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| Meeting | Audit and Governance Committee |
| Date and Time | Thursday, 26th September, 2024 at 6.30 pm. |
| Venue | Walton Suite, Guildhall, Winchester and streamed live on YouTube at www.youtube.com/winchestercc |

Note: This meeting is being held in person at the location specified above. Members of the public should note that a live video feed of the meeting will be available from the council's YouTube channel (youtube.com/WinchesterCC) during the meeting.

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 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

PROCEDURAL ITEMS

- 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**

BUSINESS ITEMS

- 4. To note the Audit & Governance work programme 2024/25 (Pages 5 - 6)**
- 5. Minutes of the previous meeting held on 18 July 2024 (Pages 7 - 12)**



6. **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 this Committee, provided they have registered to speak three working days in advance. Please contact Democratic Services **by 5pm on 20 September 2024** via democracy@winchester.gov.uk or (01962) 848 264 to register to speak and for further details.

7. **Code of conduct for councillors (AG140) (Pages 13 - 34)**
8. **Treasury Management Q1 report 2024/25 (AG141) (Pages 35 - 50)**
9. **External auditors verbal update**
10. **Q1 Governance Monitoring (AG132) (Pages 51 - 86)**
11. **Update on Employee Attitude Survey 2024 (AG138) (Pages 87 - 104)**

Laura Taylor
Chief Executive

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.



18 September 2024

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:

Morris (Liberal Democrats)

Vice-Chairperson:

Chamberlain (Liberal Democrats)

Conservatives

Godfrey

Liberal Democrats

Cramoysan

Pinniger

Power

Deputy Members

Bolton and Miller

Achwal V and Brophy

Quorum = 3 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](#). Please note that the video recording is subtitled but you may have to enable your device to see them (advice on how to do this is on the meeting page).

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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WINCHESTER CITY COUNCIL – AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME – UPCOMING ITEMS

| | Item | Lead Officer | Date of Meeting |
|--|---|--------------------------------|-------------------------------|
| 1 | Monitoring Officer's annual report 23/24 | Monitoring Officer | 28 Nov 2024 |
| 2 | Treasury management mid-year 24/25 | Neil Aitken | 28 Nov 2024 |
| 3 | Q2 Governance Monitoring | Simon Howson | 28 Nov 2024 |
| 4 | Final Report and Pay Policy Statement 2025/26 | Service Lead – Human Resources | 28 Nov 2024 |
| 5 | Audit Completion Report 2022/23 | Liz Keys | 28 Nov 2024 |
| | | | |
| 6 | Audit results report for 23/24 | Liz Keys | Before 28 Feb 2025 (date tbc) |
| 7 | Planning for and audit of the 24/25 accounts | Liz Keys | 6 Mar 2025 |
| 8 | Certification of claims & returns annual report 2023/24 | Terri Horner | 6 Mar 2025 |
| Page 25 | Internal Audit Charter 25/26 | Liz Keys | 6 Mar 2025 |
| | Internal Audit Plan 25/26 | Liz Keys | 6 Mar 2025 |
| | Q3 Governance Monitoring | Simon Howson | 6 Mar 2025 |
| | Local Code of Corporate Governance | Simon Howson | 6 Mar 2025 |
| | 13 | Risk Management Policy 2025/26 | Liz Keys |
| 14 | Audit's Results Report & Auditor's Annual Report 23/24* | Liz Keys | 6 Mar 2025 |
| *Dependant of the progress of the external auditor's work on the 2022/23 audit of the financial statements | | | |

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AUDIT AND GOVERNANCE COMMITTEE

Thursday, 18 July 2024

Attendance:

Councillors
Morris (Chairperson)

Chamberlain
Cramoysan

Pinniger
Power

Apologies for Absence:

Councillors Godfrey

Deputy Members:

Councillor Miller

Members in attendance who spoke at the meeting

Councillors Becker (Cabinet Member for Community & Engagement) and Cutler (Cabinet Member for Finance & Performance)

[Video recording of this meeting](#)

1. **APOLOGIES**

Apologies were received from Councillor Godfrey as noted above, with Councillor Miller deputising.

2. **DISCLOSURE OF INTERESTS**

There were no declarations of interest made.

3. **APPOINTMENT OF VICE-CHAIRPERSON FOR 2024/25**

RESOLVED:

That Councillor Chamberlain be appointed as the Vice-Chairperson for the 2024/25 municipal year.

4. **CHAIRPERSON'S ANNOUNCEMENTS**

There were no announcements made.

5. **DATE AND TIME OF FUTURE MEETINGS OF THE COMMITTEE**

RESOLVED:

That the date and time of future meetings, as set out on the agenda, be noted.

6. **THE AUDIT & GOVERNANCE WORK PROGRAMME 2024/25**

RESOLVED:

That the Audit and Governance Committee Work Programme for 2024/25 be approved.

7. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

That the minutes of the previous meeting held on 29 February 2024 be approved and adopted.

8. **PUBLIC PARTICIPATION**

There were no members of the public in attendance.

9. **TREASURY MANAGEMENT OUTTURN 23/24**
(AG133)

Gemma Farley (Hampshire County Council) introduced the report and responded to members' questions thereon. The Chief Finance Officer also responded to questions including relating to forecasts of borrowing requirements to fulfil the capital programme.

Councillor Cutler reminded members of the usefulness of attending the upcoming annual Arlingclose presentation to which all members had been invited.

RESOLVED:

That the Annual Treasury Outturn Report 2023/24 be noted.

10. **EXTERNAL AUDIT PLAN 23/24**
(AG137)

Simon Mathers & Charmaine Cruz (EY) introduced the report and responded to members' questions thereon. Mr Mathers advised that the situation remained as previously reported that it was expected that they issue a disclaimer of opinion for the 2022/23 accounts with the intention of delivering the 2023/24 audit on time, in accordance with the audit plan.

The Chief Finance Officer also responded to questions regarding the council's annual revaluation of its assets and budgeting for the auditor's fees.

RESOLVED:

1. That the external auditor's Audit Strategy for 2023/24 and the impact of the disclaiming of the 2022/23 audit opinion be noted.
2. That the indicative 2023/24 annual audit fee be approved.

11. **CERTIFICATION OF CLAIMS & RETURNS ANNUAL REPORT 2022/23**
(AG130)

The Chief Finance Officer introduced the report and responded to members' questions thereon.

Members requested that the Benefits Team be congratulated on their success in achieving a positive annual report year on year.

RESOLVED:

That the Annual Report 2022/23 as set out in Appendix 1 of the report be noted.

12. **WORKFORCE REPORT 23/24**
(AG126)

The Service Lead – Human Resources introduced the report and responded to members' questions thereon.

The Service Lead stated that disclosure of ethnicity and disability status was voluntary for all staff but confirmed that a reminder would be issued to encourage staff to respond to this question should they wish to.

RESOLVED:

That the report be noted.

13. **ANNUAL INTERNAL AUDIT REPORT & OPINION 23/24**
(AG136)

Mark Norton (Southern Internal Audit Partnership) introduced the report and responded to members' questions thereon.

The Chief Finance Officer also responded to queries on a number of matters.

RESOLVED:

That the Chief Internal Auditor's Annual Report and Opinion for 2023-24 be noted as attached as Appendix 1 to the report.

14. **ANNUAL GOVERNANCE STATEMENT 23/24**
(AG131)

The Senior Policy and Programme Manager introduced the report and responded to members' questions thereon.

Members congratulated council officers on achieving a good level of general governance as outlined in the report.

RESOLVED:

1. That the annual governance statement for 2023/24 be approved for inclusion in the Annual Financial Report 2023/24, as set out in Appendix 1 of the report.

2. That the issues arising, and actions identified in Appendix 1 be noted and that progress against the actions be brought back to the Audit and Governance Committee as an appendix to the quarterly governance monitoring report.

15. **Q4 GOVERNANCE MONITORING 23/24**
(AG124)

The Senior Policy and Programme Manager introduced the report and responded to members' questions thereon.

He advised that since the report was produced the audit of Decision Making and Accountability had been finalised, with a substantial assurance opinion from SIAP. Due to the timing, further details would be included in the Q1 report, due to be at the next meeting.

A query was raised in relation to asset management and the statement in paragraph 13.2 of the report that there was a question about condition surveys on council assets. Subsequent to the meeting, further details were provided by the Corporate Head of Asset Management which confirmed details of the Planned Preventative Maintenance regime for operational properties and the full-repairing-and-insuring terms of the vast majority of investment properties. This information has been circulated to all committee members.

The Chief Finance Officer responded to questions regarding the TC25 decision-making structure outlined in Appendix 4 of the report.

RESOLVED:

1. That the content of the report be noted, including the progress against the internal audit management actions.

2. That the code of conduct complaint and resolution as set out in Appendix 2 of the report be noted.

16. **EQUALITY, DIVERSITY & INCLUSION - ANNUAL EQUALITY REPORT 2023/24**
(AG115)

The Senior Policy and Programme Manager introduced the report and responded to members' questions thereon.

Councillor Becker responded to a question regarding the anonymisation of data collected from employees on diversity matters. She thanked the Senior Policy and Programme Manager and team for their work in promoting EDI within the council.

RESOLVED:

1. That the Council's self-assessment of achieving the 'developing' level of compliance against the LGA Equality Framework for Local Government be noted.

2. That the council's equality work undertaken during 2023/24 and the intention to work towards the 'achieving' standard of the framework be noted.

17. **DRAFT ANNUAL FINANCIAL REPORT 23/24**
(AG135)

The Chief Finance Officer introduced the report, for the committee's information only at this pre-audit stage, and responded to members' questions thereon. She confirmed that further training would be arranged for committee members prior to their consideration of the auditor's final report in March 2025. Subsequent to the meeting it was confirmed that training for all Members had been arranged for 23 October 2024.

RESOLVED:

That the report in respect of the council's Draft Statement of Accounts for 2023/24 be noted.

The meeting commenced at 6.30 pm and concluded at 8.30 pm

Chairperson

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REPORT TITLE: CODE OF CONDUCT FOR COUNCILLORS

26 SEPTEMBER 2024

REPORT OF THE MONITORING OFFICER

Tel No: 01962 848501 Email lkirkman@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report outlines the work undertaken by the Constitution Working Party in respect of the review of the Code of Conduct for Councillors and asks Audit and Governance Committee for their support and endorsement of their recommendations.

RECOMMENDATIONS:

That the Audit & Governance Committee:

- 1) Notes the report; and
- 2) Recommends to Full Council that they:
 - a) Agree the adoption of the Local Government Association Model Code of Conduct for Councillors as the Winchester City Council Code of Conduct to come into force on 1 January 2025.
 - b) Endorse the recommendation for all councillors to attend training on the new code on the 14 November 2024.
 - c) Agree that the Monitoring Officer advise all Parish and Town councils of the adoption of the Code.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 This committee is responsible for maintaining high governance standards within the Council pursuant to its duties under the [Localism Act 2011](#). The committee has the role of ensuring that the ethical standards regime forming part of the governance framework of the Council is robust, thereby engendering public confidence that the Council can deliver upon its priorities within the Council Plan.

2 FINANCIAL IMPLICATIONS

- 2.1 There are no direct financial consequences of adopting the LGA Model Code of Conduct. There is already an existing code in place that is administered by a small core team of officers led by the Monitoring Officer.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Section 27(1) of the Localism Act 2011 requires the Council to promote and maintain high standards of conduct by its members and co-opted members when they are acting in the capacity of members.
- 3.2 Section 27(2) requires that the Council must adopt a code dealing with the conduct that is expected of members and co-opted members in order to discharge this duty.
- 3.3 Section 28 requires any code to be consistent with the Nolan principles of selflessness; integrity; objectivity; accountability; openness; honesty and leadership. There is also a requirement to include appropriate provisions in respect of the registration in its register, and disclosure of pecuniary interest and non-pecuniary interests. Subsection 6 provides the power for the Council to adopt a code of conduct to replace its existing code of conduct.

4 WORKFORCE IMPLICATIONS

- 4.1 Whilst there will be some increased resource requirements around the promotion of and any additional training needed in the new City Council Code of Conduct this has been accounted for in existing resources.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None from this report.

6 CONSULTATION AND COMMUNICATION

- 6.1 The Constitutional Working Party, comprising of members from all political groups represented on the council met on the 6 September 2024 to consider whether to recommend to this committee to adopt the LGA Model Code of Conduct.

6.2 The meeting concluded that it supported the proposal to adopt the code unamended. They did also recommend further expansion of the accompanying guidance regarding issues such as economic disadvantage, bullying and the use of social media. This work is currently being undertaken to report to a meeting at a future date.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 None from this report.

8 PUBLIC SECTOR EQUALITY DUTY

8.1 The adoption of the code of conduct will be carried out in accordance with Council's duties under the Equality Act 2010 and in accordance with the principles in the Council's Corporate Equality, Diversity, and Inclusion Plan.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None from this report.

10 RISK MANAGEMENT

| Risk | Mitigation | Opportunities |
|-----------------------|---|---|
| Financial Exposure | Ensuring that that the Council adopts an approved model code of conduct will assist to ensure independent oversight and mitigate against improper decision-making which in turn protects the Council's strong financial arrangements. | Will meet best practice requirements for independent oversight, strengthening governance and in turn ensuring reputation, and public confidence |
| Exposure to challenge | Compliance with the code will assist in mitigating against poor decision making and inappropriate behaviours, aiding overall good governance. | Will meet best practice requirements for independent oversight, strengthening governance and in turn ensuring reputation, and public confidence |
| Reputation | The Code of Conduct is one of the tools used to demonstrate good governance. The good reputation of the City Council is in all members | Where there are occasions where alleged bad behaviour has occurred a sound code of conduct, process and timely conclusion also |

| | | |
|------------------------|---|---|
| | interests and the Code of Conduct goes to the heart of members behaving in a way that should overall enhance that reputation. | enhances the reputation of the City Council. |
| Achievement of outcome | The Council is required by law to adopt a code of conduct and the recommendations in this report achieve that critical outcome. | |
| Community Support | Parish and Town Councils will be advised of the update to the Winchester City Council Code of Conduct | A training and Q&A session will be offered to all Parish and Town Council's to aid their understanding of the City Councils decision to adopt the Model Code and the contents of the code itself. |
| Timescales | The Council should move to adopt the Model Code in a timely fashion. | |

SUPPORTING INFORMATION:

- 11.1. The Audit & Governance Committee advises the Council on the adoption or revision of the Councillors' Code of Conduct and monitors the operation of the Code of Conduct, overseeing arrangements for dealing with complaints against councillors.
- 11.2. At its meeting in [November 2023](#), this Committee noted that work on reviewing the existing Code of Conduct from 2019 would commence in the new year including meetings of the Constitutional Working Party – this was to specifically take into account the LGA Model Code of Conduct that had been published.
- 11.3. All councils are required to have a Code of Conduct. The Council's current Code was agreed by Full Council in 2019 as part of the adoption of the then new Constitution. The adoption of a Code of Conduct for Members must be agreed by Council under article 15 of the constitution.
- 11.4. The LGA published a Model Code of Conduct stating that '*This Code has been designed to protect our democratic role, encourage good conduct and safeguard the public's trust in local government.*' The LGA had undertaken consultation with stakeholders and examined good practice in local government and other professions prior to the issue of the Model Code.

