Procurement procedures – Contract Standing Orders 	<ul style="list-style-type: none"> • Continue to deliver the Climate Emergency Strategy 	HoPC	<p>Report being considered by Strategy and Resources Committee on 30th January 2024.</p> <p>Ongoing as further reports will return to the Committee in the future.</p>
			<ul style="list-style-type: none"> • Update on Climate Strategy and Action Plan 	HoPC	<p>Report being considered by Strategy and Resources Committee on 30th January 2024.</p> <p>Ongoing as further reports will return to the Committee in the future.</p>
			<ul style="list-style-type: none"> • Prepare for Sustainable Procurement Policy 	S151	<p>Mar-24</p> <p>This may be delayed due to lack of resources.</p>
			<ul style="list-style-type: none"> • Prepare for Biodiversity and Net Gain 	CPO	<p>Jan-24</p> <p>Report was submitted to the Planning Policy Committee.</p>

					Ongoing as the Government updates its guidance on this.
			<ul style="list-style-type: none"> Continue FTP workstreams to review service plans and deliver savings targets 	S151	Ongoing
D. Determining the interventions necessary to optimise the achievement of the intended outcomes		<ul style="list-style-type: none"> Risk Management reports to Committees Medium Term Financial Plan Regular financial and performance reporting to Committees Business Continuity Plans Disaster recovery arrangements and emergency plan Council strategies & policies Statutory returns to government The Council has LGA, SOLACE and CIPFA membership to ensure best practice. TOM Group 	<ul style="list-style-type: none"> Continuously review our Council policies and strategies 	HoL/s151	Ongoing
			<ul style="list-style-type: none"> Development of Planning Performance Agreements processes 	CPO	Complete
			<ul style="list-style-type: none"> Develop Corporate Plan 	HoPC/EMT	May-24
			<ul style="list-style-type: none"> Continue work on the Corporate Business Continuity Plans and service plans 	EMT	Further work is required, as this is an ongoing task.
			<ul style="list-style-type: none"> Continue to survey external environment to ensure that MTFP reflects any changes to the environment 	S151	Ongoing

			Ensure that risk registers are updated regularly and that service plans reflect measures to mitigate against key risks		
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it		<ul style="list-style-type: none"> • Quarterly Check-ins and 1-1s with Officers and their line Managers • Exit interviews • Mental Health First Aiders • Effective induction programme for Officers and Councillors • Constitution • Councillor/Officer Protocol • (Codes of Conduct) • Councillor training and development • Occupational Health provider • Schemes of delegation for Officers • Staff consultation- Staff Forum • Health and Safety Policy • Set of corporate values and behaviours 	<ul style="list-style-type: none"> • Continually monitor and improve councillor training and induction 	HoL	Complete May 23.
			<ul style="list-style-type: none"> • Developing the Mental Health First Aider Group to ensure they support individuals with their physical and mental wellbeing 	S151	Complete
			<ul style="list-style-type: none"> • Continually review external resources available to Officers to support health and wellbeing, and signpost 	S151	Ongoing
			<ul style="list-style-type: none"> • Review Constitution at regular intervals 	HoL	Nov-23 May-24

		<ul style="list-style-type: none"> • Future Tandridge Programme • Executive Management Team away days 	<ul style="list-style-type: none"> • Review scheme of delegation at regular intervals 	HoL	Nov-23 Mar-24
F. Managing risks and performance through robust internal control and strong public financial management		<ul style="list-style-type: none"> • Regular reporting to Audit and Scrutiny Committee • Statutory Officers meetings • Terms of reference within Constitution • Financial Regulations • Contract Standing orders • Internal Audit Charter • Regular reporting and provision of information to Audit and Scrutiny Committee including: Chief Internal Auditor's annual report • Individual audit reports • Regular progress reports on results of internal audit work • Anti-fraud and Corruption And Bribery Policy & Strategy 	<ul style="list-style-type: none"> • Ensure robust and integrated risk management arrangements are in place and regularly reviewed to ensure that they are working effectively 	S151	Ongoing
			<ul style="list-style-type: none"> • Risk management to be embedded into the culture of the Council 	S151 and HoPC	Ongoing
			<ul style="list-style-type: none"> • EMT to regularly review efficacy of anti-fraud and corruption measures 	EMT	Monthly
			<ul style="list-style-type: none"> • Feedback from Information Governance meetings to be provided to EMT and then cascaded down to service areas 	HoL/EMT	Quarterly (ongoing) Issues of corporate significance reported to EMT.

		<ul style="list-style-type: none"> • Annual Governance Statement • Information governance Meetings • Regular financial and performance reporting to Committees • Medium Term Financial Plan • Quarterly performance and financial monitoring reports to Committees • Cyber risk training (Elearning) • IT & Social media Policies • RIPA Policy 	<ul style="list-style-type: none"> • RIPA refresher training and training for new Officers 	HoL	May-24
			<ul style="list-style-type: none"> • Cyber security training for all Officers 	S151	Nov-23
			<ul style="list-style-type: none"> • Contents of reviewed IT Policies to be communicated to all Officers 	S151	Mar-24
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability		<ul style="list-style-type: none"> • Information Governance Group • Audit and Scrutiny Committee • Regular provision of information to Audit and Scrutiny Committee • Annual Governance Statement • Internal Audit Charter • Chief Internal Auditor annual report • Individual audit reports • Regular progress reports on results of internal audit work • Quarterly financial and 	<ul style="list-style-type: none"> • Continue to monitor GDPR Officer training to reduce data breaches 	EMT	Ongoing Training provided to departmental Data Champions at bi-monthly meetings. Regular series of engagements at departmental team meetings planned for 2024 to promote best practice in respect of the handling of data.

		<p>performance reporting Reports</p>	<ul style="list-style-type: none"> <li data-bbox="1167 509 1554 815">• Actions from previous AGS to be monitored quarterly by EMT. <li data-bbox="1167 815 1554 1121">• Review outcome of External Assessment of Internal Audit and develop action plan for implementation of any agreed enhancements <li data-bbox="1167 1121 1554 1260">• Review of Constitution Standing Orders 		<p>Ongoing (weekly) review of overdue FOIs and targeted interventions where necessary</p> <p>Regular reminders sent to EMT regarding outstanding actions on Action Plans and updates to Action Plans</p> <p>This work is ongoing as part of the AGS Action Plan monitoring</p> <p>Report to Strategy & Resources Cttee 30th November 2023</p>
--	--	--------------------------------------	---	--	--

This page is intentionally left blank

AGS Action Plan 2022-2023

Core CIPFA Governance Principle	Overall assessment	What's working well	Where we can improve
<p>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p> <p>Page 65</p>		<ul style="list-style-type: none"> Following election to office in May each year, the Council has a full induction and training programme, including the Members Code of Conduct. Dependent on the roles allocated to councillors additional tailored training is provided. The Council's Monitoring Officer, together with Democratic Services, have joint overall responsibility for councillors' induction and support services for councillors. Councillors are required to declare interests. This and their attendance record and declarations at meetings are recorded on their individual page on the Council's website. Councillors receive an annual reminder from Democratic Services about the need to review and update their register of interests and that it is a legal requirement to declare and register all 	<ul style="list-style-type: none"> The Council continues to build resilience to provide further assurance over its ability to deliver services within available funding and build a track record of managing within tight financial constraints. <p>(s151 Officer) Update Sept 2023: This is an ongoing action and subsequently can be marked as complete. The Council has completed the last two financial years with a small surplus and now has a contingency (before underlying reserves) of £921k for the current financial year. 2022/2023 completed with a £111k underspend. Delivery of the savings target is strong, with 97% on track for delivery in 2023/2024 and 94% delivery of the savings plan in 2022/23.</p> <p>Democratic Services and Finance Services are working together to streamline the process for after the May 2024 elections Nothing outstanding at this stage and therefore action complete.</p> <ul style="list-style-type: none"> Whistleblowing Policy to be revised and updated in September 2023. The

disclosable pecuniary interests - under the Localism Act 2011, failure to register any disclosable interests within 28 days is potentially a criminal offence.

- The Code of Conduct for Members and Co-opted Members makes specific reference to the need to adhere to seven principles of public life (the Nolan principles). In April 2021 Full Council adopted the New Local Government Association (LGA) Model Code following consideration of the LGA version by the Council's Standards Committee in March 2021.
- Our Constitution, including Contract Standing Orders were reviewed and updated during the financial year to ensure they remained legislatively compliant and reflect the organisation's operating arrangements. Changes were approved by Council at its meeting in April 2022.
- All formal meetings of the Council, ie committees, require declarations of interest from councillors of those committees as a standing item and meetings are minuted/recorded. There is also a councillor complaint form which is overseen and administered by the Council's Monitoring Officer function.
- All managers with financial budget responsibilities have been provided with a financial business partner to enable them to discharge their responsibility and ensure

Monitoring Officer has a duty to write a report if the authority or any of its committees propose action that would be unlawful or amount to maladministration.

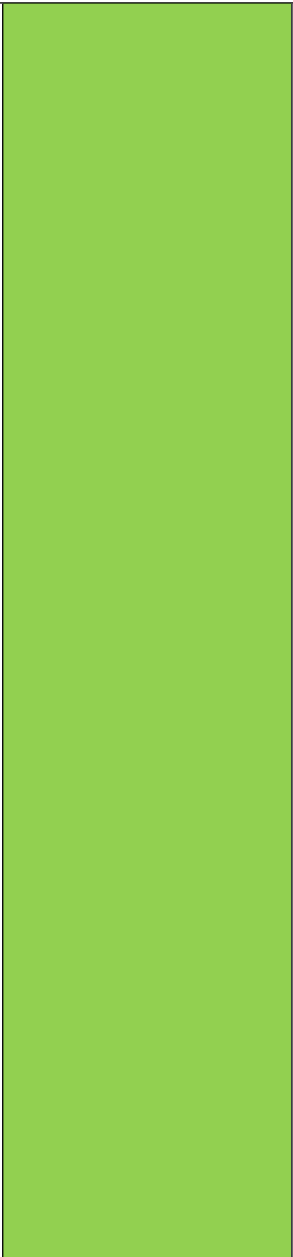
Update Nov 23: The Policy was reviewed and presented to the Audit & Scrutiny Committee on 28th November 2023.

- Anti-Fraud, Bribery and Corruption Policy to be reviewed and updated in April 2023. This will reflect best practice guidance such as national Fighting Fraud and Corruption Locally Strategy. (Head of Legal).

Update Sept 2023: The policy and strategy were reviewed and presented to the Audit & Scrutiny Committee on 26th September 2023.

- Anti-slavery requirements are built within the commissioning, procurement and contract management process. Our standard contract terms include clauses that specify the supplier's contractual obligation concerning Modern Slavery. The Council publishes a statement setting out the actions that are being undertaken to understand all potential modern slavery risks related to its business and actively ensure that there is no slavery or human trafficking in its own business and supply chains. On a voluntary basis, the Council should sign

		<p>that all expenditure is evidenced, validated and justified.</p> <ul style="list-style-type: none"> • Effective management and coordination of multiple grants and funding streams in order to provide the required local outbreak management response during the COVID-19 pandemic. • Updated annually Contract Standing Orders and a Procurement Board meets monthly which approves the appropriate procurement route for all significant expenditure. • Anti-Fraud, Bribery and Corruption Policy • The Council has appropriate whistle blowing policies and procedures in place which are reviewed annually and updated where required. Staff are aware of the Whistleblowing policy through the Council’s intranet. • Staff continue to participate in Check-ins with their line managers focused on health and wellbeing, as well as broader performance themes. 	<p>off a Modern Slavery Statement and complete the task in July 2023.</p> <p>Update Sept 2023: Being looked into as part of the Safeguarding Team’s review. Anticipated completion by Jan/Feb 2024.</p> <ul style="list-style-type: none"> • Services are required to have regular team meetings, and one to ones with line managers and these are in addition to an annual performance setting discussion that inform key priorities and outcomes for the year (appraisals). Appraisals are to be introduced in April 2023 <p>Update Sept 2023: This work has been completed.</p> <p>The Council is committed to maintaining good ethical governance, and its Local Code of Governance reflects the Seven Principles of Public Life in local government. To help enhance this process officers have started to review its local Code and promote any changes. This will continue into 2022/2023.</p> <p>Update Sept 2023: The Code was extensively reviewed and presented to the Audit & Scrutiny Committee the Audit & Scrutiny Committee on 28th November 2023.</p>
<p>B. Ensuring openness and</p>		<ul style="list-style-type: none"> • Council meetings and committees are routinely held in public unless there are good reasons for not doing so on the grounds of confidentiality/disclosure of 	<ul style="list-style-type: none"> • Part 2 reports to be made available to all councillors on the Mod Gov extranet. There may be some exceptions to this, at the discretion of the Monitoring Officer.

