



Meeting	Audit and Governance Committee
Date and Time	Thursday, 16th December, 2021 at 6.30 pm.
Venue	Walton Suite, Winchester Guildhall

Note: *This meeting is being held in person at the location specified above. In line with relevant legislation and public health guidance the following arrangements apply. Members of the public should note that a live audio feed of the meeting will be available from the councils website (www.winchester.gov.uk) and the video recording will be publicly available on the council's YouTube channel shortly after the meeting.*

For members of the public and "visiting councillors" who are unable to utilise this facility a limited number of seats will be made available at the above named location however attendance must be notified to the council at least 3 clear working days before the meeting. Please note that priority will be given to those wishing to attend and address the meeting over those wishing to attend and observe.

AGENDA

- 1. Apologies**
To record the names of apologies given.
- 2. Disclosure of Interests**
To receive any disclosure of interests from Members and Officers in matters to be discussed.
Note: Councillors are reminded of their obligations to declare disclosable pecuniary interests, personal and/or prejudicial interests in accordance with legislation and the Council's Code of Conduct.
- 3. Chairperson's Announcements**
- 4. Minutes of the previous meeting held on 11 November 2021 (Pages 5 - 8)**



5. **Public Participation**

To receive and note questions asked and statements made from members of the public on matters which fall within the remit of the Committee..

NB members of the public are required to register with Democratic Services three clear working days before the meeting (see below for further details).

Members of the public and visiting councillors may speak at the Committee, provided they have registered to speak three working days in advance. Please contact Democratic Services **by 5pm on Friday 10 December 2021** via democracy@winchester.gov.uk or (01962) 848 264 to register to speak and for further details.

6. **Treasury Management mid-year monitoring report 2021/22 (AG65) (Pages 9 - 28)**
7. **Governance Quarterly Update Q2 2021/22 (AG60) (Pages 29 - 66)**
8. **Public Sector Equality Review (AG67) (Pages 67 - 110)**
9. **Invitation to become an opted-in authority - The Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015 (AG66) (Pages 111 - 116)**

L Kirkman
Strategic Director and Monitoring Officer

All of the Council's publicly available agendas, reports and minutes are available to view and download from the Council's [Website](#) and are also open to inspection at the offices of the council. As part of our drive to minimise our use of paper we do not provide paper copies of the full agenda pack at meetings. We do however, provide a number of copies of the agenda front sheet at the meeting which contains the QR Code opposite. Scanning this code enables members of the public to easily access all of the meeting papers on their own electronic device. Please hold your device's camera or QR code App over the QR Code so that it's clearly visible within your screen and you will be redirected to the agenda pack.



8 December 2021

Agenda Contact: Nancy Graham, Senior Democratic Services Officer
Tel: 01962 848 235 email: ngraham@winchester.gov.uk

**With the exception of exempt items, Agenda, reports and previous minutes are available on the Council's Website www.winchester.gov.uk*

MEMBERSHIP

Chairperson:

Power (Liberal Democrats)

Vice-Chairperson:

Bentote (Liberal Democrats)

Conservatives

Gemmell

Godfrey

Miller

Liberal Democrats

Becker

Craske

Laming

Deputy Members

Cunningham and Lumby

Bronk and Radcliffe

Quorum = 4 members

TERMS OF REFERENCE

Audit and Governance Committee – Included within the Council's Constitution (Part 2, Article 9)

PUBLIC PARTICIPATION

A public question and comment session is available at 6.30pm for a 15 minute period. There are few limitations on the questions you can ask. These relate to current applications, personal cases and confidential matters. Please contact Democratic Services on 01962 848 264 in advance of the meeting for further details. If there are no members of the public present at 6.30pm who wish to ask questions or make statements, then the meeting will commence.

NB members of the public are required to register with Democratic Services three clear working days before the meeting (see below for further details).

FILMING AND BROADCAST NOTIFICATION

This meeting will be recorded and broadcast live on the Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Access to Information Procedure Rules within the Council's Constitution for further information, which is available to view on the [Council's website](#).

DISABLED ACCESS:

Disabled access is normally available, but please phone Democratic Services on 01962 848 264 or email democracy@winchester.gov.uk to ensure that the necessary arrangements are in place.

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AUDIT AND GOVERNANCE COMMITTEE

Thursday, 11 November 2021

Attendance:

Councillors
Power (Chairperson)

Bentote
Becker
Craske
Gemmell

Godfrey
Laming
Miller

Others in attendance who did not address the meeting:

Councillor Cutler (Cabinet Member for Finance and Service Quality)

[Full audio and video recording](#)

1. **DISCLOSURE OF INTERESTS**

Councillor Craske declared a personal (but not prejudicial) interest with regards to his employment with KPMG, who provided audit services to the Council.

2. **CHAIRPERSON'S ANNOUNCEMENTS**

Councillor Power stated that she and Councillor Godfrey had met with the Strategic Director to discuss matters relating to the council's non-operational assets. The Strategic Director advised that it was proposed that a meeting between committee members and the Corporate Head of Asset Management be arranged early in 2022 to discuss the current review of the council's asset management plan prior to its formal consideration at Cabinet.

3. **TO NOTE THE AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME 2021/22**

The contents of the latest committee work programme was noted.

4. **MINUTES OF THE PREVIOUS MEETING**

Councillor Gemmell requested a correction to the minutes of the previous meeting to show that she had sent her apologies and was not present as stated.

RESOLVED:

That, subject to the correction outlined above, the minutes of the previous meeting of the Audit and Governance Committee held 22 July 2021 be approved and adopted.

5. **PUBLIC PARTICIPATION**

No members of the public had registered to speak.

6. **AUDIT RESULTS REPORT FOR THE YEAR ENDED 31 MARCH 2021**
(AG64)

Kevin Suter and James Stuttaford from the council's external auditors, Ernst & Young LLP (EY) were present at the meeting and introduced the report. Mr Suter explained that there were some minor areas of work still outstanding and consequently he recommended that the letter of representation not be signed until the final accounts had been approved.

Mr Suter and Mr Stuttaford responded to Members' questions regarding the potential risks relating to valuation of property assets and the external auditors approach relating to checking accounting for Covid related grants.

RESOLVED:

That, on completion of the auditor's work and approval of the Statement of Accounts, the Letter of Representation be approved as contained as Appendix 2 to the report.

7. **ANNUAL FINANCIAL REPORT 2020/21**
(AG61)

The Corporate Head of Finance highlighted that the Annual Financial Report had not changed significantly since the draft was considered at the previous Committee on 22 July 2021.

The Committee congratulated the Corporate Head of Finance and team for producing the Statement of Accounts, together with the Council's Economy and Revenues teams for their work distributing Covid related grants.

RESOLVED:

1. That approval of the audited Statement of Accounts 2020/21 as set out in Appendix 1, subject to amendments resulting from the completion of the auditor's outstanding work, be delegated to the Section 151 Officer in consultation with the Chair of the Audit & Governance Committee.

2. That, on completion of the auditor's work, the Chair of the Audit & Governance Committee signs the Statement of Responsibilities on page 28 of Appendix 1 to certify the accounts and authorise their issue.

8. **FINAL REPORT AND PAY POLICY STATEMENT 2022/23**
(AG62)

The Service Lead – Human Resources introduced the report and responded to Members’ questions. He advised that the Equality Impact Assessment had concluded that the policy had no negative impact on any of the individuals or groups protected by the Equality Act 2010. He agreed to circulate the full assessment to Committee Members to enable them to note its contents.

RESOLVED:

That the full Equality Impact Assessment be circulated to Committee members to note.

RECOMMENDED (TO COUNCIL):

That the Pay Policy Statement for the financial year 2022/23 is recommended to Council for adoption.

9. **WORKFORCE REPORT 2020/21**
(AG63)

The Service Lead – Human Resources introduced the report and advised that table 3 in appendix 1 should be corrected to note that 75% of staff were full time and 25% part-time. He responded to Members’ questions.

During debate, the Committee raised the following areas where further consideration was required:

- Making the best use of apprentices;
- Improving staff retention and recruitment;
- Staff working conditions;
- Results of the staff survey;
- Grievance procedure;
- Staff sickness levels, particularly long term sickness.

The Committee agreed that an informal working group be established to consider these matters further.

RESOLVED:

That an informal working group be established to meet with the Service Lead – Human Resources, with terms of reference to be agreed by the Chair of this Committee, to examine the matters raised and outlined above.

10. **INVITATION TO BECOME AN OPTED-IN AUTHORITY - THE LOCAL AUDIT AND ACCOUNTABILITY ACT 2014 AND THE LOCAL AUDIT (APPOINTING PERSON) REGULATIONS 2015 - BACKGROUND REPORT**

The Corporate Head of Finance provided an update on the invitation to consider whether to opt in to the PSAA scheme. A report requesting a formal decision would be submitted to the next Committee meeting on 16 December 2021, with the final decision to be taken by Council on 12 January 2022.

The Corporate Head of Finance responded to Members' questions and agreed that the report would include experience of other local authorities who had chosen to opt out, including the costs incurred, and whether there was any possibility of cooperating with such local authorities.

The meeting commenced at 6.30 pm and concluded at 7.50 pm

Chairperson

REPORT TITLE: TREASURY MANAGEMENT MID YEAR MONITORING REPORT 2021/22

16 DECEMBER 2021

REPORT OF CABINET MEMBER: Cllr Neil Cutler, Deputy Leader and Cabinet Member for Finance and Risk

Contact Officer: Richard Botham Tel No: 01962 848421 Email rbotham@winchester.gov.uk

WARD(S): ALL WARDS

PURPOSE

This report provides detail of the performance of the treasury management function. This includes the effects of the decisions taken in the past six months, and confirmation that there were no instances of non-compliance with the Council's Treasury Management Policy Statement and Treasury Management Practices, for 2021/22 to date.

RECOMMENDATIONS:

1. Note the Treasury Management Mid-Year Monitoring Report 2021/22.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 Treasury management is an integral part of helping to deliver the Council Strategy and all of its outcomes. Of key importance is ensuring the security and sufficient liquidity of the council's cash and investment balances whilst, where possible, optimising the yield from those investments. The income from investments is available to be used by the council in achieving its objectives.

2 FINANCIAL IMPLICATIONS (to be reviewed by s151 officer)

- 2.1 Effective treasury management ensures both the financial security and liquidity of the council.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council's Treasury Management Strategy Statement follows the latest codes of practice and the MHCLG (now known as the Department for Levelling Up, Housing and Communities) and CIPFA guidance.
- 3.2 With effect from September 2014 Hampshire County Council (HCC) and Winchester City Council (WCC) established arrangements for the joint discharge of functions under Section (101)(1) and (5) of the Local Government Act 1972 and Section 9EA and 9EB Local Government Act 2000. Under this arrangement, HCC's Investments and Borrowing Team provide a Treasury Service which includes the management of WCC's cash balances and investment of surplus cash or sourcing of short-term borrowing in accordance with the agreed Treasury Management Strategy Statement.

4 WORKFORCE IMPLICATIONS

- 4.1 HCC's Investments and Borrowing Team carry out the day to day management of the council's cash balances and investments. The council's in-house finance team undertake the accounting and retain responsibility for long-term borrowing decisions.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND COMMUNICATION

- 6.1 This report has been produced in consultation with HCC's Investments & Borrowing team.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Following the council's declaration of a Climate Emergency in June 2019 and in line with the ethical stances in its investment policy, the council has no

direct or indirect equity investments in companies directly involved in the fossil fuel industry.

8 EQUALITY IMPACT ASSESSEMENT

8.1 There are no actions which arise directly from this report.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Returns from investments are too low</i>	A diversified strategy that attempts to manage the balance between liquidity risk, credit risk and yield within the council's risk appetite.	Returns above budgeted levels
<i>A counterparty fails</i>	A diversified strategy that has relatively low levels of counter-party risk	
<i>Cash is not available</i>	A balanced portfolio of liquid and long term funds are held to ensure cash is available to utilise. The council also mitigates this risk through cashflow forecasting	More accurate and immediate cashflow forecasting can help improve the return on investments through more active treasury management activity

11 SUPPORTING INFORMATION:

12 Introduction

12.1 The council has adopted the key recommendations of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code), last updated in 2017. The CIPFA Code requires the council to approve a treasury management strategy before the start of the year, a mid-year report, and annual treasury outturn report. The purpose of this report is therefore to meet this obligation by providing an update on the performance of the treasury management function at the mid-year point.

13 Summary

13.1 The report fulfils the council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code and provides an update on the performance of the treasury management function during 2021/22.

13.2 The council's treasury management strategy was most recently updated and approved at a meeting of Full Council in February 2021. The council has borrowed and invested sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing

interest rates. The successful identification, monitoring and control of risk are therefore central to the council's treasury management strategy.

- 13.3 Treasury management in the context of this report is defined as: "the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 13.4 This report sets out the performance of the treasury management function from the beginning of April to the end of September 2021, to include the effects of the decisions taken and the transactions executed in the past year.
- 13.5 Hampshire County Council's Investments & Borrowing Team has been contracted to manage the council's treasury management balances since September 2014 but overall responsibility for treasury management remains with Winchester City Council. No treasury management activity is without risk and as such the effective identification and management of risk are integral to the council's treasury management objectives.
- 13.6 All treasury activity has complied with the council's Treasury Management Strategy and Investment Strategy for 2021/22, and all relevant statute, guidance and accounting standards. In addition, support in undertaking treasury management activities has been provided by the council's treasury advisers, Arlingclose.
- 13.7 The 2017 Prudential Code includes a requirement for local authorities to produce a Capital Strategy, a summary document approved by Full Council covering capital expenditure and financing, treasury management and non-treasury investments. The latest iteration of the council's Capital and Investment Strategy, complying with CIPFA's requirement, was approved by Full Council in February 2021 (CAB3283).

14 External Context

- 14.1 The following sections outline the key economic themes in the UK against which investment and borrowing decisions have been made so far in 2021/22.

Economic commentary

- 14.2 The coronavirus pandemic continued to dominate the news during the period, with economic resurgence following the rapid vaccination programme.
- 14.3 The Bank of England (BoE) has held Bank Rate at 0.1% since March 2020 and has maintained its Quantitative Easing programme at £895bn since November 2020. In its September 2021 policy announcement, the BoE noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent. Within the

announcement, Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% from 2.9%, in part reflecting tighter supply conditions. CPI inflation is now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation.

Financial markets

- 14.4 Ongoing monetary and fiscal stimulus together with improving economic growth prospects and successful vaccine rollout programmes continued to boost equity markets over the period. In the UK, the FTSE 250 index continued making gains over pre-pandemic levels and the more internationally focused FTSE 100 saw more modest gains over the period and remains below its pre-crisis peak.
- 14.5 Inflation worries continued during the period but declines in bond yields between April and June suggest bond markets may be expecting any general price increases to be less severe, or more transitory, than was previously thought. However, an increase in gas prices in the UK and European Union, supply shortages and a dearth of HGV and lorry drivers with companies willing to pay more to secure their services, has caused problems for a range of industries and, in some instances, lead to higher prices. UK government bonds remained positive over the period.

Credit review

- 14.6 Credit default swap spreads were flat over the period and are broadly in line with their pre-pandemic levels. Credit default swaps are used as an indicator of credit risk, where higher premiums indicate higher perceived risks.
- 14.7 Over the period credit ratings agencies, Fitch and Moody's, upwardly revised to stable the outlook on a number of UK banks and building societies on Arlingclose's counterparty list, recognising their improved capital positions compared to last year and better economic growth prospects in the UK.
- 14.8 The successful vaccine rollout programme is credit positive for the financial services sector in general and the improved economic outlook has meant some institutions have been able to reduce provisions for bad loans. While there is still uncertainty around the full extent of the losses banks and building societies will suffer due to the pandemic-related economic slowdown, the sector is in a generally better position now compared to earlier this year and 2020.
- 14.9 On 24 September 2021 Arlingclose published its review of its credit advice on unsecured deposits, judging that the UK has seen six months of positive GDP growth, and while forward-looking indicators suggest that economic growth has entered a slower phase as the UK heads into autumn, and the risks around both the continuing pandemic and a period of economic adjustment post government support remain, the likelihood of further significant economic fallout from the pandemic impacting on the financial viability of certain banks has diminished. As a result Arlingclose has updated its treasury management

advice, allowing maximum durations of 100 days for unsecured investments with some UK banks on their list of recommended counterparties.

15 Local Context

- 15.1 At 31 March 2021 the council's underlying need to borrow for capital purposes was £246.3m as measured by the Capital Financing Requirement (CFR). The Council held £23.9m of investments (principal invested plus gains on investments with a variable net asset value) and £166.7m of external borrowing. These factors are summarised in Table 1.

Table 1: Balance sheet summary	31/03/21 Balance £m
General Fund CFR	(68.1)
Housing Revenue Account CFR	(178.2)
Borrowing CFR	(246.3)
External borrowing	(166.7)
Internal borrowing	(79.6)
Total funding of the CFR	(246.3)
Total investments	23.9

- 15.2 The council's strategy is to maintain borrowing and investments below their underlying levels, referred to as internal borrowing, to reduce risk and keep interest costs low. The treasury management position as at 30 September 2021 and the movement since 31 March 2021 are shown in Table 2.

Table 2: Treasury management summary	31/03/21 Balance £m	Movement £m	30/09/21 Balance £m	30/09/21 Rate %
Long-term borrowing	(166.7)	0.0	(166.7)	3.2
Total borrowing	(166.7)	0.0	(166.7)	3.2
Long-term investments	7.6	(0.6)	7.0	3.3
Short-term investments	9.2	5.4	14.6	0.1
Cash and cash equivalents	7.1	12.6	19.7	0.0
Total investments	23.9	17.4	41.3	0.6
Net borrowing	(142.8)	17.4	(125.4)	

Note: the figures in Table 2 at 31 March 2021 are from the balance sheet in the council's statement of accounts

15.3 The reduction in net borrowing of £17.4m shown in Table 2 reflects an increase in total investments of £17.4m and there has been no change to the borrowing position. Further details are provided in the Borrowing Activity and Treasury Investments Activity sections of this report.