- 11.5. The LGA state that the purpose of the Code is “to assist you, as a councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and your specific obligations in relation to standards of conduct. The LGA encourages the use of support, training and mediation prior to action being taken using the Code. The fundamental aim of the Code is to create and maintain public confidence in the role of councillor and local government.”
- 11.6. The City Council states in its introduction to the code that “Winchester City Council is committed to upholding the highest standards of conduct among its councillors. To reinforce this commitment, the council is adopting the Local Government Association’s Model Code of Conduct. This model provides a robust framework designed to promote accountability, transparency, and integrity in public office. By adopting this code, Winchester City Council aims to ensure that councillors act lawfully, fairly, and with respect, which will foster public trust and maintain the integrity of the council’s operations.”
- 11.7. The Model Code seeks to address issues arising through more communication taking place remotely and online between councillors and residents, particularly through social media. The Code states that it applies when a Councillor acts or gives the impression that they are acting, as a Councillor.
- 11.8. The Code continues to be in-line with the seven principles of public life, namely, selflessness; integrity; objectivity; accountability; openness; honesty; and leadership.
- 11.9. The LGA will undertake regular reviews of the Model Code to ensure it continues to be fit-for-purpose, incorporating advances in technology, social media and changes in legislation.
- 11.10. The Model Code is a template for councils to adopt in whole and/or with local amendments. It is proposed by the Constitution Working Party that the Model Code should be adopted without amendment.
- 11.11. The Model Code is written in the personal tense, and covers: - General Conduct: Respect; Bullying, harassment and discrimination; Impartiality of officers of the Council; Confidentiality and access to information; Disrepute; Use of position; Use of local authority resources and facilities; Complying with the Code of Conduct; Protecting your reputation and the reputation of the local authority; Interests; Gifts and hospitality and Appendix A: The Seven Principles of Public Life
- 11.12. The Model Code includes ‘Disclosable pecuniary interests.’ It reiterates the legal duty to register and disclose ‘disclosable pecuniary interests’ and lists

what these are (see table 1). There is no change to these interests as they are statutory interests.

11.13. 'Other registerable interests' – these confirm that councillors 'must' register a specific set of 'other registerable interests' (see table 2).

11.14. 'Non-registerable interests' -The Model Code also covers the need to disclose interests, when a matter arises at a meeting, that do not fall into either of the two previous categories, but which directly relate to a councillor's 'financial interest or wellbeing'. The Model Code is clear that councillors 'must' disclose this type of interest when it arises (para 7). The Model Code sets out when this type of interest will be deemed to have arisen (para 8) and the two tests councillors should apply when considering whether or not they should participate and vote (para 9).

11.15. The LGA have also produced supporting guidance, containing example situations which is aimed to help understanding and consistency of approach towards the code, [which is available here](#).

12 OTHER OPTIONS CONSIDERED AND REJECTED

Not to adopt the Code

12.1. Most authorities have decided that it is best practice, and in their Councils best interests, to adopt the Model Code. The argument for adopting the Model Code is strengthened by the publication of the Guidance to support the use of the Code, which is practical, informative and makes the complex area of members interests more understandable. It is therefore recommended that the Code should now be adopted. All members will be offered training on the Code to help them understand the changed requirements and Council is asked to endorse training for members.

Make amendments and updates to the Model Code to suit the City Council and adopt that version

12.2. This was debated by the Constitution Working Group who ultimately all agreed that it was best to adopt the Model code as drafted without amendment. This was the most straightforward position to take with the number of Parish and Town Council's in the district. What the group have asked is that the guidance is updated with some expansion on some examples and text. There is currently guidance for complainants but this can be expanded to be a guide for all. This is currently being worked on by Officers and will come to this Committee alongside the process for dealing with complaints. This will ensure complete consistency with language used.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

[AG117 Constitution review report v2.pdf \(winchester.gov.uk\)](#) – Audit & Governance Committee 9 November 2023.

Other Background Documents:-

[Guidance on Local Government Association Model Councillor Code of Conduct | Local Government Association](#)

APPENDICES:

Appendix 1. The Local Government Association Model Code of Conduct.

Winchester City Council's

Code of Conduct for Members

September 2024

Introduction

Winchester City Council is committed to upholding the highest standards of conduct among its councillors. To reinforce this commitment, the council is adopting the Local Government Association's Model Code of Conduct.

This model provides a robust framework designed to promote accountability, transparency, and integrity in public office. By adopting this code, Winchester City Council aims to ensure that councillors act lawfully, fairly, and with respect, which will foster public trust and maintain the integrity of the council's operations.

Definitions

For the purposes of this Code of Conduct, a "councillor" means a member or co-opted member of a local authority or a directly elected mayor. A "co-opted member" is defined in the Localism Act 2011 Section 27(4) as "a person who is not a member of the authority but who

- a. is a member of any committee or sub-committee of the authority, or;
- b. is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee".

For the purposes of this Code of Conduct, "local authority" includes county councils, district councils, London borough councils, parish councils, town councils, fire and rescue authorities, police authorities, joint authorities, economic prosperity boards, combined authorities and National Park authorities.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and your specific obligations in relation to standards of conduct. The LGA encourages the use of support, training and mediation prior to action being taken using the Code. The fundamental aim of the Code is to create and maintain public confidence in the role of councillor and local government.

General principles of councillor conduct

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, councillors and local authority officers; should uphold the [Seven Principles of Public Life](#), also known as the Nolan Principles.

Building on these principles, the following general principles have been developed specifically for the role of councillor.

- In accordance with the public trust placed in me, on all occasions:
- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of councillor.

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest
- I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.

Application of the Code of Conduct

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of councillor or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a councillor.

This Code of Conduct applies to you when you are acting in your capacity as a councillor which may include when:

- you misuse your position as a councillor
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a councillor;

The Code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings
- in written communication
- in verbal communication
- in non-verbal communication
- in electronic and social media communication, posts, statements and comments.

You are also expected to uphold high standards of conduct and show leadership at all times when acting as a councillor.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct. Town and parish councillors are encouraged to seek advice from their Clerk, who may refer matters to the Monitoring Officer.

Standards of councillor conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a councillor. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

1. Respect

As a councillor:

- 1.1. I treat other councillors and members of the public with respect.**
- 1.2. I treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play.**

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in councillors.

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the local authority, the relevant social media provider or the police. This also applies to fellow councillors, where action could then be taken under the Councillor Code of Conduct, and local authority employees, where concerns should be raised in line with the local authority's councillor- officer protocol.

2. Bullying, harassment and discrimination As a councillor:

2.1. I do not bully any person.

2.2. I do not harass any person.

2.3. I promote equalities and do not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers of the council

As a councillor:

3.1. I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.

Officers work for the local authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

4. Confidentiality and access to information

As a councillor:

4.1. I do not disclose information:

- a) given to me in confidence by anyone
- b) acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless
 - i. I have received the consent of a person authorised to give it;
 - ii. I am required by law to do so;
 - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
 - iv. the disclosure is:
 - 1. reasonable and in the public interest; and
 - 2. made in good faith and in compliance with the reasonable requirements of the local authority; and
 - 3. I have consulted the Monitoring Officer prior to its release.

4.2. I do not improperly use knowledge gained solely as a result of my role as a councillor for the advancement of myself, my friends, my family members, my employer or my business interests.

4.3. I do not prevent anyone from getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the local authority must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute**As a councillor:**

5.1. I do not bring my role or local authority into disrepute.

As a Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other councillors and/or your local authority and may lower the public's confidence in your or your local authority's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring your local authority into disrepute.

You are able to hold the local authority and fellow councillors to account and are able to constructively challenge and express concern about decisions and processes undertaken by the council whilst continuing to adhere to other aspects of this Code of Conduct.

6. Use of position

As a councillor:

6.1. I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

Your position as a member of the local authority provides you with certain opportunities, responsibilities, and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

7. Use of local authority resources and facilities

As a councillor:

7.1. I do not misuse council resources.

7.2. I will, when using the resources of the local authority or authorising their use by others:

- a) act in accordance with the local authority's requirements; and**
- b) ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local authority or of the office to which I have been elected or appointed.**

You may be provided with resources and facilities by the local authority to assist you in carrying out your duties as a councillor.

Examples include:

- office support
- stationery
- equipment such as phones, and computers
- transport
- access and use of local authority buildings and rooms.

These are given to you to help you carry out your role as a councillor more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the local authority's own policies regarding their use.

8. Complying with the Code of Conduct

As a Councillor:

8.1. I undertake Code of Conduct training provided by my local authority.

8.2. I cooperate with any Code of Conduct investigation and/or determination.

8.3. I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.

8.4. I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

It is extremely important for you as a councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer.

Protecting your reputation and the reputation of the local authority

9 . Interests

As a councillor:

9.1. I register and disclose my interests.

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority .

You need to register your interests so that the public, local authority employees and fellow councillors know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in **Table 1**, is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your Monitoring Officer.

10. Gifts and hospitality

As a councillor:

- 10.1. I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage.**
- 10.2. I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.**
- 10.3. I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.**

In order to protect your position and the reputation of the local authority, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a councillor, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a councillor. If you are unsure, do contact your Monitoring Officer for guidance.

Appendices

Appendix A – The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B Registering interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests) which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in Table 2 (Other Registerable Interests).

"Disclosable Pecuniary Interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in Table 1, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.
5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which *directly relates* to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in Table 2), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise

must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which *directly relates* to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

8. Where a matter arises at a meeting which *affects* –

- a) your own financial interest or well-being;
- b) a financial interest or well-being of a relative or close associate; or
- c) a financial interest or wellbeing of a body included under Other Registerable Interests as set out in Table 2

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter (referred to in paragraph 8 above) *affects* the financial interest or well-being:

- a) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

10. Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

| Subject | Description |
|---|---|
| Employment, office, trade, profession or vocation | Any employment, office, trade, profession or vocation carried on for profit or gain. |
| Sponsorship | <p>Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p> |
| Contracts | <p>Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council</p> <p>—</p> <ul style="list-style-type: none"> a) under which goods or services are to be provided or works are to be executed; b) and which has not been fully discharged. |

| | |
|---------------------|--|
| Land and Property | <p>Any beneficial interest in land which is within the area of the council.</p> <p>‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.</p> |
| Licenses | Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer |
| Corporate tenancies | <p>Any tenancy where (to the councillor’s knowledge)—</p> <ul style="list-style-type: none"> a) the landlord is the council; and b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of. |
| Securities | <p>Any beneficial interest in securities* of a body where—</p> <ul style="list-style-type: none"> a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; and b) either— <ul style="list-style-type: none"> i. the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or ii. if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class. |

*'director' includes a member of the committee of management of an industrial and provident society.

*'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registrable Interests

You must register as an Other Registerable Interest :

- a) any unpaid directorships
- b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority
- c) any body
 - (i) exercising functions of a public nature
 - (ii) directed to charitable purposes or
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

of which you are a member or in a position of general control or management

REPORT TITLE: TREASURY MANAGEMENT Q1 REPORT 2024/25

26 SEPTEMBER 2024

REPORT OF CABINET MEMBER: Cllr Neil Cutler, Cabinet Member for Finance and Performance

Contact Officer: Liz Keys Tel No: 01962 848421 Email lkeys@winchester.gov.uk

WARD(S): ALL WARDS

PURPOSE

In accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, this report provides details of the performance of the treasury management function; on the effects of the decisions taken and the transactions executed in the first three months of the financial year; and confirmation that there were no instances of non-compliance with the council's Treasury Management Strategy Statement and Treasury Management Practices, for the first quarter of 2024/25.

RECOMMENDATIONS:

1. Note the Q1 Treasury Management Report for 2024/25.
2. Note all treasury management activity in the period was compliant with the council's Treasury Management Strategy.

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

- 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 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 2021 which requires the Council to approve, as a minimum, treasury management semi-annual and annual outturn reports.

12.2 This quarterly report provides an update on treasury management activity including the requirement in the 2021 Code of quarterly reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the council's quarterly finance and performance monitoring reports.

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 the first quarter of 2024/25.

- 13.2 The council's treasury management strategy was most recently updated and approved at a meeting of Full Council in February 2024. 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 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.
- 13.5 All treasury activity in the first quarter has complied with the council's Treasury Management Strategy and Investment Strategy for 2024/25, and all relevant statute, guidance and accounting standards. In addition, advice in undertaking treasury management activities has been provided by the council's treasury advisers, Arlingclose.
- 13.6 The Prudential Code includes a requirement for local authorities to provide 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 2024 (CAB3443).

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 2024/25.

Economic commentary

- 14.2 UK headline consumer price inflation (CPI) stayed at the 2% target in June 2024 but the Bank of England (BoE) expects this to rise to 2.75% in the second half of this year, as declines in energy prices last year fall out of the annual comparison and reveal more clearly the prevailing persistence of domestic inflationary pressures. Wage growth has fallen but remains elevated and services inflation is higher than had been expected. The actual path of

inflationary pressures will be key to the Monetary Policy Committee (MPC)'s decision making.

- 14.3 Data released during the period showed that the UK economy had emerged from the technical recession at the end of 2023 to expand by 0.7% (upwardly revised from the initial estimate of 0.6%) in the first quarter of the calendar year. Monthly GDP data showed zero growth in April 2024 following an expansion of 0.4% in the previous month.
- 14.4 Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate. The MPC subsequently voted to cut Bank Rate by 25 basis points to 5.00% in their August 2024 meeting. Arlingclose maintains the view that further interest rates cuts remain likely towards the end of 2024. The risks over the medium term are deemed to be to the upside as while inflation has fallen to target, it is expected to pick up again later in the year and services price inflation and wage growth are still on the firmer side.

Financial markets

- 14.5 Sentiment in financial markets showed signs of improvement over the quarter, but bond yields remained volatile. Early in the period bond yields climbed steadily, but mixed signals from economic data and investors' constant reassessment of when rate cuts might come caused a couple of fairly pronounced but short-lived dips in yield. Towards the end of the quarter yields rose once again and were generally higher than at the start of the period.

Credit review

- 14.6 Arlingclose maintained its advised recommended maximum unsecured duration limit on all banks on its counterparty list at 100 days.
- 14.7 Credit default swap (CDS) prices are used as an indicator of credit risk, where higher premiums indicate higher perceived risks. CDS prices started and ended the quarter at broadly similar levels in the UK as they did for the European, Singaporean and Australian lenders on Arlingclose's counterparty list, while Canadian banks generally trended modestly downwards.
- 14.8 Financial market volatility is expected to remain a feature, at least in the near term and, CDS levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the council's counterparty list recommended by Arlingclose remain under constant review.

15 Local Context

- 15.1 On the 31 March 2024, the council had net borrowing of £147.3m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. Table 1 lays out the various CFR elements and how they are financed, comparing the position at 31 March

2024 to the forecast position expected at 31 March 2025. The actual position at the end of the year will be influenced by several factors, such as the delivery of the capital programme, which can affect the position significantly.

| Table 1: Balance sheet summary | 31/03/24 Balance £m | Movement £m | 31/03/25 Forecast £m |
|---------------------------------------|------------------------------------|------------------------|-------------------------------------|
| General Fund CFR | (70.2) | (2.1) | (72.3) |
| Housing Revenue Account CFR | (212.5) | - | (212.5) |
| Borrowing CFR | (282.7) | (2.1) | (284.8) |
| External borrowing* | (159.7) | 5.2 | (154.5) |
| Internal borrowing | (123.0) | (7.3) | (130.3) |
| Total funding of the CFR | (282.7) | (2.1) | (284.8) |

* Shows only loans to which the council is committed and excludes optional refinancing.

- 15.2 The treasury management position at 30 June 2024 and the change over the quarter is shown in Table 2 below.

| Table 2: Treasury management summary | 31/03/24 Balance £m | Movement £m | 30/06/24 Balance £m | 30/06/24 Rate % |
|---|------------------------------------|------------------------|------------------------------------|--------------------------------|
| Long-term borrowing | (154.7) | 0.0 | (154.5) | 3.24 |
| Short-term borrowing | (5.0) | 0.0 | (5.2) | 2.82 |
| Total borrowing | (159.7) | 0.0 | (159.7) | 3.22 |
| Long-term investments | 5.0 | 0.0 | 5.0 | 5.16 |
| Short-term investments | 4.0 | (1.0) | 3.0 | 5.10 |
| Cash and cash equivalents | 3.4 | 14.4 | 17.8 | 5.12 |
| Total investments | 12.4 | 13.4 | 25.8 | 5.12 |
| Net borrowing | (147.3) | 13.4 | (133.9) | |

Note: the figures in Table 2 at 31 March 2024 are from the balance sheet in the council's accounts but adjusted to exclude operational cash, accrued interest and other accounting adjustments.