<p>comprehensive stakeholder engagement</p>		<p>exempt information which are provided for in statutory provisions.</p> <ul style="list-style-type: none"> • Council meetings and committees are open to participation and available to view online. A calendar of dates of all upcoming Council and all committee meetings is available on the Council website. • Regular staff briefings from the Chief Executive to all council employees on Council issues and the senior management team's (EMT) response to them. • The Council has a designated Officer as IT Security Officer. This is now incorporated in the role of the IT & Project Delivery Manager. • The Council has a number of ways it makes residents and businesses aware of initiatives, projects and services. • The Council has Staff Forum meetings which involves staff representatives from several services in the Council meeting on a quarterly basis with the Chief Executive and other members of EMT. 	<p>Update Sept 2023: this has been actioned and is complete.</p> <ul style="list-style-type: none"> • Decisions relating to Part 2 items to be set out in the public minutes and reported to Full Council. On the rare occasions when this is not appropriate, councillors will be advised how to access the relevant decisions via the Mod Gov extranet. <p>Update Sept 2023: This has been actioned and is complete.</p> <ul style="list-style-type: none"> • Identify a designated officer as IT Security Officer. <p>Update Sept 2023: This is now complete.</p> <ul style="list-style-type: none"> • EMT members to ensure relevant pages in their service areas are maintained and update on the Council's website. <p>Update Sept 2023: this has been communicated and is now part of business as usual.</p> <ul style="list-style-type: none"> • Ensure Councillors are aware of any urgent decisions being taken by the Chief Executive in accordance with the Constitution. In particular, it is proposed that this be added to ModGov page. <p>Update Nov 2023: This has now been included.</p>
---	--	---	--

<p>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits</p>		<ul style="list-style-type: none"> • The Strategic Plan sets out strategic priorities and an overall strategic direction to 2024 and demonstrates how the Council will use its resources to deliver these. • Since its launch in January 2015, Wellbeing Prescription has steadily expanded and is now offered to patients registered to all 18 East Surrey ICP GP surgeries, including all Tandridge GP surgeries. It provides a forum in which key leaders from the local health and care system work together to improve the health and wellbeing of the local population. • On the 13 February 2020 Full Council resolved to declare a climate emergency. An Action Plan is our roadmap to delivering greater sustainability. 	<ul style="list-style-type: none"> • Work is underway to develop a new Corporate Plan for 2024-2028. (Head of Policy and Communications) Update Sept 2023: Work started on the plan in March 2023 with consultation with Councillors, senior officers and managers. <p>Update: Consultation took place with external stakeholders in June 2023. Next steps are to agree the draft plan with Councillors before going out to wider consultation. it is a long process which will be complete after the elections in 2024.</p> <ul style="list-style-type: none"> • The Council has not adopted a Local Plan. Delays relating to Covid-19 and clarity from government about housing numbers has meant little progress has been made on the strategic approach of the plan. The Planning Policy Working Group has been set up and meets regularly to discuss the options available. <p>Update: Waiting to hear back from the Inspector. Expected Jan/ Feb 2024.</p> <ul style="list-style-type: none"> • Work on the Climate Change action plan has been limited due to lack of resources in this area. As part of the restructure for the Policy and Communications Team a new post has been created with the aim of progressing some of this work. <p>Update: This work is ongoing and has been carried forward to the 2023/24 Action Plan.</p>
--	--	--	---

<p>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</p>		<ul style="list-style-type: none"> • The Medium Term Financial Strategy details how we have planned all our resources, both financial and staffing to deliver against our priorities. Our performance framework has been developed to strengthen performance and the achievement of key objectives and outcomes. Performance is regularly and publicly reported through committee meetings. • The decision-making process is objective and there is rigorous analysis of options and associated risks. To support this, there is a corporate and operational risk register. • The Monitoring and S151 Officers are consulted on all decision-making reports and they are able to provide their professional opinion on the matter being reported and actions / decisions to be taken. • The Council's Forward Plans set out clearly the forthcoming business that will be taken to the relevant committees and by key officers. This includes dates of meetings. The Council conforms to all legislation and best practice in publishing plans in advance of meetings etc. 	<ul style="list-style-type: none"> • The Council has faced significant financial challenges (increased costs, significantly reduced income and challenging savings targets) throughout 2021/2022. While the outturn position was underspent for 2021/2022, and contingencies carried over for 2022/2023, Covid-19 these challenges will continue to have an impact on the Council's finances over the next three years and will be critical to the medium-term financial planning (s151 Officer). <p>Update Sept 2023: Annual budgets, MTFS and Housing Business Plan continue to be considered by Committees in January and Council in February each year, as required by statute. No reliance has been placed on general reserves for 2021/2022, 2022/2023 or 2023/24 and none is anticipated for 2024/2025. Contingencies have been grown. DLUHC wrote to the Council on 12 September 2023 refusing a request to use capital receipts to support the general fund: "The department recognises and commends the Council's efforts to grip and manage its budget pressures, and the successful steps taken to deliver the transformation and savings programme in 2022/2023 and in 2023/2024."</p> <ul style="list-style-type: none"> • Performance indicators and the risk registers are being reviewed as part of service planning.
--	--	--	--

			<p>Update Sept 2023: A review of performance indicators and the risk registers has been carried out. Formal reporting returned to policy committees from September 2023.</p> <ul style="list-style-type: none"> • Reports have to be cleared by Monitoring and S151 Officers before publication. The volume of reports can sometimes allow little time for review. To seek to improve lead times. <p>Update Nov 2023: This work has been completed. However, further work to be done on the report template. This will be reviewed under the 23/24 Action Plan.</p> <ul style="list-style-type: none"> • The Procurement team will need to consider the changes brought about by the proposed procurement Reform Bill and Green Paper – ‘Transforming Public Procurement’ and changes to the Public Procurement thresholds. (s151 Officer) <p>Update Sept 2023: Implementation of the Bill is expected in October 2024. In the meantime the Council is taking steps to improve its procurement function.</p>
<p>E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it</p>		<ul style="list-style-type: none"> • The Council has adopted specific codes of conduct for councillors involved in planning or licensing decision-making and these councillors receive additional training in these areas as a pre-condition of their participation. • There is an induction programme in place for new staff, which is a combination of e-learning and face-to-face activities. Key 	<ul style="list-style-type: none"> • Completion of the nine mandatory training for new recruits is high whereas officers who are required to update their training is low, although it has been improving over the last 12 months. EMT to monitor compliance with the process and address areas of non-compliance with their own staff.

information and policies are highlighted to them.

- The Council's approach to leadership engagement has also been strengthened through the further embedding of the Senior Leadership Group and the Executive Leadership Team. These two groups had new terms of reference in 2022 and have changed their names to Extended Management Team and Management Team. Both meet regularly and work to a structured plan.
- The Council's transformation programme called Future Tandridge Programme, which is led by Chief Executive, is focussed on ensuring the Council is more agile, leaner, and strategic to achieve the best outcomes with limited resources.

Update Sept 2023: This is ongoing work and is part of business as usual.

- Work to improve the staff induction programme is planned for 2023, along with training for the leadership team and other managers.

Update Sept 2023: This is in the HR service plan for 2023/2024

- The **Corporate Business Continuity Plan** should be updated annually to ensure that it continues to meet the Council's needs. It needs to be fully endorsed and actively promoted by EMT. Each EMT member should regularly update their own service area business continuity plans, review them and check if their arrangements are still fit for purpose, up to date. This review is overdue. Also all Members of EMT need to be trained and exercised, on an annual basis to ensure they are fully aware of how to implement the plan. The first test is scheduled for EMT on 28 March 2023

Update Sept 2023: Work in this regard is currently underway.

- As per the recommendation response from the 2022 internal audit, business continuity plans and processes will be reviewed as the FTP emerges. The new structure will identify responsibilities in the newly defined

			<p>service areas and therefore new Service Area Business Continuity Plans will be developed post transformation. During this interim period however, existing plans will still need to be kept up to date and exercised.</p> <p>Update Sept 2023: Policy and Communications Business Continuity Plan has been updated. Building Control Continuity Plan updated</p>
<p>F. Managing risks and performance through robust internal control and strong public financial management</p>		<ul style="list-style-type: none"> • The Council adopted a new Risk Management Strategy in July 2021, which was part of a risk management assessment led by Internal Audit. Improvements to the strategy and internal processes have been implemented ahead of its annual review in July 2022. • A transformation of our Planning (development management) service has been completed, and the team now has adequate resourcing in place. • Most tenants are paying their rents in accordance with agreed payment schedules. • It was agreed by the Investment Sub-Committee that no further investment property acquisitions that are purely to generate net yield were to be purchased. 	<ul style="list-style-type: none"> • The Council's approach to risk and maintenance of risk registers is under review. <p>Update (Sept 2023): There will be ongoing review of performance indicators and risk registers. Risk audit has a number of actions which once complete will strengthen the Council's approach to and management of risk.</p> <ul style="list-style-type: none"> • Our annual audit opinion, as provided by Internal Audit, is 'Limited'. However the majority of the improvements identified in the 2021-2022 audit year have been completed. Hence the AMBER traffic light rating. (s151 Officer) <p>Update Sept 2023: For 2022/2023, the annual audit opinion remains limited however demonstrable progress has been made - see extract from the 2022/2023 Internal Audit Annual Report: Comment</p>

- A Debt Recovery Policy, aimed at improving the administration of income due to the Council, was approved by Strategy and Resources in February 2022. The objective was to maximise the recovery of income and minimise the amount of aged debt that needs to be written-off, improving the Council's cashflow and total income raised.

from Chief Internal Auditor: *"It is positive to note that whilst our annual assurance opinion on the Council's framework of governance, risk and control over the last three years has been limited the direction of travel has demonstrably improved which is evident in the assurance outcomes at an individual audit assignment level. This positive trajectory has continued from outcomes of our 2022-23 work."*

- The Tandridge Finance Transformation Programme is complete and was reported to Audit & Scrutiny Committee on 5 July 2022 with key improvements delivered in the structure and resourcing of finance, engagement with budget holders, training and proper scrutiny of budget development. A continuing improvement programme for Finance is under way and will report back to Audit & Scrutiny Committee.

Update Sept 2023: This was marked as complete previously so should no longer be on the action plan. Follow up reports were taken to the Audit & Scrutiny Committee, and the Strategy & Resources Committee, in June 2023 setting out progress since.

- Covid-19 has placed even greater financial pressure on local authorities during 2020/2021 and 2021/2022. The volatility and significant financial, fiscal and economic risk makes forecasting and planning difficult. Financial resilience and

			<p>sustainability are significant risks for the future. A refresh of the MTFS occurs annually, which includes a review of all reserves. The budget for the Housing Revenue Account and its 30 year business plan is considered annually at the Housing Committee, supported by independent Housing Finance experts.</p> <p>Update Sept 2023: Annual budgets, MTFS and Housing Business Plan continue to be considered by Committees in January and Council in February each year, as required by statute. No reliance has been placed on general reserves for 2021/2022, 2022/2023 or 2023/2024 and none is anticipated for 2024/2025. Contingencies have been grown. DLUHC wrote to the Council on 12 September 2023 refusing a request to use capital receipts to support the general fund: <i>"The department recognises and commends the Council's efforts to grip and manage its budget pressures, and the successful steps taken to deliver the transformation and savings programme in 2022/2023 and in 2023/2024."</i></p>
<p>G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>		<ul style="list-style-type: none"> • The Council has a published constitution setting out how decisions are taken and how the public can get involved in decision making, including access to information and petitions. The Constitution was last agreed by Full Council in December 2022. • The Council seeks to write and communicate reports and other 	<ul style="list-style-type: none"> • In order to effectively assess service level risk and ensure this is considered within the wider corporate risk framework, a broader programme of risk management training in 2023-2024 will be delivered. This programme will specifically address those officers outside EMT.

information for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.

- The Council webcasts its Council and committee meetings to ensure maximum transparency. As a result of the Covid-19 pandemic the Council introduced virtual meetings and continues to webcast all Council and committee meetings.
- The Council website is used to publish news and information to ensure transparency of its actions.
- The Council's Constitution sets out the terms of reference of all committees to ensure information is presented to the committees. Access to Information rules set out how the Council maintains good public access to information and reports.
- The Council established its Code of Corporate Governance and it was presented to the Audit and Scrutiny Committee in 22 March 2022.