16 Borrowing Update

- 16.1 Local authorities can borrow from the Public Works Loan Board (PWLB) provided they have not purchased an investment asset primarily for yield since 26 November 2020 and can confirm they are not planning to do so in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Section 151 officer. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing.
- 16.2 Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.
- 16.3 Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders.
- 16.4 The council is not planning to purchase any investment assets primarily for yield within the next three years and so is able to fully access the PWLB if required.
- 16.5 CIPFA has recently released a further consultation on its Prudential Code (more information provided at paragraph 22.1 of this report) ahead of the new Code being released in December 2021. The consultation documents include the guidance that authorities ‘must not borrow to invest for the primary purpose of financial return’, and the sector was concerned that the documentation also seemed to read that those authorities who were invested in pooled funds would not be able to access borrowing from the PWLB. However CIPFA have subsequently published early guidance on not borrowing to invest which covers existing commercial investments:
- 16.6 “The Code’s statement that authorities ‘must not borrow to invest for the primary purpose of financial return’ is not intended to require the forced sale of existing commercial investments, whether commercial properties or financial investments. Selling these investments and using the proceeds to net down debt does, however, reduce treasury risks on both sides of the balance sheet and is therefore an option which should be kept under review, especially if new long term borrowing is being considered.”
- 16.7 Responses to this consultation are expected by 16 November 2021 before the final Code is released in December 2021, and the council, as well as its adviser, Arlingclose, intends to respond to this consultation.

17 Borrowing Activity

- 17.1 At 30 September 2021 the council held £166.7m of loans, the vast majority of which (£156.7m) relates to the financing settlement of the HRA in 2012. The mid-year treasury management borrowing position at 30 September 2021 and the movement since 31 March 2021 are summarised in Table 3. During 2021/22 to date there have been no maturing PWLB debt, and the council has not taken out any additional borrowing.

Table 3: Borrowing position	31/03/21 Balance	Net movement	30/09/21 Balance	30/09/21 Weighted average rate	30/09/21 Weighted average maturity (years)
	£m	£m	£m	%	
Public Works Loan Board	(166.7)	0.0	(166.7)	3.2	21
Total borrowing	(166.7)	0.0	(166.7)	3.2	21

Note: The figures in Table 3 at 31 March 2021 are from the balance sheet in the Council's statement of accounts but adjusted to exclude accrued interest.

- 17.2 The council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the council's long-term plans change being a secondary objective.
- 17.3 In keeping with these objectives no new borrowing has been undertaken within the first half of the financial year, which has enabled the council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 17.4 The council has an increasing CFR due to the capital programme and an estimated borrowing requirement as determined by the Liability Benchmark, which also takes into account usable reserves and working capital. Therefore there may be the requirement over the second half of the financial year for the council to consider taking further borrowing, but this decision will be taken with the assistance of Arlingclose. A new loan would ensure that the council can meet its cashflow obligations and provide some certainty in the cost of borrowing.
- 17.5 This borrowing strategy has been monitored with the assistance of Arlingclose and has enabled the council to keep long-term borrowing costs low and mitigates against future interest rate increases.

18 Treasury Investment Activity

- 18.1 The council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the six-month period from 1 April to 30 September 2021, the council's investment balances have

ranged between £26.3m and £50.2m due to timing differences between income and expenditure.

- 18.2 Table 4 shows investment activity for the council as at 30 September 2021 in comparison to the reported activity as at 31 March 2021. The increase in total investments since 31 March 2021 reflects the fact that the balance at 31 March is typically the lowest of the year.

Table 4: Treasury investment position	31/03/21 Balance	Net movement	30/09/21 Balance	30/09/21 Income return	30/09/21 Weighted average maturity (years)
	£m	£m	£m	%	
Short term investments:					
Banks and building societies:					
- Unsecured	4.25	2.85	7.10	0.07	0.06
- Secured	3.50	(0.30)	3.20	0.08	0.34
Government:					
- Local authorities	1.50	(1.50)	0.00	N/A	N/A
- DMADF	0.00	4.40	4.40	0.01	0.06
Money market funds	10.48	8.10	18.58	0.02	0.00
Cash plus funds	1.00	0.00	1.00	0.75	0.00
	20.73	13.55	34.28	0.05	0.05
Long term investments:					
Banks and building societies:					
- Secured	2.04	0.00	2.04	0.42	1.28
	2.04	0.00	2.04	0.42	1.28
High yield investments					
Pooled property fund*	5.00	0.00	5.00	4.46	N/A
	5.00	0.00	5.00	4.46	N/A
Total investments	27.77	13.55	41.32	0.61	0.12

* The rate provided for the pooled property fund investment is reflective of annualised income returns over the year to 30 September 2021 based on the market value of investments 12 months earlier.

Note: the figures in Table 4 at 31 March 2021 are from the balance sheet in the council's statement of accounts but adjusted to exclude operational cash, accrued interest and other accounting adjustments.

- 18.3 Investment balances have increased since 31 March 2021 in line with previous years due to 31 March typically holding the lowest balances, and the mid-year position reflects the higher balances typically seen at this time of year, due to the difference in timing between income and expenditure. A large proportion of investment balances continue to be held as short-term investments to enable the funding of the capital programme, as well as to meet the council's business as usual working capital requirements.

- 18.4 The CIPFA Code and government guidance both require the council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The council's objective when investing money is therefore to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults against the risk of receiving unsuitably low investment income. The council's Treasury Management Strategy Statement (TMSS) sets out how it will manage and mitigate these risks.
- 18.5 The security of investments has been maintained by following the counterparty policy and investment limits within the TMSS, taking advice from Arlingclose on changes in counterparty credit worthiness, and making use of secured investment products that provide collateral. The council invests in liquid investments to ensure money is available when required to meet its financial obligations, spreading these investments across a number of counterparties to mitigate operational risk.
- 18.6 In delivering investment returns, the council has operated against a backdrop in which the UK Bank Rate was cut to 0.10% in March 2020 in response to the coronavirus pandemic. It has remained at this rate throughout the year, having an impact on rates across the market. Returns had been at or around +0.01% for liquid investment options such as Money Market Funds (MMFs), bank call accounts and the UK Government's Debt Management Account Deposit Facility (DMADF) and have not been significantly higher for other short-term options like fixed duration loans to other local authorities and bank notice accounts. Investment income has therefore largely come from investments arranged at fixed rates of interest prior to the pandemic and through the council's investment in a property pooled fund.
- 18.7 The council benchmarks the performance of its internally managed investments against that of other Arlingclose clients. Internally managed investments include all investments except externally managed pooled funds but do include MMFs. The performance of these investments against relevant measures of security, liquidity and yield are shown in Table 5, providing data as at 30 June 2021 and at 31 March 2021 for comparison. The council's data at 30 September 2021 is available and is shown in Table 5; however, unfortunately the comparative benchmarking data was not available at the publishing date.

Table 5: Investment benchmarking (excluding pooled funds)	Credit rating	Bail-in exposure	Weighted average maturity (days)	Rate of return
		%		%
31.03.2021	AA-	67	72	0.39
30.06.2021	AA-	88	63	0.07
Similar LAs	AA-	68	41	0.12
All LAs	AA-	67	12	0.11
30.09.2021	AA-	73	46	0.10

- 18.8 Table 5 shows the average credit rating of the portfolio has remained consistent over the first half of the financial year. Bail-in exposure rose and then fell again (as a function of the total balances for investment), reflecting a greater investment balance in money market funds which, although exposed to bail in risk, are considered good investments due to their diversification and AAA credit rating. The council keeps a large proportion of its cash balance either short term or liquid to meet capital payments during the year which has led to a steadily reducing weighted average maturity measure. As a result, the average rate of return has reduced over the period, but the council has benefited from higher rates for investments made prior to the pandemic helping to offset returns at or close to 0% for many investments across the market.
- 18.9 The council compared favourably with the other local authorities included in the benchmarking exercise at 30 June 2021 across most metrics. Although it is difficult to know the exact reason why the rate of return was lower than the average of the other local authorities as at 30 June 2021, it is most likely due to the large liquid and short term investment balance that was held at that point and continues to be held to meet capital payments.

Externally managed pooled property fund

- 18.10 In order to minimise the risk of receiving unsuitably low investment income, the council has continued to invest a proportion of steady core balances in an externally managed pooled property fund as part of its higher yielding strategy.
- 18.11 The CIPFA Code requires the council to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest yield. As a result, the council's investments targeting higher yields have been made from its most stable balances and with the intention that they will be held for at least the medium term. This means that the initial costs of any investment and any periods of falling capital values can be overcome and mitigates the risk of having to sell an asset for liquidity purposes, helping to ensure the long-term security of the council's investments.

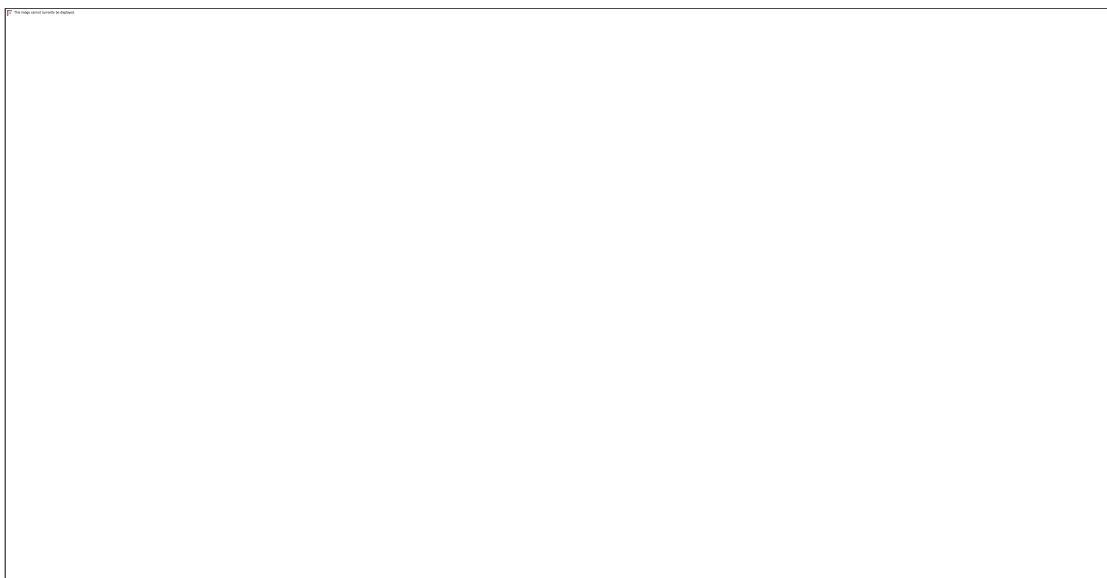
18.12 The council's investment in the pooled property fund fell considerably in value when the coronavirus pandemic hit world markets but in the last year the capital value has stabilised, with the UK commercial property sector turning the corner from recession in the last quarter of 2020/21 and conditions continuing to improve over recent months. This recovery means this investment is now worth more than the capital market value as at 30 September 2020, and due to the council's long-term holding in this fund the capital market value continues to remain significantly above the amount invested, as shown in Table 6. This demonstrates the importance of taking a longer term approach and being able to ride out periods of market volatility, ensuring the council is not a forced seller at the bottom of the market.

Table 6 – Higher yielding investments – market value performance	Amount invested*	Market value at 30/09/21	Gain/(fall) in capital value	
			Since purchase	One year
	£m	£m	£m	£m
Pooled property fund	5.00	5.66	0.66	0.50
Total	5.00	5.66	0.66	0.50

18.13 The council's investment in the pooled property fund targets long-term price stability and regular revenue income and bring significant benefits to the revenue budget. As shown in Table 7 the annualised income returns have averaged 3.30% pa (per annum) since purchase, contributing to a total return of 54.72% over its life.

Table 7 – Higher yielding investments – income and total returns since purchase	Annualised income return	Total return
	%	%
Pooled property fund	3.30	54.72
Total pooled funds	3.30	54.72

18.14 The council's pooled property fund investment continues to deliver income returns far in excess of what could be generated from cash investments. The cumulative total return from the council's investment in pooled property, as well as the previously owned investments in pooled equity funds since purchase is shown in the following graph. This highlights that the council has benefited from strong and steady income returns over time.



18.15 The IFRS 9 accounting standard that was introduced in 2018/19 means that annual movements in the capital values of investments need to be reflected in the revenue account on an annual basis, although a five year statutory override was put in place for local authorities that exempts them from complying with this requirement.

18.16 Pooled fund investments have no defined maturity date but are available for withdrawal after a notice period and their performance and continued suitability in meeting the council's investment objectives is monitored regularly and discussed with Arlingclose.

19 Other Non-Treasury Holdings and Activity

19.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the council as well as other non-financial assets which the council holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held primarily for yield and those related to regeneration activities.

19.2 This includes service investments for operational and/or regeneration as well as commercial investments which are made mainly for financial reasons.

19.3 Further information on the council's non-Treasury investments is included in CAB3309 General Fund Outturn 2020/21 presented to Cabinet on 21 July 2021.

20 Compliance Report

20.1 The council confirms compliance of all treasury management activities undertaken during the period covered by this report with the CIPFA Code of Practice and the council's Treasury Management Strategy.

20.2 Compliance with the authorised limit and operational boundary for external debt is demonstrated in Table 8.

Table 8: Debt limits	2021/22 Maximum £m	30/09/21 Actual £m	2021/22 Operational Boundary £m	2021/22 Authorised Limit £m	Complied?
Borrowing	168.7	168.7	303.9	320.8	✓
Other long term liabilities	0.0	0.0	0.0	0.0	✓
Total debt	168.7	168.7	303.9	320.8	✓

20.3 The total actual debt as measured by the debt limits was £168.7m on 30 September 2021 which represents the use of £1.96m of the council's overdraft facility in addition to the £166.7m PWLB debt. On 30 September 2021 £2m principal was due to be returned to the council on maturity of a secured bond; however, it was not released due to counterparty error and so the council was forced to use its overdraft facility with NatWest for one day as the principal was returned to the council the following day. This issue is currently being looked into by the custodian to understand why this event occurred and the possibility of the council being reimbursed for the overdraft charge of £804.70.

20.4 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

21 Treasury Management Indicators

21.1 The council measures and manages its exposures to treasury management risks using the following indicators.

Interest rate exposures

21.2 The following indicator shows the sensitivity of the council's current investments and borrowing to a change in interest rates:

Table 9 – Interest rate risk indicator	30/09/21 Actual	Impact of +/-1% interest rate change
Sums subject to variable interest rates:		
Investments	£36.3m	+/- £0.3m
Borrowing	£0.0m	N/A

21.3 Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

Maturity structure of borrowing

- 21.4 This indicator is set to control the council's exposure to refinancing risk. The upper and lower limits show the maximum and minimum maturity exposure to fixed rate borrowing as agreed in the TMSS:

Table 10: Refinancing rate risk indicator	30/09/21 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	0%	25%	0%	✓
12 months and within 24 months	3%	25%	0%	✓
24 months and within 5 years	9%	25%	0%	✓
5 years and within 10 years	18%	30%	0%	✓
10 years and within 20 years	24%	50%	0%	✓
20 years and within 30 years	12%	50%	0%	✓
30 years and within 40 years	12%	75%	0%	✓
40 years and within 50 years	22%	200%	0%	✓

Principal sums invested for periods longer than a year

- 21.5 The purpose of this indicator is to control the council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 11: Price risk indicator	2021/22	2022/23	2023/24
Actual principal invested beyond year end	£7m	£5m	£5m
Limit on principal invested beyond year end	£10m	£10m	£10m
Complied	✓	✓	✓

- 21.6 The table includes investments in strategic pooled funds of £5m as although these can usually be redeemed at short notice, the council intends to hold these investments for at least the medium term.

22 OtherRevisions to CIPFA Codes

- 22.1 In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These followed the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing for investment purposes by some authorities. In June, CIPFA provided feedback from this consultation.

22.2 In September CIPFA issued the revised Codes and Guidance Notes in draft form and opened the latest consultation process on their proposed changes. The changes include:

- Clarification that (a) local authorities must not borrow to invest primarily for financial return (b) it is not prudent for authorities to make any investment or spending decision that will increase the Capital Financing Requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority.
- Categorising investments as those (a) for treasury management purposes, (b) for service purposes and (c) for commercial purposes.
- Defining acceptable reasons to borrow money: (i) financing capital expenditure primarily related to delivering a local authority's functions, (ii) temporary management of cash flow within the context of a balanced budget, (iii) securing affordability by removing exposure to future interest rate rises and (iv) refinancing current borrowing, including replacing internal borrowing.
- For service and commercial investments, in addition to assessments of affordability and prudence, an assessment of proportionality in respect of the authority's overall financial capacity (i.e. whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services).
- Prudential Indicators
 - New indicator for net income from commercial and service investments to the budgeted net revenue stream.
 - Inclusion of the liability benchmark as a mandatory treasury management prudential indicator. CIPFA recommends this is presented as a chart of four balances – existing loan debt outstanding; loans CFR, net loans requirement, liability benchmark – over at least 10 years and ideally cover the authority's full debt maturity profile.
 - Excluding investment income from the definition of financing costs.
- Incorporating ESG issues as a consideration within TMP 1 Risk Management.
- Additional focus on the knowledge and skills of officers and elected members involved in decision making

MHCLG Improvements to the Capital Finance Framework

22.3 Ministry of Housing, Communities & Local Government (MHCLG – now known as Department for Levelling Up, Housing and Communities) published

a brief policy paper in July outlining the ways it feels that the current framework is failing and potential changes that could be made. The paper found that “while many authorities are compliant with the framework, there remain some authorities that continue to engage in practices that push the bounds of compliance and expose themselves to excessive risk”.

- 22.4 The actions announced include greater scrutiny of local authorities and particularly those engaged in commercial practices; an assessment of governance and training; a consideration of statutory caps on borrowing; further regulations around Minimum Revenue Provision (MRP) and ensuring that MHCLG regulations enforce guidance from CIPFA and the new PWLB lending arrangements.
- 22.5 A further consultation on these matters is expected soon.

Arlingclose’s outlook for the remainder of 2021/22

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.15	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.15	0.15	0.15	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

- 22.6 Arlingclose expects Bank Rate to rise in Quarter 2 2022 and believe this is driven as much by the Bank of England’s desire to move from emergency levels as by fears of inflationary pressure.
- 22.7 Investors have priced in multiple rises in Bank Rate to 1% by 2024. While Arlingclose believes Bank Rate will rise, it is by a lesser extent than expected by markets.
- 22.8 The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit.
- 22.9 While Quarter 2 UK GDP expanded more quickly than initially thought, the ‘pingdemic’ and more latterly supply disruption will leave Quarter 3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support.
- 22.10 Inflation rose to 3.2% in August 2021. A combination of factors is expected to drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors

will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher.