- 15.3 The decrease in net borrowing of £13.4m reflects the normal pattern of the council's cash balances, with higher balances at the start of the financial year due to, for example, higher receipt of council tax in the first quarter compared to the final quarter. No change to the borrowing position has occurred in the first quarter of 2024/25.

16 Borrowing Strategy and Activity

- 16.1 As outlined in the Treasury Management Strategy, the council's chief objective when borrowing has been to strike an appropriately low risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the council's long-term plans change is a secondary objective. The council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. At the present time short term interest rates are higher than long term interest rates.
- 16.2 Policy interest rates have risen substantially since 2021 although they have largely plateaued over the last year. Over the last quarter gilt yields have risen slightly overall, having had a number of peaks and troughs. There has been downward pressure from lower inflation figures, but also upward pressure from unexpectantly positive economic data.
- 16.3 The Public Works Loan Board (PWLB) certainty rate for 10-year maturity loans was 4.80% at the beginning of the quarter and 4.96% percent at the end. The lowest available 10-year maturity rate during the quarter was 4.80% and the highest was 5.18%. Rates for 20-year maturity loans ranged from 5.24% to 5.57% during the quarter, and 50-year maturity loans from 5.06% to 5.40%.
- 16.4 Whilst the cost of short-term borrowing from other local authorities (LA) spiked to around 7% in late March 2024, shorter-term rates reverted to a more normal range and were generally around 5.25% through the quarter.
- 16.5 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local 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. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The council has no plans to borrow to invest primarily for financial return, so is able to retain full access to the PWLB.
- 16.6 The PWLB HRA rate which is 0.4% below the certainty rate is available up to June 2025. This discounted rate is to support local authorities borrowing for the Housing Revenue Account and for refinancing existing HRA loans. The council borrowed at the HRA rate in March 2024 as reported in the Treasury Management Outturn report. Borrowing is potentially required in relation to the HRA during 2024/25 and if the PWLB is identified as the most cost-effective solution for the council, the intention is to use the PWLB HRA rate.
- 16.7 The Council is a net borrower and as stated in the Treasury Management Strategy 2024/25, the council expects a positive liability benchmark across the forecast period, which generally means an authority is required to take external borrowing to fund the gap between its resources and the CFR.

Although the council currently has taken external borrowing, this is not predicted to be sufficient to meet the CFR and, depending on the internal borrowing position, further borrowing will be considered by the Section 151 Officer if required.

- 16.8 At 30 June 2024 the council held £159.7m of loans, all of which relates to the financing settlement of the HRA in 2012. Outstanding loans on 30 June 2024 are summarised in Table 3 below.

| Table 3: Borrowing position | 31/03/24 Balance | Net movement | 30/06/24 Balance | 30/06/24 Weighted average rate | 30/06/24 Weighted average maturity (years) |
|------------------------------------|-------------------------|---------------------|-------------------------|---------------------------------------|---|
| | £m | £m | £m | % | |
| Public Works Loan Board | (159.7) | 0.0 | (159.7) | 3.22 | 19.2 |
| Total borrowing | (159.7) | 0.0 | (159.7) | 3.22 | 19.2 |

Note: The figures in the table at 31 March 2024 are from the balance sheet in the council's accounts but adjusted to exclude accrued interest.

- 16.9 The council has considered it to be more cost effective in the near term to use internal resources than to use additional external borrowing. In the last three months, no existing loans have matured and no additional borrowing has been secured.
- 16.10 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.

17 Treasury Investment Activity

- 17.1 The CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (revised in 2021) defines treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.
- 17.2 The council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the last 12 months, the council's investment balances have ranged between £11.8m and £34.4m due to timing differences between income and expenditure. The investment position is shown in Table 4.

| Table 4: Treasury investment position | 31/03/24 Balance | Movement | 30/06/24 Balance | 30/06/24 Income return | 30/06/24 Weighted average maturity (years) |
|--|-------------------------|-----------------|-------------------------|-------------------------------|---|
| | £m | £m | £m | % | |
| Short term investments: | | | | | |
| Banks and building societies: | | | | | |
| - Unsecured | 1.1 | 1.8 | 2.9 | 4.73 | 0.00 |
| Money market funds | 2.3 | 12.6 | 14.9 | 5.19 | 0.00 |
| Government: | | | | | |
| - Local authorities | 3.0 | (2.0) | 1.0 | 5.70 | 0.25 |
| - Supranational | 0.0 | 1.0 | 1.0 | 5.06 | 0.47 |
| Cash plus funds | 1.0 | 0.0 | 1.0 | 4.54 | 0.01 |
| Total | 7.4 | 13.4 | 20.8 | 5.12 | 0.04 |
| Long term investments | | | | | |
| - Pooled property fund* | 5.0 | 0.0 | 5.0 | 5.16 | N/A |
| Total | 5.0 | 0.0 | 5.0 | 5.16 | N/A |
| Total investments | 12.4 | 13.4 | 25.8 | 5.12 | 0.03 |

* The rate provided for the pooled property fund investment is reflective of annualised income returns over the 12 months to 30 June 2024 based on the market value of investments at the start of the year (30 June 2023).

Note: the figures in Table 4 at 31 March 2024 are from the balance sheet in the council's accounts but adjusted to exclude operational cash, accrued interest and other accounting adjustments.

- 17.3 The increase in investment balances since the year end can primarily be attributed to the council's grant funding and council tax income, in line with expectations that these sources of cash will slow towards the end of the financial year.
- 17.4 Both the CIPFA Code and government guidance 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 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.
- 17.5 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 should invest 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.

- 17.6 As demonstrated by the liability benchmark shown later in this report, the council expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The council has invested in pooled funds as part of its Treasury Management strategy. This is not a policy to primarily generate yield but a part of the implementation of the wider Treasury Management strategy to invest the council's surplus cash and reserves ensuring it is investing its funds prudently, having regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. By investing a diversified portfolio in respect of yield this meets the council's aim of protecting reserves from high inflation. The Section 151 Officer will review the current pooled fund investment prior to making any external borrowing decisions.
- 17.7 Bank Rate remained at 5.25% through the quarter with short term interest rates largely around this level. Money market rates ranged between 5.19% and 5.23% at the end of June 2024.
- 17.8 The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below. These metrics monitor the internal investments of the portfolio, which is the total portfolio less both the pooled funds and the cash plus fund.

| Table 5: Investment benchmarking (excluding pooled funds) | Credit rating | Bail-in exposure | Weighted average maturity (days) | Rate of return |
|--|----------------------|-------------------------|---|-----------------------|
| | | % | | % |
| 31.03.2024 | A+ | 53% | 38 | 5.29% |
| 30.06.2024 | A+ | 90% | 14 | 5.14% |
| Similar LAs | A+ | 62% | 52 | 5.06% |
| All LAs | A+ | 62% | 10 | 5.07% |

- 17.9 Table 5 shows the average credit rating of the portfolio has been maintained at A+, with an increase in bail-in risk exposure when compared to March 2024. This increase is as a result of increased liquidity following the receipt of grant and council tax income. A significant proportion of liquid balances are invested in money market funds, which are technically exposed to bail-in risk however these are diversified products and are considered by Arlingclose to be 'bail-in risk light'. Despite this, the council's investment portfolio compares favourably to other Arlingclose clients, with a higher average rate of return and lower maturity profile than comparative Authorities.

Externally managed pooled property fund

- 17.10 £5m of the council's investments are invested in an externally managed strategic pooled property fund where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability.
- 17.11 Dwindling prospects of policy rate cuts weighed on consumer discretionary stocks as well as on the UK real estate sector. Improvement in commercial property capital values was dampened by the asset class's sensitivity to higher interest rates.
- 17.12 Because this fund has no defined maturity date but is available for withdrawal after a notice period, its performance and continued suitability in meeting the council's medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns should exceed cash interest rates.
- 17.13 In April 2023 the Department for Levelling Up, Housing and Communities published the full outcome of the consultation on the extension of the statutory override on accounting for gains and losses on pooled investment funds. The override has been extended for 2 years until 31 March 2025 but no other changes have been made; whether the override will be extended beyond the new date is unknown but commentary to the consultation outcome suggests not. The council will discuss with Arlingclose the implications for the investment strategy and what action may need to be taken.

18 Non-Treasury Investments

- 18.1 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. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).
- 18.2 Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) also broadens the definition of investments to include all such assets held partially or wholly for financial return.
- 18.3 This could include loans made to local businesses or the direct purchase of land or property and such loans and investments will be subject to the council's normal approval process for revenue and capital expenditure and need not comply with the treasury management strategy.
- 18.4 Further information on the council's non-Treasury investments is included in the Capital Investment Strategy (CAB3443) presented to Cabinet on 8th

February 2024, and in the General Fund Outturn (CAB3464) presented to Cabinet on 11 September 2024.

19 Compliance Report

- 19.1 The council confirms compliance of all treasury management activities undertaken during the quarter with the CIPFA Code of Practice and the council's approved Treasury Management Strategy.
- 19.2 Compliance with the authorised limit and operational boundary for external debt is demonstrated in Table 6 below.

| Table 6: Debt limits | Q1 2024/25 Maximum £m | 30/06/24 Actual £m | 2024/25 Operational Boundary £m | 2024/25 Authorised Limit £m | Complied? |
|-----------------------------|--------------------------------------|-----------------------------------|--|--|------------------|
| Total debt | 159.7 | 159.7 | 315.1 | 329.0 | ✓ |

- 19.3 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.

20 Treasury Management Indicators

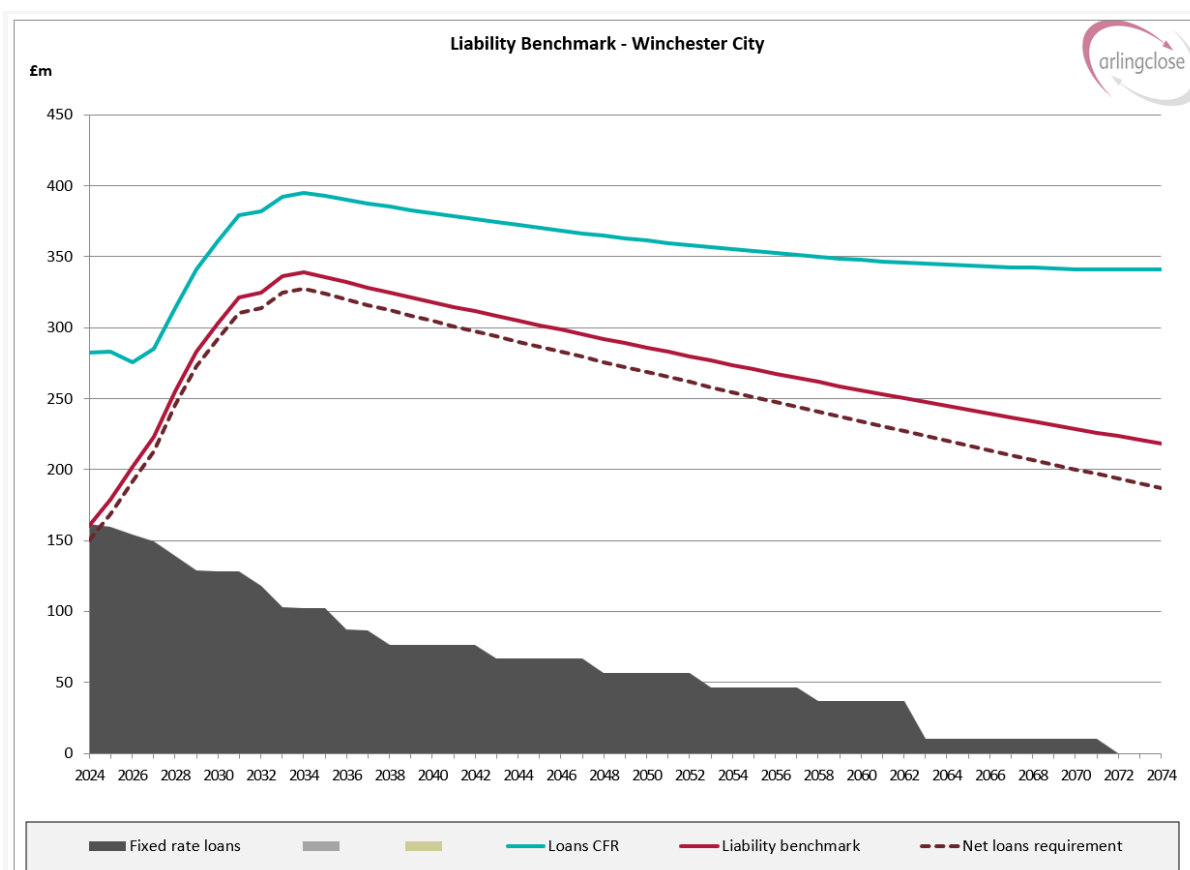
- 20.1 As required by the 2021 CIPFA Treasury Management Code, the council monitors and measures the following treasury management prudential indicators.

Liability benchmark

- 20.2 This indicator compares the council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

| Table 7: Liability benchmark | 31/03/24 Actual £m | 31/03/25 Forecast £m | 31/03/26 Forecast £m | 31/03/27 Forecast £m |
|-------------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Loans CFR | 280.5 | 283.1 | 275.4 | 285.1 |
| Less: Balance sheet resources | (132.0) | (114.1) | (83.7) | (72.0) |
| Net loans requirement | 148.5 | 169.0 | 191.7 | 213.1 |
| Plus: Liquidity allowance | 10.0 | 10.0 | 10.0 | 10.0 |
| Liability benchmark | 158.5 | 179.0 | 201.7 | 223.1 |

Graph 1: Liability benchmark



- 20.3 Table 7 and Graph 1 illustrate the council expects a positive liability benchmark across the forecast period, which generally means an authority is required to take external borrowing to fund the gap between its resources and the CFR. The chart shows that if it is to deliver its capital programme as planned, the council will need to take out additional external borrowing as reflected in the gap between the liability benchmark (the red line) and the existing borrowing (the grey area). This requirement will be considered by the Section 151 Officer in consultation with Arlingclose and the Investments & Borrowing team at Hampshire County Council to ensure borrowing is undertaken at the most appropriate time.

Interest rate exposures

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

| Table 8: Interest rate risk indicator | 30/06/24 Actual | Impact of +/-1% interest rate change |
|--|------------------------|---|
| Sums subject to variable interest rates: | | |
| Investments | £25.9m | +/-£0.3m |
| Borrowing | (£5.0m) | +/-0.1m |

- 20.5 Fixed rate investments and borrowings are those where the rate of interest is fixed for 12 months. Instruments and loans that mature within 12 months are classed as variable rate.

Maturity structure of borrowing

- 20.6 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 9: Refinancing rate risk indicator | 30/06/24 Actual | Upper Limit | Lower Limit | Complied |
|---|------------------------|--------------------|--------------------|-----------------|
| Under 12 months | 3% | 25% | 0% | ✓ |
| 12 months and within 24 months | 3% | 25% | 0% | ✓ |
| 24 months and within 5 years | 13% | 25% | 0% | ✓ |
| 5 years and within 10 years | 16% | 30% | 0% | ✓ |
| 10 years and within 20 years | 22% | 50% | 0% | ✓ |
| 20 years and within 30 years | 13% | 50% | 0% | ✓ |
| 30 years and within 40 years | 23% | 75% | 0% | ✓ |
| 40 years and within 50 years | 6% | 100% | 0% | ✓ |

Long-term Treasury Management Investments

- 20.7 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 10: Long-term Treasury Management Investments | 2024/25 | 2025/26 | 2026/27 | No fixed date |
|--|----------------|----------------|----------------|----------------------|
| Actual principal invested beyond year end | £0m | £0m | £0m | £5m |
| Limit on principal invested beyond year end | £20m | £20m | £20m | £5m |
| Complied | ✓ | ✓ | ✓ | ✓ |

20.8 Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

21 OTHER OPTIONS CONSIDERED AND REJECTED

21.1 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.