Update Sept 2023: Training will be provided as part of the risk management audit actions.

- Each service area to regularly review their service area data and retention. In particular, to ensure a reduction in the number of e-mails stored as unstructured data in outlook accounts.

Update Sept 2023: Record Management and Retention Policy approved. Project underway with IT regarding deletion of e-mails.

- Review to improve efficiency and effectiveness in the handling of freedom of information requests. This is being looked into and it is anticipated that the exercise will be completed in April 2023.

Update Sept 2023: Work is ongoing to improve and enhance additional measures put in place since Jan 2023.

Anti-Money Laundering Policy Review

Audit & Scrutiny Committee Tuesday, 6th February 2024

Report of: Director of Resources (Section 151 Officer)

Purpose: For approval

Publication status: Unrestricted

Wards affected: All wards

Executive summary:

The report sets out a proposed Anti-Money Laundering Policy for review by Committee. This replaces previous guidance and elevates to the status of a Council Policy. It is supported by detailed guidance notes and training.

This report supports the Council's priority of: Building a better Council.

Contact officer Mark Hak-Sanders Director of Resources (S151)
mhaksanders@tandridge.gov.uk

Recommendation to Committee:

That Committee recommend to Full Council that the Anti-Money Laundering Policy be adopted and published on the Council's website.

Reason for recommendation:

The Council has several obligations under legislation, which are set out in the policy. The purpose of this policy is to enable the Council to meet its statutory obligations and to assist Officers in dealing with money laundering. Recognition by the Audit and Scrutiny Committee provides formal status for the policy and contributes to the Council's obligation to make arrangements to receive and manage concerns from Officers about money laundering.

Overview

1. Money Laundering has been defined by the Law Society as “the process by which the proceeds of crime and the true ownership of these proceeds is changed so that the proceeds appear to come from a legitimate source.” A more complete definition is provided in Section 3.1 of the Policy.
2. The Council’s Constitution refers to Anti-Money Laundering alongside references to Anti-Fraud. The two are linked, but Money Laundering is distinct and subject to its own reporting requirements. Proposing a distinct policy ensures that it is given appropriate prominence, defines the governance arrangements and provides a framework for the guidance which sits underneath it.
3. On 26th September 2023, Committee reviewed the Anti-Fraud, Bribery and Corruption Policy and recommended its adoption to Full Council. The Anti-Money Laundering Policy complements this.
4. On 28th November 2023, Committee considered a mid-year update on the Council’s Anti-Fraud measures, setting out the Joint Working Agreement with Reigate and Banstead Borough Council, as follows:

“Overarching capacity for managing fraud is delivered through a joint working agreement with Reigate and Banstead Borough Council. This was developed by the Head of Housing with further input from the S151 Officer. The agreement is governed by a S113 Agreement (Local Government Act 1972) which allows one authority to discharge functions on behalf of another. The agreement was finalised in December 2022.”

Providing an Anti-Money Laundering Policy to bring to this Committee was part of the work set out in the November Committee report.

5. The Anti-Money Laundering Policy is short and self-explanatory. A national reporting portal exists and there is no cost to the Council to access this resource. The Section 151 Officer is the Council’s Money Laundering Reporting Officer (MLRO) and this role is undertaken with the support of the RBBC Fraud Team.

Training

6. The Council’s HR team has recently launched a mandatory Financial Crime course for Officers. This was linked to an Internal Audit action on Fraud to put in place e-learning. The module covers:
 - Definition of financial crime
 - Identification of the different types of financial crime
 - Red flags that indicate financial crime
 - How to deal with suspicions
 - Understanding Anti-Money Laundering laws and how they help with counter terrorism.

Other options considered

Adoption of a formal policy for Anti-Money Laundering represents good and robust practice for the Council.

Consultation

Not required.

Key implications

Comments of the Chief Finance Officer

There are no direct financial implications of this report. Money Laundering will be dealt with in accordance with this policy.

Comments of the Head of Legal Services

There are no direct legal implications arising from this report. Having an up to date money laundering policy and procedure is an essential part of the Council's governance controls. Members will note that the key changes to the law have been incorporated into the Council's policy together with updates to the Council's anti-money laundering procedures. The report identifies that training is required to ensure that all Officers are aware of the Council's anti-money laundering policy and training on the provisions of the law is a key aspect of the legislation.

Equality

There are no Equalities implications directly arising from the statutory audit of the financial statements.

Climate change

There are no Climate Change implications directly arising from the statutory audit of the financial statements.

Appendices

Appendix A – Anti-Money Laundering Policy
Appendix B – Money Laundering Report Template

Background papers

None

----- end of report -----

Document History

Version	Date	Key changes made	Approved by
1.0	October 2023	Full redraft following comments from SIAP	Michaela Lambart – Fraud Manager
1.1	January 2024	Policy Finalised for Committee	Mark Hak-Sanders Director of Resources (S151 Officer) and Lidia Harrison Head of Legal Services (Monitoring Officer)

Anti-Money Laundering Policy

1. Foreword

1.1 On 10 January 2020 changes to the Government's Money Laundering Regulations (MLRs) came into force. The changes update the UK's Anti Money Laundering regime to incorporate international standards set by the Financial Action Task Force (FATF). The 2019 Regulations amend:

- [The Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017 \(MLRs\)](#)

1.2 As an overview, the changes incorporate the requirement to:

- keep an up-to-date list of exact functions that qualify as prominent public functions.
- observe enhanced due diligence when working with high-risk countries.
- maintain registers of beneficial owners.
- enforce a reduced limit of pre-paid cards and electronic money.
- undertake enhanced due diligence on virtual currencies, crypto currencies, digital tokens.
- bring letting agency activities within the scope of Anti Money Laundering.

1.3 A key difference is the 5th Money Laundering Directive brings additional businesses into the scope of the anti-money laundering regulatory framework. Described as "obliged entities" in the 4th Money Laundering Directive, these are defined as "relevant persons" in the MLRs and as businesses in the "regulated sector" in the [Terrorism Act 2000](#) and the [Proceeds of Crime Act 2002](#). The requirements of the 5th Money Laundering Directive do not allow for the exemption of small businesses or any exemptions based on size.

- 1.4 In identifying ownership, the 2019 Regulations introduces an explicit Customer Due Diligence (CDD) requirement for relevant persons to take reasonable measures to understand the ownership and control structure of their customers. Relevant persons must also take reasonable measures to verify the identity of senior managing officials when the beneficial owner of a body corporate cannot be identified.
- 1.5 Although anti-money laundering legislation does not specifically cover local authorities as defined by organisations in the regulatory sector, it is implied best practice that we assess the risk and put sufficient controls in place to prevent the Council from being used for money laundering.
- 1.6 We are also required to:
- assess the risk of Tandridge District Council being used by criminals to launder money.
 - check the identity of our customers.
 - check the identity of 'beneficial owners' of corporate bodies and partnerships.
 - monitor our customers' business activities and report anything suspicious to the [National Crime Agency](#) (NCA).
 - make sure we have the necessary management control systems in place; keep all documents that relate to financial transactions, the identity of our customers, risk assessment and management procedures and processes.
 - make sure our employees are aware of the regulations and have had the necessary training.
 - relevant persons must have policies to ensure they undertake risk assessments prior to the launch or use of new products or business practices, as well as new technologies.
- 1.7 The purpose of this policy is to enable the Council to meet its statutory obligations and to assist officers in dealing with money laundering.

2. Introduction

- 2.1 This policy will:
- apply to all employees whether permanent or temporary and Members of the Council.
 - set out what the Council must do to comply with its legal obligations.
 - support the Council's vision of zero tolerance of fraud, corruption, and bribery.
 - form part of the Council's wider financial governance arrangements which include the Financial Regulations and the Anti-Fraud, Bribery and Corruption Policy.

More detailed information and procedures for Officers can be found in the Anti-Money Laundering Guidance Notes which support this policy.

3. What Is Money Laundering?

3.1 Money laundering has been defined by the Law Society as “the process by which the proceeds of crime and the true ownership of these proceeds is changed so that the proceeds appear to come from a legitimate source.”

3.2 The legislation states that money laundering is:

Concealing, disguising, converting, transferring criminal property, or removing it from the UK (section 327 of the Proceeds of Crime Act 2002)

Entering or becoming involved in an arrangement which you know or suspect facilitates:

- the acquisition, retention, use or control of criminal property by, or on behalf of, another person (section 328)
- Acquiring, using, or possessing criminal property (section 329)
- Doing something that might prejudice an investigation e.g., falsifying a document.
- Failure to disclose one of the offences listed above, where there are reasonable grounds for knowledge or suspicion.
- Tipping off a person(s) who is suspected of being involved in money laundering in such a way as to reduce the likelihood of or prejudice an investigation.

3.3 “Criminal property” means anything of value (including cash, any type of financial security, investments, land, benefit under a contract, etc) that results from criminal activity.

3.4 Money laundering activity may range from a single act, for example being in possession of the proceeds of one’s own crime, to complex and sophisticated schemes involving multiple parties and multiple methods of handling and transferring criminal property as well as concealing it and entering into arrangements to assist others to do so. Council employees need to be alert to the risks of clients, their counterparties and others laundering money in any of its many forms.

3.5 Under section 18 of the [Terrorism Act 2000](#) it is an offence for a person to enter into or become concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property by concealment, removal from the jurisdiction, transfer to nominees or in any other way. Terrorist property is defined as money or other property which is likely to be used for the purposes of terrorism (including any resources of a prescribed organisation), proceeds of the commission of acts of terrorism, and proceeds of acts carried out for the purposes of terrorism.

- 3.6 It is important to note that anyone, Council employee or not, can commit any of the above offences. However, in addition to these offences there are a series of obligations imposed on the Council by the [2007 Money Laundering Regulations](#) that it must fulfil, and of which breach can also amount to an offence by the Council.

4. The Council's Obligations

- 4.1 Whilst local authorities are not directly covered by the requirements of the [Money Laundering Regulations 2019](#), guidance from finance and legal professions, including the [Chartered Institute of Public Finance and Accounting](#) (CIPFA), indicates that public service organisations should comply with the underlying spirit of the legislation and regulations and put in place appropriate and proportionate anti money laundering safeguards and reporting arrangements.
- 4.2 The regulations apply to "relevant persons" acting in the course of business carried out by them in the UK. Relevant persons must check beneficial ownership registers of legal entities in scope of the People with Significant Control (PSC) requirements before establishing a business relationship. Where there is a discrepancy between the beneficial ownership information on the registers and the information that is made available to them in the course of carrying out CDD, there is a requirement to report these discrepancies to [Companies House](#). Companies House will investigate and, if necessary, resolve the discrepancy in a timely manner. These reports are excluded from public inspection. Not all of the Council's business is relevant for the purposes of the Regulations; it could include accountancy and audit services carried out by Financial Services and the financial, company and property transactions undertaken by Legal Services.
- 4.3 It is reasonable to conclude that the money laundering regime is not primarily aimed at local authorities and that local authorities' work is to some extent tangential to the regime. However, the safest way to ensure compliance with the regime is nonetheless to apply its requirements to all of the Council's areas of work and to ensure that all employees comply with the reporting procedure set out in the policy.
- 4.4 The key requirements are listed below:
- To appoint a Money Laundering Responsible Officer (MLRO) to receive any disclosures from staff relating to money laundering.
 - To make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it, to make internal enquiries and to make reports where necessary to the National Crime Agency (NCA).
 - To maintain a record of incidents that have been reported to the MLRO.

- To establish internal procedures to help forestall and prevent money laundering.
- To provide training for appropriate staff on how to identify the signs of potential money laundering transactions.
- To report any single cash transaction or a series of linked transactions totalling over €15,000 (approximately £10,000 at the time of the legislation), these should be treated as suspicious.

4.2 The role of the MLRO is outlined in sections 5 and 6 of this policy.

4.3 The Council's Financial Regulations are detailed in the Council's Constitution.

4.4 Given the low risk to the Council of money laundering, the Anti-Money Laundering Guidance Notes will provide sufficient training for most staff, although further guidance may be issued from time to time and targeted training provided to those more directly affected by the legislation.

5. The Money Laundering Responsible Officer

5.1 The officer nominated to receive reports of suspected money laundering activity within the Council is:

Mark Hak-Sanders – Director of Resources (S151). Contact details are mhaksanders@tandridge.gov.uk

5.2 In the absence of the MLRO, Michaela Lambart, Fraud Manager is authorised to deputise. Contact details are Michaela.Lambart@Reigate-Banstead.gov.uk.