- 22.11 The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increase in wages is possible given the pressures on businesses.
- 22.12 Government bond yields increased sharply following the September Federal Open Market Committee (FOMC) and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.
- 22.13 The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levers. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

23 OTHER OPTIONS CONSIDERED AND REJECTED

- 23.1 The council could elect to bring all treasury management activity back in-house. This option has been rejected as the arrangement with Hampshire County Council's Investments and Borrowing team provides significant resilience and economies of scale.
- 23.2 The council could make more risky investments than those proposed in the Strategy to increase its yield. This has been rejected as priority is given to ensuring security and liquidity in line with the key principles of the CIPFA Treasury Management Code.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AUD119: Treasury Management Practices, 22 June 2015

AG034: Treasury Management Mid-Year Monitoring Report 2020/21, 12 November 2020

CAB3282: Treasury Management Strategy 2021/22, 11 February 2021

AG0057: Treasury Management Outturn 2020/21, 22 July 2021

Other Background Documents:-

None

APPENDICES:

None

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REPORT TITLE: GOVERNANCE QUARTERLY UPDATE – Q2 2021/22

16 DECEMBER 2021

REPORT OF CABINET MEMBER: CLLR CUTLER – DEPUTY LEADER AND
CABINET MEMBER FOR FINANCE AND SERVICE QUALITY

Contact Officer: Lisa Kirkman Tel No: 01962 848 504 Email:
lirkman@winchester.gov.uk

WARD(S): ALL

PURPOSE

To provide members of the Audit and Governance Committee with a summary overview of the key issues in respect of governance arising during the second quarter of the 2021/22 financial year.

RECOMMENDATIONS:

1. That the Audit and Governance Committee notes the content of the report, the progress against the internal audit management actions and raises any issues with the cabinet member
2. That the Audit and Governance Committee reviews the Corporate Risk Register and as per the Risk Management Policy notes the activity undertaken managing the corporate risks during the quarter.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 This summary document supports the council to be open and transparent by reporting the effectiveness of its governance framework and highlighting areas of weakness or issues of concern.

2 FINANCIAL IMPLICATIONS

- 2.1 There are no financial implications.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 There are no legal or procurement implications arising from the content of this report.

4 WORKFORCE IMPLICATIONS

- 4.1 None

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation on the content of the report has been undertaken with the Deputy Leader and Cabinet Member for Finance and Service Quality and members of the Executive Leadership Board (ELB).

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None arising from the content of the report, although officers will have regard to the considerations as set out in the Equalities Act 2010 and whether an equality impact assessment will be required to be undertaken on any specific recommendations or future decisions made. This report is not making any decisions and is for noting and raising issues only.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required.

10 RISK MANAGEMENT

- 10.1 This report presents a summary update on how the council is performing against the governance processes and procedures that are in place and set

out in the Risk Management Policy 2021 and Local Code of Corporate Governance. Independent assurance provided by the council's internal and external auditors evidence where there are weaknesses in the council's governance arrangements and are highlighted in this report.

- 10.2 A copy of the Corporate Risk Register as at 4 November 2021 is appended to this report and sets out the corporate risks; the original risk rating, the current controls in place to mitigate each risk; and the residual risk exposure.

11 SUPPORTING INFORMATION:

- 11.1 This report sets out the summary information in respect of the second quarter of the 2021/22 financial year concerning governance.

Annual Governance Statement

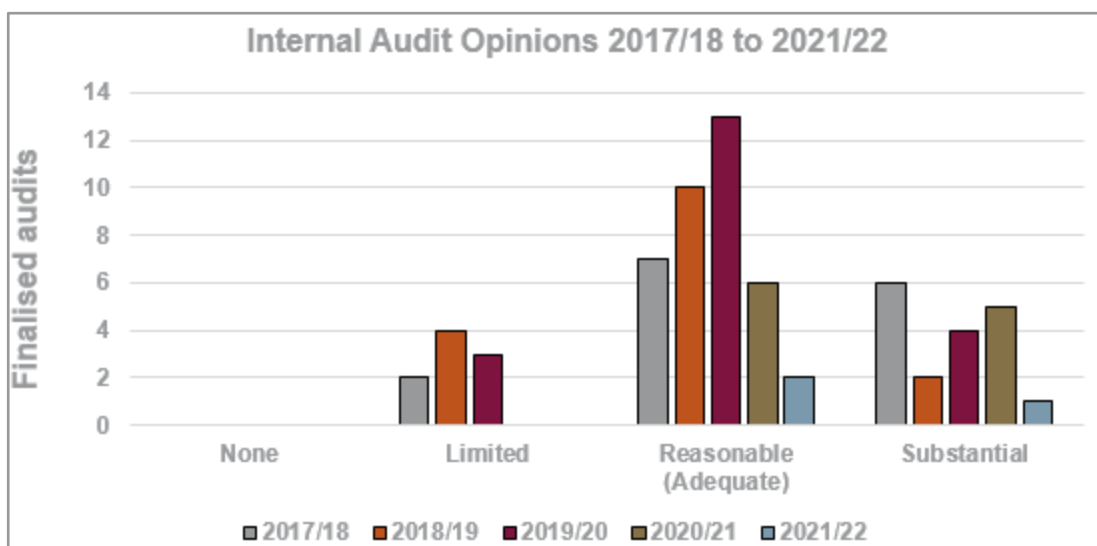
- 11.2 Progress against the actions included in the 2020/21 Annual Governance Statement is included in appendix 1 to this report.

Declarations of gifts and hospitality

- 11.3 During the period of 1 July 2021 to 30 September 2021, there were no declarations of gifts and hospitality made by officers.
- 11.4 Members regularly update their register of interest forms and there were no declarations of gifts or hospitality over the value of £50 during the period of 1 July 2021 to 30 September 2021.

12 INTERNAL AUDIT ASSURANCE REPORTS

- 12.1 The graph below shows the assurance levels of the completed internal audits that were included in the audit plans in the years 2017/18 to the current year; 2021/22.



- 12.2 There have been no published audit reports that concluded with a 'no assurance' opinion.
- 12.3 Since the last Audit and Governance Committee meeting on 22 July 2021 there have been three internal audit reports finalised and issued:
- IT Business Continuity and Disaster Recovery Planning 2020/21 (Reasonable Assurance)
 - WCC Risk Management 2021/22 (Reasonable Assurance)
 - Strategic Planning & Performance Management (Substantial Assurance)

Internal Audit Management Tracking

- 12.4 Progress against the management actions included in the internal audit reports (since May 2016) are regularly reviewed by managers and Executive Leadership Board (ELB).
- 12.5 A summary table showing the status of these actions is reported on a quarterly basis. These management actions are kept under regular review to assess where actions might become superseded or obsolete due to external or internal factors.
- 12.6 The outbreak of the COVID-19 pandemic has had an impact on staff capacity with a number of staff actively supporting the council's response during the previous 18 months, some at times almost exclusively. For these reasons there has been some slippage in the completion before due date of a number of audit actions.
- 12.7 To assist member's understanding an additional narrative is included in the table to provide a brief explanation of the progress being made against the overdue audit actions and the reasons for the delay in completion, including

where the delay is caused by reduced staff capacity owing to the response to the COVID-19 pandemic.

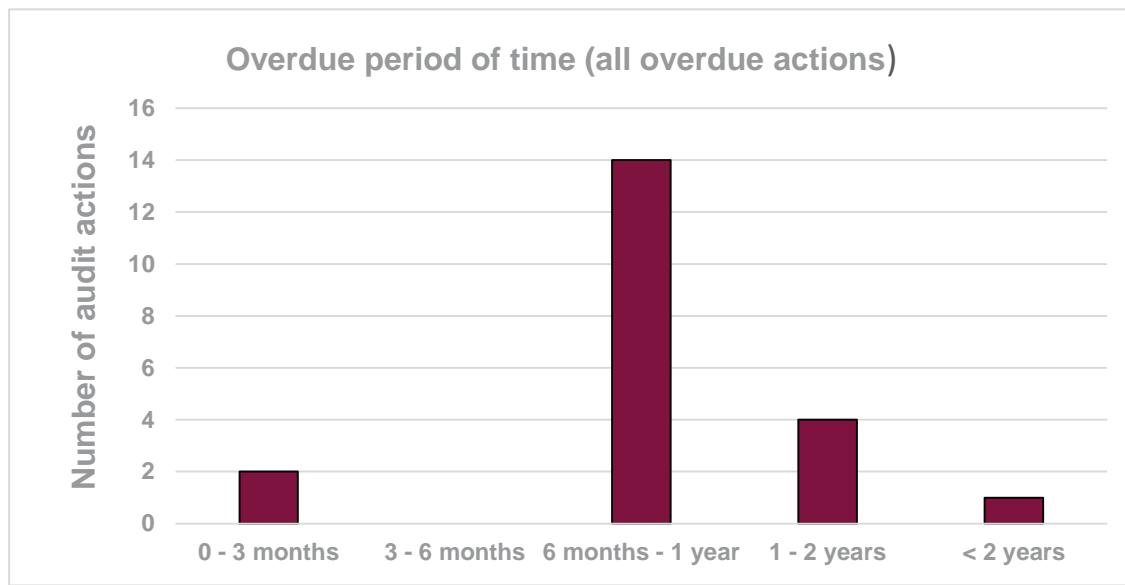
- 12.8 There are currently 21 overdue audit actions with two being high priority. This is eight overdue audit actions less than reported in July 2021. The number of overdue high priority actions remains the same at two.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')					LOW	MEDIUM	HIGH
				Reported	Not Accepted	Pending	Cleared	Overdue			
Hampshire Cultural Trust	24/05/16	SDP	Limited	3 (0)	0 (0)	0 (0)	2 (0)	1 (0)			
<p>Progress update: The overdue action relates to the signing by the Council and Hampshire Cultural Trust, leases for the City and Westgate museums. Engrossed leases for the two Museums (City and Westgate) were sent to Hampshire Cultural Trusts' solicitors in preparation for completion. The lease for the Winchester City Museum has been returned and was completed on 22 September 2021. The completion of the lease for the Westgate Museum is with the Hampshire Cultural Trust solicitors for execution.</p>									1		
Partnerships 19/20	09/09/20	SDR	Limited	12 (2)	0 (0)	0 (0)	7 (2)	5 (0)			
<p>Progress update: There are currently five overdue actions and these are being progressed by the Corporate Head of Community & Engagement. A briefing was given to senior managers on 4 November setting out guidance for partnership lead officers including how to understand who our partnerships are, how they are governed, the value they provide and the benefits they bring to the council and the communities of the Winchester district.</p> <p>The creation of a partnership performance reporting framework aligned to the Council Plan priorities and update of the partnership register including an annual assessment as to continued benefit / appropriateness will be reviewed at the end of the 2021/22 financial year.</p>									5		
Building Control	24/09/20	SDR	Reasonable	10 (0)	0 (0)	2 (0)	7 (0)	1 (0)			
<p>Progress update: One overdue outstanding action relating to carrying out a survey relating to KPI 06 owing to reduced management staffing within Building Control Team. Revised deadline for completion is January 2022.</p>									1		

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')					LOW	MEDIUM	HIGH
				Reported	Not Accepted	Pending	Cleared	Overdue			
Health and Safety 20/21	22/10/20	SDR	Reasonable	17 (4)	0 (0)	0 (0)	6 (2)	11 (2)			
Progress update: The new Health and Safety Advisor commenced in post on 21 October and priorities include addressing the weaknesses identified as part of the internal audit review and completing the agreed management actions. Further information is given in paragraph 12.13 below									9	2	
WCC Gas Safety 2020/21	08/10/20	SDR	Substantial	2 (0)	0 (0)	0 (0)	1 (0)	1 (0)			
Progress update: Currently one overdue outstanding action which is to review roles and responsibilities in the Gas Safety Policy. Owing to pressures last year in respect of adjusting gas safety services for tenants in line with government COVID-19 safety rules and resulting impact on staff capacity the document has not be finalised but will be completed and in place by the end of February 2022.									1		
Contract Management	26/05/21	SDR	Reasonable	6 (0)	0 (0)	2 (0)	2 (0)	2 (0)			
Progress update: The first overdue action relates to exploring options to create centralised e-storage solutions for contracts which is unlikely to have been completed until the end of the year and dependent upon the roll-out of the updated version of SharePoint. Owing to the volume of medium risk contracts and reduced resources within the procurement team, a staggered approach is now being taken to the second action over a three month period and this will start in December. This action relates to supporting managers of medium risk contracts to undertake a self-assessment of their contract management activity against the requirements of the contract management framework to identify any gaps.									1	1	

12.9 Of the 21 overdue actions as at 5 November 2021, there were two actions that are overdue by three months or less.

12.10 A total of eleven of the overdue actions relate to the Health and Safety audit including the two high priority actions for which an update is provided at



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12.11 Since the last meeting of this Committee in July, a number of actions that were included in the Partnerships audit have now been completed and there are only five outstanding overdue actions.

12.12 The chart above shows there is one management action overdue by more than two years. This relates to the audit that reviewed the transfer between the council and the Hampshire Cultural Trust and was issued in May 2016. Progress has been made since the last meeting of this committee. Engrossed leases for the City Museum has been signed and the lease for the Westgate Museum has been sent to Hampshire Cultural Trust solicitors in preparation for completion.

Health & Safety

12.13 An internal audit review to assess the effectiveness of controls in place focusing on those designed to mitigate risk through the management and

monitoring of health and safety arrangements concluded with a reasonable assurance opinion and that generally there was a sound system of governance, risk management and control in place.

- 12.14 Responding to the observations arising from the audit review were 17 management actions, of which four actions were assessed as being high priority.
- 12.15 The final audit report was issued at the time the post of Health and Safety Advisor was vacant and from 1 April 2021 responsibility for Health and Safety was transferred from Organisational Development to the Public Protection Team.
- 12.16 The council's new Corporate Health & Safety Advisor started in post on 21 October and has been familiarising herself with the work of the council and prioritising the management actions that will address the weaknesses identified in the internal audit review.
- 12.17 These actions, which were briefed out to senior managers on 4 November include:
- Setting up and holding health and safety group meetings, with the first meeting scheduled for 9 December.
 - Review and update contact details of risks assessors for each service, has now been completed.
 - Undertaking risk assessment training for risk assessors before Christmas. Initial training scheduled for 7 December
 - Review and update the Corporate Health & Safety Policy
 - Update the Health & Safety Management Action Plan
- 12.18 With the Corporate Health & Safety Advisor now in post it is anticipated that the overdue internal audit actions will have been completed before the next meeting of this Committee.

Business Continuity

- 12.19 Since the internal audit review of business continuity arrangements in September 2020, which received a substantial assurance opinion and no weaknesses identified, a significant amount of work has been undertaken by the Policy team this year to ensure that the council maintains a robust and resilient business continuity provision and that this level of assurance can be upheld.
- 12.20 Following the introduction of an updated business impact analysis tool (BIA) in the summer of 2020 that assessed which council services were business critical, all service areas have been reassessed in 2021 to take into account organisational and service provision changes.

- 12.21 A 'lessons learnt' document was put in place in summer 2020 to capture learning points identified during the COVID-19 pandemic as well as actions taken which are deemed to have worked well. These actions have been incorporated into the business continuity plans during the annual review in 2021.
- 12.22 The business continuity training programme took place 26 February - 14 May 2021 and was attended by managers and staff who are named in the business continuity plans for the 14 business critical services. The aim of the training was to validate the business continuity plans for business critical services and to test the plans to ensure:
- That they are fit for purpose
 - That key contacts are familiar with the plans' content, in particular:
 - What individual roles and responsibilities are
 - And what they need to do to invoke the plan during an incident.
- 12.23 A report summarising the work that had been undertaken earlier in the year, including the updated business critical business continuity plans was endorsed by Executive Leadership Board (ELB) on 6 October 2021.
- 12.24 A business continuity work programme for 2022 was also considered and endorsed at the same ELB meeting.

Internal Audit Plan

- 12.25 Owing to the ongoing pressures presented by the COVID-19 pandemic and to continue to prioritise resources and relieve pressures on some teams, it is considered that in some service areas there is not sufficient officer capacity to facilitate the conclusion of the originally agreed Internal Audit Plan for 2021-22. At the request of the council's S151 and Monitoring Officer's, the Deputy Head of SIAP has been asked to review and reassess the agreed Internal Audit Plan to determine the minimum coverage required to still enable provision of an annual opinion for the current financial year.
- 12.26 It should be recognised that the professional and regulatory expectations on local government bodies to ensure that their internal audit arrangements conform with PSIAS have not changed. In this difficult situation, heads of internal audit still need to consider whether they can issue an annual opinion or whether there will need to be a limitation of scope. The primary consequence of not providing an annual opinion or doing so but with a limitation of scope is that the leadership team and those charged with governance do not receive independent assurance that the framework of governance, risk management and control is adequate and effective. Without this assurance the organisation should consider the risk of significant control weaknesses, inefficiencies or poor performance remaining unidentified. In addition, opportunities for improvement may be lost.

12.27 The internal audit plan is by its nature risk-based focusing on the key risk faced by the organisation therefore dilution to the plan is not sustainable in the long term.

12.28 The revised plan is detailed in the 'rolling work programme' with proposed adjustments to the plan outlined in Annex 1 of the Internal Audit Progress Report (Appendix 2 of this report). The Deputy Head of SIAP considers that sufficient work will have been carried out to provide an opinion on the councils framework of governance, risk and internal control for 2021-22, however, any further dilution of the plan will jeopardise this position.

Risk Management

12.29 The council's Risk Management Policy 2021/22 sets out a timetable for this committee to review the policy and corporate risks (section 11 of the Risk Management Policy).

12.30 Included in the timetable, referred to as being during the autumn, this committee is asked to review the corporate risks that are included on the register.

12.31 Attached as appendix 4 to this report is the Corporate Risk Register as of 4 November 2021. Since the last quarterly report ELB have reviewed in-depth the risks, associated risk ratings and current controls.

12.32 The table below provides an overview of the current corporate risks and the updates and amends made over the last quarter:

Reference	Risk Description	Update / Amend
CR001	Having capacity to deliver services and priorities	<p>Updated to reflect the additional pressure that responding to COVID is having on capacity. Additional controls added.</p> <p>The risk before controls has been reviewed and the likelihood reassessed as 'unlikely' from 'highly unlikely'.</p>
CR003	Challenges to decisions due to a lack of strong evidence base	<p>Updated to recognise the impact that lack of consultation or engagement with ward members and/or parish council's over local issues could have</p> <p>Updated to include risks related specifically to major projects</p> <p>Procedural error in statutory processes added as a potential 'what might go wrong'.</p> <p>The risk before controls, has been reviewed and the likelihood reassessed as 'likely' from</p>

Reference	Risk Description	Update / Amend
		<p>'highly unlikely'.</p> <p>The risk after controls has been reviewed and the likelihood reassessed as 'unlikely' from 'highly unlikely'.</p>
CR004	Failure to have in place robust business continuity plans to maintain and recover services after a major incident	The risk before controls, has been reviewed and the likelihood reassessed as 'unlikely' from 'highly unlikely'.
CR006	Failure of Effective partnership working	Internal Controls updated to reflect that the Partnership Group is now established.
CR007	Financial stability and balanced budget	Current controls updated to amend reference to Outcome Based Budgeting approach to Medium Term Financial Strategy.
CR008	Strategic planning for future housing	No amends made
CR009	Failure in Cyber security	<p>Risk description updated to clarify that this risk is a <i>failure</i> in Cyber security.</p> <p>Insurance for potential losses for a cyber-attack has been added as a current control.</p> <p>The risk after controls has been reviewed and the likelihood reassessed as 'highly unlikely' from 'unlikely'.</p>
CR010	Responding to the Climate Emergency	Current controls updated to include the council's Annual report on progress made against the Carbon Neutrality Action Plan (CNAP) and £15mil allocated from HRA to support carbon neutrality.
CR011	Lack of preparedness and incapability to respond to events caused by climate change	This is a new risk added in response to the increase in frequency and severity of events caused by climate change.