21.2 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

CAB3446: Treasury Management Strategy 2024/25, 8 February 2024

AG133: Treasury Management Outturn 2023/24, 18 July 2024

Other Background Documents:-

None

APPENDICES:

None

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REPORT TITLE: Q1 GOVERNANCE MONITORING

26 SEPTEMBER 2024

REPORT OF CABINET MEMBER: CLLR BECKER – CABINET MEMBER FOR
COMMUNITY AND ENGAGEMENT

Contact Officer: Simon Howson Tel No: 01962 848 104
Email: showson@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 during the first quarter of the 2024/25 financial year.

RECOMMENDATIONS

That the Audit and Governance Committee notes the content of the report including the progress against the internal audit management actions and raises any issues with the cabinet member.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

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

There are no financial implications arising from the content of this report.

3 LEGAL AND PROCUREMENT IMPLICATIONS

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

4 WORKFORCE IMPLICATIONS

There are no workforce implications arising from the content of this report.

5 PROPERTY AND ASSET IMPLICATIONS

There are no property and asset implications arising from the content of this report.

6 CONSULTATION AND COMMUNICATION

Consultation on the content of this report has been undertaken with the Cabinet member for Community and Engagement and with members of the Executive Leadership Board (ELB) and Corporate Heads of Service (CHoS). Owners of actions included in the internal audit reports that are referred to in this report have provided updates on the progress achieved against the agreed management actions.

7 ENVIRONMENTAL CONSIDERATIONS

There are no environmental considerations arising from the content of this report.

8 PUBLIC SECTOR EQUALITY DUTY

None arising from the content of the report, although officers will need to consider the council's Public Sector Equality Duty and if required complete an Equality Impact Assessment on any specific recommendations or future decisions to be made. This report is not making any decisions and is for noting and raising issues only.

9 DATA PROTECTION IMPACT ASSESSMENT

There are no data protection impact assessments required.

10 RISK MANAGEMENT

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 2024/25 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 are highlighted in this report and the actions being taken to address them.

11 SUPPORTING INFORMATION

- 11.1 This report sets out the summary information in respect of the first quarter of the 2024/25 financial year concerning governance.

Annual Governance Statement

- 11.2 Progress against the actions included in the 2023/24 Annual Governance Statement is included in appendix 1 to this report.

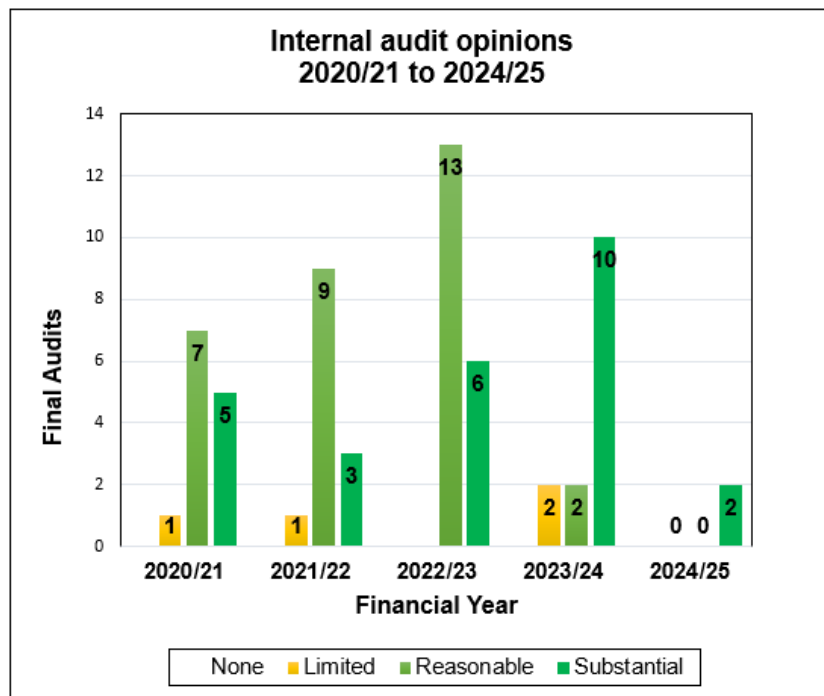
Declarations of gifts and hospitality

- 11.3 During the period 1 April 2024 to 30 June 2024 there were no declarations of gifts and hospitality made by officers in accordance with the Employee Code of Conduct.
- 11.4 Members regularly update their register of interest forms and during the period 1 April 2024 to 30 June 2024 there were no declarations of gifts or hospitality over the value of £50 made by members in accordance with the Members Code of Conduct.

12 ***Internal Audit***

- 12.1 Internal audit provides an evaluation, through a risk-based approach, on the effectiveness of governance, risk management, and internal controls operating at the council. The internal audit plan for 2024/25 was approved by this committee on 29 February 2024, report [AG127](#) refers.
- 12.2 During the first quarter of 2024/25 there have been three audit reviews completed, all concluding with substantial assurance. One of the audit reviews was included in the 2023/24 audit plan with the audit reviews of project and programme management and decision making included in the 2024/25 audit plan.

- 12.3 Where reasonable or substantial audit opinions are offered following an audit review this gives assurance to senior management, external auditors and members of this committee that an appropriate system of governance, risk management and control exists with internal controls and processes operating effectively in the area audited.
- 12.4 Additional commentary can be found in section 13 of this report, where opinions are either limited or no assurance, the weaknesses observed are summarised and the progress being made to address these to support members in monitoring the progress of the actions in place.
- 12.5 The chart below shows the assurance opinions of the completed internal audits that were included in the audit plans in the years 2020/21 to the current year 2024/25.

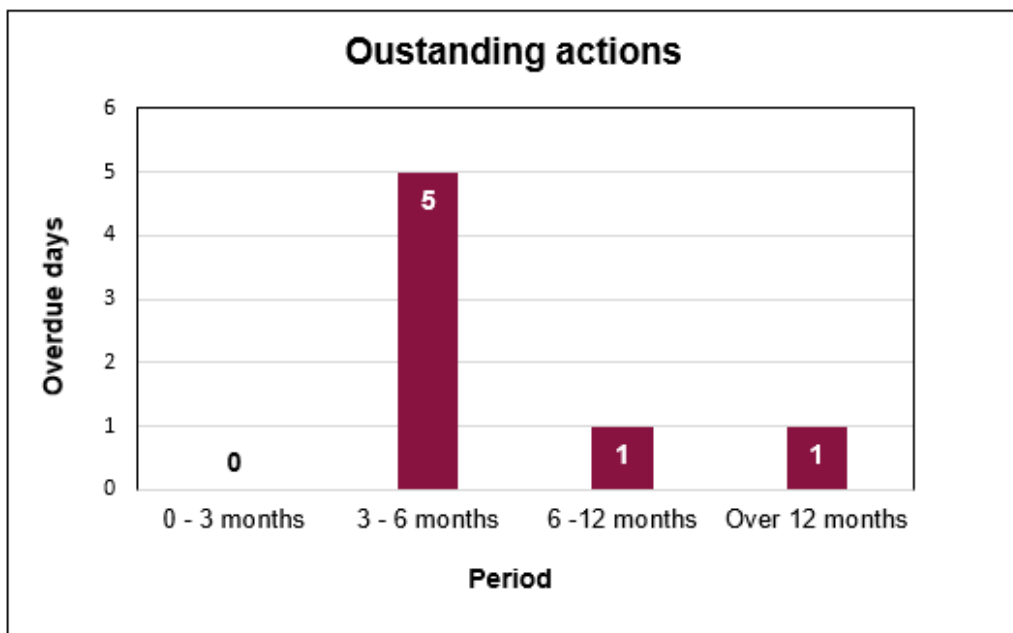


- 12.6 Since the Q4 2023/24 Governance Monitoring report was presented to Audit and Governance Committee on 18 July 2024 there has been three internal audit reports finalised and issued before the 30 June 2024, all concluded with substantial assurance.

- Green Economic Development Strategy and Action Plan (Substantial)
- Project and Programme Management (Substantial)
- Decision Making (Substantial)

Internal Audit Management Actions Tracking

- 12.7 Corporate heads of service (CHoS), service leads, and Executive Leadership Board (ELB) regularly review the progress against the actions included in the internal audit reports.
- 12.8 Reported on a quarterly basis is a summary table showing the status of these actions which are kept under regular review to assess progress and consider where actions might become superseded or obsolete due to external or internal factors.
- 12.9 To assist member's understanding, an additional narrative is included in the table below to provide a brief explanation of the progress being made against the actions that have passed their target date and the reasons for the delay in completion.
- 12.10 There are currently 7 overdue actions, none of which are high priority. This is one less than reported to the last meeting of the committee on 18 July 2024.
- 12.11 The chart below provides an analysis of the overdue management actions by the length of time that has passed since the target completion date for each of the actions. There is 1 action showing as overdue for more than one year and this relates to the Records Retention and Disposal audit. Work on this action continues to progress. A more detailed update is included in paragraph 13.2 of this report.



Further information relating to the current overdue management actions is shown in the table below:

| Audit Review | Report Date | Audit Sponsor | Assurance Opinion | Reported | Not Accepted | Management Actions | | | LOW | MEDIUM | HIGH |
|--|-------------|---------------|-------------------|----------|--------------|--------------------|---------|---------|-----|--------|------|
| | | | | | | Pending | Cleared | Overdue | | | |
| Information Governance Records Retention | 0303/2022 | SDR | Limited | 14 (4) | 0 | 1 | 12 (4) | 1 | | 1 | |

Progress update: There is one overdue action and one pending action.

The overdue action is to implement and apply the recently updated retention and disposal schedule to onsite file servers. Officers in the Policy Team are leading delivery of this piece of work and collaborating with service leads and their teams to ensure that all documents are reviewed and only retained in accordance with the schedule. Officers are working towards completing this by the end of the next quarter with an update to be provided in the Q2 report.

The pending action relates to the review and update of the council’s Information Asset Register (IAR). Work on this had been deferred until the Data Protection and Digital Information Bill had been through Parliament and received Royal Assent in the House of Lords. However, this Bill was not passed before the dissolution of the last Parliament. Included in the recent King’s Speech, a new Bill has been announced with limited detail currently available.

This action was previously reported as overdue, however with agreement of the internal auditor the target date has been amended for the reasons outlined above and will show as pending until further information is available.

| | | | | | | | | | | | |
|---------------------|------------|-----|------------|-------|---|---|-------|---|---|--|--|
| IT Asset Management | 24/02/2023 | SDR | Reasonable | 8 (1) | 0 | 0 | 3 (1) | 5 | 5 | | |
|---------------------|------------|-----|------------|-------|---|---|-------|---|---|--|--|

Progress update: The IT Asset Management project is underway, and the project scope clearly identifies all the audit actions, which have been agreed as key deliverables by the project team. Progress is currently on-track to be completed by the end of October and is being regularly monitored by the IT management team.

| Audit Review | Report Date | Audit Sponsor | Assurance Opinion | Reported | Not Accepted | Management Actions | | | LOW | MEDIUM | HIGH |
|--|-------------|---------------|-------------------|----------|--------------|--------------------|---------|---------|-----|--------|------|
| | | | | | | Pending | Cleared | Overdue | | | |
| Human Resources | 10/07/2023 | SDR | Reasonable | 4(2) | 0 | 0 | 3(2) | 1 | | 1 | |
| <p>Progress update: There is one medium priority overdue action remaining which is to update the Learning and Development Policy. This policy is currently being reviewed and updates made before considered by ELB for adoption.</p> | | | | | | | | | | | |

13 ***Internal Audits with Limited Assurance***

13.1 The following section provides background and an update on the progress of management actions where an internal audit concluded with a limited assurance opinion and supports members in monitoring the progress of the actions in place to address the identified weaknesses found during the audit review.

13.2 **Information Governance – Records Management**

During the quarter, colleagues in the Policy team have been working closely with Service Leads and their teams on the implementation of the Retention and Disposal Schedule across systems and platforms and the deletion of records and documents that do not need to be retained.

The Policy Team will be supporting colleagues with this exercise throughout the next quarter.

14 ***Risk Management***

14.1 The council's Risk Management Policy 2024/25 sets out a timetable for this committee to review the policy and corporate risks (section 11 of the Risk Management Policy). The current Corporate Risk Register is appended at Appendix 4. The most recent formal quarterly review of the Corporate Risk Register by the Executive Leadership Board (ELB) was carried out on 31 July 2024. All risks and their current controls were reviewed.

14.2 As a result of the review there was the following update:

- CR012 - Nutrient neutrality (Phosphates) - controls have been updated to reflect that HRA funding had now been agreed for projects.

14.3 The original and residual risk ratings of all risks were considered appropriate and tolerable. The causes, consequences and controls for each risk were reviewed and deemed to be current and sufficient at the time of the review (other than those updates set out above).

14.4 In light of the recent change of Government, and the possible consequences to government policy and local government funding, ELB will continue to monitor the potential impacts to existing risks and any new or emerging risks.

14.5 Of the 69 operational risks managed by Corporate Heads of Service, three of these were presented to ELB for review as the residual risk was rated as 'red'. For all of these ELB agreed that the current controls were sufficient, that the residual risk score was correct and accepted and escalation to the Corporate Risk Register was not required at this stage.

15 ***Code of Conduct Complaints***

- 15.1 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.
- 15.2 Appendix 3 provides brief details of the Code of Conduct complaints received, in progress and closed and where enquiries have been made to the Office of the Monitoring Officer.
- 16 OTHER OPTIONS CONSIDERED AND REJECTED
- 16.1 None

BACKGROUND DOCUMENTS: -

Previous Committee Reports: -

AG124 Governance Monitoring Quarterly update Q4 2023/24, 18 July 2024.

Other Background Documents:

None.