6. Reporting

6.1 Where Officers or Members know or suspect that money laundering is taking place or has taken place, they must report this as soon as possible to the MLRO with the completion of the Council's Money Laundering disclosure form. The disclosure should be made within hours rather than days or weeks of the information coming to Officers or Members attention. The legislation determines that a single cash transaction or a series of linked transactions totalling over €15,000 (approximately £13,000 at the time of the legislation) should be treated as suspicious. However, vigilance also needs to be maintained in respect of all other possibilities such as a series of smaller payments in cash.

6.2 The report must include as much detail as possible, for example:

- full details of the people involved for example name, date of birth, address, company names, directorships, phone numbers etc.
- if an Officer is concerned that their involvement in the transaction would amount to a prohibited act under sections 327-329 of the [2002 Proceeds of Crime Act](#) then the report must include all relevant details.

- the Officer will need consent from the [National Crime Agency](#) (NCA) or relevant successor body, through the MLRO, to take any further part in the transaction. This is the case even if the client gives instructions for the matter to proceed before such consent is given. The Officer should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent for example a completion date or court deadline.
 - the types of money laundering activity involved. If possible cite the section number(s) under which the report is being made.
 - the date of such activities, including whether the transactions have happened, are ongoing or are imminent.
 - where they took place.
 - how they were undertaken.
 - the (likely) amount of money or assets involved.
 - why, exactly, the Officer is suspicious.
 - in addition, any other information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering.
 - to prepare a report to the NCA, where appropriate. The Officer should also enclose any copies of relevant supporting documentation.
- 6.3 As soon as the Officer has reported the matter to the MLRO the Officer must follow any directions they give. **The Officer must not make any further enquiries into the matter.** Any necessary investigation will be undertaken by the NCA or relevant successor body as appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation. Similarly, at no time and under no circumstances should the Officer voice any suspicions to the person or organisation that the Officer suspects of money laundering, otherwise the Officer may commit the criminal offence of “tipping off”.
- 6.4 The Officer must not make any reference on a client file to a report having been made to the MLRO. Should the client exercise his or her right to see the file then such a note would obviously tip them off to the report having been made. Again the Officer would be at risk of prosecution for tipping off. The MLRO will keep the appropriate records in a confidential manner.
- 7. Conclusion**
- 7.1 This policy is in place to enable the Council to meet its statutory obligations and to assist Officers in dealing with money laundering.
- 7.2 In the case of concerns about any financial transactions, Officers or Members should contact the MLRO as soon as possible.
- 7.3 Further details are set out in the Guidance Notes which support this policy.

- 7.4 This policy will be reviewed every three years. Minor technical, procedural, or legislative amendments will be agreed by the Head of Legal Services (Monitoring Officer) and Director of Resources (S151 Officer)

8. Additional Information

- 8.1 Additional information can be obtained from:
- Anti money laundering supervision: detailed information
 - National Crime Agency

This page is intentionally left blank

CONFIDENTIAL

To:

The Money Laundering Reporting Officer
Director of Resources (S151 Officer)

From (Officer Reporting Suspected Activity):

Name	
Position	
Business Unit	
Email Address	
Telephone Number	

Do not discuss the content of this report with anyone, especially the person you believe to be involved in the suspected money laundering activity you have described. To do so may constitute a tipping off offence.

Details of suspected offence:

Name(s) and address(es) of person(s) involved: (Please also include date of birth, nationality, national insurance numbers- if possible) (If a company please include details of nature of business, type of organisation, registered office address, company registration number, VAT registration number)
Nature, value, and timing of activity involved: (Please include full details e.g., what, when, where how.)
Nature of suspicions regarding such activity:

Has any investigation been undertaken (as far as you are aware), If yes, please include details below: Yes / No

Have you discussed your suspicions with anyone else, if yes, please specify below, explaining why such discussion was necessary: Yes / No

Have you consulted any supervisory body guidance re money laundering? (e.g., the Law Society) If yes, please specify below: Yes / No

Do you feel you have reasonable grounds for not disclosing the matter to the NCA? (e.g., are you a lawyer and wish to claim legal professional privilege?) If yes, please set out full details below: Yes / No

Are you involved in a transaction which might be a prohibited act under the Proceeds of Crime Act and which requires appropriate consent from NCA, If yes, please enclose details below: Yes / No

Please detail below any other information you feel is relevant:

FOR COMPLETION BY THE MONEY LAUNDERING REPORTING OFFICER

Date Report received	
Date report acknowledged	

Consideration of Disclosure - Action plan

Are there reasonable grounds for suspecting money-laundering activity?
If there are reasonable grounds for suspicion, will a report be made to NCA? Yes / No

If yes, please confirm date of report to NCA:

--

Details of liaison with NCA regarding the report:

--

Is consent required from the NCA for any ongoing or imminent transactions that would otherwise be prohibited acts. If yes, please confirm full details; Yes / No

--

Date consent received from NCA	
Date report acknowledged	
Date consent given by you to employee	
Date consent given by you to employee for any prohibited act transactions to proceed:	

Signature	
Print Name	
Dated	

RETENTION PERIOD FIVE YEARS

This page is intentionally left blank

Future Tandrige Programme Update

Audit & Scrutiny Committee 6th February 2024

Report of: Chief Executive Officer

Purpose: For information

Publication status: Unrestricted

Wards affected: All

Executive summary

The overall aim of the Future Tandrige Programme ('FTP') programme is to transform the operating model for the Council, to create a smaller, more strategic, agile and responsive organisation, with resources targeted at Council priorities and which is underpinned by a more business-like approach to the way that the Council operates.

A key part of the FTP is the identification and delivery of savings identified in the Service Reviews and to ensure a balanced budget is delivered for 2023/24.

An overview on 2023/24 savings and the impact to residents and the Council can be found in the Strategy & Resources Committee 2023/24 Budget and Medium-Term Financial Strategy report of 31st January. This report should be read in conjunction with the budget papers. A further update on the delivery of savings was included in the FTP report to Strategy & Resources Committee respectively on the 30th March, on the 29th June, 28th September and 30th January 2024.

As agreed with this Committee previously, the focus of this report is on governance, risk and issue management to maximise the opportunity for the FTP to be successful.

This report supports the Council's priority of: Building a better Council.

Contact officer: David Ford – Chief Executive dford@tandrige.gov.uk

Recommendation to Committee:

1. To note the direction of travel for the FTP, the savings identified for delivery in 2023/24.
2. To note progress made and next steps on the savings identified for delivery in 2024/25.
3. To note the approach to risk management being applied and the current programme level risks identified in Appendix D.

Reason for recommendation:

To continue to provide confidence in the governance structure of the FTP and to demonstrate that there is a clear risk management process with escalation in place.

1 Background

1.1 Financial context

At the Strategy & Resources Committee on 30th June 2022, a savings requirement of up to £2m for 2023/24 was identified to meet the likely shortfall between income and projected expenditure and identified the need for service reviews to deliver a significant proportion of these savings.

The Draft Budget report to the Strategy & Resources Committee on 1st December 2022 set out the savings that needed to be delivered in 2023/24. This was reconfirmed as part of the final budget which was proposed to Strategy & Resources on 31st January 2023. On 9th February 2023, these were approved by Full Council and therefore became the approved savings plan for 2023/24. The final savings plan totals £1.7m.

This report focuses on the governance and risk management arrangements for the FTP. The focus has now firmly moved to delivering the programme, ensuring the planned savings translate to successful achievement of a balanced outturn for 2023/24.

Alongside this, planning for 2024/25 is progressing, including the need for a new Corporate Plan to shape the priorities of the Council and inform future budgets. Details of the 2024/25 budget process were taken to Strategy & Resources Committee on the 29th June 2023 and further details provided on 28th September. A member workshop took place on 31st October, where the draft budget was subject to informal consultation with Members. This was followed by Strategy and Resources Committee consideration in November and will be taken to committee for final approval in January/February. The final budget was presented to Strategy and Resources Committee on 30th January 2024.

1.2 Future Tandridge Programme

A key part of the programme is the consistent and rigorous review of all services which fundamentally challenges how and why the Council provides the services it does. The focus is on identifying outcomes which support the longer-term operating model for the Council, balanced against short term opportunities to deliver the budgeted savings in 2023/24.

During 2023, a full progress update on the programme was reported to this Committee on 31st January 2023; 30th March 2023, 29th June, 26th September 2023 and on 30th November 2023.

The delivery phase of the programme is now progressing with plans developed by all service workstreams, with key milestones, resource requirements and associated risks.

The latest programme highlight report and programme roadmap can be found in Appendices A and B.

1.4 Savings approach for 2024/25

Work has completed on identifying the savings target for 2024/25 and the details were included in the Strategy & Resources Committee paper for 30th January 2024. The delivery of the 2024/25 budget will be subject to risk management arrangements consistent with the FTP and 2023/24 savings. Management of those risks will be reported to Audit and Scrutiny Committee during 2024/25.

2 Governance

Through the delivery phase of the programme, the governance and workstream structure for the programme operates at three levels, further details of which can be found in Appendix E.

3 Risk and Issue Management

Risk and issue management is undertaken at programme and workstream level. Programme level risks are recorded on a programme risk register and managed through the Programme and Benefits Delivery Board.

Risks are identified, reviewed, assessed and appropriate mitigation is determined to seek to reduce the level of risk identified.

Each risk has an assigned owner and is given both a pre and post mitigation rating. Risks are assessed through the Programme and Benefits Delivery board and regular service review meetings with the FTP team and Heads of Services which are updated regularly to reflect where the mitigation or scores may have changed.

Following a review of the FTP risk management process, the process has been modified to make more transparent the changes in post mitigation scoring. Individual mitigating actions relating to a risk and their relative status clearly indicate whether the status has resulted in a change in the score. Where a mitigating action has been completed, this will result in a lowering of the post mitigation risk score. Where mitigating actions have not started or are in progress, this will be indicated in the Mitigating action status column.

Additionally, the risk register now tracks any changes in the risk score in order to provide an audit trail. Further conversations are due to take place with the Chair of Audit & Scrutiny to provide additional assurance on the methodology used.

A view of the current FTP Programme Risk register can be found in Appendix C of this document.

Risks and Issues are also managed at workstream level where these are specific to individual workstreams or projects. Project level risks are escalated to programme level for management through the Programme and Benefits Delivery board where their significance to the overall success of the programme warrants this.

In addition to the above, all Heads of Service will capture risks relevant to delivery of their savings which are reviewed with the Programme team and escalated as required.

A full list of the service savings with associated delivery risks and RAG ratings is in place and monitored with service leads at the delivery board.

There are three areas reporting Black risks currently; Regulatory Services, management restructure and IT.

The Regulatory Services review requires further work with our partner authority, Mole Valley District Council to agree a way forward for the partnership which will focus on standardising the approach to Regulatory and Environmental services by using a shared website and introducing productivity improvements. This area falls under the Deputy Chief Executive's remit and work has now begun on agreeing the next steps and engaging with Mole Valley. £35k in IT is also marked as unachievable in 2023/24. This has been moved into the 2024/25 savings plan with firm plans in place for delivery. £85k of Senior Management restructure savings has been marked as unachievable for 2023/24 due to a portion of the management structure saving being reinvested into Planning.

A summary of the savings and the black rated items can be found in Appendix D. Some progress has been made in delivery of the savings since the November 2023 update and further details will be provided to Strategy and Resources Committee on 30th January; the purpose of this report is to demonstrate at a programme level that risks in the delivery of savings are being managed adequately.

In addition, during 2022/23 a 'Savings Delivery' audit was carried out by SIAP as part of the internal audit plan. This determined that the assurance for savings delivery was "substantial; a sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified."

A repeat of this audit has now begun for 2023/24 to ensure that the assurance remains in place.

4 Resourcing

Work to identify an Organisational Development lead remains ongoing, including discussions with neighbouring authorities on whether resource can be shared.

Resourcing requirements for the remainder of the programme were detailed in the November Strategy & Resources Committee report.

5 Comments of the Chief Finance Officer

The FTP is the key mechanism for driving value for money from Council services and for delivering the £1.7m savings target for 2023/24. Effective risk management, and the oversight of Audit & Scrutiny committee, are key elements of ensuring the success of the programme. The full financial context to the FTP is set out in the 2023/24 Budget and Medium-Term Financial Strategy report to Strategy & Resources on the 31st January, as updated by subsequent reports to Strategy & Resources Committee. With delivery of the 2023/24 savings plan nearing completion, attention will now turn to delivery for 2024/25 and planning for 2025/26.