- 12.33 In addition to a comprehensive review of the Corporate Risk Register, risk management training has taken place with 35 officers from across Executive Leadership Board (ELB), Senior Leadership Team (SLT) and wider Management Forum attending.
- 12.34 The recent Risk Management Audit conducted by Southern Internal Audit Partnership (SIAP) received 'reasonable' assurance opinion.

Code of Conduct Complaints

- 12.35 The Audit and Governance Committee has two sub-committees including the Standards Sub-Committee, whose purpose is to consider investigation reports, in respect of Code of Conduct Complaints, that have been referred to it by the Monitoring Officer.
- 12.36 Appendix 3 provides brief details of the Code of Conduct complaints that have been received and where the assessment (or investigation) into the complaint has concluded, a brief update on the outcome.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AG054 Governance Quarterly update Q1 2021/22, 22 July 2021

Other Background Documents:-

None

APPENDICES:

Appendix 1 – Annual Governance Statement 2020/21 – progress update

Appendix 2 – Internal Audit Progress Report

Appendix 3 – Code of Conduct complaints

Appendix 4 – Corporate Risk Register 2021/22 – as at 4 November 2021

Annual Governance Statement 2020/21 – Action Plan update – November 2021

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
1.	Partnership working – the need to ensure that the council maintains effective partnership working	Review partnerships to ensure all required documents are in place and up to date	Initial partnership register is complete. Second stage review of documentation due by December 2021.	Corporate Head of Engagement	September 2020	RED
		Annual report covering the performance of key partnerships scheduled to be considered at The Scrutiny Committee.	An overall report on partnerships is being prepared and will be completed by end March 2022.	Corporate Head of Engagement	September 2020	RED
		Complete Partnership Working Guide for Managers	Partnership Working Guide for managers has been produced and presented to ELB for approval and is now signed off.	Corporate Head of Engagement	September 2020	COMPLETE
3.	Equality Impact Assessments (EqIA) reviewing the current arrangements in place to enable the council to meet the requirements of the Equalities Act 2010	Review and update current EqIA policy, guidance and templates and brief out to staff ensuring that the council meets the requirements of the Equalities Act 2010	Refreshed EqIA policy presented to ELB on 10 November alongside action plan and template and is also on this Committee's agenda for consideration. Report AG067 refers. Updated Policy to be considered for adoption at Cabinet on 25 January 2022 with officer training taking place before	Service Lead – Legal	30 September 2021	RED

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
			implementation from 1 April 2022			

Internal Audit Progress Report 2021/22

19 November 2021

Winchester City Council



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

Contents:

1.	Role of Internal Audit	3
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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’.

Winchester City 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:

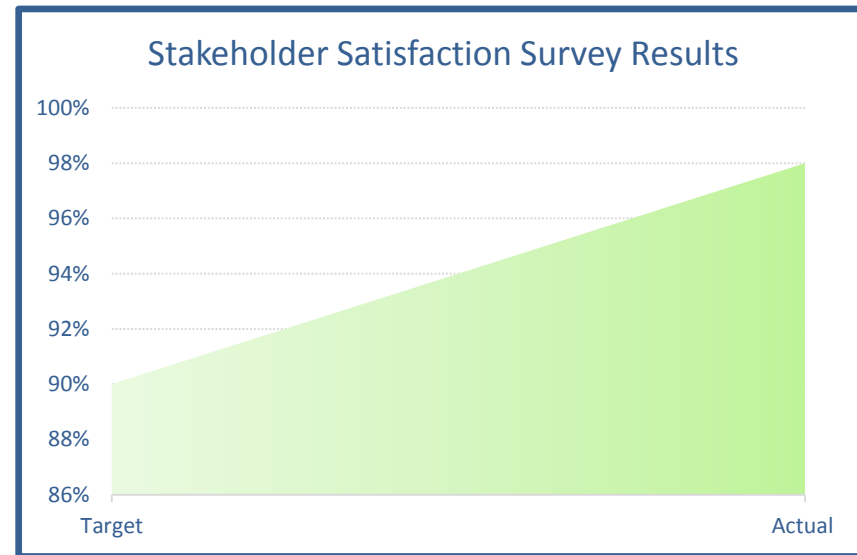
- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

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 the adoption of the CIPFA standard definitions, reference is provided at Annex 2.*

3. Performance dashboard



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 International Professional Practices Framework (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
Hampshire Cultural Trust	May 16	SDP	Limited **	3	0	2		1	
IT Software Licensing and IT Asset Management *	Mar 18	SDR	Adequate **	3	0	3			
Digital Agenda *	Feb 19	SDR	Adequate **	3	0	3			
Working in Partnership	Sep 20	SDR	Limited **	12	0	7		5	
Building Control	Sep 20	SDR	Reasonable	10	2	7		1	
Housing Asset Management – Gas Safety	Oct 20	SDS	Substantial	2	0	1	1		
Health and Safety	Oct 20	SDP	Reasonable	17	0	6		9	2
Accounts Receivable *	Nov 20	SDR	Reasonable	3	0	3			
Capital Programme and Monitoring	Feb 21	SDS	Reasonable	4	2	2			
Secure e-mail *	Feb 21	SDR	Reasonable	13	0	13			
Programme & Project Management *	May 21	SDR	Substantial	1	0	1			
Contract Management	May 21	SDR	Reasonable	6	2	2	1	1	
(IT) Patch Management *	Jun 21	SDR	Reasonable	5	0	5			
ICT Business Continuity	Jul 21	SDR	Reasonable	4	4	0			
Risk Management *	Sep 21	SDR	Reasonable	7	0	7			
Total							2	17	2

* Denotes audits where all actions have been completed since the last progress report.

** The reports listed (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to the adoption of the CIPFA standard definitions, reference is provided at Annex 2.

Audit Sponsor (Director)	
Chief Executive	CX
Strategic Director - Resources	SDR
Strategic Director - Services	SDS
Strategic Director – Place	SDP

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

There have been no ‘Limited’ or ‘No’ Assurance opinion reports issued as part of the 2021-22 audit work. The findings from the Information Governance – Record Retention (Limited Assurance opinion report as shown below in section 7 of this progress report) were included within the 2020-21 Annual Internal Audit Report and Opinion reported to the Audit and Governance Committee in June 2021 (AG051).

6. Planning & Resourcing

The internal audit plan for 2021-22 was approved by the Council’s Management Team and the Audit and Governance Committee in March 2021.

Due to the ongoing pressures presented by the COVID-19 pandemic Winchester City Council have concluded that in prioritisation of their resources and to relieve pressure on some teams, they do not feel they have sufficient officer capacity to facilitate the conclusion of the originally agreed Internal Audit Plan for 2021-22. At the request of the Council’s S151 and Monitoring Officers, the Deputy Head of SIAP has been asked to review and reassess the agreed Internal Audit Plan to determine the minimum coverage required to still enable provision of an annual opinion for the current financial year.

It should be recognised that the professional and regulatory expectations on local government bodies to ensure that their internal audit arrangements conform with PSIAS have not changed. In this difficult situation, heads of internal audit still need to consider whether they can issue an annual opinion or whether there will need to be a limitation of scope. The primary consequence of not providing an annual opinion or doing so but with a limitation of scope is that the leadership team and those charged with governance do not receive independent assurance that the framework of governance, risk management and control is adequate and effective. Without this assurance the organisation should consider the risk of significant control weaknesses, inefficiencies or poor performance remaining unidentified. In addition, opportunities for improvement may be lost.

The internal audit plan is by its nature risk-based focusing on the key risk faced by the organisation therefore dilution to the plan is not sustainable in the long term.

The revised plan is detailed in the 'rolling work programme' below with proposed adjustments to the plan outlined in Annex 1. The Deputy Head of SIAP feels that sufficient work will have been carried out to provide an opinion on the Councils framework of governance, risk and internal control for 2021-22, however, any further dilution of the plan will jeopardise this position.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Carry Forward – Included within 2020-21 annual report and opinion								
Information Governance – Records Management	SDR	✓	✓	✓	May 21		Limited	
2021-22								
Strategic / Governance Reviews								
Strategic Planning and Performance Management	SDR	✓	✓	✓	Sep 21	Oct 21	Substantial	
Programme & Project Management – Use of Consultants on Major Projects	SDR	✓	✓	✓				
Economic Development – High Streets Priority Plan	SDS	✓	✓	✓				
Risk Management	SDR	✓	✓	✓	Aug 21	Sep 21	Reasonable	
Contract Management – Leisure Centre	SDP	✓						
Fraud Framework - NFI	SDR	n/a	n/a	✓				On-going
Human Resources – Employee Wellbeing	SDR	✓	✓	✓				
Core Financial Systems								
NNDR	SDS	✓	✓	✓				
Overtime and Expenses	SDS	✓	✓	✓	Oct 21			
Information Technology								
Cyber Security	SDR	✓	✓	✓	Oct 21			
ICT Business Continuity	SDR	✓	✓	✓	Jun 21	Jul 21	Reasonable	

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Incident and Problem Management	SDR	✓	✓	✓	Nov 21			
User Lifecycle & Access Management	SDR	✓	✓					
Service / Operational Reviews								
Housing - Leaseholder Management	SDS	✓	✓					
Disabled Facilities Grants	SDS	✓	✓	✓	Nov 21			
Land Registry / Charges	SDS	✓	✓	✓				
Certification Audits								
Bus Service Operator Grant	SDS	✓	n/a	✓	n/a	✓	n/a	Grant certification.
Mayor's Charity Account	SDS	✓	n/a	✓	n/a	✓	n/a	Certification audit.

Annex 1 - Adjustments to the plan

Audit reviews added to the plan (included in rolling work programme above)	Comment
None	

Audit reviews removed from the plan (excluded from rolling work programme)	Comment
Working in Partnership *	Postpone the audit until all management actions identified during the review finalised in September 2020 have been implemented and become embedded.
Energy Management / Climate Emergency / Green Agenda *	Defer the review at the request of the Council to relieve pressure on officers / pending further progress with the Carbon Neutrality plan.
Asset Management (Corporate Estate) *	Defer the review at the request of the Council to relieve pressure on officers / pending further progress with the Carbon Neutrality plan.
Information Governance *	Defer the review at the request of the Council to relieve pressure on officers / pending implementation of actions to address the issues identified in the 2020-21 Information Governance – Records Management (Limited Assurance) review. 2019-20 Information Governance – FOI concluded with an ‘Adequate Assurance’ Opinion with all management actions completed.
User Lifecycle & Access Management or Asset Management*	Defer one review (TBC) at the request of the Council to relieve pressure on officers. 2017-18 review of IT Software Licensing and IT Asset Management concluded with an ‘Adequate Assurance’ Opinion with all management actions completed.
Open spaces *	Defer the review at the request of the Council to relieve pressure on officers.

* Proposed December 2021

Annex 2 - Assurance opinions and definitions used by SIAP prior to adoption of the CIPFA standard definitions

As from April 2020 CIPFA guidance recommends a standard set of assurance opinions and supporting definitions for internal audit service providers across the public sector.

To ensure SIAP continue to conform to the best practice principles, the standard definitions were adopted for our 2020-21 work and moving forwards.

There remain some residual reviews detailed within Section 4 of this report that refer to SIAPs former assurance ratings which are detail below.

Substantial	A sound framework of internal control is in place and 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 weaknesses identified in the framework of internal control or the framework is ineffective or absent with significant risk to the achievement of system objectives.

Code of conduct complaints

A. Code of Conduct Complaints received by office of the Monitoring Officer since previous meeting of Audit & Governance Committee and update of those previously reported - as at **30 September 2021**

Date contact first made with Monitoring Officer	Complaint against district or parish/town councillor	Details
26 June 2020	District Councillor	On hold by the Monitoring Officer.
30 September 2020	District Councillor	Complaint received 30 September 2020 sufficient information to progress 11 November 2020. Standards hearing being arranged.
5 October 2020	Parish Councillors	Previous complaint submitted 8 September 2020 and then withdrawn and resubmitted 5 October 2020. Investigation report under final data protection review.
5 November 2020	District Councillors	Under investigation by Monitoring Officer.
11 February 2021	District Councillors	Investigation being finalised by Monitoring Officer
25 March 2021	Parish Councillor	Under assessment by Independent Person
10 August 2021	District Councillor	Under assessment by Monitoring Officer
8 September 2021	Parish Councillor	Under assessment by Monitoring Officer
8 November 2021	Parish Council	Under assessment by Independent Person
13 November 2021	Parish Councillor	Under assessment by Monitoring Officer

Date contact first made with Monitoring Officer	Complaint against district or parish/town councillor	Details
26 November 2021	City Council	Under assessment by Independent Person

* A further 12 related complaints received since October 2020, over the course of the investigation.

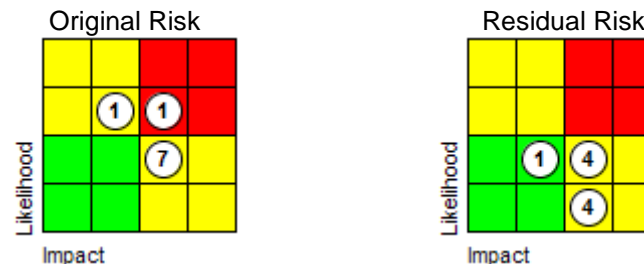
B. Issues raised and discussed with the office of the Monitoring Officer since the previous meeting of Audit & Governance Committee - as at **30 September 2021**

	Number of issues raised	Comments
District Councillors	1 issues raised by email or phone	None have led to receipt of complaint to date.
Parish/Town Councillors	8 issues raised by email or phone	None have led to receipt of complaint to date.

Corporate Risk Register 2021/22

As at 4 November 2021

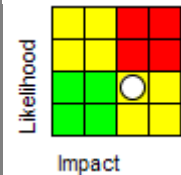
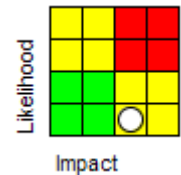
Summary Heat maps for all corporate risks:



*Original risk is the risk without any controls (i.e. initial risk)

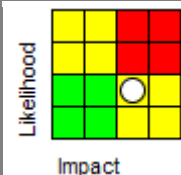
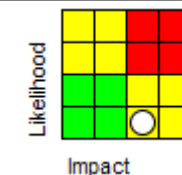
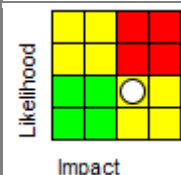
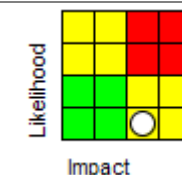
**Residual risk is the risk remaining with the current controls (risk controls) in place

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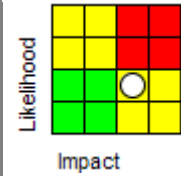
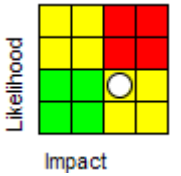
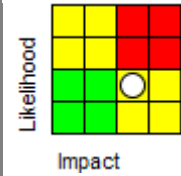
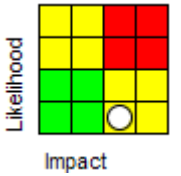
Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	*Original Risk Rating	Current Controls	**Residual Risk
CR001	Given competing demands and multiple complex priorities, the risk is that the council does not maintain capacity to deliver services	Chief Executive	<p>Ambitious council plan with multiple strands of activity</p> <p>Staff resources are lean and teams are working at capacity to deliver services at current levels of demand</p> <p>Outbreak of a pandemic that increases the pressure to continue to provide critical services as well as respond to the needs of residents and businesses affected by the pandemic</p>	<p>If decision making is slow, delays occur and potentially available resources are redeployed or become unavailable if they are externally sourced</p> <p>Implementation of business continuity plan to target work in critical areas in cases of staff shortage</p> <p>If staff lack political awareness, middle managers will be slow to redeploy resource to current priorities</p>		<p>Council Plan is distilled into key priorities by service. If capacity becomes an issue, prioritisation of activity is in place</p> <p>Checks in place to ensure proactive approach to communications internal and external</p> <p>Flexible working arrangements to enable staff to balance home/work commitments</p> <p>Annual Service Planning</p>	

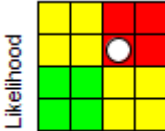
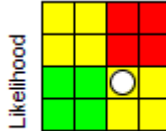
Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	*Original Risk Rating	Current Controls	**Residual Risk
			<p>Cultural desire to 'go the extra mile' leading to additional strain on resources and potential errors</p> <p>Competition from the private sector for key staff roles e.g. planning, project management</p> <p>Officers not sensitive to the political reality and perhaps focus on 'old' priorities</p> <p>Decision making can be slow</p> <p>Middle management too rule driven and need to be more responsive</p> <p>Reluctance to "just do it" Tension between day-to-day and strategic priorities Key skills not in the right place</p>	<p>If staff are diverted then they can't deliver on other lower-level priorities or day-to-day things</p> <p>Reputation is damaged as the council is not seen to be able to complete projects</p> <p>Local members are not always kept informed of activity in their area</p> <p>Unable to deliver key council services</p>		<p>Regular meetings with relevant cabinet members</p> <p>Positive use of fixed term contracts to aid flexible resourcing</p> <p>Targeted use of external resource</p> <p>Reallocation of human and financial resources across and within the organisation as required</p> <p>GOLD command review resources on a regular basis</p>	
CR003	Decisions made by the council are challenged due to lack of a strong evidence base, customer insight and engagement with	Strategic Director and Monitoring Officer (LK)	<p>Lack of skill to identify evidence to support decision making</p> <p>Lack of consultation with ward members and/ or</p>	<p>Lack of a robust and evidence based approach to customer engagement can lead to:</p> <ul style="list-style-type: none"> • Reputational 		<p>Consultation with ward and parish councillors (on matters within their ward or parish)</p> <p>Risks with regard to</p>	