APPENDICES:

Appendix 1 – Annual Governance Statement 2023/24 – Action plan update

Appendix 2 - Internal Audit Progress Report

Appendix 3 – Code of Conduct complaints

Appendix 4 – Corporate Risk Register

Annual Governance Statement 2023/24 – Action Plan update – June 2024

| No. | Issue | Actions | Progress Update | Lead Officer | Target Date | Current Status |
|-----|--|--|--|---|---|---|
| 1. | <p>Records Retention and Disposal</p> <p>Ensuring that the Records Retention and Disposal Policy and Schedule are refreshed and embedded into the organisation so that records are stored in accordance with the agreed schedule.</p> | Adoption of updated Retention & Disposal Schedule by Executive Leadership Board (ELB) | The updated Retention and Disposal schedule was approved by ELB on 12 June 2024. | Senior Policy & Programme Manager/ Corporate Heads of Service | June 2024 | Complete |
| | | Map & align retention schedule to content /indexing and values in system(s) | The retention schedule has been mapped to systems in preparation for the implementation across business applications and systems. | Senior Policy & Programme/ Service Lead for IT | June 2024 | Complete |
| | | Create implementation plan for roll out Policy & Schedule for adoption at ELB | <p>The implementation plan to roll out the policy and schedule has been initiated and agreed by ELB.</p> <p>The Policy and Schedule have been rolled out across the council.</p> | Senior Policy & Programme Manager | June 2024 | Complete |
| | | Implementation of Retention & Disposal schedule across business applications and systems | The Policy team are working with Service Leads on the deletion of records and documents that do not need to be retained in accordance with the retention schedule. | Senior Policy & Programme Manager/ Corporate Heads of Service. | Commence July 2024 for completion by end of Q2. | In Progress Due to be completed by end of Q2 |

Internal Audit Progress Report 2024/25

August 2024

Winchester City Council



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

Contents:

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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

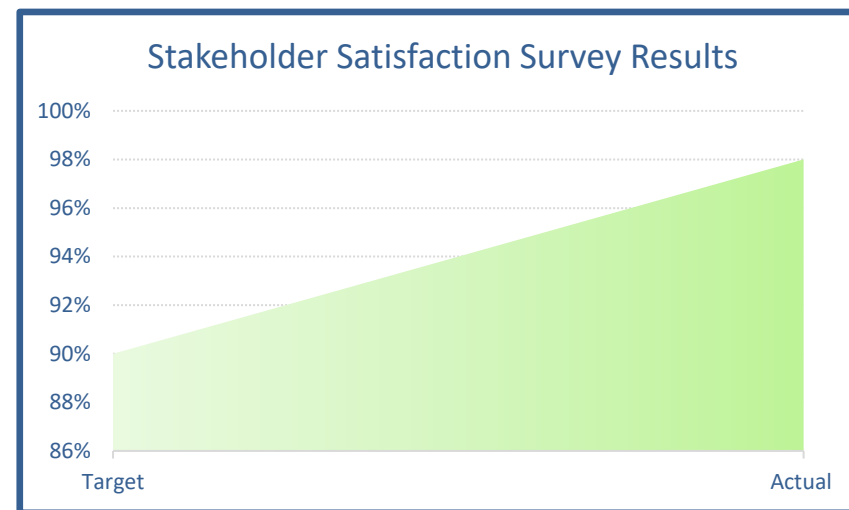
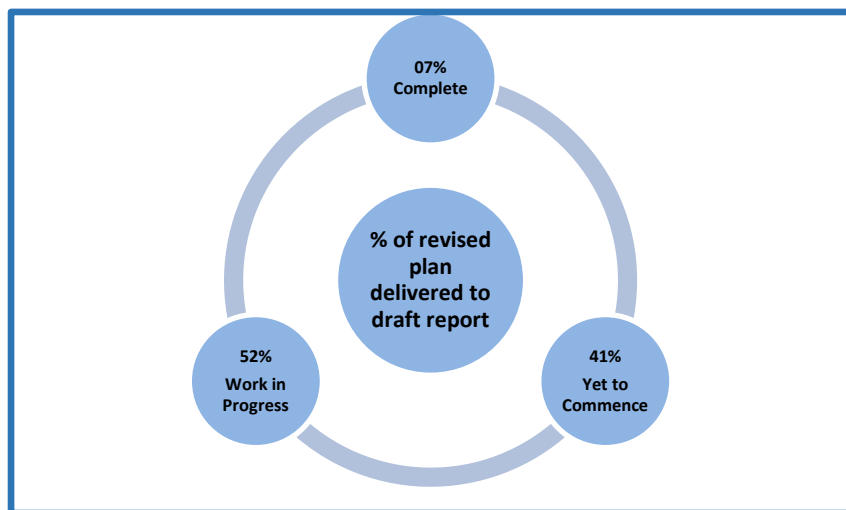
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to 'Senior Management' and 'the Board,' summarising:

- 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. |

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 Response | Assurance Opinion | Total Management Action(s) | Not Yet Due | Complete | Overdue | | |
|--|---------------|----------------|--------------------|----------------------------|-------------|----------|----------|----------|----------|
| | | | | | | | L | M | H |
| | | | | | | | | | |
| | | | | | | | | | |
| ICT Business Continuity and Disaster Recovery Planning * | Jul 21 | SDR | Reasonable | 4 | 0 | 4 | | | |
| Information Governance – Records Management | Mar 22 | SDR | Limited | 14 | 1 | 12 | | 1 | |
| NNDR * | Nov 22 | SDR | Reasonable | 4 | 0 | 4 | | | |
| IT Asset Management | Feb 23 | SDR | Reasonable | 8 | 0 | 3 | 5 | | |
| Human Resources – Policies and Procedures | Jul 23 | SDR | Substantial | 4 | 0 | 3 | | 1 | |
| Licensing * | Aug 23 | SDS | Reasonable | 3 | 0 | 3 | | | |
| Asset Management (Corporate Estate) * | Oct 23 | SDS | Limited | 3 | 0 | 3 | | | |
| Housing Rents * | Nov 23 | SDS | Substantial | 1 | 0 | 1 | | | |
| Income Collection, Banking and Stock Control – Visitor Information Centre * | Mar 24 | SDR | Limited | 6 | 0 | 6 | | | |
| Human Resources - Recruitment | Jun 24 | SDR | Reasonable | 7 | 7 | 0 | | | |
| Income Collection and Banking – Guildhall * | Jun 24 | SDS | Reasonable | 5 | 0 | 5 | | | |
| New Homes Programme | Jul 24 | SDP | Substantial | 1 | 1 | 0 | | | |
| Green Economic Development Strategy and Action Plan | Jul 24 | SDS | Substantial | 4 | 4 | 0 | | | |
| Total | | | | | | | 5 | 2 | 0 |

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

| Audit Sponsor (Director) | |
|--------------------------------|-----|
| 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.

To date, there have been no audits which have concluded with a ‘limited’ or ‘no’ assurance opinion during 2024-25.

6. Planning & Resourcing

The internal audit plan for 2024-25 was agreed by the Council’s Management Team and approved by the Audit and Governance Committee in February 2024. The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

| Audit Review | Sponsor | Scoping | Terms of Reference | Fieldwork | Draft Report | Final Report | Assurance Opinion | Comment |
|---|---------|---------|--------------------|-----------|--------------|--------------|-------------------|---------|
| Brought Forward – Included within previous annual reports and opinions | | | | | | | | |
| Cyber Security – IT Response Planning | SDR | ✓ | ✓ | ✓ | Dec 22 | | Limited | |
| Mobile Device Management | SDR | ✓ | ✓ | ✓ | Aug 23 | | Limited | |
| Virtualisation | SDR | ✓ | ✓ | ✓ | Sept 23 | | Reasonable | |
| Green Economic Development Strategy and Action Plan | SDS | ✓ | ✓ | ✓ | Jun 24 | Jul 24 | Substantial | |
| New Homes Programme | SDP | ✓ | ✓ | ✓ | Jun 24 | Jul 24 | Substantial | |
| Tree Management | SDP | ✓ | ✓ | ✓ | Mar 24 | | Limited | |
| Food Safety Inspections – Recovery Plan | SDS | ✓ | ✓ | ✓ | May 24 | | Reasonable | |
| 2024-25 | | | | | | | | |
| Strategic / Governance Reviews | | | | | | | | |
| Decision Making and Accountability | SDR | ✓ | ✓ | ✓ | Jul 24 | Aug 24 | Substantial | |
| Programme and Project Management | SDR | ✓ | ✓ | ✓ | Jul 24 | Aug 24 | Substantial | |
| Financial Stability – TC25 | SDR | | | | | | | Q3 |
| Climate Emergency / Green Agenda | SDP | | | | | | | Q4 |
| Asset Management (Corporate Estate) – Follow-up | SDS | | | | | | | Q4 |
| Alternative Delivery Models – Housing Company | SDS | | | | | | | Q3 |
| Health & Safety | SDR | | | | | | | Q3-4 |

| Audit Review | Sponsor | Scoping | Terms of Reference | Fieldwork | Draft Report | Final Report | Assurance Opinion | Comment |
|---|---------|---------|--------------------|-----------|--------------|--------------|-------------------|----------|
| Contract Management – ID Verde & Wetton | SDS | ✓ | ✓ | | | | | |
| Information Governance – Records Management and Retention - Follow-up | SDR | | | | | | | Q3-4 |
| Corporate Governance Framework | SDR | ✓ | ✓ | ✓ | | | | |
| Fraud Framework - NFI | SDR | n/a | n/a | ✓ | | | | On-going |
| Core Financial Systems | | | | | | | | |
| Accounts Receivable / Debt Management | SDR | ✓ | ✓ | ✓ | | | | |
| Treasury Management | SDR | ✓ | ✓ | | | | | |
| NNDR | SDR | | | | | | | Q3 |
| Expenses | SDR | | | | | | | Q2-3 |
| Information Technology | | | | | | | | |
| IT Governance – Microsoft Licencing | SDR | ✓ | | | | | | Q2-3 |
| Information Security – Cyber Security Roadmap | SDR | | | | | | | Q4 |
| Networking and Communications – Patch Management | SDR | | | | | | | Q3 |
| Service / Operational Reviews | | | | | | | | |
| Housing Asset Management – Theme TBC | SDS | ✓ | | | | | | Q2-3 |
| Housing Asset Management – Housing Retrofit Programme | SDS | | | | | | | Q3 |
| Disabled Facilities Grants | SDS | ✓ | | | | | | Q3 |
| Planning / Development Management – Developer Contributions | SDS | ✓ | ✓ | | | | | |

| Audit Review | Sponsor | Scoping | Terms of Reference | Fieldwork | Draft Report | Final Report | Assurance Opinion | Comment |
|-----------------------------|----------------|----------------|---------------------------|------------------|---------------------|---------------------|--------------------------|----------------------|
| Land Registry / Charges | SDR | ✓ | ✓ | | | | | |
| Parking / Enforcement | SDS | ✓ | ✓ | ✓ | | | | |
| Markets | SDS/SDP | ✓ | | | | | | Q2-3 |
| Certification Audits | | | | | | | | |
| Bus Service Operator Grant | SDS | n/a | n/a | ✓ | | | | Certification audit. |
| Mayor's Charity Account | SDS | 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 |
|--|--|
| Decision Making and Accountability * | Carried forward from 2023-24 plan as work in progress at the time of the Annual Internal Audit Report and Opinion. |
| Accounts Receivable / Debt Management * | Carried forward from 2023-24 plan as work in progress at the time of the Annual Internal Audit Report and Opinion. |

| Audit reviews removed from the plan (excluded from rolling work programme) | Comment |
|--|---------|
| None | n/a |

* Proposed September 24

Code of conduct complaints

Code of Conduct Complaints received by the office of the Monitoring Officer since previous meeting of Audit & Governance Committee and update of those previously reported - as of **16/09/2024**.

Summary of current caseload:

- A. Number **Active Individual Complaints**: 6 complaints from 5 individual complainants (see current status/update below).
- B. Number Complaints **Not Commenced**: 0
- C. Number **individual complaints** relating to a City Councillor: 0.
- D. Number **individual complaints** relating to a Parish/Town Councillor: 6.
- E. Number of complaints received since last report: 8.
- F. Number of **complaints closed** since the last report: 6.
- G. Number of **Standards Sub Committees** held: 0.

Analysis of active cases:

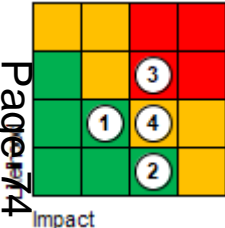
| Date received | Relating to Parish/ Town/ City Councillor | Current status/update | Approx time spent on this complaint |
|---------------|--|--|--|
| April 2024 | Parish Councillor | <p>Response received from subject member. There is considerable correspondence ongoing in respect of these complaints.</p> <p>Independent Person (IP) consulted prior to Monitoring Officer (MO) consideration and draft decision to be circulated</p> | 32 hours |
| June 2024 | Parish Councillor | Response from subject member now received, albeit delayed. Response received from IP prior to Monitoring Officer Consideration. | 16 hours |
| July 2024 | Parish Councillor | Two complaints from separate complainants. Response from subject member received. Response received from IP prior to Monitoring Officer Consideration. | 14 hours |
| July 2024 | Parish Councillor | Two complaints from separate complainants. Response from subject member received. Report to be collated and passed to IP prior to Monitoring Officer Consideration. | 12 hours |



Corporate Risk Register 2024/25

As of 31 July 2024

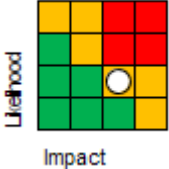
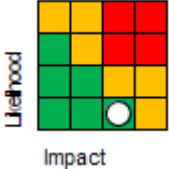
Residual Risk Summary:



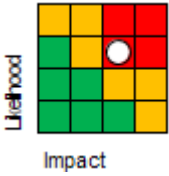
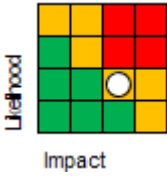
| Code | Risk Description | Risk Owner | What might go wrong? (cause) | What will happen? (consequence) | Original Risk Rating | Current Controls | Residual Risk |
|-------|--|-----------------|---|---|----------------------|---|---------------|
| CR001 | Given competing demands and multiple complex priorities, the risk is that the council does not maintain capacity to deliver services | Chief Executive | <ul style="list-style-type: none"> • Ambitious council plan with multiple strands of activity • Staff resources are lean, and teams are working at capacity to deliver services at current levels of demand. • 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. • Competition from the private sector for key staff roles e.g. planning, project management. • Decision making can be slow. | <ul style="list-style-type: none"> • If decision making is slow, delays occur, and potentially available resources are redeployed or become unavailable if they are externally sourced. • Implementation of business continuity plan to target work in critical areas in cases of staff shortage. • If staff lack political awareness, middle managers will be slow to redeploy resource to current priorities. • If staff are diverted then can't deliver on other lower-level priorities or day-to-day work | | <ul style="list-style-type: none"> • Council Plan is distilled into key priorities by service. If capacity becomes an issue, prioritisation of activity is in place. • Critical activities are reviewed with Cabinet alongside a refreshed Council Plan approved in January'23 • Proactive approach to communications internal and external • 50/50 hybrid working policy agreed. • Maintaining communication • Annual business planning, with actions and projects aligned to Council Plan priorities. • Regular meetings with relevant cabinet members | |

| Code | Risk Description | Risk Owner | What might go wrong? (cause) | What will happen? (consequence) | Original Risk Rating | Current Controls | Residual Risk |
|-------|--|---------------------------------|---|---|-----------------------------|--|-----------------------------|
| | | | <ul style="list-style-type: none"> Tension between day-to-day and strategic priorities. Key skills not in the right place | <ul style="list-style-type: none"> Reputation is damaged as the council is not seen to be able to deliver projects. Local members are not always kept informed of activity in their area. Unable to deliver key council services | | <ul style="list-style-type: none"> Positive use of fixed term contracts to aid flexible resourcing. Targeted use of external resource Reallocation of human and financial resources across and within the organisation as required. PAC Board reviews resources to deliver projects on a regular basis | |
| CR003 | Decisions made by the council are challenged due to a lack of a strong evidence base, customer insight and engagement with change or procedural errors | Monitoring Officer L Kirkman | <ul style="list-style-type: none"> Lack of skill and/or time to identify evidence to support decision making. Lack of consultation with ward members and/ or parish council's over local issues Procedural error in statutory process Inconsistent and traditional approach to customer | <ul style="list-style-type: none"> Lack of a robust and evidence-based approach to customer engagement can lead to: <ul style="list-style-type: none"> - Reputational damage - Views that the council is too Winchester-centric - Decisions made are Inequitable - A perception that people's views are ignored Ward members and/or parish | <p>Liability Impact</p> | <ul style="list-style-type: none"> Engagement with ward and parish councillors (on matters within their ward or parish) encouraged. Risks with regard to significant projects are recognised and addressed separately via robust Project Management and regular reports to the Programme and Capital Strategy Board | <p>Liability Impact</p> |