6 Comments of the Head of Legal Services

The delivery of the savings associated with the FTP are key to supporting the Council in closing the financial gap in the current and future years. Risks are assessed regularly and significant issues reported to the Programme and Benefits Delivery Board. This ensures that issues, concerns and risks are responded to and dealt with appropriately. It also means that the timely delivery of savings are monitored closely.

7 Equality

The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equalities legislation are considered prior to any decision being made.

Section 149 of the Equality Act 2010, provides that a public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
- advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity,

race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Members should have due regard to the public-sector equality duty when making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.

The Officers have reviewed the impact of the closure of the Finance Transformation programme and the outcome of this is that the action have no negative or positive impact on protected characteristics and residents. However, the Council will continually monitor the effect of the Budget-setting process and decision-making by using equality impact assessments.

8 Climate change

There are no direct impacts on environmental aspects in this programme to report. Climate change implications will be assessed as part of any changes to service provision through a business case process.

Appendices

Appendix A - FTP Programme highlight report – January 2024

Appendix B - FTP Programme Roadmap

Appendix C - FTP Risk Register

Appendix D - Overall assessment of 23/24 savings delivery

Appendix E - Programme Governance

Appendix F - Glossary of Terms

Background papers

S&R Committee Report 1st February 2022

S&R Committee Report 30th June 2022

S&R Committee Report 29th September 2022

S&R Committee Report 1st December 2022

S&R Committee Report 31st January 2023

S&R Committee Report 30th March 2023

S&R Committee Report 29th June 2023

A&S Committee Report 5th July 2023

A&S Committee Report 26th September 2023

A&S Committee Report 28th November 2023

----- end of report -----

Appendix A – Programme Highlight report – January 2024

Future Tandridge Programme Programme Highlight report – December 2023

Future Tandridge Programme			Report date: 31st December 2023
SRO	David Ford	Delivery lead	Mark Hak-Sanders
Previous month status:	AMBER		
Lifecycle Stage	Delivery		Current month status: AMBER

Headlines Operations Grounds Maintenance work in progress to review market conditions and develop site data and detailed specifications. Digital Transformation planning in progress with implementation partner. Wider Digital programme now under active development. Continuous improvement approach work in progress to develop tools and techniques to embed across the council with key officer reviews.

Achievements for December 2023

Operations Transformation workstream –Presentation made to MRG on 13th December. Agreement on procurement and legal delivery partners – joint plan drafted.

Digital/Customer services Transformation - Dependencies for Digital Transformation such as Data Cleansing and writing of knowledge articles for chatbot workstream leads identified and now being managed through Digital programme.

Void/Housing Repairs – Drafting PID to confirm scope, timeline and resource plan for project.

Savings 2023/24 – Work has continued to deliver savings across services as agreed in previous committee reports.

Savings planning 2024/25 – Draft Budget report included in November S&R Committee Report to be presented to Council in February 2024.

Future Operating model - Piloting continuous improvement approach on Grounds maintenance and Voids/Housing repairs to embed across the council. Continuous improvement cycle presented at KOF meeting.

Commercial activities - Draft commercial strategy is being progressed with EMT/Senior officers. Prioritisation matrix created and items being scored and resources identified.

Member engagement: 2024/25 Budget Workshop with all Members 19th December to be followed by Committee engagement in January

Focus for January 2024

Operations Transformation – Grounds maintenance - data collation and specifications being drafted to March 2024. joint project board and delivery plan to be agreed.

Digital/Customer Services Transformation – Sprint planning in progress, engagement strategy and communications plan to be shared with members. telephony implementation, data cleansing and website page updates progressing. FTP to assist with compliance and delivery. User training and testing of new telephony system.

Voids/Housing Repairs – Finalising PID and scope of project, timeline and resource plan to be created.

Savings 2023/24 Continuing delivery of savings as part of the £1.7m target.

Savings planning 2024/25 – Final budget report to be included January committee papers.

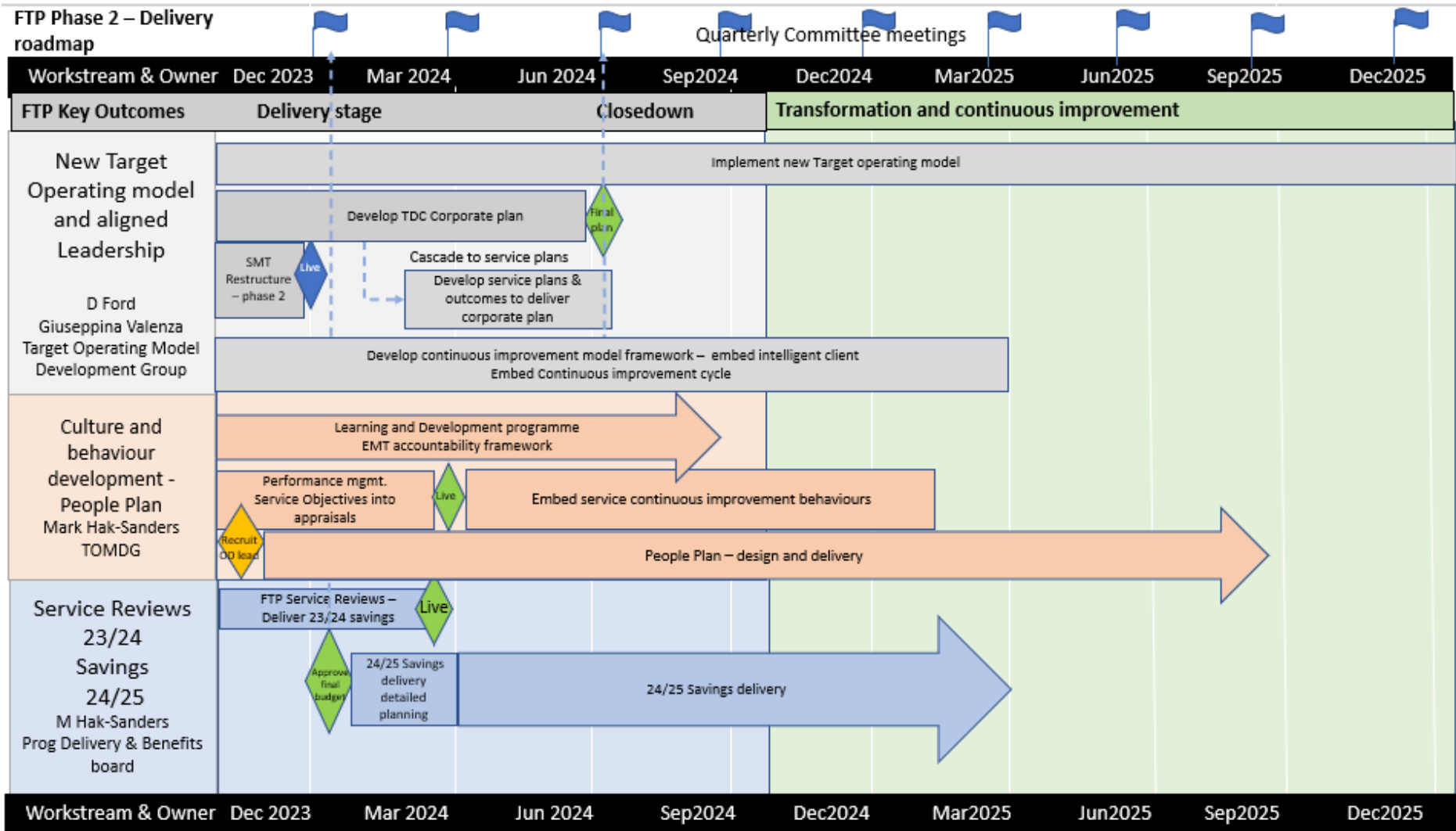
Future operating model - Continuous improvement cycle documentation being collated in preparation for upload onto SharePoint. work progressing on intelligent client model and processes.

Commercial activities - Draft commercial strategy will be brought to Strategy and Resources committee in March 2024. Scoring progressing on commercial activities to enable prioritisation and resource planning.

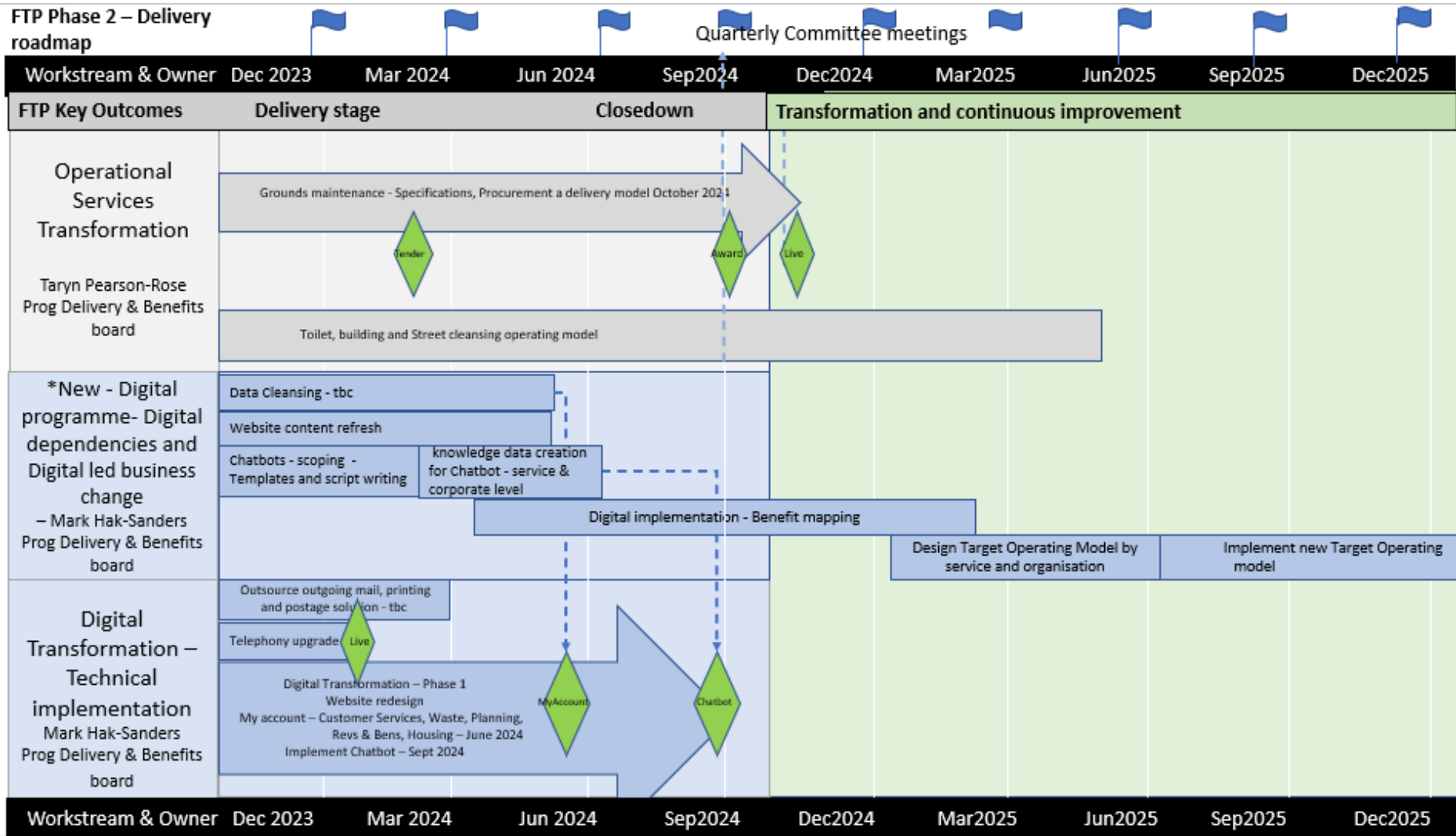
Member engagement - S&R, A&S meetings in January 2024