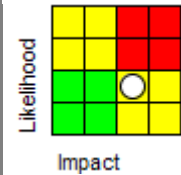
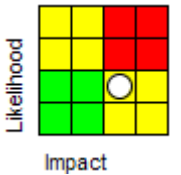
Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	*Original Risk Rating	Current Controls	**Residual Risk
	change		<p>parish council's over local issues</p> <p>Procedural errors in statutory processes Inconsistent and traditional approach to customer engagement across the council</p> <p>Lack of awareness of the questions to ask</p> <p>Lack of awareness of the 'right time' to engage</p> <p>Lack of public awareness of opportunity to engage</p> <p>Council is not aware of the full range of interested stakeholders</p> <p>Council may only hear the loudest voices and not the silent majority or those that do not readily engage</p>	<p>damage</p> <ul style="list-style-type: none"> • Views that the council is too Winchester-centric • That decisions made are Inequitable • There is a perception that people's views are ignored <p>Without a robust and evidence based engagement process the council is exposed to risk of challenge on decisions</p> <p>Ward members and/or parish council's not being informed</p> <p>Legal/ judicial review or challenge against a decision made</p>		<p>significant projects are recognised and addressed separately via robust Project Management and regular reports to the Programme and Capital Strategy Board</p> <p>Legal and Monitoring Officer consultation on decisions made</p> <p>Residents' survey completed early 2019</p> <p>A we asked ... you said ... we did feedback approach</p> <p>A council wide data capture exercise completed</p> <p>Communications approach reset to simplify language and remove data jargon</p> <p>Move to proactive openness and transparency</p> <p>A more inclusive approach to engagement that also</p>	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	*Original Risk Rating	Current Controls	**Residual Risk
						considers the restrictions in place due to the pandemic	
CR004	Failure to have plans and processes in place to recover and maintain services after a major incident (including pandemic) that has a significant impact on the ability of the Council to provide its services	Strategic Director and Monitoring Officer (LK)	<p>Not maintaining an effective corporate wide Business Continuity Plan</p> <p>No regularly testing of plan and follow-up</p> <p>Key staff unavailable</p> <p>Communication systems ineffective</p> <p>Lack of awareness</p> <p>Failure to assess business critical functions and have plans in place</p>	<p>Unacceptable delay and uncertainty in returning to normal working after an emergency</p> <p>Adverse publicity and criticism</p> <p>Reputation damage</p> <p>Adverse social impact</p>		<p>Business Continuity Plans reviewed in 2021</p> <p>Annual testing of IT Disaster Recovery Plan</p> <p>Review of business critical services in 2021 and individual business continuity plans updated</p> <p>Back up temporary office accommodation at Hyde Lodge</p> <p>All staff able to seamlessly work from home, where job allows</p> <p>Recent (2020) internal audit resulting in substantial opinion and no identified weaknesses</p>	
CR006	Effective partnership working	Strategic Director (DA)	<p>Partnerships can falter due to lack of shared vision within partnerships</p> <p>Strategic partnerships may falter due to conflicting demands</p>	<p>Significant project delivery such as the major projects and the new home building programme may fail due to failed of strategic partnerships</p>		<p>Annual review of all partnerships undertaken to identify key strategic partners</p> <p>Introduction of annual performance reporting for significant</p>	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	*Original Risk Rating	Current Controls	**Residual Risk
			<p>within individual partners</p> <p>Failure within procurement process - Partnerships may be unsuccessfully commissioned due to lack of procurement skills and poor scoping</p> <p>Significant local, regional or national partners may close down, affecting council</p>	<p>Local delivery may fail if local strategic partners are not aligned</p> <p>Reputational damage to all partners</p>		partnerships	
R007	Lack of sufficient funding and/or escalating costs over the medium term reducing financial viability and inability to achieve a balanced budget	Strategic Director and S151 Officer (RB)	<p>Reduced Government funding</p> <p>Reliance on strategic partners to deliver services and projects</p> <p>Macro economy, including effects of Brexit, reduces locally generated Business Rates and parking income</p> <p>Failure to achieve income targets</p> <p>Inflation rises</p> <p>Penalties are imposed on the Council due to</p>	<p>Unable to balance the budget</p> <p>Increased Council Tax</p> <p>Public's ability to pay for services</p> <p>Reduce services provided</p> <p>Demand / cost of services increased</p> <p>Increased construction costs and impact on delivery and viability of key projects</p> <p>Over borrowing and avoidable cost</p>		<p>One year funding settlement in place</p> <p>MTFS approach setting out medium and longer term options</p> <p>Quarterly finance reporting and monitoring of key income sources</p> <p>Regular policy review and monitoring</p> <p>Scenario planning and sensitivity analysis of key risks</p> <p>Transformation programme to set out cost review</p>	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	*Original Risk Rating	Current Controls	**Residual Risk
			falling standards in services			Maintain General fund reserve of at least £2m Regular review of reserves Annual review of fees and charges	
CR008	Availability of suitable sites to meet the strategic need for building new homes	Strategic Director and S151 Officer (RB))	Increasing demand for new houses High cost of housing, including private rented sector Slow completion for building of new homes Unable to identify new sites for new houses	Increased housing waiting list numbers Difficulty accessing housing markets Outward migration of younger residents Adverse publicity Government intervention		Plans in place to deliver significant new homes Regular monitoring of projects Revised Housing Strategy	
CR009	Failure in cyber security leaving the council exposed to phishing and other attacks leading to compromised IT systems and data loss	Strategic Director and Monitoring Officer (LK)	Malicious attack by Hackers for financial gain Malicious attack by Hackers to disrupt business and ability to deliver services Viral code attack in order to data mine information and identities	Possible complete shutdown of Council IT Systems and Infrastructure Business \ service delivery disruption Significant Financial loss Credibility and confidence lost in engaging with digital services and e-payments		Mandatory Cyber Security awareness training held for all staff IT Systems and processes administered to PSN (Public Services Network) standards and protocols ITILv3 Methodology adoption for ITSM Comprehensive and regular reviews of ISP	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	*Original Risk Rating	Current Controls	**Residual Risk
						<p>(Information Security Policies) and IT Network Access Policies</p> <p>Operational daily checks and proactive monitoring of Firewalls and pattern updates</p> <p>Staff qualified in Cyber Scheme Professional standards and within GOV UK CESG guidelines</p> <p>Regular system health checks and vulnerability scans</p> <p>System and software maintained to supported levels. Email security managed by accredited 3rd party</p> <p>Insurance for potential losses for a cyber-attack</p>	
CR010	Responding to Climate Change Emergency and reducing the council and district carbon emissions	Strategic Director (DA)	<p>Failure to take steps to achieve target for the council to be carbon neutral by 2024</p> <p>Resistance to behavioural change to reduce energy use</p>	<p>Failure to meet agreed targets</p> <p>Adverse publicity</p> <p>Reputational damage</p> <p>Increased risk of flooding</p>	 <p>Likelihood</p> <p>Impact</p>	<p>Winchester Carbon Neutrality Action Plan (CNAP) approved</p> <p>Cross council officer group established</p> <p>Partner group</p>	 <p>Likelihood</p> <p>Impact</p>

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	*Original Risk Rating	Current Controls	**Residual Risk
			Not take advantage of new technologies to reduce energy usage Funding not made available Insufficient project capacity in house	Reduction in house prices Carbon emissions increase Protests by lobby groups House price volatility e.g. increases in value for houses in areas less likely to flood		established Climate Emergency declared Asset Management Strategy Annual report on the CNAP for first 2 years £15mil allocated from HRA	
CR011	Lack of preparedness and incapability to respond to events caused by climate change	Strategic Director (DA)	Failure to prepare for an adverse weather event, for example long period of rain, heavy snow or heatwave Failure to manage sluice gates and maintain rivers Failure to respond to an adverse weather event, e.g. making safe city footpaths and car parks after heavy snow fall	Flooding causing damage to property and assets Loss of income to the council e.g. closed car parks due to snow Adverse publicity Damage to reputation		Multiagency Emergency Response Plan in place, reviewed and updated annually Annual Emergency Planning exercise to test the Plan Completion of flood alleviation schemes Temporary flood defence barrier purchased and available to be used where there is a need	

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REPORT TITLE: PUBLIC SECTOR EQUALITY REVIEW

16 DECEMBER 2021

REPORT OF CABINET MEMBER: CLLR CUTLER – DEPUTY LEADER AND
CABINET MEMBER FOR SERVICE QUALITY

Contact Officer: Catherine Knight Tel No: 01962 848 501 Email
CKnight@winchester.gov.uk

WARD(S): ALL

RECOMMENDATIONS:

It is recommended that Audit and Governance Committee comment on the attached cabinet report, ref CAB3331 which is to be considered by cabinet at its meeting on 25 January 2022.

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REPORT TITLE: PUBLIC SECTOR EQUALITY DUTY

25 January 2022

REPORT OF CABINET MEMBER: Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Service Quality

Contact Officer: Catherine Knight, Service Lead – Legal

Tel No: 01962 848 122

Email Cknight@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report presents the council's updated Public Sector Equality Duty Policy. The current policy was adopted when it was first required to be published in April 2012.

The Public Sector Equality Duty (PSED), at section 149 of the Equality Act 2010, requires public bodies, including the council to have due regard to the aims of the general equality duty when making decisions and when setting policies.

The council is also required to publish their PSED objectives and to regularly review how they meet these aims.

The review of the PSED objectives enables the council to demonstrate compliance with the statutory PSED.

RECOMMENDATIONS:

1. That Cabinet approves the Public Sector Equality Duty Policy, the Equality Impact Assessment template and Equality Duty Action Plan.

IMPLICATIONS:1 COUNCIL PLAN OUTCOMES

- 1.1 Homes for all
- 1.2 The Public Sector Equality Duty (PSED) ensures that the needs of all our housing tenants, including those who are vulnerable are considered and they are looked after appropriately.
- 1.3 Vibrant Local Economy
- 1.4 The PSED objectives, policies and action plan ensures that projects towards making Winchester a more vibrant economy will also consider all individuals through design and implementation.
- 1.5 Living Well
- 1.6 The PSED ensures that the needs of all citizens needs are considered in the design and implementation of our policies and services
- 1.7 Your Services, Your Voice.
- 1.8 The PSED assists the council to be open and transparent in all that it does to meet the needs of all residents and businesses.

2. FINANCIAL IMPLICATIONS

- 2.1 The council's equality duties will be delivered within the existing budgets for each service area, including training, and there are no additional financial implications for the council.

3. LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The council has a statutory duty under section 149 of the Equalities Act 2010 that requires all public bodies to consider the needs of all individuals in their day-to-day work – in shaping policy; in delivering services; and in relation to their own employees. The PSED is a duty on public bodies and others carrying out public functions.
- 3.2 Public bodies, officers and councillors who are subject to the PSED must in the exercise of their functions have due regard to the need to:
 - Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act;
 - Foster good relations between people who share a relevant protected characteristic and those who do not share it; and
 - Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it.

- 3.3 These three aims are sometimes referred to as the three aims of the general equality duty.
- 3.4 Having due regard means consciously thinking about the three aims of the PSED as part of the process of decision-making. This means that consideration of equality issues must influence the decisions reached by public bodies – such as in how they act as employers; how they develop, evaluate and review policy; how policy is implemented, how they design, deliver and evaluate services, and how they commission and procure from others.
- 3.5 Having due regard to the need to advance equality of opportunity involves considering the need to:
- remove or minimise disadvantages suffered by people due to their protected characteristics;
 - meet the needs of people with protected characteristics; and
 - encourage people with protected characteristics to participate in public life or in other activities where their participation is low.
- 3.6 Fostering good relations involves tackling prejudice and promoting understanding between people who share a protected characteristic and others.
- 3.7 The PSED also explicitly recognises that disabled people’s needs may be different from those of non-disabled people. Public bodies should therefore take account of disabled people’s impairments when making decisions about policies or services. This might mean making reasonable adjustments or positively discriminating disabled people in order to meet their needs.
- 3.8 The PSED covers the following protected characteristics disability, gender reassignment, pregnancy, maternity/ paternity, race, religion or belief (including non-belief), sex and sexual orientation.
- 3.9 The duty includes a requirement to review, refresh and publish up to date equality objectives and a policy stating how the objectives will be met for the city council in order to remain legally compliant with the PSED.
- 3.10 There are no procurement implications as a direct result of this report.

4 WORKFORCE IMPLICATIONS

- 4.1 The council’s PSED should be foremost in the minds of all officers and councillors conduct. The council’s workplace policy includes a complaint policy which considers the PSED. The PSED is at the heart of the council’s decisions. Embedding the policy and actions in corporate culture will occur through training together with regular updates.

- 4.2 Additionally the council must consider how the PSED policy is implemented for both existing staff and new staff when they commence employment. Equality in the workplace simply means including people of any of the protected characteristics. Creating an inclusive environment accepting of any person's differences enabling all staff to achieve their full potential. All staff are required to complete mandatory training at the start of their employment on equality diversity and human rights. However increased training and guidance is recommended to all staff through the implementation of the action plan included in this report.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 In making any decision that relate to property and assets, such as whether or not to dispose and acquire, which mechanism and the property and/or project development, the PSED objectives must be taken into consideration. A further consideration will be whether public property and assets are able to comply with the PSED such as design and access.

6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation on the content of the report has taken place with Executive Leadership Board (ELB) and the Deputy Leader of the Council.
- 6.2 The council's Audit and Governance Committee reviewed the updated Equality Duty Policy at their meeting on 16 December 2022 and their comments are provided below for the consideration of Cabinet.
- 6.3 The aims of the PSED are particularly relevant to all council communications and are considered during the creation of content before it is published, either in print form or online.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 There are no environmental implications arising directly from this report.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 This report provides an update on the PSED and the equality assessment form that will be used when undertaking an assessment.
- 8.2 If there are any direct or indirect impacts in terms of eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations on people who share characteristics protected under the PSED the duty is for the decision maker to turn their mind at the point of the decision.
- 8.3 An EIA has been undertaken in respect of this report as the contents include a policy and action plan which must be assessed against protected characteristics.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required because there is no processing of personal data, or where there is processing it does not result in a high risk to the rights and freedoms of a person or persons directly or indirectly identified.

10 RISK MANAGEMENT

10.1 This report presents the updated PSED along with an implementation action plan and revised impact assessment template. Weaknesses in the council's current arrangements are set out in this report.

Risk	Mitigation	Opportunities
Community Support	Consideration of the vulnerable groups at each decision making stage with continual reviews.	Community is better supported through correct implementation of the duty.
Timescales	The duty is a constant requirement upon public sector	Ensures that all sectors of the community are supported.
Project capacity	Consideration of the PSED at the initial stages of project design and again prior to implementation	Early consideration ensures that full community support is provided for by the council.
<i>Property</i>	Inclusion of consideration as to how vulnerable groups are affected at the design and formative stage of a property development, disposal and purchase.	All property projects and acquisition are enhanced through inclusion of needs of the vulnerable sector of our community.
<i>Financial Exposure</i>	None	None
<i>Exposure to challenge</i>	Compliance with the PSED is a statutory duty and important aspect of public life.	
<i>Innovation</i>	Innovative ideas and designs maybe required to enable compliance	Increased innovation leads to a more inclusive community which is at the heart of the PSED
<i>Reputation</i>	To not comply with the PSED sends an inappropriate message to the wider community	Correct compliance results in consideration of all sectors of the community and enhances the council's reputation
<i>Achievement of outcome</i>	None	None
<i>Other</i>	None	None

11 SUPPORTING INFORMATION:

Background

- 11.1 Equality duties are an integral and important part of the mechanisms for ensuring the fulfilment of the aims of antidiscrimination legislation.
- 11.2 As set out above, the PSED applies to all public bodies in carrying out their functions. This requires public bodies to “have due regard” to the elimination of discrimination, advancement of equality and fostering of good relations in relation to listed protected characteristics. The duty must be carried out with rigour, but is not a duty to achieve particular results. The PSED need not be explicitly referred to, but there must be some evidence that it has been considered (if relevant).
- 11.3 The PSED is intended to support robust decision making and ensure that public bodies consider and understand how different people will be affected by their activities and decisions so that policies and services are appropriate and accessible to all and meet different people’s needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people’s opportunities, public bodies are better placed to deliver policies and services that are efficient and effective.
- 11.4 An important evidential element in the demonstration of the discharge of the PSED is the recording of the steps taken by the decision maker in seeking to meet the statutory requirements and keeping the duty under regular review.
- 11.5 All decisions and not just cabinet decisions are subject to the requirement to, where relevant, consider the PSED. An example are planning decisions made under delegation and by the planning committee.
- 11.6 The PSED should be viewed in the context that is the district of Winchester, proportionally and reasonably and therefore attached at Appendix 4 is a breakdown of the demographics of the district from Hampshire County Council’s website.

Equality Policy

- 11.7 The council’s Equality Policy sets out the organisation’s overall approach to equality as both an employer and a provider of services. The policy was last updated in 2011 and approved by Cabinet (Report CAB2186, 15 June 2011). The Policy has been updated for 2021, the main points to note are revised objectives, setting of actions to ensure we meet those objectives and monitoring of actions with a review every four years.
- 11.8 The current policy includes a set of objectives and actions to achieve the objectives, these are:
- **Policies & Services.** Ensure our policies and services meet the needs of all our customers and are delivered in a fair, flexible, efficient and accessible way.

- **Employment.** Take positive steps to promote equality in employment by developing a flexible, professional and highly-skilled workforce and ensuring staff are culturally competent and able to provide quality services to all our customers.
- **Information & Engagement.** The council already consults with the local community, local voluntary groups, partner agencies and businesses as part of the process of developing its policies and services. Examples of this are the extensive consultations we are undertaking on the Local Development Framework and Council Plan. We will improve and develop our consultation process and seek to inform and involve all sections of the community, but particularly disadvantaged and excluded groups, in the development of our policies and the services we provide.
- **Partnership Working:** The council will develop shared equality objectives and develop a programme of joint actions to address local equality priorities with its partners.

11.9 Although these objectives continue to largely meet the broad aims within the legislation the terminology is outdated as case law has evolved. This report recommends revised objectives, setting of actions to ensure we meet those objectives and monitoring of actions with a review every four years.

11.10 Objectives should consider the aims of the PSED as set out at paragraphs 3.2 to 3.9 and the following principles, drawn from case law, explain what is essential in order for the PSED to be fulfilled as public bodies should ensure:

- **Knowledge** – those who exercise the public body’s functions need to be aware of the requirements of the PSED. Compliance with the PSED involves a conscious approach and state of mind. To ensure knowledge both Members and officers should undertake proper and continuous training, and such training the content and timing of such training must be kept under constant review.
- **Timeliness** – the PSED must be complied with before and at the time that a particular policy is under consideration or decision is taken – that is, in the development of policy options, and in making a final decision. A public body cannot satisfy the PSED by justifying a decision after it has been taken.
- **Real consideration** – consideration of the three aims of the PSED must form an integral part of the decision-making process. The PSED is not a matter of box-ticking; it must be exercised in substance, with rigour and with an open mind in such a way that it influences the final decision.