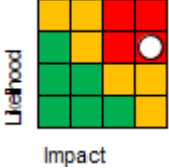
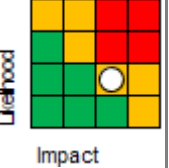
| Code | Risk Description | Risk Owner | What might go wrong? (cause) | What will happen? (consequence) | Original Risk Rating | Current Controls | Residual Risk |
|------|------------------|------------|---|--|----------------------|---|---------------|
| | | | <p>engagement across the council</p> <ul style="list-style-type: none"> • Lack of awareness of the questions to ask. • Lack of awareness of the 'right time' to engage. • Lack of public awareness of the opportunity to engage. • Council is not aware of the full range of interested stakeholders. • Council may only hear the loudest voices and not the silent majority or those that do not readily engage | <p>council's not being informed.</p> <ul style="list-style-type: none"> • Legal/ judicial review or challenge against a decision made | | <ul style="list-style-type: none"> • Legal and Monitoring Officer consultation on decisions made. • 2024 Residents' survey commissioned and will be undertaken in June'24 and results will be used to evidence decision making. • A proactive open and transparent approach to communication based on Gunning Principles • Use of external specialist advice when appropriate • Commitment made in the refreshed Council Plan in terms of 'Listening Better.' • Equality, Diversity and Inclusion Action Plan is being embedded across the organisation. • Updated Constitution adopted at Council | |

| Code | Risk Description | Risk Owner | What might go wrong? (cause) | What will happen? (consequence) | Original Risk Rating | Current Controls | Residual Risk |
|-------|---|-----------------|--|--|---|--|---|
| | | | | | | <p>on 30 November 2023</p> <ul style="list-style-type: none"> Where possible and appropriate, digitalisation will be utilised to mitigate against procedural errors | |
| 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 | Chief Executive | <ul style="list-style-type: none"> Not maintaining an effective corporate wide Business Continuity Plan Not regularly testing the plan and following-up learning Key staff unavailable Communication systems ineffective Lack of awareness of Business Continuity Plan Failure to assess business critical functions and have plans in place | <ul style="list-style-type: none"> Unacceptable delay and uncertainty in returning to normal working after an emergency. Adverse publicity and criticism Reputation damage Adverse social and/or economic impact |  | <ul style="list-style-type: none"> Business Continuity Plans reviewed and tested in 2023 and approved by ELB on 6 March 2024. IT Disaster Recovery Plan exercise held on 20 March. Business critical services identified with individual business continuity plans created, tested and approved. All staff able to seamlessly work from home, where job allows. 2023 internal audit review of business continuity offered substantial opinion and no identified weaknesses. |  |

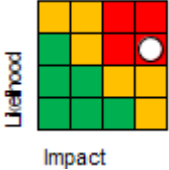
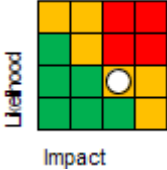
| Code | Risk Description | Risk Owner | What might go wrong? (cause) | What will happen? (consequence) | Original Risk Rating | Current Controls | Residual Risk |
|-------|--|---------------------------|---|---|----------------------|--|---------------|
| | | | | | | <ul style="list-style-type: none"> Work programme in place for 2024 | |
| CR006 | Breakdown of effective partnership working | Strategic Director D Adey | <ul style="list-style-type: none"> Partnerships can falter due to lack of shared vision within partnerships. Money spent on Partnership working doesn't add value. Strategic partnerships may falter due to conflicting demands within individual partners. Incorrect application of the procurement regulations due to a misunderstanding as to how and when they apply to partnership working. Partnerships may be unsuccessfully commissioned due to lack of skills and poor scoping. | <ul style="list-style-type: none"> Significant project delivery such as the major projects and the new homes building programme could fail due to failure of strategic partnerships. Local delivery could fail if local strategic partners are not aligned. Reputational damage to all partners Lack of value for money (VfM) | | <ul style="list-style-type: none"> Annual review by each CHoS of all partnerships undertaken to identify key strategic partners. Partnership register established and endorsed by ELB on 6 March. Guidance documents available from Knowledge Hub. Partnership Governance and Management Framework adopted. Partnership scoring tool available to assess project tier. Management checklist available from Knowledge Hub | |

| Code | Risk Description | Risk Owner | What might go wrong? (cause) | What will happen? (consequence) | Original Risk Rating | Current Controls | Residual Risk |
|-------|--|-------------------------------|--|--|---|---|---|
| | | | <ul style="list-style-type: none"> Significant local, regional or national partners may close down, affecting the council | | | | |
| CR007 | Lack of sufficient funding and/or escalating costs over the medium term reducing financial viability and inability to achieve a balanced budget (General Fund and HRA) | Director of Finance L Keys | <ul style="list-style-type: none"> Reduced Government funding Reliance on strategic partners to deliver services and projects. Macro economy, including effects of Brexit, reduces locally generated Business Rates and parking income. Failure to achieve income targets. Inflation rises. Penalties are imposed on the Council due to falling standards in services. Impact of a Pandemic | <ul style="list-style-type: none"> Unable to balance the budget. Increased Council Tax Public's ability to pay for services. Reduce services provided. Demand/cost of services. Increased construction costs and impact on delivery and viability of key projects Over borrowing and avoidable cost |  | <ul style="list-style-type: none"> One year funding settlement in place MTFS approach setting out medium- and longer-term options. Quarterly finance reporting and monitoring of key income sources Regular policy review and monitoring Scenario planning and sensitivity analysis of key risks Transformation Challenge 2025 (TC25) is now in the process of being implemented. Maintain General fund reserve of at least £2m. |  |

| Code | Risk Description | Risk Owner | What might go wrong? (cause) | What will happen? (consequence) | Original Risk Rating | Current Controls | Residual Risk |
|-------|---|--------------------------------|--|---|----------------------|--|---------------|
| | | | | | | <ul style="list-style-type: none"> Regular review of reserves Annual review of fees and charges Monthly budget monitoring and regular HRA business plan updates | |
| CR008 | Availability of suitable viable sites to meet the strategic need for building new homes (HRA) | Strategic Director S Hendey | <ul style="list-style-type: none"> Increasing demand for new houses High cost of housing, including private rented sector Unable to identify new sites for new houses. Increasing infrastructure demands on new sites. Higher build costs Increasing inflation and interest rates affecting supply | <ul style="list-style-type: none"> Increased housing waiting list numbers. Increasing homelessness Difficulty accessing housing markets. Outward migration of younger residents Adverse publicity Government intervention Ability to meet the business plan target which will have a negative effect on income | | <ul style="list-style-type: none"> A variety of plans in place to deliver new homes. Regular monitoring of projects Revised Housing Strategy and HRA Business Plan Cost benchmarking | |

| Code | Risk Description | Risk Owner | What might go wrong? (cause) | What will happen? (consequence) | Original Risk Rating | Current Controls | Residual Risk |
|-------|---|-------------------------------|--|---|---|--|---|
| CR009 | Failure in cyber security leaving the council exposed to phishing and other attacks leading to compromised IT systems and data loss | Director of Finance L Keys | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 |  | <ul style="list-style-type: none"> 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 (Information Security Policies) and IT Network Access Policies Operational daily checks and proactive monitoring of Firewalls and pattern updates Staff qualified in Cyber Scheme Professional standards and within GOV UK CESH guidelines. |  |

| Code | Risk Description | Risk Owner | What might go wrong? (cause) | What will happen? (consequence) | Original Risk Rating | Current Controls | Residual Risk |
|-------|---|---------------------------|--|--|----------------------|--|---------------|
| | | | | | | <ul style="list-style-type: none"> Regular system health checks and vulnerability scans System and software maintained to supported levels. Email security managed by accredited 3rd party. Insurance for potential losses of a cyber attack Third party review jointly with TVBC being undertaken to see what further actions the councils can pro-actively take to mitigate this risk further | |
| CR010 | Failure to effectively respond to the Climate Change Emergency and reduce the council and district carbon emissions | Strategic Director D Adey | <ul style="list-style-type: none"> Failure to achieve target for the council to be carbon neutral by 2024 and the district by 2030. Carbon emissions increase Air quality drops Insufficient project capacity in-house | <ul style="list-style-type: none"> Reputational damage for failing to meet targets. Increased risk of flooding - damage to property, disruption to business, health and wellbeing of | | <ul style="list-style-type: none"> Revised CNAP plan put in place 13/09/2023. Actions leading towards carbon reduction are clearer in theme and size of reduction needed. | |

| Code | Risk Description | Risk Owner | What might go wrong? (cause) | What will happen? (consequence) | Original Risk Rating | Current Controls | Residual Risk |
|-------|---|---------------------------|--|--|---|---|---|
| | | | | <ul style="list-style-type: none"> displaced residents Increased risk of droughts - pressure on river system health, depleted aquifer/reservoir volumes, negative impact upon agriculture, fire risk Extreme heat and cold - health risk for vulnerable people, pressure on emergency and health services Protests by lobby groups House price volatility | | <ul style="list-style-type: none"> Climate Emergency declared. Asset Management Strategy £45mil HRA | |
| CR011 | Lack of preparedness and incapability to respond to events caused by climate change | Strategic Director D Adey | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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 |  <p>Likelihood</p> <p>Impact</p> | <ul style="list-style-type: none"> Multiagency Emergency Response Plan in place, reviewed and updated annually. Emergency Planning exercise to test the Plan held annually with partners participating. |  <p>Likelihood</p> <p>Impact</p> |

| Code | Risk Description | Risk Owner | What might go wrong? (cause) | What will happen? (consequence) | Original Risk Rating | Current Controls | Residual Risk |
|------|------------------|------------|--|---------------------------------|----------------------|--|---------------|
| | | | <ul style="list-style-type: none"> Failure to respond to an adverse weather event | | | <ul style="list-style-type: none"> Completion of flood alleviation schemes Temporary flood defence barrier purchased and available to be used where there is a need. The Emerging Local Plan has clear objectives to support the council priority of Tackling the climate emergency and creating a greener district. Annual review of Flood Action Plan which includes contact details of parish flood coordinators. Gold and Silver commander training attended or to be by relevant officers at that level. Cold Weather Plan HOIW LRF Multi-agency Flood Plan in place | |

| Code | Risk Description | Risk Owner | What might go wrong? (cause) | What will happen? (consequence) | Original Risk Rating | Current Controls | Residual Risk |
|-------|----------------------------------|--|---|--|----------------------|--|---------------|
| CR012 | Nutrient neutrality - Phosphates | Strategic Director DA and Corporate Head of Planning and Regulatory (JP) | <ul style="list-style-type: none"> Inability for developers to achieve nutrient neutrality specifically related to phosphates will delay housing and delivery of other forms of residential development within the affected area | <ul style="list-style-type: none"> Adverse impact on economy Reduction in supply of new homes Inability to maintain a 5-year housing land supply leading to unplanned development being permitted. Reputational damage | | <ul style="list-style-type: none"> DLUCH grant funding awarded to PfSH. Subject to approval funds allocated for phosphorous mitigation in the Itchen Catchment. Prospect of solution coming forward in next 6 months. Project team initiated. HRA Funding in place for four projects | |

REPORT TITLE: UPDATE ON EMPLOYEE ATTITUDE SURVEY 2024

26 SEPTEMBER 2024

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

Contact Officer: Robert O'Reilly Tel No: 07890732036 Email
ROReilly@winchester.gov.uk

WARD(S): ALL

PURPOSE

The purpose of this report is to present the results of the third Employee Attitude Survey (EAS) which took place in June 2024. The results were shared with colleagues via the HR intranet site and signposting in City Voice in early August.

RECOMMENDATIONS:

1. That the report of the 2024 Employee Attitude Survey be noted.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

The engagement and performance of the Council's workforce is critical to the delivery of all outcomes set out in the Council Plan.

2 FINANCIAL IMPLICATIONS

None. The survey was undertaken 'in-house' therefore no additional budget was required.

3 LEGAL AND PROCUREMENT IMPLICATIONS

None.

4 WORKFORCE IMPLICATIONS

Employees are critical to the delivery of the council's services and priorities and monitoring and reporting on employee attitudes enables enhanced employee engagement and performance.

5 PROPERTY AND ASSET IMPLICATIONS

None.

6 CONSULTATION AND COMMUNICATION

The results have been shared with senior management, Unison and the Staff Forum. Results will be published on the intranet and colleagues will be made aware of the results through an article in City Voice.

7 ENVIRONMENTAL CONSIDERATIONS

None.

8 PUBLIC SECTOR EQUALITY DUTY

This was an internal survey. An equality impact assessment was completed and indicated that carrying out the survey did not impact on any group with protected characteristics.

9 DATA PROTECTION IMPACT ASSESSMENT

This raw data from individual employees was subject to the council's data protection controls. The results published are anonymised and therefore can have no impact on an individual's privacy rights under data protection law.

10 RISK MANAGEMENT

| Risk | Mitigation | Opportunities |
|--|--|--|
| Financial Exposure <i>Low employee engagement leading to high staff turnover and increased recruitment and agency costs.</i> | Ongoing employee attitude and engagement monitoring to enable early identification and remedial action to avoid retention difficulties. | Promotion of the council as an employer of choice. |
| Exposure to challenge <i>Spend of public money on an internal survey.</i> | Survey conducted in-house to minimise cost. | Positive results from survey can be used in recruitment materials. |
| Reputation <i>Failure to deliver public services and the Council Plan due to reduced workforce capacity, leading to public criticism and/or adverse local media coverage.</i> | Ongoing employee attitude and engagement monitoring to enable early identification and remedial action where retention difficulties could impact on the Council's ability to deliver public services and the Council Plan. | Identify and implement targeted employment initiatives and actions to increase employee engagement and minimise staff turnover. Promote the council as an employer of choice. |
| Achievement of outcome <i>Low employee engagement leading to poor performance and high recruitment & retention difficulties.</i> | Annual employee attitude survey to monitor trends and identify and address potential issues. | Early identification of emerging negative attitudes to inform timely initiatives and actions to avoid these becoming business critical. |

11 SUPPORTING INFORMATION:

- 11.1 The 2024 Employee Attitude Survey (EAS) ran for four weeks over the period 3 – 28 June 2024. The purpose of the survey is to find out how employees feel about various aspects of their working lives at the council and to inform senior managers and elected members how engaged employees are with their work and the Council as a whole.
- 11.2 A summary of the overall results is provided at Appendix 1.
- 11.3 This is the third survey managed internally by HR following the accepted recommendation to A&G that a survey be undertaken every 12 months. Repeating the survey at the same time each year allows the council to monitor trends and identify areas of concern and intervene accordingly. It also provides a means of measuring the impact of any initiatives implemented because of issues identified in the previous year's survey.

- 11.4 At the time of the survey, the Council employed 454 staff (headcount). The survey achieved a participation rate of 66% which is considered good by industry standards.
- 11.5 The survey was hosted on Citizen Space, a digital platform widely used across the public sector for the design, publication, management, and analysis of consultation activity. All staff received a link to the survey via their work email address and were able to complete the survey during working time. To facilitate participation, HR would have provided the survey in an alternative format if requested.
- 11.6 The survey asked employees to consider the same 14 statements as those used in the 2022 and 2023 survey and indicate if they strongly agree; agree; neither agree or disagree; disagree; or strongly disagree. This allows for direct comparison of results between surveys. A summary of the 'Agree' results only for each survey question over the past three years is provided in this report. For convenience, this report will combine the 'strongly agree' and 'agree' to give the percentage of responses.
- 11.7 Demographic data on gender, age and length of service in addition to service area was also collected. HR will analyse the demographic data. This will allow any issues concerning Equality, Diversity and Inclusion to be addressed.
- 11.8 Appendix 2 shows a comparison of 2023 and 2024 results and highlights changes of more than 3%.
- 11.9 The survey also included a free text section to provide employees with the opportunity to add any comments they wished to make, and a summary of the comments received is attached at Appendix 3. Individual comments are not provided because of the risk of identification of the employees who submitted comments.