This page is intentionally left blank

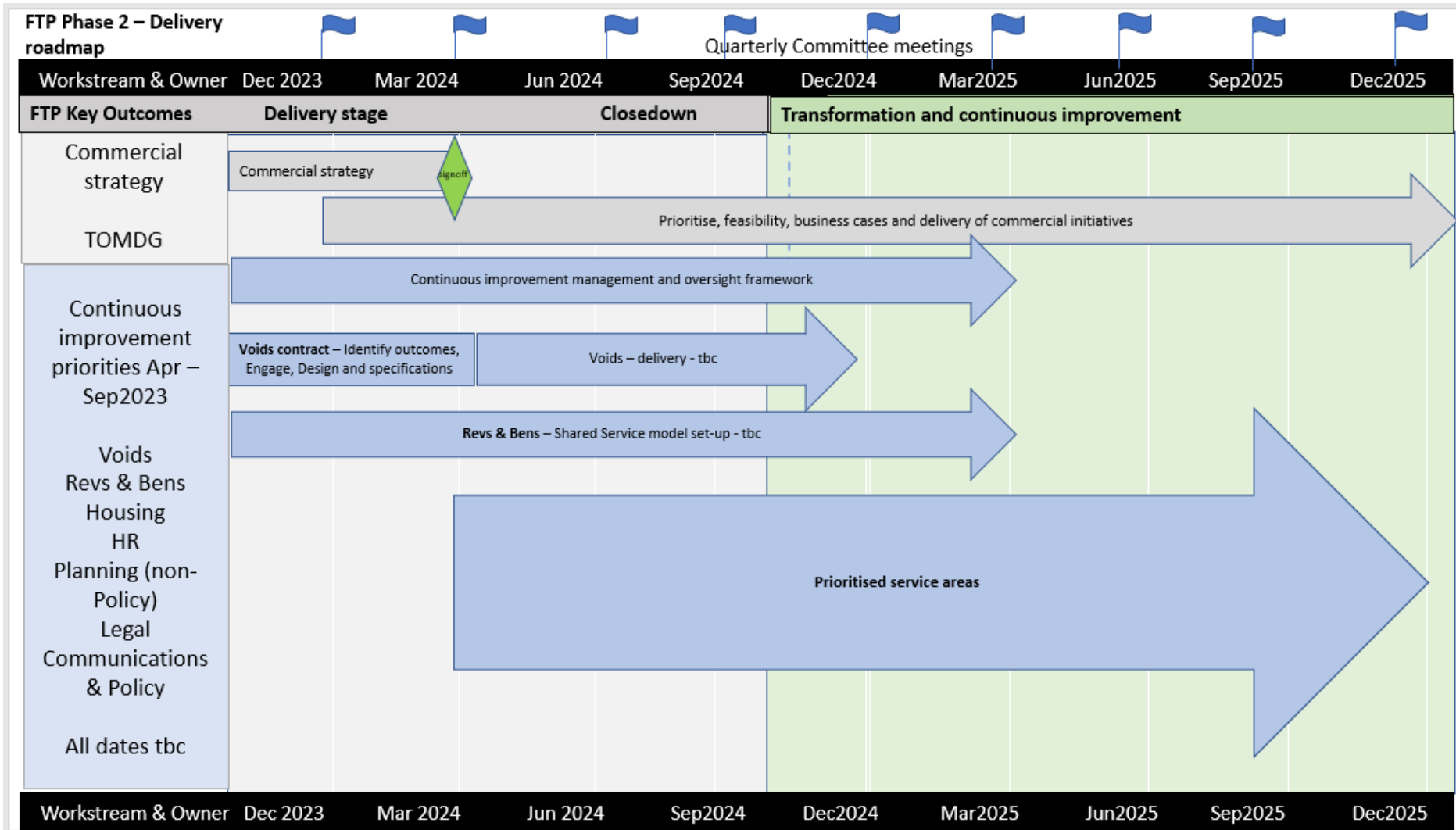
Appendix B – FTP Programme Roadmap



Appendix B – FTP Programme Roadmap



Appendix B – FTP Programme Roadmap



This page is intentionally left blank

Appendix C – Risk Register

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
1	Organisation Development	The Council will lose key staff that it would prefer to retain resulting in a further deficit of capability and capacity to deliver the Councils priorities.	12	<p>Consider ways of retaining key staff and formulate a plan to prevent/reduce the loss of these key members of staff during the transition, this relates to the Organisational Development/change management stream of work in the FTP.</p> <p>Establish fast track training plans for high staff turnover areas that are due to staff progressing to other departments i.e. Customer Services. Introduce more apprenticeships and professional career grades with associated training and development plans.</p> <p>Determining resource requirements to create a People Plan which will include an approach to retaining and recruiting the right people.</p>	<p>Key staff identified and approach to be developed HR/EMT. Key officer forum set up and meeting regularly. EMT developing a plan to address potential loss of these key staff during the transition. KOF working with EMT on improvement projects.</p> <p>Review of staff turnover and exit interview reasons for leaving.</p> <p>January 2024 - Review of scope in progress. Considering shared role. Scoping for an external piece of work to take forward key elements of the work including Pay and Reward and Recruitment & Retention Review.</p>	In prog	9	David Ford - TOMDG

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
2	Stakeholder engagement	Members are not sufficiently engaged and/or will not support key issues which emerge from the FTP.	12	Engage Committee Chairs in service review emerging proposals.	Early engagement with Leader & S&R Chair / Vice Chair to seek feedback and answer questions in preparation for committee meetings.	Complete	8	
				Member engagement to be considered in each workstream activity in the FTP.	Prog Team to engage Committee Chairs in service review emerging proposals and consider Member engagement in each workstream activity in the FTP.	Complete		
				Based on the approach used in Tandridge Finance Transformation to member engagement, Identify representative group of members to be used for early engagement throughout the duration of the programme.	A Member reference Group has now been created consisting of a small group of members (agreed with the leader of the council). Since set up in October 2022, this group has attended focused briefings on specific areas of interest such as Digital/Customer services and Assets and FM and fortnightly meetings are set to continue. All member briefings will continue to be held on specific areas of interest and in advance of committee updates where required.	Complete (with engagement ongoing)		

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
10	Scope Management	Changes such as movement of functions across the Council, will be made without consultation with the TOM group which will impact on the planned changes. This would potentially weaken areas of service delivery internally or in the event of outsource opportunities.	16	Agree and publish scope - reinforce change review group and change log. Change requests to be raised for all additional pieces of work and changes that impact on agreed scope at committee.	Mitigated score reduced to 4 as FTP scope is now finalised and priorities will be designed into the next phase. Any proposed changes such as Team restructures are raised as change requests by Heads of Service and reviewed by the TOMDG.	In prog	4	David Ford EMT
14	Savings 2023/24	Service Reviews will not deliver the budget savings identified in 2023/24	16	Create delivery plan for each service area, whether part of the service improvement workstream, or Digital/Customers, Operations transformation and ensure that all milestones that relate to savings are clearly identified.	Delivery managers recruited into the Digital/Customer Services and Operational Services workstreams. Delivery plans put in place to deliver the savings/benefits. Other service reviews will be monitored by the programme project manager and PMO.	Complete	9	Mark Hak-Sanders Prog Delivery & benefits board
				Monitor plans and milestones closely in weekly meetings and monthly highlight reports, where a risk is arising, this is escalated to the project/ programme board to	Weekly 1-2-1 meetings with heads of service and/or delivery lead to ensure that the plan is in place and credible and is being followed and that any milestones at risk are addressed	In prog		

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
				assess actions to mitigate.	promptly to prevent slippage.			
				Set up programme delivery and benefits board review savings milestones and where amber/red agree mitigation and next steps and assign ownership.	Each service to create a plan, with key milestones, which is collated for the programme plan. Fortnightly EMT delivery meetings held where exceptions and risks are discussed with the objective of resolving blockers to achieve the savings.	In prog		
16	Resources	Timelines will be missed if BAU issues require resolution and there is an assumption that programme resources will be used to fix the issues	15	Each service to set out savings delivery plan, including key milestones and dependencies, which will form the collated programme plan.	Service review updates and milestones have been populated by Heads of Service/Stream leads. Planning meetings are being held with heads of service to ensure information is captured consistently to enable dependencies/ slippages to be trackable.	In prog	8	Mark Hak-Sanders Prog Delivery & benefits board
				Individual plans to be baselined within the programme and used as drivers for savings delivery by the EMT / stream leads and Finance/Benefits Programme board. All risks to delivery	Individual plans are to be collated at programme level. Regular EMT delivery board meetings held where all savings at risk are raised and collectively resolved.	Complete		

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
				identified by the plan owners are escalated to the Programme delivery board.				
				All plans will include resource requirements to ensure that where BAU/external resources are required, the demand is clear. Where resources are redirected at BAU, plans will need to be adjusted to show the revised schedule. If BAU resources are not sufficiently available, backfilling of roles will need to be considered to free up time.	Key external resources are identified and secured as early as possible, for example, expert advice on Operations workstream.	Complete		
19	People Plan	Organisation Development workstream will not progress as scoped and therefore Tandridge will not be ready for embedding the Transformed services and the new culture.	16	An OD / Change Mgr needs to be put in place to ensure new ways of working/behaviours, such as Digital/ commissioning/continuous improvement are embedded properly across the whole council. Without this, there is a risk that after the programme ends, behaviour will revert to 'old ways' and future benefits/ efficiencies will not be met.	January 2024 Look to secure support for organisation development and change management. Plan the adoption of systems throughout the organisation. August 2023 - Recruitment is in progress but is slow, looking at a FTC and approaching specialist agencies for this role.	In prog	16	Mark Hak-Sanders Prog & Benefits delivery board

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
Page 110				<p>Recruit an OD expert to create a delivery plan to embed the changes needed in behaviour to adopt the changes being introduced across the council.</p> <p>Review objectives including behaviours, ensure behaviours rolled out to all staff as well as EMT. Instigate KOF level - accountabilities and responsibilities</p>	<p>August 2023 Recruitment is in progress but is slow, looking at an interim resource, approaching specialist agencies for this role. Recruit an organisation development and change management specialist, Plan the adoption of systems throughout the organisation, looking at the future model for services and the Council.</p> <p>November 2023 Agreement internally to recruit a joint role with RBBC.</p>			

Risk	Topic	Risk description	Original score	Mitigated approach	Action taken	Mitigation Status	Mitigated score	Owner
20	Digital Transformation	Progress in the Digital/customer services workstream will be slow/unsuccessful which will have a detrimental effect on delivering the business case, providing responsive customer services, and planning and delivery of savings and benefits.	16	<p>Ensure there is an achievable plan - understand resource requirements up front, monitor progress.</p> <p>Detailed plan required, with regular progress reporting against plan, with key milestones flagged and RAG rated.</p> <p>Ensure scope pinned down in PID, any potential additions to scope need consideration via change control.</p>	<p>January 2024 - Detailed planning in place. Roles and responsibilities drafted for service SMEs to clarify ownership of tasks. Additional Customer Services resources approved.</p> <p>November 2023 Review of wider Digital Transformation programme in progress to understand scope and resource requirements.</p> <p>July 2023 Dependencies have been identified, programming the planning and resourcing of these activities. Planning in progress - plan with key milestones required, Monthly highlight reporting and fortnightly project board will monitor progress, spend and risks.</p>	In prog	16	<p>Mark Hak-Sanders</p> <p>Prog & Benefits delivery board</p>

Risk	Topic	Risk description	Original score	Mitigated approach	Action taken	Mitigation Status	Mitigated score	Owner
21	Digital Transformation	There will be a delay in delivering Digital Transformation due to dependencies being out of scope of the project, such as data cleansing, chatbot knowledge data build	16	<p>Analysis on all dependencies to understand resources/timings etc, needed for Digital:</p> <p>Review and plan out any key dependencies not included in scope of Digital to ensure clarity on timeline from Digital lead.</p>	<p>January 2024 - Digital programme set up with workstream leads identified, regular catch up and overall plan for review, risk monitoring. Score reduced from 12 to 8 due to sponsorship of plans and visibility of dependencies.</p> <p>TOM review/discussion on in scope/out of scope for Digital held on 19th July, further discussion 8th August.</p> <p>Confirm priorities for Digital Transformation or TDC generally at that meeting.</p> <p>Knowledge scripts required for Chatbot - Customer Services scripts to be reviewed for this purpose.</p> <p>Business Analyst to progress the data cleansing project, to understand objective, scope and create a plan. Revised resources to be reviewed with Digital PM.</p>	<p>In prog</p> <p>January 2024 - Mitigated score reduced from 16 to 12, due to likelihood changing from 4 to 3, due to programme workstreams being owned and managed by sponsor and workstream leads</p>	8	<p>Mark Hak-Sanders</p> <p>Prog & Benefits delivery board</p>