- **Sufficient information** – the decision maker must consider what information he or she has and what further information may be needed in order to give proper consideration to the PSED.
- **No delegation** – public bodies are responsible for ensuring that any third parties which exercise functions on their behalf are capable of complying with the PSED, are required to comply with it, and that they do so in practice. It is a duty that cannot be delegated.
- **Review** – public bodies must have regard to the aims of the PSED not only when a policy is developed and decided upon, but also when it is implemented and reviewed. The PSED is a continuing duty.

11.11 Although the objectives in the council's current Equality Duty Policy meet the broad requirements of the Equality Act, we have considered the equality objectives and grouped these under four performance areas as follows:

- (1) Understanding and working with our community;
- (2) Leadership, partnership and organisational commitment;
- (3) Responsive services and customer care; and
- (4) Diverse and engaged workforce

11.12 These performance areas are used in the Equality Framework for Local Government. It is proposed that this framework will be used to benchmark our equality success.

11.13 An Equality Impact Assessment is the primary evidence of compliance with the PSED. The statutory duty applies to council, officer and member, decisions which may fall within the protected characteristics list. Therefore not all decisions or policy or project implementation require an Equality Impact Assessment. A further consideration as to whether or not an Equality Impact Assessment is required and detail is proportionality of the decision /policy project implementation considered with the PSED. In some circumstances there will clearly be no PSED impact or a more comprehensive Equality Impact Assessment will be required due to the extent of PSED impacts both positive or negative, or where suitable a statement that the PSED has been considered and is more appropriate to be assessed at a later date such as project implementation.

11.14 When an Equality Impact Assessment is required this occurs during the decision making and the implementation process which may occur at more than one point and in the determination of a number of decision points. The duty is ongoing and is not completed at the time the Equality Impact Assessment is undertaken. If further information comes to light, such as during project implementation then the Equality Impact Assessment must also be re-considered as to whether a further assessment is required. The city council's Equality Impact Assessment are found here

<https://www.winchester.gov.uk/about/equality-impact-assessments>. The report recommends a simpler template and an example is included in appendix 3.

11.15 There is existing good practice within the council of undertaking Equality Impact Assessments and in particular the council's housing department including the following pieces of work:

- Housing Excellence Group (HEG) which covers equalities and meeting the PSED.
- The HEG facilitator who is the council representative on the HQN Equality and Diversity Network.
- The housing policy and procedure template includes a section to help officers consider the PSED through impact assessment and how diverse needs will be met.
- The "Local Brief" has regular PSED reminders in it. July's included a reminder note to think about meeting diverse needs when communicating.
- An annual HEG Training programme, delayed last year due to the need to complete a skills audit following the restructure and delayed this year by COVID-19.
- Customer insight reports and survey respondent profiles to check for disparities across the protected groups to inform business planning and service improvements.
- Equality monitoring of key service areas to check for disparities.
- EIA's which considers a spectrum of groups wider than those with protected characteristics.
- Package of accessibility measures and standards

11.16 The Housing Strategy 2017/18 – 2022/23 priorities sets out several objectives around meeting the needs of diverse households, excluded groups and those with protected characteristics.

11.17 Another example of good practice is in the council's customer services and reception area. A hearing loop is installed in reception and a telephone translation service is available for non-English speakers. The most recent Census data available (2011) identifies that 97.2% of the districts population state 'English' as their main language. This will be reviewed when the results of the 2021 Census are available to ensure that the service remains accessible for all.

11.18 The Procurement and Contract Management Strategy 2020 – 2025 was approved by Cabinet in March 2020 and its aims include:

- Support the climate change emergency by requiring environmental and social factors to be considered in all procurements
- Encourage local and small businesses to bid for contract opportunities

- 11.19 The Procurement Team work closely with partner organisations such as the Federation of Small Businesses (FSB) to ensure that barriers to contract opportunities for small and local organisations are minimised. Examples of good practice include the team facilitating pre-procurement information events for local business for certain opportunities where we know there is an active local / small business supply market.
- 11.20 To support undertaking of the council's PSED responsibilities it is proposed to form a Corporate PSED Panel. The Panel will monitor, manage and steer the implementation of the PSED policy which includes, training to increase understanding of PSED and where appropriate completion of equality impact assessments. All proposals going on to cabinet for decision are required to consider whether an Equality Impact Assessment is relevant.
- 11.21 The Panel will:
- Undertake independent reviews of equality impact assessments in relation to new council policies and projects and changes and implementation of existing policy and projects.
 - Providing advice and recommendations on PSED implementation.
 - Reviewing general and specific arrangements for implementation of the PSED including equality impact assessments across the council.
 - Monitoring agreed actions to address potential negative or positive impact on promotion of equality for protected characteristic groups and monitor progress of the Equality, Diversity and Inclusive Action Plan.
- 11.22 The Panel will consist of officers from across the council including representatives from the Policy Team, Human Resources Team, Community Team and Housing Team. The officers who sit on the panel will receive appropriate training from qualified professionals.

Equality, Diversity and Inclusion Action Plan

- 11.23 The Equality, Diversity and Inclusion Action Plan (Appendix 2) is a key document for setting out and recording how service areas and corporate related activity will work to deliver the council's Equality Objectives and Equality Policy.
- 11.24 The plan will also be used to monitor progress and achievements against the activities in the plan, ensuring targets are on track and delivered.
- 11.25 To deliver this action plan effectively, it is important for all staff to understand clearly their role in the delivery of equality and diversity related activity and feel confident in embedding equality considerations in all they do.
- 11.26 The new action plan comprises of actions that are based on each of the four performance areas to be met as appropriate, as part of the council's commitment to providing better outcomes for all people.

Next Steps

- 11.27 To ensure the successful roll out and implementation of the updated Equality Policy it is important that the objectives are embedded across the organisation and that officers are aware of their responsibilities.
- 11.28 The following table sets out a number of actions that are to be undertaken before implementation of the updated policy to increase council wide understanding of PSED and support officers to complete the refreshed EIA form.

ACTION	DUE DATE
Updated Policy, Action Plan and EIA template presented to members of Audit and Governance committee for consideration and comments.	16 December 2021
Equality page on the council website updated to reflect current EIA's utilising the updated template. To be regularly updated thereafter	January 2022
HR intranet page to be updated with current Equality documents. Location of documents communicated to relevant colleagues.	January 2022
Options for equality, diversity and inclusion training to be reviewed	January 2022
Explore options for PSED training	January 2022
Set up officer panel with agreed Terms of Reference to consider and comment on completed equality impact assessment forms	March 2022
Equality, diversity and inclusion training to be delivered	March 2022
Roll out of new EIA form	March 2022
Implementation of new Policy	April 2022
Completion of monitoring report	June 2022
Report to ELB detailing progress of new EIA form and monitoring report	June 2022

12 OTHER OPTIONS CONSIDERED AND REJECTED

There are no alternative options to this report as the recommendations support the council's statutory duty to comply with the PSED and to monitor such compliance.

BACKGROUND DOCUMENTS:-Previous Committee Reports:-

None

Other Background Documents:-

Equality Act 2010

Equality Policy and Action Plan 2011

APPENDICES:

Appendix 1 - Winchester City Council Equality Policy – November 2021

Appendix 2 - Equality Impact Assessment Template

Appendix 3 - Equality, Diversity and Inclusion Action Plan

Appendix 4 - Hampshire County Council - Winchester district demographics



Winchester City Council

Public Sector Equality Duty Policy

November 2021

VERSION CONTROL				
VERSION	DATE	DESCRIPTION OF CHANGE	CHANGED BY	AUTHORISED BY
1.0		Original Document		
2.0	November 2021	<ul style="list-style-type: none">• Inclusion of version control• Deletion of partnerships that no longer operate• Update of named officer responsible for equality complaints	Policy Team	

If you require this document in another format or language please contact the Policy Team:

Telephone: 01962 840 222

E-mail: Policy@winchester.gov.uk

Write: City Offices, Colebrook Street, Winchester, Hants SO23 9LJ

Website: www.winchester.gov.uk/CouncilAndDemocracy/EqualityAndDiversity

Policy Owner: Senior Policy & Programme Manager

Policy Administrator: Policy & Performance Officer

Version Number: 2.0

Last Update: November 2021

Review Date: November 2025

13

1. Introduction

- 1.1 Winchester City Council is committed to promoting and ensuring the equality of opportunity for all people. We recognise and value every person in our community and we believe that equality is central to the provision of modern quality services.
- 1.2 This document sets out the council's overall approach to equality as both an employer and a provider of services. It also covers the council's approach to:
- partnership working on equality issues;
 - the "duty to involve" and the requirement to consult and engage with the local community; and,
 - the Public Sector Equality Duty (PSED).
- 1.3 The policies set out here will show how the council will meet our legal duties and apply to all the council's activities, including those carried out by other organisations on our behalf. They will also inform and guide the development of specific equality objectives that will identify the priorities for action on equality in Winchester district and specific actions to be taken, including those which can be undertaken by or via the Winchester District Strategic Partnership.
- 1.4 The Action Plan attached to this document identifies the key **corporate** issues and actions that the council will take over the next 4 years to meet our equality objectives and our legal duties. Our aim is to develop an integrated approach that will ensure that equality is firmly embedded in the way in which we develop policy, run services and employ people.

2. Background

- 2.1 The council is legally required to ensure its employees and those who use its services are treated fairly and equally, including but not limited to the following laws:

The Equality Act 2010.

The Equality Act has two main purposes – to harmonise discrimination law, and to strengthen the law to support progress on equality.

Protection from unlawful discrimination is provided by the Equality Act in relation to the following characteristics, which are defined as 'protected characteristics':

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity (which includes breastfeeding)
- Race
- Religion and belief
- Sex/gender
- Sexual orientation.

Every person has one or more of the protected characteristics, which means that the Act aims to protect everyone against unfair treatment. When considering the impacts on service users of our policies and procedures, the council also takes into account social or economic disadvantage.

There are four main types of discrimination: direct discrimination; indirect discrimination; harassment; and victimisation.

Under the PSED, public sector bodies must, in the exercise of their functions, have due regard to the need to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act.
2. Advance equality of opportunity between people who share a relevant protected characteristic and those who do not.
3. Foster good relations between people who share a relevant protected characteristic and those who do not.

Having due regard for advancing equality involves: removing or minimising disadvantages suffered by people due to their 'protected characteristics'; taking steps to meet the needs of people with protected characteristics where these are different from the needs of other people; and, encouraging people with protected characteristics to participate in public life or in other activities where their participation is disproportionately low. The practical effect is that public bodies must consider how their policies, programmes and service delivery will affect people with protected characteristics.

The Equality Act 2010 allows an employer or service provider or other organisation to take positive action in order to alleviate and prevent any

disadvantage experienced by people with protected characteristics. For example, in relation to recruitment and the provision of certain services.

The Human Rights Act 1998.

This confers a range of rights including, for example, the right to family life, which have implications for the way that we as a council deliver services and manage our workforce.

The practical effect of this legislation is that the council is legally required to consider how our policies, plans, services, procedures, practices, projects, and decisions will affect people with protected characteristics.

3. Winchester's Policy Statement on Equality

3.1 Winchester City Council is committed to **equality of opportunity** for all people regardless of race, disability, gender, age, sexual orientation, religion or belief (including non-religious beliefs), gender re-assignment, marital status, and pregnancy and maternity. We recognise and value all people in our community and we believe that equality is central to the provision of modern quality services. We will:

A. **Policies & Services.** Ensure our policies and services meet the needs of all our service users and are delivered in a fair, flexible, efficient and accessible way. We will achieve this by:

- i. Assessing all policies and services in order to identify any discrimination, un-met needs and opportunities to improve the delivery of services to specific groups of service users. This "integrated assessment" process will cover all the protected characteristics and address other issues that may affect the opportunities of people who share a protected characteristic and those who do not to access services and participate in public life. It will also help identify opportunities to foster good relations between people who share a protected characteristic and those who do not.
- ii. Developing specific and measurable outcome-based **equality objectives**, including **equality actions** in service and business plans and monitoring progress using the performance management system.
- iii. Ensuring that, where appropriate, all voluntary sector organisations with which the council has contracts with or which are in receipt of [significant] funding from the council actively promote their project/service to all sections of the community and can demonstrate that they do so.

- iv. Developing and implementing a Procurement and Contract Management Strategy that ensures that contractors delivering services on behalf of the council are complying with their legal obligations and implementing the council's equality duties.¹ Accessibility will be taken into account in procurement and, where appropriate, selected contractors will be encouraged to develop more accessible products and services.
- v. Ensuring that service users or potential service users with protected characteristics.
- vi. Using a range of media to communicate with our service users.
- vii. Making our services accessible to all by improving physical access to buildings, where possible providing services near to where people live, using home visits, and developing electronic channels including the Internet and telephone. Auxiliary aids (for example hearing loops) will be provided wherever a need is identified or anticipated.
- viii. Carrying out periodic access audits of its service provision and, where work is being carried out or where future capital work is being planned, taking the opportunity to involve service users in designing improvements to all aspects of provision (for example, improving signage by reducing visual clutter, simplifying language and using graphics where appropriate).
- ix. Establishing appropriate policies, structures, procedures, monitoring systems, and reporting requirements to deal promptly and effectively with any complaints of discrimination, harassment, and victimisation or bullying by service users, members or employees.

B. Employment. Take positive steps to promote equality in employment by developing a flexible, professional and highly-skilled workforce and ensuring staff are culturally competent and able to provide quality services to all our service users. We will achieve these aims by:

- i. Ensuring that recruitment and selection methods are fair, systematic, unbiased and based solely on merit using only rational, objective and job-related criteria.

¹ These might include, for example, contractors and sub-contractors being required to comply with an equality checklist, producing an equal opportunity statement or policy, undertaking any necessary monitoring and evaluation to ensure they are complying with the council's requirements, and providing the council with proof of compliance.

- ii. Providing appropriate equality training and support for managers for recruitment, induction and training.
- iii. Providing appropriate equality training for all employees in respect of their conduct and behaviour to other employees and service users.
- iv. Ensuring that all employees have equal opportunity to access training and development activities, regardless of their job role, working hours or any special needs or circumstances.
- v. Applying national and local conditions of service fairly.
- vi. Undertaking Equal Pay Audits on a regular basis and acting to address any pay inequalities these discover.
- vii. Adopting and implementing appropriate policies and procedures in respect to harassment, bullying and unlawful discrimination that are consistent with Codes of Practice and guidance.
- viii. Taking appropriate action including disciplinary action, where appropriate, where harassment, bullying or unlawful discrimination is alleged to have occurred.
- ix. Supporting employees from minority or disadvantaged groups by raising awareness of local support groups and through the development of appropriate internal support mechanisms.
- x. Liaising with the recognised trade unions as part of our monitoring processes for achieving equal opportunity in employment.
- xi. Working with our partners to encourage job applications from excluded and disadvantaged groups.
- xii. Promotion of work life balance and allowing flexible working where possible.
- xiii. To monitor and assess impact of policies and services, to ensure that inequality is minimised or removed and that our policies and services reflect the needs of Winchester at all times.
- xiv. To have a confidential reporting system for those who may face unlawful discrimination, harassment or bullying whilst at work.

C. **Information & Engagement.** The council already consults with the local community, local voluntary groups, partner agencies and businesses as part

of the process of developing its policies and services. Examples of this are the extensive consultations we are undertaking on the Local Development Framework and Council Plan. We will always look to develop and improve our consultation processes and seek to inform and involve all sections of the community, but particularly disadvantaged and excluded groups, in the development of our policies and the services we provide. We will achieve these aims by:

- i. Working with our partners to obtain and share information in order to improve our collective knowledge and understanding of the composition of the local population and the needs of local groups in a particular area and interest groups.
- ii. Developing a variety of ways to inform and engage with local people in making decisions that affect them.
- iii. Publishing and regularly updating equality information and showing how this is informing council decision-making.

D. **Partnership Working.** The council works in partnership with a range of public, private and voluntary/not-for-profit organisations via:

- Shared service arrangements with other local authorities.
- In planning and development partnerships such as the Partnership for Urban South Hampshire (PUSH).
- With a number of key contractors.

E. **Monitoring and Reporting.**

All performance relating to equality will be reported regularly to the Executive Leadership Board (ELB) and the Cabinet.

The council will report annually on how it is complying with the public sector equality duties and at appropriate intervals on achieving its equality objectives.

F. **Complaints.** We are committed to providing a high standard of service to all our service users, and we work to continuously improve our service. Continuous improvement can only be achieved when we seek and consider service user feedback.

Every effort is made to deal with complaints promptly and put matters right quickly.

The council has a recently updated comprehensive complaints procedure that covers complaints about unlawful discrimination in service delivery and in employment. The Monitoring Officer and the Service Lead – Human Resources (Interim) have been nominated to investigate and deal with complaints relating to unlawful discrimination amongst or by council employees. The Standards Hearing Sub Committee consider any complaints against Members of the council.

4. Who is Responsible for Equality?

- 4.1 Elected members have a strategic responsibility to ensure that equality is built into policies and procedures. They also have an important role of using their links within the community to develop relationships with community groups and individuals and to encourage dialogue with the council. As decision makers elected members have a key role to ensure that the PSED duty is met, such duty is unable to be delegated as is relevant when the decision is taken. We will identify a "Member Champion" to provide leadership on this issue.
- 4.2 All employees and others working on behalf of the council are responsible for working together to promote equality and fairness in the way that they treat service users and colleagues and through the services they provide to the public. We have identified a "Lead Officer", currently the Senior Policy and Programme Manager to lead and co-ordinate corporate working on this issue.

5. Integrating Equality

- 5.1 We integrate equality into everything we do starting from the highest level – the Council Plan and working through the organisation into service and business plans. We review our corporate priorities to ensure that our commitment to equality is adequately reflected. We have also developed a set of core values that clearly establish equality as a key priority of the council.
- 5.2 We will develop and implement a corporate integrated impact assessment process that ensures equality is "mainstreamed" into the service and business planning processes and integrated with the performance management system.
- 5.3 Making this policy work is ultimately dependent on developing an organisational culture where difference is respected and valued and everyone is treated fairly and equally and everyone feels that they are being treated fairly and equally. Achieving this requires commitment and involvement from members, management and all employees. Appropriate information, training

and support is provided to ensure that members and employees have the awareness, knowledge and skills to fulfil their responsibilities in this field.

6. Working with Partners

6.1 We will work with our partners to promote equality by:

- Sharing existing information and good practice.
- Gathering new information.
- Developing joint consultation and involvement methods and structures where appropriate.
- Developing a set of equality objectives for the district.
- Developing joint working and co-delivery of services where practicable.
- Pooling budgets and resources where practicable.

6.2 We work in partnership with organisations from across the voluntary sector. to involve and engage with them on equality issues by supporting:

- Existing local groups such as the Winchester Youth Collective.
- The development of new groups such as Winchester Area Access for All.