Summary of 'Agree' results for each statement over the last three years

11.9 The table shows the combined 'Agree' (i.e. 'Strongly agree' and 'Agree') scores for all questions for the three years of the survey and highlights indicates changes of more than 3% between the 2023 and 2024 results.

| No | Statements | 2022 % | 2023 % | 2024 % |
|----|---|--------|--------|--------|
| 1 | I enjoy my work at the council. | 78.7 | 84.4 | 83.6 |
| 2 | I will still be working at the council in 12 months' time. | 69.0 | 71.1 | 74.6 |
| 3 | I would recommend the council as a great place to work to my family and friends. | 61.0 | 71.8 | 71.2 |
| 4 | I am proud to work for the Council. | 71.1 | 73.1 | 74.9 |
| 5 | I am able to get the training and development I need to be successful at work. | 71.4 | 71.4 | 70.2 |
| 6 | I have the equipment I need to be successful at my work. | 72.8 | 74.8 | 80.3 |
| 7 | My line manager gives me regular feedback on my performance at work. | 76.7 | 75.9 | 76.6 |
| 8 | My line manager cares about me as a person. | 86.4 | 85.4 | 80.3 |
| 9 | The colleagues in my team are supportive and friendly. | 93.7 | 95.2 | 94.6 |
| 10 | The Council takes the health and well-being of its employees seriously. | 67.6 | 73.8 | 73.2 |
| 11 | The Council is committed to ensuring equality at work for all its employees. | 69.3 | 74.8 | 73.6 |
| 12 | I understand the key objectives of my service. | 91.6 | 90.1 | 89.6 |
| 13 | I understand the top priorities for Winchester City Council. | 72.1 | 80.6 | 78.9 |
| 14 | I would say that changes at work are communicated to employees quickly and clearly. | 45.0 | 54.8 | 45.8 |

11.10 Key highlights/trends to note:

- Year on year increase for questions about still working for the council in 12 months' time (74.6%), pride in the council (74.9%) and having the right equipment (80.3%) is good news:
 - o Most employee surveys will include a statement about intentions to remain as this is a strong indicator of whether employees are happy with their current employer. This is particularly salient given the widely reported recruitment and retention challenges in the public sector. High positive scores for being proud to work for the Council reinforces this strong result and indicates high employee engagement.
 - o Having the necessary equipment was identified as a particular area to address following last year's survey therefore it is pleasing that the agree responses to this statement have increased and disagree scores

decreased from 12.2% in 2023 to 7.0% in 2024. At 5.2% difference, this question saw the biggest decrease in negative scores compared to all other questions.

- The statements concerning enjoying working for the council; recommending the council as a good place to work; supportive and friendly colleagues; health and wellbeing; equality; and employee communications have scored slightly lower than last year but remain higher than 2022 scores.
- High positive scores for questions about enjoying working for the council (83.6%); pride in the council (74.9%); and recommending the council as a good place to work (71.2%) indicate high “employee engagement”. Gallup defines employee engagement as the involvement and enthusiasm of employees in their work and workplace. HR research shows that organisations with high employee engagement are more likely to have higher levels of performance and productivity and lower levels of sickness and grievances.
- Positive scores (76.6%) for the question about regular manager feedback on performance saw a restoration to 2022 (76.7%) levels after a slight decline in 2023 (75.9%). This year’s increase would suggest the simplified appraisal process introduced in 2023 has embedded and is having a positive impact.
- The statement ‘My line manager cares about me as a person’ is possibly the most important question in the whole survey and HR literature shows that people are motivated to do their very best work if they have a good working relationship with their line manager. Positive scores have decreased year on year, however this was the second highest ‘strongly agree’ scoring statement (44.48%). A strong positive response of 80.3% highlights the positive culture at the council where the well-being of employees is regularly discussed by managers.
- There was a very slight decline in positive scores (94.6%) for the statement about ‘supportive and friendly’ colleagues compared to last year (95.2%) but still above 2022 (93.7%) and still a very high score. This is a very strong response and an excellent result given that hybrid working means fewer opportunities for employees to spend time together at work.
- The question about equality at work saw a very slight decline this year at 73.6% compared to 74.8% last year however this score remains above 2022 at 69.3% and still a very positive score.
- Positive scores for the question about corporate priorities declined slightly in 2024 (78.9%) compared to 2023 (80.6%) but remains higher than 2022 (72.1%). Scores for the question about service priorities saw a similar

pattern. It is not unusual for employees to know more about their immediate objectives than the higher priorities of the overall organisation. However, HR will consider whether this is an area that needs more attention in the corporate induction process.

- Positive scores for the question about employee communications have reduced (45.8%) from last year (54.8%) but remain slightly higher than 2022 (45%). This question also had the highest negative response with 23.08% employees disagreeing (strongly disagree and agree). This is an area that was highlighted for action following last year's survey and will continue to be an area for discussion. HR will work with Corporate Communications, Corporate Heads of Service and Unison to explore how this score can be improved in 2025.

Summary and actions

11.11 Overall, the survey indicates very positive feedback for the Council as an employer.

11.12 The following action points will be taken as a result of this year's survey:

- The Executive Leadership Board (ELB) and Corporate Heads of Service (CHOS) will continue to monitor their teams to ensure that regular appraisals, six-month review meetings, one to one meetings and team meetings are taking place.
- HR will analyse the demographic data to see if any issues arise concerning equalities (age or gender) and report back to ELB if necessary.
- HR will review the induction process and consider whether information about the 'corporate'/whole Council' is an area that needs to be strengthened.
- Efforts will continue to improve the rating for Communications to employees and will be discussed at the regular Unison/HR meeting agenda.

BACKGROUND DOCUMENTS

Previous Committee Reports

AG079 Workforce Report 2021/22, 29 June 2022

AG085 Update on Employee Attitude Survey and Related Matters, 10 November 2022

AG102 Workforce Report 2022/23, 20 July 2023

AG114 Update on Employee Attitude Survey 2023, 28 September 2023

AG126 Workforce Report 2023/24, 18 July 2024

Other Background Documents:-

None

APPENDICES:

Appendix 1 – Employee Attitude Survey 2024 – summary of overall results.

Appendix 2 - Comparison of 2023/2024 'Agree' results showing changes of more than 3%

Appendix 3 - Summary of employee comments added to survey response

Appendix 1

Employee Attitude Survey - June 2024

<https://winchester.citizenspace.com/human-resources/bb730e1b>

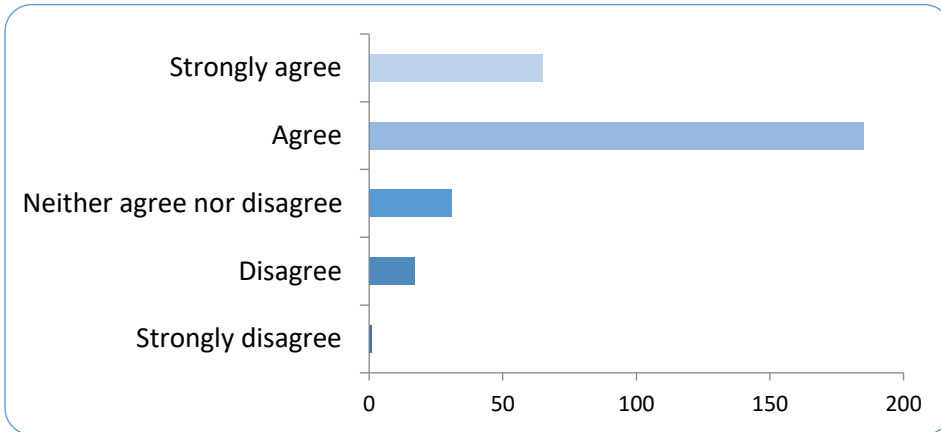
This report was created on Monday 01 July 2024 at 09:18

The activity ran from 03/06/2024 to 28/06/2024

Responses to this survey: **299**

1: I enjoy my work at the council.

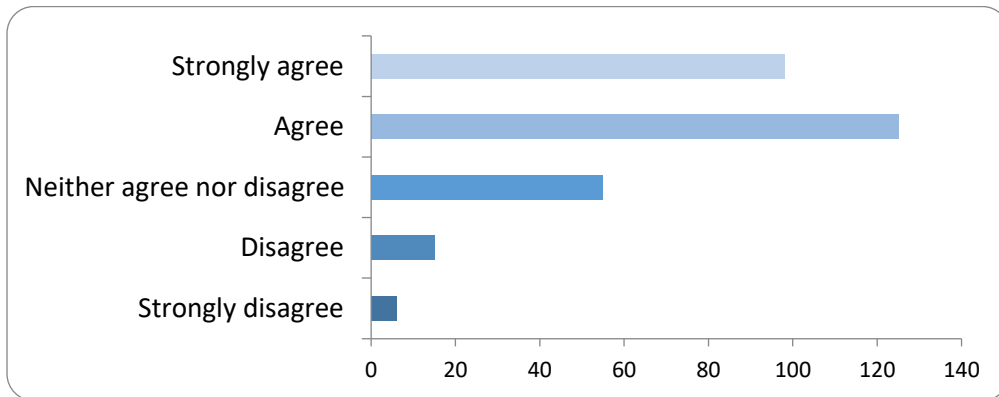
There were 299 responses to this part of the question.



| Option | Total | Percent |
|-----------------------------------|-------|---------|
| Strongly agree | 65 | 21.74% |
| Agree | 185 | 61.87% |
| Neither agree nor disagree | 31 | 10.37% |
| Disagree | 17 | 5.69% |
| Strongly disagree | 1 | 0.33% |
| Not Answered | 0 | 0.00% |

2: I will still be working at the council in 12 months' time.

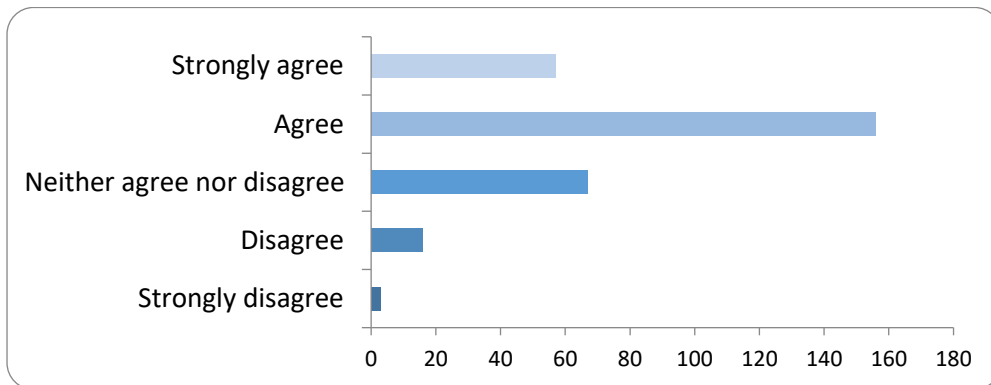
There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 98 | 32.78% |
| Agree | 125 | 41.81% |
| Neither agree nor disagree | 55 | 18.39% |
| Disagree | 15 | 5.02% |
| Strongly disagree | 6 | 2.01% |
| Not Answered | 0 | 0.00% |

3: I would recommend the council as a great place to work to my family and friends.

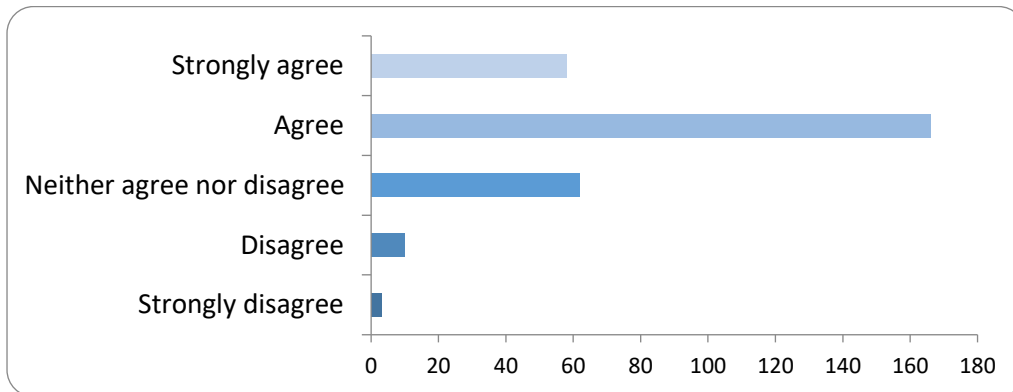
There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 57 | 19.06% |
| Agree | 156 | 52.17% |
| Neither agree nor disagree | 67 | 22.41% |
| Disagree | 16 | 5.35% |
| Strongly disagree | 3 | 1.00% |
| Not Answered | 0 | 0.00% |

4: I am proud to work for the council.

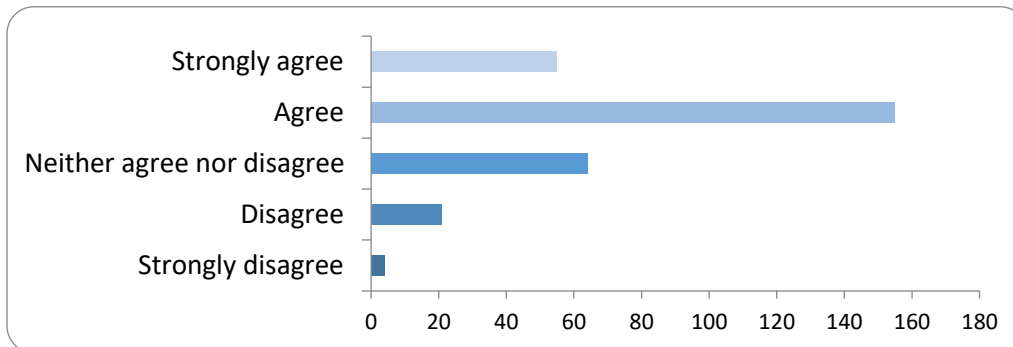
There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 58 | 19.40% |
| Agree | 166 | 55.52% |
| Neither agree nor disagree | 62 | 20.74% |
| Disagree | 10 | 3.34% |
| Strongly disagree | 3 | 1.00% |
| Not Answered | 0 | 0.00% |

5: I am able to get the training and development I need to be successful at work.

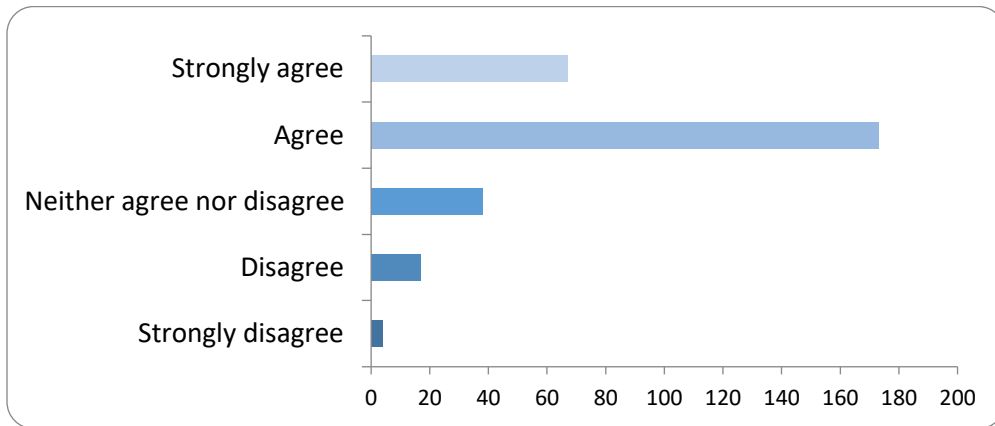
There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 55 | 18.39% |
| Agree | 155 | 51.84% |
| Neither agree nor disagree | 64 | 21.40% |
| Disagree | 21 | 7.02% |
| Strongly disagree | 4 | 1.34% |
| Not Answered | 0 | 0.00% |

6: I have the equipment I need to be successful at my work.