24	Operations - Grounds Maintenance	<p>There is a risk associated with timescales to deliver the Grounds Maintenance plan since the implementation date cannot be delayed. July 2024 has been agreed as a go/no-go decision point at which point costs should be clear and next steps will be agreed, however this does not leave much time for contingency/overruns and implementing of an alternative model if needed.</p>	16	<p>Review whether any of the tasks can be run in parallel or shortened leading up to July.</p> <p>Ensure timelines provided by Operations, Legal and Procurement team are reviewed when developing the overall delivery plan.</p> <p>If costs are higher than expected, alternative approach on service specifications may need to be considered.</p>	<p>January 2024 - Detailed plan in place - to be agreed with all owners - i.e. procurement and legal suppliers and ensure all resources are aware of their responsibilities. Regular project board meetings to continue to be held to review progress, risks and issues.</p> <p>Monthly highlight report summarising progress, risks and actions to be owned and reviewed with sponsor and project board. Owners of activities in plan clearly defined and monitored. All slippage addressed. The plan has been reviewed and there are no tasks that can be run in parallel or delivered by other resources.</p>	In prog	16	<p>Simon Mander</p> <p>Prog & Benefits delivery board</p>
----	----------------------------------	--	----	---	--	---------	----	---

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
25	Resources	There is a risk that it will not be possible to recruit a Transformation director resource in the required timeframes. Without this role there is a risk that robust development, scrutiny and challenge of the next phase of organisational change over the medium-term will not be developed.	16	<p>Advertise the role in the appropriate publications, such as the MJ (Management journal) for maximum exposure.</p> <p>Ensure that the role is advertised on suitable publications such as the MJ and forums such as LinkedIn are cascaded to people's professional networks.</p>	Job advertised in MJ and usual recruitment channels in early November, with three-week run for the advert.	<p>January 2024 - Reduced likelihood from 3 to 1 due to recruitment being well progressed.</p> <p>New risk raised in November 2023</p>	4	David Ford TOMDG

New Risks raised since last Committee paper

Risk	Topic	Risk description. There is a risk that.....	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
26	Operations - Grounds Maintenance	Operations grounds maintenance tender prices submitted may be above budget envelope	12	Revisit budget envelope and review service specifications. Post award, consider contract length and conditions. Look at funding of equipment as an option. Looking for flexibility i.e. specifications and cost in the contract.	Contingency planning at early stages. Discussions with external Procurement expertise on best way to structure the tender.	New	12	Simon Mander Operations GM Project board
27	Operations - Grounds Maintenance	Tenders are not received for all bids offered - if structure of lots means that suppliers do not bid across each work package.	12	Review lot structures for maximum efficiency and least risk. Review cost relating to specifications with Finance relating to savings in GM and impact on other areas. If bids are broken down into much smaller bids, there are more overheads such as higher number of suppliers and contracts and more time spent on day to day monitoring and management.	Review of lot structures is currently underway.	New	12	Simon Mander Operations GM Project board

Risks closed raised since last Committee paper

Risk	Topic	Risk description. There is a risk that.....	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
23	Savings 2024/25	24/25 savings plans created by HoS will not be sufficient to achieve forecast savings if further pressures are identified.	16	<p>Key discussions with budget owners/EMT to agree source of savings and follow up on progress and push forwards. Focus on this for the EMT FTP meetings.</p> <p>Driven by FTP team to support, look at skillsets and external support on delivery model and commercial ideas.</p> <p>Ask key questions to push Heads of Service ideas forward.</p> <p>Identify as far as possible all potential pressures across all services.</p>	<p>November 2023 -savings targets agreed and shared with MRG and an all member draft budget report workshop on 31st October.</p> <p>Savings approach split into five pillars, with heads of service to identify savings and where this fits into the five.</p> <p>Details shared in member workshops and included in September 2023 committee papers.</p>	<p>January – closed as no longer a risk.</p> <p>New risk raised in July 2023</p>	8	<p>Mark Hak-Sanders</p> <p>Prog & Benefits delivery board</p>

Appendix D – Overall assessment of 23/24 savings delivery

Each Service Review and the associated savings are risk assessed and RAG rated on a monthly basis. The latest position is set out in the table, below.

		November	January			Variance
RAG status	RAG rating determination	Total Nov 2023 £000	Staff savings 23/24 £000	Non-Staff savings 23/24 £000	Total Jan 23/24 £000	Movement Nov to Jan £000
	Savings delivered	£961	£553	£408	£961	£0
	Clear plans, realistic timescales	£235	£68	£184	£252	£17
	Some risks to delivery or detailed delivery plan still in development	£272	£0	£255	£255	(£17)
	Significant risks to delivery, delivery plan yet to be agreed	£40	£16	£24	£40	(£0)
	Savings target will not be met this year	£146	£120	£26	£146	£0
	Totals	£1,654	£757	£897	£1,654	£0

This review shows that £961k of savings are marked as complete, i.e. all necessary actions have been taken in order to deliver the saving.

A further £252k is marked as green, this relates to delivery of improvements relating to the Southern Building Control Partnership, ongoing work to develop a shared service with RBBC to deliver Revenues and Benefits to other local authorities, along with an element of savings expected in Customer Services and Operations.

£26k in Regulatory Services is now marked as unachievable in 2023/24, due to a change in the management leads at Tandridge District Council and Mole Valley District Council and the subsequent need for a reset on the savings proposed. This is likely to be offset by other savings within Regulatory Services to achieve a balanced budget, but the longer-term change is still required and will be pursued in 2024/25. The Deputy Chief Executive is actively discussing savings in this area with counterparts at Mole Valley District Council. £35k in IT is also marked as unachievable in 2023/2024, with the saving being rephased into 2024/25.

£85k of Senior Management restructure savings has been marked as unachievable for 2023/24 due to a portion of the management structure saving being reinvested into Planning.

The Red element of £40k relates to the remainder of savings planned in Customer Services and Legal savings of £24k which are now being reviewed and plans will need to be revised. S&R Committee is currently forecasting an underspend overall, despite these changes.

The Amber element of £255k reflects the risks to delivery of savings planned over the remainder of the year. This consists of the following:

- £150k saving from better utilisation of the Homelessness Grant Funding, where certainty will increase over the course of the year as homelessness levels are tracked but it is unlikely that this will be marked as complete until year-end.
- £70k of Assets and FM savings, which are partly dependent on increased lettings at the Council Offices, Oxted and Quadrant House in Caterham and transfer of responsibility for maintenance to leaseholders. Although plans are in place for this, certainty will only come with additional lettings. A reserve exists to mitigate this risk.
- £25k in Revenues and Benefits – marked as amber as relies on working with external partners with plans being progressed in detail. Confidence in delivering the amber savings will grow as the year progresses.

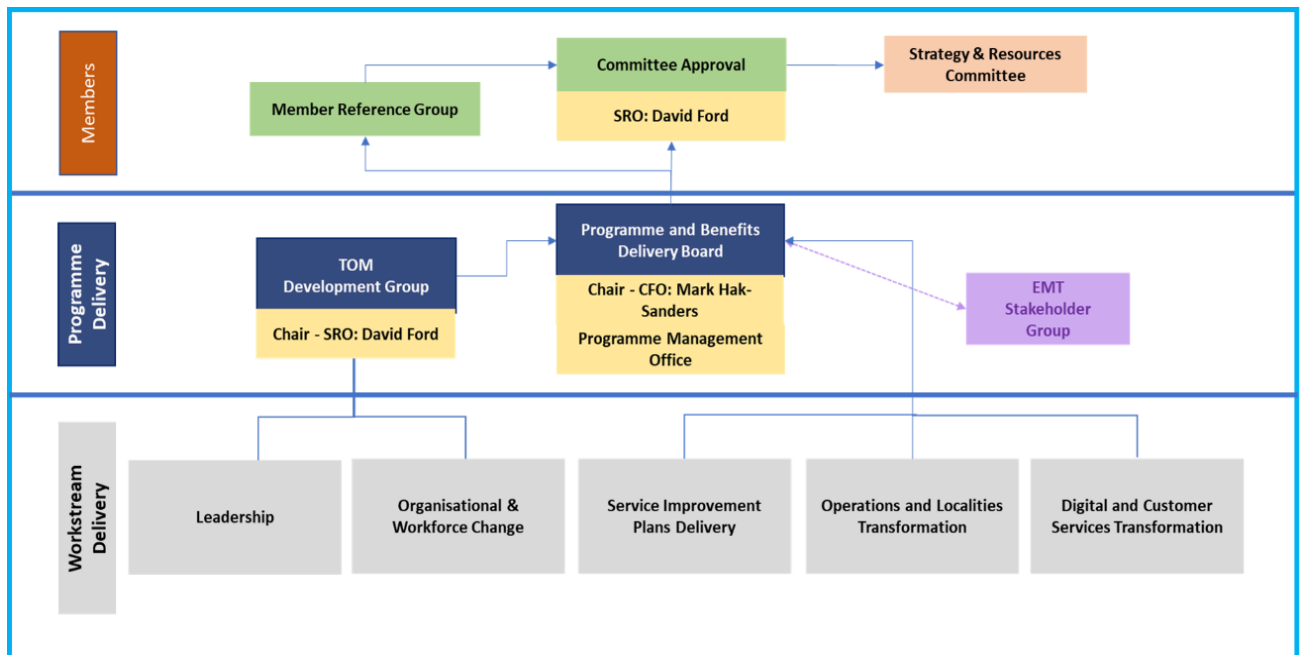
Appendix D – Overall assessment of 23/24 savings delivery – unachievable items

Details below of Service Review savings summarised in the table above, rated unachievable this financial year

FTP - SAVINGS SHEET AND TIMINGS - S&R DECEMBER 2022 - last updated 30/10/2023						
Committee	Service Area	Staffing change (Y/N)	Summary of saving	RAG Rating	Total Target saving (23/4/5)	2023/24 realisable saving ('000s)
S&R	IT	Y	Based on staffing review and new model	Black	£35,000	£35,000
Community Svcs	Regulatory services	N	Productivity Improvements	Black	£16,000	£16,000
Community Svcs	Regulatory services	N	Standardisation of approach will save updating two websites and will bring better clarity and reporting of overall budget. Digital Improvements	Black	£15,000	£10,000
Planning policy	Building control	N	External review into operating model and opportunities to drive value for all partners from SBCP	Black	£0	£0
Community Svcs	Regulatory services	N	Risk based approach to inspections	Black	£0	£0

This page is intentionally left blank

Appendix E – Governance



1 Member level

Formal oversight of the FTP and decision making will continue to be through the Strategy & Resources Committee, with individual committees making decisions for the services within their remit.

Alongside the formal Committee process, oversight of progress will be through the Member Reference Group. This includes the Leader and Deputy Leader of the Council, the Chair of Strategy and Resources Committee and representatives from each of the political groupings.

Wider Member engagement will continue to be undertaken on specific topics with regular progress updates provided to all Members.

2 Programme Level

At programme level, delivery of the FTP and the associated savings and benefits will be through the Programme Benefits and Delivery Board, currently chaired by the Director of Resources and supported by the Programme Management Officer. This Board has overall accountability for delivery of the programme. The recent Management Restructure placed responsibility for Transformation directly under the Chief Executive alongside the recruitment of a Transformation Programme Director. Governance arrangements are currently being reviewed to reflect this change.

A key principle of the FTP is to ensure that the management team and Heads of Service (HOS) lead and own the delivery of changes in their service and the associated savings. HOS are directly responsible individually for:

- development of the business case for their service
- Identification of savings and other linked benefits
- development of the delivery plan for their service
- Identification of key risks and issues and their mitigation

In support of the Programme Delivery Board, HOS are collectively accountable (as the EMT) for overall progress, holding each other to account for delivery of the programme, communicating key messages and ensuring effective engagement with Council staff.

The Target Operating Model Development Group (TOMDG) oversees the development of the Leadership and Organisation Change workstreams and the change control process for the FTP. Once changes are formally approved, these will come under the remit of the PDB to ensure their delivery.

3 Workstream / Project Level

There are 5 key workstreams which support the delivery of the overall programme objectives. Due to their significance and complexity, this will include dedicated Project Boards to oversee delivery of:

- Digital and Customer Services Transformation
- Operations and Localities Transformation

Delivery of the other workstreams will be managed through the Programme Management Office with project management and other support provided where this is required to ensure delivery. Support to the Service Improvement Plans workstream will be provided on an agile basis with programme resources prioritised according to need / risk. This will be subject to ongoing review through the Programme and Benefits Delivery Board.