6.3 We continue to be represented at and contribute to the work of the Hampshire & Isle of Wight Equality Network and, where appropriate, other Regional and national equality networks.

7. The Action Plan

7.1 The attached Action Plan is a living document that identifies the desired outcomes, the **corporate-level** actions that will be undertaken to achieve them, **who** is responsible and **when** the action should be completed. More detailed actions relating to council policies and services can be found in Business and Service Plans.

7.2 The Action Plan will be reviewed and updated annually by the senior leadership team.

8. Monitoring and Evaluation

- 8.1 The council will continually seek to develop its approach to equality, diversity and inclusion by identifying good practice in employment and service delivery. The council will review this Policy on a regular basis, usually at least every four years, to ensure that it reflects the latest legislation, best practice and other council policies.

Winchester City Council

Equality Impact Assessment Template (EIA)

Section 1 - Data Checklist

When undertaking an EIA for your policy or project, it is important that you take into consideration everything which is associated with the policy or project that is being assessed.

The checklist below is to help you sense check your policy or project before you move to Section 2.

		Yes/No	Please provide details
1	Have there been any complaints data related to the policy or project you are looking to implement?		
2	Have all officers who will be responsible for implementing the policy or project been consulted, and given the opportunity to raise concerns about the way the policy or function has or will be implemented?		
3	Have previous consultations highlighted any concerns about the policy or project from an equality impact perspective?		
4	Do you have any concerns regarding the implementation of this policy or project?		

		Yes/No	Please provide details
	<i>(i.e. Have you completed a self-assessment and action plan for the implementation of your policy or project?)</i>		
5	Does any accessible data regarding the area which your work will address identify any areas of concern or potential problems which may impact on your policy or project?		
6	Do you have any past experience delivering similar policies or projects which may inform the implementation of your scheme from an equality impact point of view?		
7	Are there any other issues that you think will be relevant?		

Section 2 - Your EIA form

Directorate:	Your Service Area:	Team:	Officer responsible for this assessment:	Date of assessment:
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	Question	Please provide details
1	What is the name of the policy or project that is being assessed?	
2	Is this a new or existing policy?	
3	Briefly describe the aim and purpose of this work.	
4	What are the associated objectives of this work?	
5	Who is intended to benefit from this work and in what way?	
6	What are the outcomes sought from this work?	
7	What factors/forces could contribute or detract from the outcomes?	
8	Who are the key individuals and organisations responsible for the implementation of this work?	
9	Who implements the policy or project and who or what is responsible for it?	

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	Please select your answer in bold . Please provide detail here.
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10a	Could the policy or project have the potential to affect individuals or communities on the basis of race differently in a negative way?	Y	N	
10b	What existing evidence (either presumed or otherwise) do you have for this?			
11a	Could the policy or project have the potential to affect individuals or communities on the basis of sex differently in a negative way?	Y	N	
11b	What existing evidence (either presumed or otherwise) do you have for this?	Community impact assessment completed along with review of existing hirers		
12a	<p>Could the policy or project have the potential to affect individuals or communities on the basis of disability differently in a negative way?</p> <p><i>you may wish to consider:</i></p> <ul style="list-style-type: none"> • <i>Physical access</i> • <i>Format of information</i> • <i>Time of interview or consultation event</i> • <i>Personal assistance</i> • <i>Interpreter</i> • <i>Induction loop system</i> • <i>Independent living equipment</i> • <i>Content of interview)</i> 	Y	N	
12b	What existing evidence (either presumed or otherwise) do you have for this?			
13a	Could the policy or project have the potential to affect			

	individuals or communities on the basis of sexual orientation differently in a negative way?	Y	N	
13b	What existing evidence (either presumed or otherwise) do you have for this?			
14a	Could the policy or project have the potential to affect individuals on the basis of age differently in a negative way?	Y	N	
14b	What existing evidence (either presumed or otherwise) do you have for this?			
15a	Could the policy or project have the potential to affect individuals or communities on the basis of religious belief differently in a negative way?	Y	N	
15b	What existing evidence (either presumed or otherwise) do you have for this?			
16a	Could this policy or project have the potential to affect individuals on the basis of gender reassignment differently in a negative way?	Y	N	
16b	What existing evidence (either presumed or otherwise) do you have for this?			
17a	Could this policy or project have the potential to affect individuals on the basis of marriage and civil partnership differently in a negative way?	Y	N	
17b	What existing evidence (either presumed or otherwise) do you have for this?			
18a	Could this policy or project have the potential to affect individuals on the basis of pregnancy and maternity differently in a negative way?	Y	N	

18b	What existing evidence (either presumed or otherwise) do you have for this?	Community impact assessment completed along with review of existing hirers		
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19	Could any negative impacts that you identified in questions 10a to 15b create the potential for the policy to discriminate against certain groups on the basis of protected characteristics?	Y	N										
20	Can this negative impact be justified on the grounds of promoting equality of opportunity for certain groups on the basis of protected characteristics? Please provide your answer opposite against the relevant protected characteristic.	Y	N	<table border="1"> <tr><td>Race:</td></tr> <tr><td>Sex:</td></tr> <tr><td>Disability:</td></tr> <tr><td>Sexual orientation:</td></tr> <tr><td>Age:</td></tr> <tr><td>Gender reassignment:</td></tr> <tr><td>Pregnancy and maternity:</td></tr> <tr><td>Marriage and civil partnership:</td></tr> <tr><td>Religious belief:</td></tr> </table>	Race:	Sex:	Disability:	Sexual orientation:	Age:	Gender reassignment:	Pregnancy and maternity:	Marriage and civil partnership:	Religious belief:
Race:													
Sex:													
Disability:													
Sexual orientation:													
Age:													
Gender reassignment:													
Pregnancy and maternity:													
Marriage and civil partnership:													
Religious belief:													
21	How will you mitigate any potential discrimination that may be brought about by your policy or project that you have identified above?	.											
22	Do any negative impacts that you have identified above impact on your service plan?	Y	N										

Signed by completing officer	


Signed by Service Lead or Corporate Head of Service	
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EQUALITY, DIVERSITY AND INCLUSION ACTION PLAN

INTRODUCTION

This Action Plan is a key document for recording how service areas and corporate related activity will work to deliver the Council's Priority Equality Objectives and Equality Policy. This plan will also be used to monitor progress and achievements against the activities in the plan, ensuring targets are on track and delivered. All services across the Council contribute to the overall delivery of the Equality Policy and Priority Equality Objectives in a variety of ways. Promoting and embedding equality and diversity both internally within the organisation, and externally across the district, requires continuous activity in order to create cultural change with a view to attaining a vision of fairness, respect and equal access to service delivery for all. This Equality Action Plan therefore includes a number of key milestones, to be met as appropriate, as part of the Council's commitment to providing better outcomes for all people.

The Equality Framework for Local Government (EFLG) is run by the Local Government Association and is the only nationally recognised equality assessment for councils. The Framework sets out four modules for improvement underpinned by a range of criteria and practical guidance that can help a Council plan, implement and deliver real equality outcomes for employees and the community. The four modules are:

-  **Understanding and working with your communities:** Our residents' views are important to us and the main challenge in the years ahead will be to ensure people feel they can influence the decisions made by increasing participation in public life. Engaging directly with our residents will provide an excellent opportunity to foster good relations and promote understanding, ensuring everyone can make a meaningful contribution to the community and shape the services that matter to them.

-  **Leadership and Organisational Commitment:** It is vital that we have a robust structure with clearly identified roles and responsibilities to ensure that both members and officers can perform their equalities roles well and champion equality issues within their wards/service areas and empower others within the local community. Our goal is to challenge discrimination, promote equality of opportunity and understanding and foster good relations within our community. This will involve working closely with our public and private sector colleagues and those in the voluntary and community sectors who work to promote the rights and needs of those they represent.

Responsive Services and Customer Care: We need to offer services that are relevant and inclusive so that our limited resources are targeted where residents need them most. To achieve this we will talk to our service users – our customers - we will ask your views and listen and respond to what you tell us. We will also continue to assess our current services and new proposals to ensure that they are fit for purpose and do not exclude anyone on grounds of a protected characteristic (as defined within the Equality Act 2010).

Diverse and Engaged Workforce: We have a moral and legal responsibility to ensure our employment practices are fair and that we make every effort to recruit a workforce that is representative of the community that we serve. We recognise that this can only be achieved by engaging with staff and understanding their needs to help us ensure everyone has equal and fair access to a rewarding and enjoyable career with us.

This plan comprises of actions that are based on these objectives to be met as appropriate, as part of the council’s commitment to providing better outcomes for all people.

IMPLEMENTATION OF PLAN

To deliver this action plan effectively, it is important for all staff to understand clearly their role in the delivery of equality and diversity related activity and feel confident in embedding equality considerations in all they do.

EQUALITY, DIVERSITY AND INCLUSION ACTION PLAN 2021

EQUALITY PRIORITY ONE – UNDERSTANDING AND WORKING WITH YOUR COMMUNITIES				
NO.	ACTION	OUTCOME	LEAD OFFICER	TARGET DATE
1.1	Identify ways to share data to develop a sophisticated understanding of the difference between the equality profile of the district and who accesses our services. Make data available to officers where relevant to inform their service provision and impact assessments on an annual basis.	We develop a rich and detailed understanding of our communities. Up to date ward-level data is available on our website.	Corporate Head of Economy & Community	To be confirmed
1.2	Collect and analyse soft data and intelligence about our	Develop current qualitative data to	Senior Policy & Programme	30/06/22

	communities, including intelligence from front-line workers to complement our data and support our approach to equalities on an annual basis.	use as our equalities evidence base across the council. Information and data shared on our website is up to date.	Manager	
1.3	Develop a comprehensive understanding of what data we share and with whom.	Completed analysis of what data we share and with whom.	Senior Policy & Programme Manager	Ongoing
1.4	Release open data in meaningful ways and engage with local groups and partners to make better use of it, including to inform our equality objectives	Up to date data available on our website. Automated where possible - data sets online in the form of a dashboard that all staff can access.	Senior Policy & Programme Manager	30/06/22
Page 100	Commit that data is up to date and published on our website including: Equality Impact Assessments Annual Gender pay report	Data is published annually for residents to access.	Senior Policy & Programme Manager	31/03/22
	Commission a survey to build on our current understanding of our strategic partners using this information to understand resilience and create opportunities to improve relationships as well as identify those we engage with and those we do not.	Completed survey that gives insight and understanding of the needs of the third sector in our community.	Corporate Head of Economy & Community	To be confirmed
1.7	Review the effectiveness of community grants to identify if this meets the needs of our community including those with protected characteristics.	Refreshed approach to the way we deliver grants.	Corporate Head of Economy & Community	To be confirmed
EQUALITY PRIORITY TWO – LEADERSHIP AND ORGANISATIONAL COMMITMENT				
NO.	ACTION	OUTCOME	LEAD OFFICER	TARGET DATE
2.1	Review our processes to make sure that members and officers have the information required to rigorously challenge and considered the equalities implications of all major service	Number of awareness sessions delivered. New councillors completing members'	Governance Manager / Senior Policy & Programme Manager	01/04/22 Ongoing

	and policy proposals. Include Equality Awareness raising information in members' induction and signpost to additional resources and training.	equality training. Equality impact analysis information attached to all cabinet/committee reports.		
2.2	Senior Leadership Team are committed to equalities in the workplace and across the council and have a clear understanding of their role as leaders to: <ul style="list-style-type: none"> • Create awareness and promote ownership across the council of the [Equality Strategy and] our Equality Policy. • Be visible in the ways they are promoting equality. • Understand inequality in their areas and have a clear approach to what they will do to address this. • Encourage a culture where staff understand their role in relation to equalities and behave in a way that illustrates this understanding. 	We have a coherent vision of equality which is shared and owned by the council, partners and the community.	Senior Leadership Team	Q3 2021 then ongoing
2.3	Increased visibility of our leadership through messages of celebration and communications about key national days and weeks to our community and staff.	Annual calendar of messages in place.	Corporate Head of Strategic Support (Communications)	Ongoing
2.4	Develop new ways of communicating so that our marketing and messages are accessible to the widest audience.	Number of people our messages are reaching across platforms.	Corporate Head of Strategic Support (Communications)	Ongoing
2.5	Undertake a cross-service review to ensure we are maximising the opportunities and benefits through the procurement process and in relevant agreements such as with suppliers.	Equality considerations are evident in the procurement process including in specification and our agreements with suppliers.	Corporate Head of Finance/ Service Lead – Corporate Support	Ongoing
2.6	We will ensure equality objectives are delivered through the procurement process by: <ul style="list-style-type: none"> • Continuing to work closely with the Federation of Small Businesses (FSB) to identify any barriers to entry (whether real or perceived) for smaller and local businesses to tendering. • Delivering guidance and training for sustainable 	Staff guidance and training. Contract monitoring shows that suppliers provide evidence that they are fulfilling their obligations.	Corporate Head of Finance/ Service Lead – Corporate Support	Ongoing

	<p>Procurement and the Social Value Act.</p> <ul style="list-style-type: none"> Encourage soft-market testing and supplier engagement events to be carried out for forthcoming opportunities and promote these events to smaller and local businesses. 			
EQUALITY PRIORITY THREE – RESPONSIVE SERVICES AND CUSTOMER CARE				
NO.	ACTION	OUTCOME	LEAD OFFICER	TARGET DATE
3.1	<p>Provide tools for frontline staff to raise awareness and any considerations they need to make when interacting with people with protected characteristics</p> <p>Aligns with our health and wellbeing strategy</p>	<p>Increased frontline staff confidence and knowledge.</p> <p>Coaching provided by management to ensure all staff can interact with ease.</p>	Senior Leadership Team	Ongoing
Page 102	<p>Ensure that those who most need housing support are given it by:</p> <ul style="list-style-type: none"> Conducting a review of services. Identify funding opportunities for increasing the supply of supported housing for vulnerable groups. Ensuring the needs of vulnerable groups, including those with learning disabilities, mental health issues, autism, older people and care leavers are considered in developing new housing supply. Producing a statement of housing opportunities for younger people. 	<p>Characteristics of those in housing need identified and monitored.</p>	Corporate Head of Housing	Ongoing
	3.3	<p>We will ensure that equality impact assessments are embedded in our decision-making and that they are meaningful and have used real data to inform us by:</p> <ul style="list-style-type: none"> Reviewing templates and guidance to make sure they are fit for purpose. Establishing a quality assurance process for Equality Impact Assessments. Deliver workshops on how to complete an Equality 	<p>Equality Impact Assessments routinely carried out and to a consistently high standard.</p> <p>Evidence that our Equality Impact Assessments. Inform service delivery and review.</p>	All Services

	<p>Impact Assessments.</p> <ul style="list-style-type: none"> Ensuring that Equality Impact Assessments are published, available for scrutiny on the council's website. 	All Equality Impact Assessments are available online.		
3.4	Produce an annual report on the impact of budget proposals across the protected characteristics.	Annual report published online.	Corporate Head of Finance	29/02/22
3.5	<p>We will make sure we put accessibility at the heart of all we do by:</p> <ul style="list-style-type: none"> Including accessibility standards in our Customer Charter; and providing accessibility awareness training for relevant council staff. 	<p>All staff in customer awareness have had accessibility training.</p> <p>An agreed number of staff have attended training.</p>	Service Lead – Corporate Support and Service Lead – Human Resources and Corporate Head of Housing	01/04/22
EQUALITY PRIORITY FOUR – DIVERSE AND ENGAGED WORKFORCE				
NO.	ACTION	OUTCOME	LEAD OFFICER	TARGET DATE
Page 103	Implementation of the Health and Wellbeing Strategy.	Delivery of the actions in the plan.	Service Lead - Human Resources	To be confirmed
	Review our offer for staff mentoring and take-up from underrepresented groups.	Increased uptake of mentoring programme, particularly for staff from underrepresented groups.	Service Lead - Human Resources	To be confirmed
	4.3 Refresh HR strategy with a renewed focus on equality.	Delivery and implementation of new HR strategy.	Service Lead - Human Resources	To be confirmed
	4.4 Review our E&D based learning and development opportunities.	Refreshed offer that meets the needs of our staff.	Service Lead - Human Resources	To be confirmed
	4.5 Use the workforce diversity and gender pay gap data to work towards improving how representative our workforce is.	Workforce equalities data - % of protected characteristics groups reaching interview stage / employed.	Service Lead - Human Resources	To be confirmed
	4.6 Review the current performance indicators for equalities and inclusion in employment for the organisation.	Performance indicators align with HR equalities and inclusion in employment action plan	Service Lead - Human Resources	To be confirmed

	Aligns with HR Equalities and Inclusion in Employment action plan.			
4.7	Take steps to encourage declaration of staff equality monitoring data, particularly around disability through undertaking a promotional campaign to encourage staff to disclose their personal data.	Increase in number of people who declare equality information. Increase in number of people who declare a disability.	Service Lead - Human Resources	To be confirmed
4.8	Undertake a review to understand how we perform in the attraction and retention of graduates and apprentices from communities with protected characteristics.	Better understanding of why people leave and what they move onto.	Service Lead - Human Resources	To be confirmed
EQUALITY PRIORITY ONE – UNDERSTANDING AND WORKING WITH YOUR COMMUNITIES				
NO.	ACTION	OUTCOME	LEAD OFFICER	TARGET DATE
Page 104	Identify ways to share data to develop a sophisticated understanding of the difference between the equality profile of the district and who accesses our services. Make data available to officers where relevant to inform their service provision and impact assessments on an annual basis.	We develop a rich and detailed understanding of our communities. Up to date ward-level data is available on our website.	Corporate Head of Economy & Community	To be confirmed
1.2	Collect and analyse soft data and intelligence about our communities, including intelligence from front-line workers to complement our data and support our approach to equalities on an annual basis.	Develop current qualitative data to use as our equalities evidence base across the council. Information and data shared on our website is up to date.	Senior Policy & Programme Manager	30/06/22
1.3	Develop a comprehensive understanding of what data we share and with whom.	Completed analysis of what data we share and with whom.	Senior Policy & Programme Manager	Ongoing
1.4	Release open data in meaningful ways and engage with local groups and partners to make better use of it, including to inform our equality objectives	Up to date data available on our website. Automated where possible - data sets online in the form of a dashboard that all staff can access.	Senior Policy & Programme Manager	30/06/22

1.5	Commit that data is up to date and published on our website including: Equality Impact Assessments Annual Gender pay report	Data is published annually for residents to access.	Senior Policy & Programme Manager	31/03/22
1.6	Commission a survey to build on our current understanding of our strategic partners using this information to understand resilience and create opportunities to improve relationships as well as identify those we engage with and those we do not.	Completed survey that gives insight and understanding of the needs of the third sector in our community.	Corporate Head of Economy & Community	To be confirmed
1.7	Review the effectiveness of community grants to identify if this meets the needs of our community including those with protected characteristics.	Refreshed approach to the way we deliver grants.	Corporate Head of Economy & Community	To be confirmed