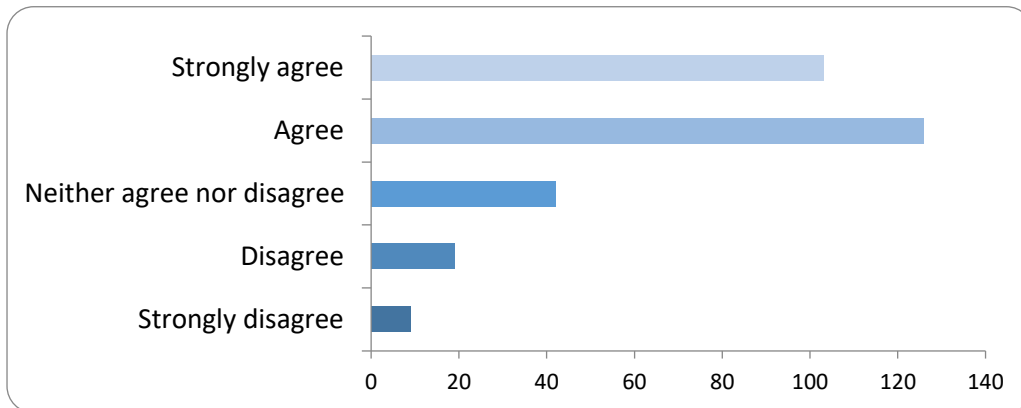
There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 67 | 22.41% |
| Agree | 173 | 57.86% |
| Neither agree nor disagree | 38 | 12.71% |
| Disagree | 17 | 5.69% |
| Strongly disagree | 4 | 1.34% |
| Not Answered | 0 | 0.00% |

7: My line manager gives me regular feedback on my performance at work.

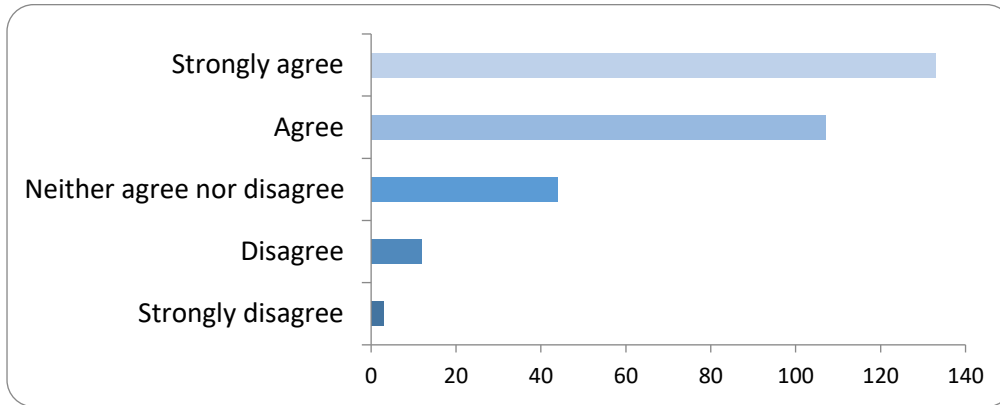
There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 103 | 34.45% |
| Agree | 126 | 42.14% |
| Neither agree nor disagree | 42 | 14.05% |
| Disagree | 19 | 6.35% |
| Strongly disagree | 9 | 3.01% |
| Not Answered | 0 | 0.00% |

8: My line manager cares about me as a person.

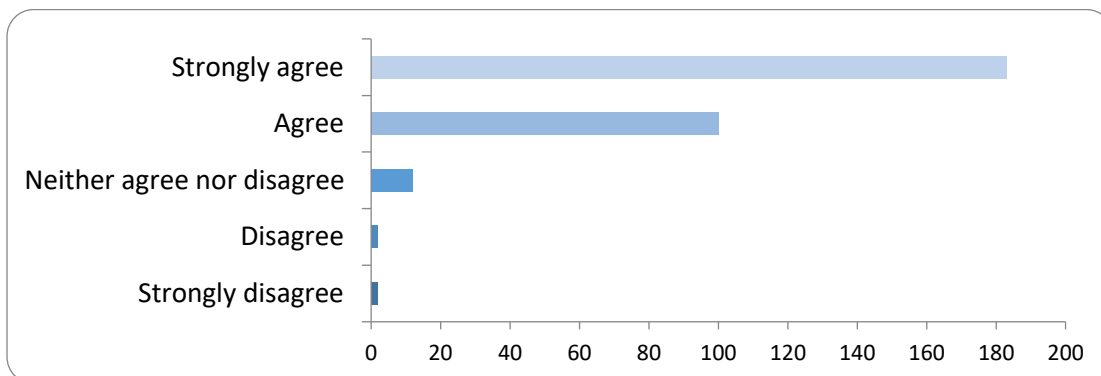
There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 133 | 44.48% |
| Agree | 107 | 35.79% |
| Neither agree nor disagree | 44 | 14.72% |
| Disagree | 12 | 4.01% |
| Strongly disagree | 3 | 1.00% |
| Not Answered | 0 | 0.00% |

9: The colleagues in my team are supportive and friendly.

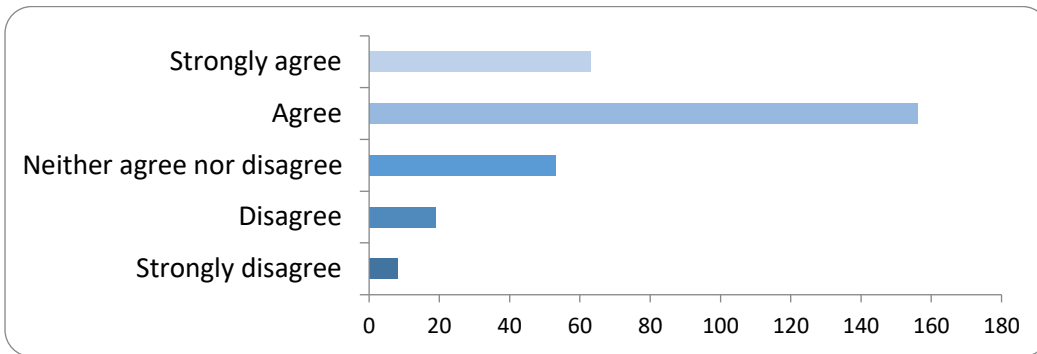
There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 183 | 61.20% |
| Agree | 100 | 33.44% |
| Neither agree nor disagree | 12 | 4.01% |
| Disagree | 2 | 0.67% |
| Strongly disagree | 2 | 0.67% |
| Not Answered | 0 | 0.00% |

10: The council takes the health and well-being of its employees seriously.

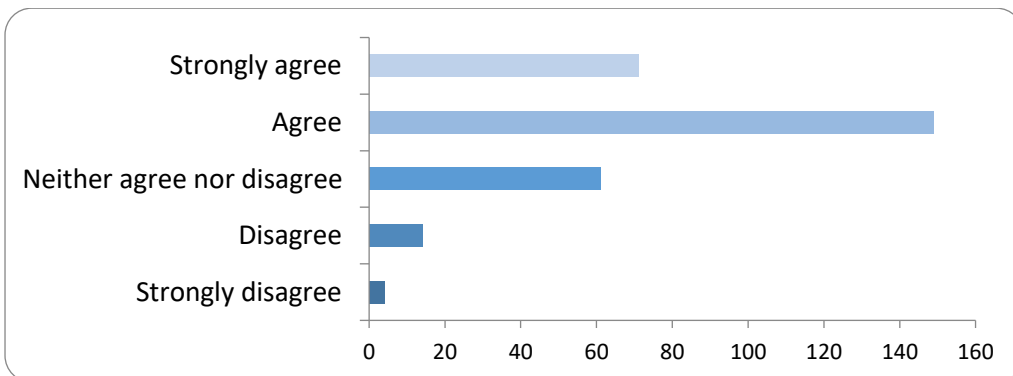
There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 63 | 21.07% |
| Agree | 156 | 52.17% |
| Neither agree nor disagree | 53 | 17.73% |
| Disagree | 19 | 6.35% |
| Strongly disagree | 8 | 2.68% |
| Not Answered | 0 | 0.00% |

11: The council is committed to ensuring equality at work for all its employees.

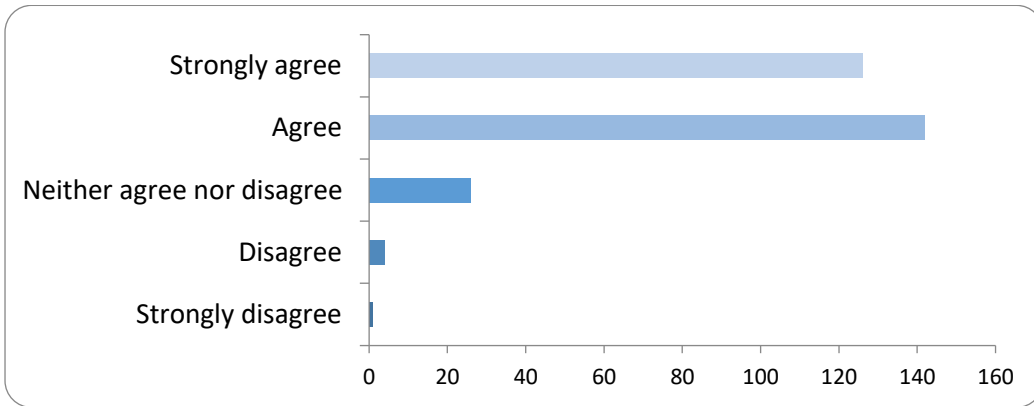
There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 71 | 23.75% |
| Agree | 149 | 49.83% |
| Neither agree nor disagree | 61 | 20.40% |
| Disagree | 14 | 4.68% |
| Strongly disagree | 4 | 1.34% |
| Not Answered | 0 | 0.00% |

12: I understand the key objectives of my service.

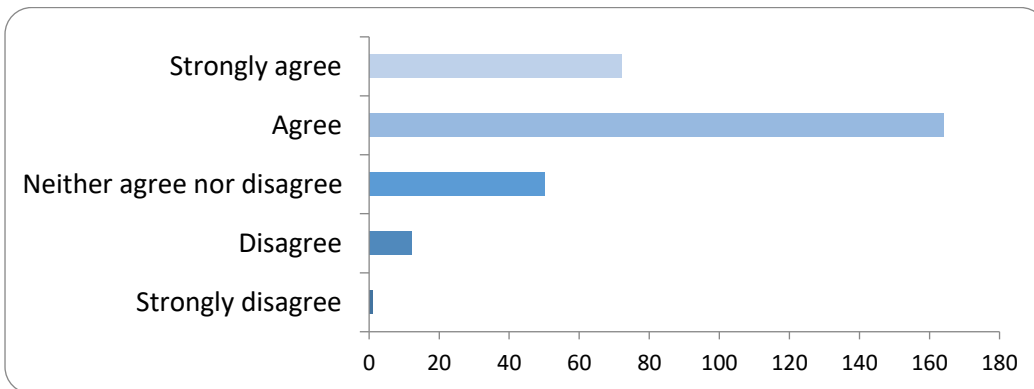
There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 126 | 42.14% |
| Agree | 142 | 47.49% |
| Neither agree nor disagree | 26 | 8.70% |
| Disagree | 4 | 1.34% |
| Strongly disagree | 1 | 0.33% |
| Not Answered | 0 | 0.00% |

13: I understand the top priorities for Winchester City Council.

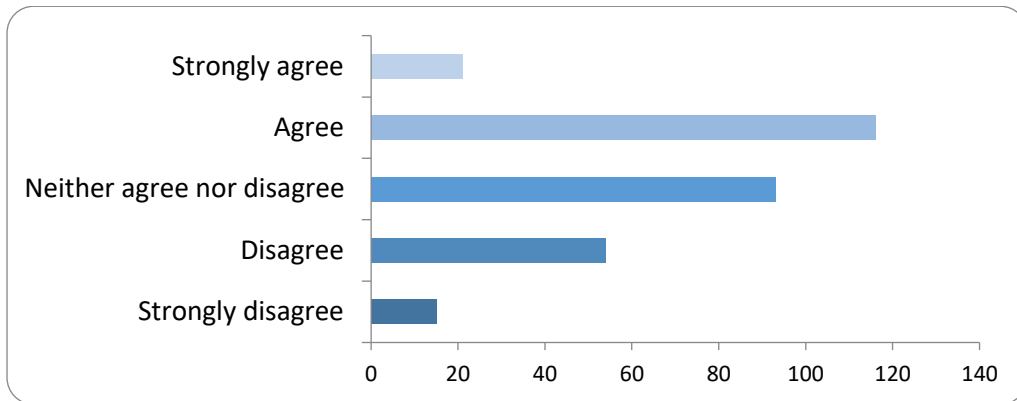
There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 72 | 24.08% |
| Agree | 164 | 54.85% |
| Neither agree nor disagree | 50 | 16.72% |
| Disagree | 12 | 4.01% |
| Strongly disagree | 1 | 0.33% |
| Not Answered | 0 | 0.00% |

14: I would say that changes at work are communicated to employees quickly and clearly.

There were 299 responses to this part of the question.



| Option | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree | 21 | 7.02% |
| Agree | 116 | 38.80% |
| Neither agree nor disagree | 93 | 31.10% |
| Disagree | 54 | 18.06% |
| Strongly disagree | 15 | 5.02% |
| Not Answered | 0 | 0.00% |

Appendix 2

Comparison of 2023/2024 'Agree' results showing changes of more than 3%

Combined results for 'Strongly agree' and 'Agree'

| Question | 2023 % | 2024 % | Direction of travel only where combined total more than 3% difference |
|---|--------|--------|---|
| I enjoy my work at the council. | 84.4 | 83.6 | |
| I will still be working at the council in 12 months' time. | 71.1 | 74.6 | ↑ |
| I would recommend the council as a great place to work to my family and friends. | 71.8 | 71.2 | |
| I am proud to work for the Council. | 73.1 | 74.9 | |
| I am able to get the training and development I need to be successful at work. | 71.4 | 70.2 | |
| I have the equipment I need to be successful at my work. | 74.8 | 80.3 | ↑ |
| My line manager gives me regular feedback on my performance at work. | 75.9 | 76.6 | |
| My line manager cares about me as a person. | 85.4 | 80.3 | ↓ |
| The colleagues in my team are supportive and friendly. | 95.2 | 94.6 | |
| The Council takes the health and well-being of its employees seriously. | 73.8 | 73.2 | |
| The Council is committed to ensuring equality at work for all its employees. | 74.8 | 73.6 | |
| I understand the key objectives of my service. | 90.1 | 89.6 | |
| I understand the top priorities for Winchester City Council. | 80.6 | 78.9 | |
| I would say that changes at work are communicated to employees quickly and clearly. | 54.8 | 45.8 | ↓ |

Appendix 3**Summary of employee comments added to survey response**

81 employees took the time to add a written comment. The survey is confidential, and for this reason, individual comments that could allow the respondent to be identified are not recorded below.

All the written comments have been examined in detail by HR.

Summary of main themes:

Hybrid working - 7 employees commented on the Council's hybrid working policy. Comments were mixed with 2 employees commending it, particularly the positive work/life balance benefits, compared to 5 employees who thought it should be less rigid and/or applied more consistently.

Line managers - 4 employees said they thought their line manager did not support them, especially in terms of appraisals and personal development.

IT/Systems - 8 employees said they thought support on IT and systems could be improved.

Working conditions – 3 employees commented on working conditions, including a desire for individual lockers, improved facilities and air conditioning.

Working for WCC - 6 x employees said they were very happy working at the council and 6 employees said their teams or colleagues were great to work with. Positive comments about the hard work, dedication and professionalism of colleagues were typical.

1 x employee commented positively on the support given for mental health and wellbeing at the council.

2 x employees commented negatively on the use of pronouns in emails and lack of freedom of thought/speech.

Communications - 13 x employees thought communications from management to employees could be improved.

Strategic management – 5 x employees said they thought top management was too top heavy or too remote.

Workload – 5 x employees said they thought their workload was too much, with some feeling 'burnt out'.

Pay – 3 x employees commented on their pay being too low.

Climate change – 1 x employee said they thought not enough was being done on climate change.