Appendix F – Glossary of Terms

Term	Definition
KLOE	Key line of enquiry – areas to be explored as part of the Service Reviews
Saving	Known budgeted expenditure reductions and income increases which result due to the following: <ul style="list-style-type: none">• Containing additional costs of Inflationary increases in contracts or pay;• Driving forward efficiencies in the provision of existing services i.e., providing services in an improved way to deliver better value for money;• The delivery of new or additional services; and/or• Optimising sources of income.
TOMDG	Target Operating Model Development group – a governance group within the Future Tandridge Programme. This group sets the direction for the service reviews and agrees the principles that will drive the organisational change.

This page is intentionally left blank

Complaints and Freedom of Information update

Audit & Scrutiny Committee - Tuesday 6 February 2024

Report of: Head of Policy and Communications

Purpose: For information

Publication status: Open

Wards affected: All

Executive summary:

This report provides an update about the Council's approach to managing complaints. Complaints are reported quarterly to this committee and details about what has changed as a result of a complaint are published on the website.

Details about any compensation paid is included, as well as Local Government and Social Care Ombudsman (LGSCO) cases.

In addition, this report includes the type of Freedom of Information requests received.

This report supports the Council's priority of: Building a better council.

Contact officer Giuseppina Valenza, Head of Policy & Communications
gvalenza@tandridge.gov.uk

Recommendation to committee:

The committee is asked to accept and note the report.

Reason for recommendation:

The Complaints Policy stipulates complaints should be reported quarterly to the Audit and Scrutiny Committee. A robust complaints policy ensures customer service standards are sustained and improved. It also helps maintain the Council's reputation.

An approach of continuous improvement gained by learning from complaints, supports the priority of Building a better Council.

Details about Freedom of Information requests are provided to show the volume of requests and services impacted in being required to respond to these.

Introduction and background

1. The Council aims to provide an excellent experience every time a customer uses its services, but occasionally things do go wrong. When that happens, the Council would like the opportunity to put things right.
2. If a service falls below the expected standard, officers work with customers to resolve any issues as quickly as possible. Where this still does not resolve the issue, customers may want to make a formal complaint.
3. Complaints, comments and compliments from customers help the Council identify what has worked well and what could be better.
4. Comments and complaints are used to see where processes should be reviewed, and improvements made. In addition, compliments are passed on to staff and shared internally.
5. The complaints policy has two stages. Stage 1: Resolution. If customers are not satisfied with the service they receive, they can make a Stage 1 complaint. Where the customer is not happy with the response to their Stage 1 complaint, they can escalate it to Stage 2: Review. The customer must clearly explain why they are dissatisfied with the Stage 1 investigation and what they think the Council needs to do to put matters right.

Timescales

6. At both stages complaints:
 - Are automatically acknowledged within 2 working days.
 - Are fully investigated and responded to within 10 working days. Where this is not possible the customer is contacted to let them know when they can expect a reply.

7. If customers are still not happy with the Stage 2 response, they are referred to the Local Government and Social Care Ombudsman (LGSCO). The LGSCO investigates complaints about councils with the aim of putting things right if they have gone wrong.

Lessons learned

8. Any learning from complaints is captured and used to ensure lessons have been learned, with the aim of improving customer service.
9. As part of the Stage 1 investigations, team leaders review the process or practice used, to highlight where improvements could be made. Any changes are recorded in the system with a record of the action taken as a result, for example staff training, discussions at team meetings, changes to a system or process etc.
10. At Stage 2 a member of the Extended Management Team reviews the response to Stage 1, to see if it could have been prevented from escalating to Stage 2.
11. Complaints are reviewed and discussed by team leaders and service leads to see where improvements can be made, or training is required. Officers are asked to complete a survey once a complaint case is closed to capture any lessons learned and to improve the process.
12. A customer satisfaction survey for complaints is sent to complainants once their case has been closed. This asks if complainants found the process easy to use and are satisfied with the response to their complaint.
13. In the last quarter there was one response. The respondent found the complaints process easy to use and was somewhat satisfied with the response.

Number of complaints

14. In the last quarter (1 October to 31 December 2023) there were 25 new complaints and 3 Stage 2 complaints. Table A provides more details.
 - There were seven complaints about council tax, of which two were in relation to account updates and three regarding discrepancies on bills.
 - There were five complaints about planning, one at stage 2 about a disagreement with the way their planning application was dealt with.
 - There were five council housing complaints, with one at stage 2 related to a dispute about housing options.

Table A: Complaints 1 October to 31 December 2023

Service	Summary of complaint	Stage 1	Stage 2
Community Surveyors	Delays fixing heating.	✓	
Community Surveyors	Multiple failed repairs on property.	✓	
Community Surveyors	No insulation in flat causing cold conditions for 15 years.	✓	
Council Housing	Mould in council home.	✓	
Council Housing	Complaint regarding housing officer.	✓	
Council Housing	Incorrect rent arrears on residents' parents' property.	✓	
Council Housing	Disputes over debt put in resident's name.	✓	
Council Housing	Dispute over council housing options.	✓	✓
Council Tax	Disagreement over council tax due to joint ownership tenancy ending.	✓	
Council Tax	Multiple errors with council tax information.	✓	
Council Tax	Delays in changing residents change of address.	✓	
Council Tax	Long delay in applying council tax reduction.	✓	
Council Tax	Complaint about council tax officer.	✓	
Council Tax	Council tax refund not received and no response from Council.	✓	
Council Tax	Residents receiving final notices despite accounts being up to date.	✓	
Customer Services	Delay in bus shelter light repair due to error with third party website.	✓	
Legal	Delays in Right to Buy process.	✓	✓
Parking	Disputed parking charge and website information misleading.	✓	
Planning	Disagreement with way planning application was dealt with.	✓	✓
Planning	No contact regarding planning appeal.	✓	
Planning	Delays in approving planning application.	✓	
Planning	Disagreement with way planning application was dealt with.	✓	
Planning	Delay in approving planning application.	✓	
Planning Enforcement	Dispute over neighbours planning application / action from Council.	✓	
Waste & Recycling	Disagreement over bin collection.	✓	
Total		25	3

15. The district has around 88,500 people, living in 37,500 households. Table B shows complaints as a % of the household and population figures.

Table B: Complaints per household and population

No of complaints	% of household	% of population
25	0.07%	0.03%

Complaints to the Local Government and Social Care Ombudsman (LGSCO)

16. In the last quarter, ten complaints were considered by the LGSCO. Five were not taken forward to be investigated and four investigations are ongoing. One complaint about planning was upheld and the details are provided in the paragraph below.
17. In the last quarter £200 compensation was paid as a result of a planning complaint. While the Ombudsman did not consider the decision the Council had made about the application to be wrong, the way officers dealt with the complaint did not meet the Council's own complaint timescales or standards. This and the fact officers did not keep the complainant up to date led to an apology and the award of compensation. The Ombudsman also recommended officers record reasons for approving non-material amendments to planning applications on decision documents.

Compensation

18. The Council offers compensation as a goodwill gesture and this is set at a maximum of £50. This is only considered in exceptional circumstances, where the complaint investigation identifies a fundamental service failure in the way the situation has been handled and where the issue caused a customer unnecessary upset and distress.
19. In this quarter there was one Ombudsman recommended compensation payment of £200 as detailed in paragraph 17 above.
20. In certain instances, the Council offers discretionary financial compensation to council tenants or leaseholders in the event of a failure of the Housing Landlord Service. Although a discretionary scheme, it is an expectation of the Social Housing Regulator and the Social Housing Ombudsman that there is one.
21. There are also some landlord related compensation payments required by law. These relate to homelessness and disturbance payments when tenants are required to move out of their home. Any compensation is funded by the Housing Revenue account.
22. In this quarter there was one housing related compensation payment of £25. This related to delays in responding to an issue with a tenant's

heating. The Council's heating contractor also made a payment of £75 to the tenant due to the delay in dealing with the issue.

Compliments

23. Compliments about staff and the way they have responded to customers are shared internally with the Extended Management Team and relevant teams.

Freedom of Information (FOI), Data Protection Act, Subject Access Request, Environmental Information Regulation process

24. There are two separate pieces of legislation under which the public can request information from the Council. These are the Freedom of Information Act (FOIA) 2000 and the Environmental Information Regulations (EIR) 2004. The FOIA provides a general right of access and the EIR provide additional rights of access to environmental information.
25. Both pieces of legislation provide the public with a general right of access to all recorded information held by public authorities. This includes drafts, emails, letter, notes, recordings of telephone conversations and CCTV recordings.
26. Anyone can make a freedom of information or an environmental information request – they do not have to be UK citizens, or resident in the UK.
27. All Freedom of Information (FOI), Data Protection Act (DPA), Subject Access Request (SAR) or Environmental Information Regulation (EIR) requests are registered on the corporate system.
28. The Council has 20 working days to reply to an FOI or EIR request and a month for DPAs and SAR. It can often take longer than this if the request is particularly complex or involves multiple documents. All personal data must be redacted from documents before being released and this can take a long time. If the Council is late in responding a holding response is sent to the enquirer to make them aware the response is taking longer to prepare.
29. The Information Commissioners Office (ICO) is the independent body which oversees FOI and EIR. If the public remains unhappy after the internal review procedure, they can complain to the ICO. If the ICO considers the complaint to have merit, they will carry out an investigation. The FOI Officer is responsible for providing the ICO with any information they need for their investigation.
30. The ICO requires a formal written explanation of the Council's position, as well as a copy of any withheld information. The ICO will issue a Decision Notice which can either uphold the Council's position or require

any withheld information is disclosed. The Council has not received any decision notices from the ICO in this quarter.

31. To make it easier to respond to FOIs, officers are increasing the number of standard data sets on the website. This will mean there can be standard responses to the most common enquiries which direct the requestor to the website.

32. In the last quarter (1 October -31 December 2023) we received 234 FOIs. Table C shows the breakdown of requests by service area.

Table C: FOIs 1 October-31 December 2023

Service area	Service area FOIs
Asset Management	7
Benefits	4
Building Control	6
Business Rates	23
Chief Executives	1
Committees	1
Communications	7
Community Safety	2
Community Services	1
Community Surveyors	5
Council Housing	32
Council Tax	10
Customer Services	3
Design and Print	1
Elections	7
Environmental Health	12
Facilities	2
Finance	8
Fly tipping	1
Homelessness	5
Housing	7
Housing Development	6
Housing Management	1
Housing Needs and Allocations	6
HR	7
ICT	16
Land charges	2
Legal	4
Operational Services	5
Parking	5
Parking External	2
Parks	3
Planning	6
Planning enforcement	3
Planning Policy	9

Public Health and Funerals	6
Street Cleaning	1
Street Name plates	1
Sustainability	4
Trees	1
Ukraine	2
Waste and recycling	5
Total	234

Key implications

Comments of the Chief Finance Officer

There are no direct financial implications arising from this report, apart from the compensation amounts detailed.

Dealing with complaints puts an additional resource burden on the Council in terms of staff time and correctly dealing with complaints in the early stages reduces this.

Learning from mistakes and improving processes reduces the chances of reoccurrence and frees up officer time to focus on delivering services. Where compensation payments are necessary, these are paid by services from existing budgets.

Comments of the Head of Legal Services

This report provides a review of the number of complaints received, as well as information about FOI and EIR requests. The regulatory body, the Information Commissioner's Office (ICO) considers the key performance indicator is the compliance with the statutory 20 Working days deadline for both FOI and EIR requests. The ICO would intervene to monitor a council where it was aware its compliance rate had fallen below 90%.

If any complaint raises issues which may have legal implications or consequences, the Legal Team is consulted. There is no statutory duty to report regularly to any of the committees about the Council's performance, but it is good practice to provide this information. Under Section 3 of the Local Government Act 1999 (as amended) best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency, and effectiveness.

Regular reports about the Council's performance in responding to complaints and FOI and EIR requests help to demonstrate best value and compliance with the statutory duty.

Equality

To ensure anyone can make a complaint, complaints can be made in a number of ways. They can:

- Complete a form.
- E-mail the Council.
- Write to the Council.
- Visit the Council Offices and a complaint can be recorded by an officer.
- Call 01883 722000 and a Customer Services Advisor can complete a form for a customer over the phone.

Complaints on social media cannot be accepted, as it is too difficult to capture information and not practical if it is sensitive or confidential. When a complaint is received via social media, the complainant is asked to contact the Council in one of the above ways.

While all complaints are dealt with confidentially, anonymous complaints cannot be responded to.

Climate Change

There are no significant environmental / sustainability implications associated with this report.

Appendices

None

Background papers

None

----- end of report -----

This page is intentionally left blank