EQUALITY PRIORITY TWO – LEADERSHIP AND ORGANISATIONAL COMMITMENT

Page	ACTION	OUTCOME	LEAD OFFICER	TARGET DATE
105	Review our processes to make sure that members and officers have the information required to rigorously challenge and considered the equalities implications of all major service and policy proposals. Include Equality Awareness raising information in members' induction and signpost to additional resources and training.	Number of awareness sessions delivered. New councillors completing members' equality training. Equality impact analysis information attached to all cabinet/committee reports.	Governance Manager / Senior Policy & Programme Manager	01/04/22 Ongoing
2.2	Senior Leadership Team are committed to equalities in the workplace and across the council and have a clear understanding of their role as leaders to: <ul style="list-style-type: none"> Create awareness and promote ownership across the council of the [Equality Strategy and] our Equality Policy. Be visible in the ways they are promoting equality. Understand inequality in their areas and have a clear 	We have a coherent vision of equality which is shared and owned by the council, partners and the community.	SLT	Q3 2021 then ongoing

	<p>approach to what they will do to address this.</p> <ul style="list-style-type: none"> Encourage a culture where staff understand their role in relation to equalities and behave in a way that illustrates this understanding. 			
2.3	Increased visibility of our leadership through messages of celebration and communications about key national days and weeks to our community and staff.	Annual calendar of messages in place.	Corporate Head of Strategic Support (Communications)	Ongoing
2.4	Develop new ways of communicating so that our marketing and messages are accessible to the widest audience.	Number of people our messages are reaching across platforms.	Corporate Head of Strategic Support (Communications)	Ongoing
2.5	Undertake a cross-service review to ensure we are maximising the opportunities and benefits from procurement.	Equality considerations are evident in the procurement process including in specification and our agreements with suppliers.	Corporate Head of Finance/ Service Lead – Corporate Support	Ongoing
Page 106	<p>We will ensure equality objectives are delivered through the procurement process by:</p> <ul style="list-style-type: none"> Continuing to work closely with the Federation of Small Businesses (FSB) to identify any barriers to entry (whether real or perceived) for smaller and local businesses to tendering. Delivering guidance and training for sustainable Procurement and the Social Value Act. Encourage soft-market testing and supplier engagement events to be carried out for forthcoming opportunities and promote these events to smaller and local businesses. 	<p>Staff guidance and training.</p> <p>Contract monitoring shows that suppliers provide evidence that they are fulfilling their obligations.</p>	Corporate Head of Finance/ Service Lead – Corporate Support	Ongoing

EQUALITY PRIORITY THREE – RESPONSIVE SERVICES AND CUSTOMER CARE

NO.	ACTION	OUTCOME	LEAD OFFICER	TARGET DATE
3.1	<p>Provide tools for frontline staff to raise awareness and any considerations they need to make when interacting with people with protected characteristics</p> <p>Aligns with our health and wellbeing strategy</p>	<p>Increased frontline staff confidence and knowledge.</p> <p>Coaching provided by management to ensure all staff can interact with ease.</p>	SLT	Ongoing

3.2	<p>Ensure that those who most need housing support are given it by:</p> <ul style="list-style-type: none"> • Conducting a review of services. • Identify funding opportunities for increasing the supply of supported housing for vulnerable groups. • Ensuring the needs of vulnerable groups, including those with learning disabilities, mental health issues, autism, older people and care leavers are considered in developing new housing supply. • Producing a statement of housing opportunities for younger people. 	<p>Characteristics of those in housing need identified and monitored.</p>	<p>Corporate Head of Housing</p>	<p>Ongoing</p>
3.3	<p>We will ensure that equality impact assessments are embedded in our decision-making and that they are meaningful and have used real data to inform us by:</p> <ul style="list-style-type: none"> • Reviewing templates and guidance to make sure they are fit for purpose. • Establishing a quality assurance process for Equality Impact Assessments. • Deliver workshops on how to complete an Equality Impact Assessments. • Ensuring that Equality Impact Assessments are published, available for scrutiny on the council's website. 	<p>Equality Impact Assessments routinely carried out and to a consistently high standard.</p> <p>Evidence that our Equality Impact Assessments. Inform service delivery and review.</p> <p>All Equality Impact Assessments are available online.</p>	<p>All Services</p>	<p>On Going</p>
3.4	<p>Produce an annual report on the impact of budget proposals across the protected characteristics.</p>	<p>Annual report published online.</p>	<p>Corporate Head of Finance</p>	<p>29/02/22</p>
3.5	<p>We will make sure we put accessibility at the heart of all we do by:</p> <ul style="list-style-type: none"> • Including accessibility standards in our Customer Charter; and providing accessibility awareness training for relevant council staff. 	<p>All staff in customer awareness have had accessibility training.</p> <p>An agreed number of staff have attended training.</p>	<p>Service Lead – Corporate Support and Service Lead – Human Resources</p>	<p>To be confirmed</p>

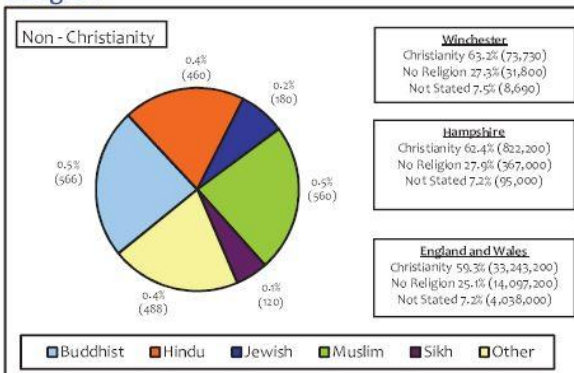
NO.	ACTION	OUTCOME	LEAD OFFICER	TARGET DATE
4.1	Implementation of the Health and Wellbeing Strategy.	Delivery of the actions in the plan.	Service Lead - Human Resources	To be confirmed
4.2	Review our offer for staff mentoring and take-up from underrepresented groups.	Increased uptake of mentoring programme, particularly for staff from underrepresented groups.	Service Lead - Human Resources	To be confirmed
4.3	Refresh HR strategy with a renewed focus on equality.	Delivery and implementation of new HR strategy.	Service Lead - Human Resources	To be confirmed
4.4	Review our E&D based learning and development opportunities.	Refreshed offer that meets the needs of our staff.	Service Lead - Human Resources	To be confirmed
Page 198	Use the workforce diversity and gender pay gap data to work towards improving how representative our workforce is.	Workforce equalities data - % of protected characteristics groups reaching interview stage / employed.	Service Lead - Human Resources	To be confirmed
	Review the current performance indicators for equalities and inclusion in employment for the organisation. Aligns with HR Equalities and Inclusion in Employment action plan.	Performance indicators align with HR equalities and inclusion in employment action plan	Service Lead - Human Resources	To be confirmed
4.7	Take steps to encourage declaration of staff equality monitoring data, particularly around disability through undertaking a promotional campaign to encourage staff to disclose their personal data.	Increase in number of people who declare equality information. Increase in number of people who declare a disability.	Service Lead - Human Resources	To be confirmed
4.8	Undertake a review to understand how we perform in the attraction and retention of graduates and apprentices from communities with protected characteristics.	Better understanding of why people leave and what they move onto.	Service Lead - Human Resources	To be confirmed

Hampshire County Council - Winchester district demographics

2011 Census
Equality and Diversity Profile
Winchester

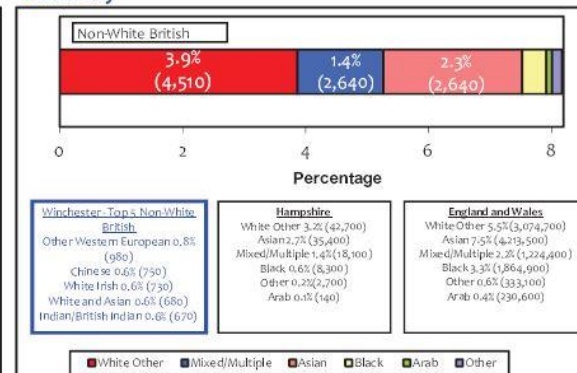


Religion



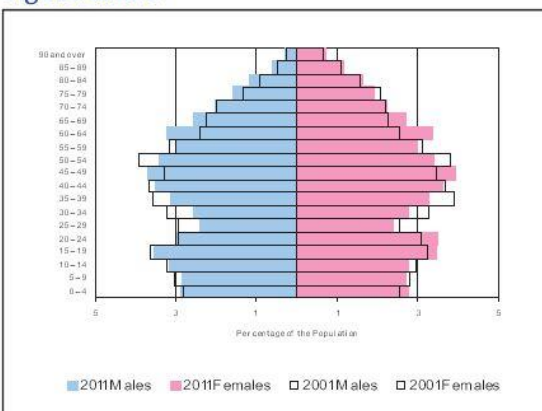
Christianity remains the largest religion in Winchester at 63.2%. Buddhist is the next biggest religion at 0.5% followed closely by Muslim (0.5%) and Other (0.4%). A large percentage said that they had no religion (27.3%), whilst 7.5% did not state any religion at all.

Ethnicity

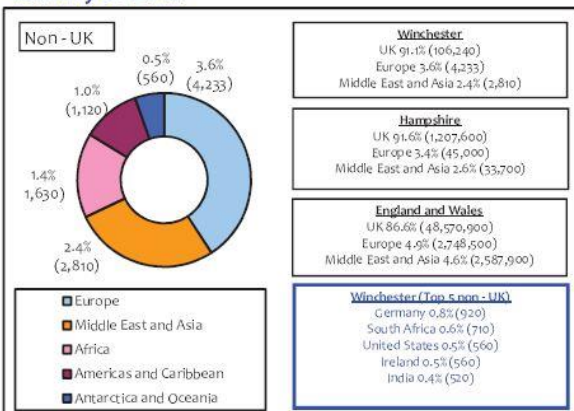


91.8% of Winchester's resident population are 'White - British'.¹ Those in other ethnic groups account for 8.2%. The ethnic group 'White Other' accounts for 3.9% including White Irish individuals, amongst others. The Asian ethnic group accounts for 2.3% encompassing Indian ethnicity, with others.

Age Structure

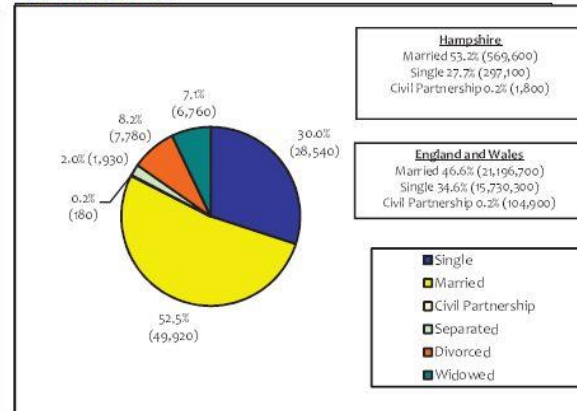


Country of Birth



91.1% of Winchester's population were born in the UK. At 3.6% Europe is the next largest, including Germany and Ireland. The Middle East and Asia follows at 2.4% with India most prominent at 0.4%. Africa accounts for 1.4%, with South Africa at 0.6%.

Marital Status



52.5% of the population are married whilst 30.0% are single. Following the Civil Partnership Act of 2004, civil partnerships are now included. For Winchester they are 0.2%, the same as Hampshire and England and Wales. The proportion of widowed individuals stands at 7.1%.⁴

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REPORT TITLE: INVITATION TO BECOME AN OPTED-IN AUTHORITY - THE LOCAL AUDIT AND ACCOUNTABILITY ACT 2014 AND THE LOCAL AUDIT (APPOINTING PERSON) REGULATIONS 2015 (RECOMMENDATION TO JAN 2022 COUNCIL)

16 DECEMBER 2021

REPORT OF CABINET MEMBER: Cllr Neil Cutler, Deputy Leader and Cabinet Member for Finance and Service Quality

Contact Officer: Liz Keys Tel No: 01962 848226 Email LKeys@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report sets out the proposals for appointing the external auditor to the Council for the 2023/24 to the 2027/28 accounts, as the current arrangements only cover up to and including 2022/23 audit.

It sets out the potential benefits from continuing to opt-in to the scheme as well as the necessary arrangements to be made locally if Council decide not to.

RECOMMENDATIONS:

1. That the Audit Committee recommends to Full Council that it accepts the Public Sector Audit Appointments (PSAA) invitation to 'opt-in' to the sector led option for the appointment of external auditors for five consecutive financial years commencing 1 April 2023.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 *Your Services, Your Voice* - The preparation of the annual accounts is fundamental to open and transparent accountability for public finances. Ensuring strong financial reporting and transparent stewardship of public funds underpins the council's ability to deliver all its outcomes but in particular the priority to ensure stable council finances

2 FINANCIAL IMPLICATIONS

- 2.1 Opting into a national scheme provides the maximum opportunity to ensure fees are as low as possible, whilst ensuring the quality of audit is maintained by entering into a large-scale collective procurement arrangement.
- 2.2 If the PSAA scheme is not used some additional resource may be needed to establish an independent auditor panel and conduct local procurement. Until a procurement exercise is completed it is not possible to state what, if any, additional resource maybe required for audit fees for 2023/24 to 2027/28.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Section 7 of the Local Audit and Accountability Act 2014 requires a relevant council to appoint an auditor to audit its accounts for a financial year not later than 31 December in the preceding year (i.e. by 31 Dec 2022 for the audit of the 2023/24 financial year).
- 3.2 If the council fails to appoint an auditor for a financial year, section 12 of the Local Audit and Accountability Act 2014 states that the council must immediately inform the Secretary of State. The Secretary of State may direct the council to appoint an auditor named in the direction or appoint an auditor on behalf of the council.
- 3.3 The Public Sector Audit Appointments Committee formally invited all eligible bodies to join the national auditor appointment arrangements for the audit years 2023/2024 to 2027/2028 in its role as a specified appointing person, in accordance with the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.
- 3.4 The decision requested in this report to become an opted-in authority is not an executive decision and must be taken in accordance with the Local Audit (Appointing Person) Regulations 2015, by Full Council.

4 WORKFORCE IMPLICATIONS

- 4.1 If the PSAA scheme is not used some additional resource may be needed to establish an independent auditor panel and conduct local procurement

5 PROPERTY AND ASSET IMPLICATIONS

5.1 None

6 CONSULTATION AND COMMUNICATION

6.1 None

7 ENVIRONMENTAL CONSIDERATIONS

7.1 None

8 EQUALITY IMPACT ASSESSEMENT

8.1 None arising from the content of the report. However, officers have regard to the considerations as set out in the Equalities Act 2010 when deciding whether an Equality Impact Assessment will be required following any specific recommendations or future decisions.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 Not required

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<p>Financial / VfM Fees charged by the Auditor will be considerably higher than currently.</p> <p>Management of the contract with the audit firm is done by PSAA and the Council has little say in the effectiveness or price of the contract.</p> <p>Not enough public sector organisations join the PSAA so that it is unable to deliver the efficiencies envisaged.</p>	<p>Opting-in to the sector-led approach is likely to lead to economies of scale and continue to driving down the price as a member of a larger grouping of public sector organisations.</p> <p>Continued communication with and pressure on PSAA for thorough review of fee variations.</p> <p>Continued review of the fees ahead of the opting-in decision for the next appointing period.</p>	
<p>Legal The council fails to appoint an auditor in accordance with the new frameworks or does not achieve value for money in the appointment process.</p>	<p>Opting into the sector led approach through the PSAA provides resilience in the appointment in accordance with legislation.</p>	

11 SUPPORTING INFORMATION:

- 11.1 This report sets out the proposals for appointing the external auditor to the Council for the 2023/24 accounts and beyond, as the current arrangements only cover up to and including the 2022/23 audit.
- 11.2 In November 2016 the then Audit Committee at Winchester recommended to Full Council (AUD178) that PSAA's invitation to opt-in to the sector-led scheme was accepted and this was approved by Council in January 2017. PSAA proceeded to conduct a national procurement exercise on behalf of 510 opted-in bodies and appointed EY as the Council's external auditors for the five financial years from 2018/19 to 2022/23.
- 11.3 Continuing to participate in the sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than any procurement undertaken locally. More specifically:
- i. The audit costs are likely to be lower than if the council sought to appoint locally as, despite audit fees being expected to rise, national large-scale contracts are expected to drive keener prices from the audit firms.
 - ii. Without the national appointment, the Council would need to establish a separate independent auditor panel, which could be difficult, costly and time-consuming.
 - iii. PSAA can ensure the appointed auditor meets and maintains the required quality standards and can manage any potential conflicts of interest much more easily than the Council.
 - iv. PSAA are experts in independently assessing proposed fee variations, authorising billing only when satisfied that proposals are justified and in line with statutory regulations.
- 11.4 If the Council is to take advantage of the national scheme for appointing auditors to be operated by PSAA from 1 April 2023, the PSAA's invitation needs to be accepted 11 March 2022. PSAA will conduct their procurement process from March 2022 and look to award contracts by August 2022. Auditors will then be appointed to individual opted-in bodies by 31 Dec 2022.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 The alternative to opting-in to the PSAA scheme is for the council to procure and manage its own audit contract.
- 12.2 The council would have to establish its own auditor panel, with a majority of independent members, to advise on:

- i. the selection and appointment of the auditor
 - ii. devise a policy on obtaining non-audit services from the auditor
 - iii. maintaining an independent relationship with its auditor
- 12.3 As well as being independent, members of the panel would have to be suitably experienced in local authority finance; accountancy (public sector or commercial); audit processes and regulation (public or private sector, external/local audit or internal audit); and the role and responsibilities (statutory duties) of a local public auditor in local government.
- 12.4 Once a panel had been established, the council would have to undertake its own full procurement exercise in line with the Public Contracts Regulations to appoint an auditor prior to 31 December 2022. This would potentially require significant officer resource during 2022.
- 12.5 It should also be noted that the register of persons eligible for appointment as local auditors includes partners in only 8 firms (none of whom are 'local'):-
- i. BDO LLP
 - ii. Cardens Accountants LLP
 - iii. Deloitte LLP
 - iv. Ernst & Young LLP
 - v. Grant Thornton UK LLP
 - vi. KPMG LLP
 - vii. Mazars LLP
 - viii. PricewaterhouseCoopers LLP
- 12.6 Some typical services contract levers such as penalties for late delivery cannot be applied to an audit services contract, as fees calculated on the basis of a specified outcome (e.g. specific date completions) are classified as contingent fees, not allowed under the FRC's Ethical Standard

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AG053 - Appointment of Auditors through Public Sector Audit Appointments (PSAA)

Other Background Documents:-

APPENDICES: None.

