

Governance and Audit Committee Meeting

**Moot Hall, Town Hall, High Street,
Colchester, CO1 1PJ
Tuesday, 08 March 2022 at 18:00**

The Governance and Audit Committee considers and approves the Council's Statement of Accounts and reviews the Council's annual audit letter. The Committee also deals with the Council's governance, risk management and audit arrangements. To make recommendations to the Council on functions such as Elections and bye laws, and determine Community Governance Reviews.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is usually published five working days before the meeting, and minutes once they are published. Dates of the meetings are available here:

<https://colchester.cmis.uk.com/colchester/MeetingCalendar.aspx>.

Most meetings take place in public. This only changes when certain issues, for instance, commercially sensitive information or details concerning an individual are considered. At this point you will be told whether there are any issues to be discussed in private, if so, you will be asked to leave the meeting.

Have Your Say!

The Council welcomes contributions and representations from members of the public at most public meetings. If you would like to speak at a meeting and need to find out more, please refer to the Have Your Say! arrangements here: <http://www.colchester.gov.uk/haveyoursay>.

Audio Recording, Mobile phones and other devices

The Council audio records public meetings for live broadcast over the internet and the recordings are available to listen to afterwards on the Council's website. Audio recording, photography and filming of meetings by members of the public is also welcomed. Phones, tablets, laptops, cameras and other devices can be used at all meetings of the Council so long as this doesn't cause a disturbance. It is not permitted to use voice or camera flash functions and devices must be set to silent. Councillors can use devices to receive messages, to access meeting papers and information via the internet. Looking at or posting on social media by Committee members is at the discretion of the Chairman / Mayor who may choose to require all devices to be switched off at any time.

Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to the Library and Community Hub, Colchester Central Library, using the contact details below and we will try to provide a reading service, translation or other formats you may need.

Facilities

Toilets with lift access, if required, are on each floor of the Town Hall. A water dispenser is available on the first floor.

Evacuation Procedures

Evacuate the building using the nearest available exit. Make your way to the assembly area in the car park in St Runwald Street behind the Town Hall. Do not re-enter the building until the Town Hall staff advise you that it is safe to do so.

Library and Community Hub, Colchester Central Library, 21 Trinity Square,
Colchester, CO1 1JB

telephone (01206) 282222 or textphone 18001 followed by the full number you wish to call

e-mail: democratic.services@colchester.gov.uk

www.colchester.gov.uk

Governance and Audit Committee - Terms of Reference (but not limited to)

Accounts and Audit

To consider and approve the Council's Statement of Accounts and the Council's financial accounts, and review the Council's external auditor's annual audit letter.

Governance

To consider the findings of the annual review of governance including the effectiveness of the system of internal audit and approve the signing of the Annual Governance Statement.

To have an overview of the Council's control arrangements including risk management and in particular with regard to the annual audit plan and work programme, and to approve the policies contained in the Council's Ethical Governance Framework.

Other regulatory matters

To make recommendations to Council on functions such as elections, the name and status of areas and individuals, and byelaws.

To determine and approve Community Governance Reviews.

Standards in relation to Member Conduct

To consider reports from the Monitoring Officer on the effectiveness of the Members' Code of Conduct, and to advise the Council on the adoption or revision of the Code.

To receive referrals from the Monitoring Officer into allegations of misconduct and to create a Hearings Sub-Committee to hear and determine complaints about Members and Co-opted Members referred to it by the Monitoring Officer.

To conduct hearings on behalf of the Parish and Town Councils and to make recommendation to Parish and Town Councils on improving standards or actions following a finding of a failure by a Parish or Town Councillor.

To inform Council and the Chief Executive of relevant issues arising from the determination of Code of Conduct complaints.

To grant dispensations, and to hear and determine appeals against refusal to grant dispensations by the Monitoring Officer.

To make recommendations to Council regarding the appointment of Independent Persons.

General

To review of the Constitution including governance issues around formal meetings, processes and member training and to make recommendations to Council.

COLCHESTER BOROUGH COUNCIL
Governance and Audit Committee
Tuesday, 08 March 2022 at 18:00

The Governance and Audit Committee Members are:

Councillor Dennis Willetts	Chairman
Vacancy	Deputy Chairman
Councillor Kevin Bentley	
Councillor Michelle Burrows	
Councillor Adam Fox	
Councillor Chris Hayter	
Councillor David King	
Councillor Steph Nissen	
Councillor Gerard Oxford	

The Governance and Audit Committee Substitute Members are:

All members of the Council who are not Cabinet members or members of this Panel.

AGENDA
THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING
(Part A - open to the public)

Please note that Agenda items 1 to 6 are normally dealt with briefly.

1 Welcome and Announcements

The Chairman will welcome members of the public and Councillors to the meeting and remind those participating to mute their microphones when not talking. The Chairman will invite all Councillors and Officers participating in the meeting to introduce themselves.

2 Substitutions

Councillors will be asked to say if they are attending on behalf of a Committee member who is absent.

3 Urgent Items

The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.

4 Declarations of Interest

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or

participating in any vote upon the item, or any other pecuniary interest or non-pecuniary interest.

5 Minutes of Previous Meeting

The Councillors will be invited to confirm that the minutes of the meeting held on 18 January 2022 are a correct record.

Draft minutes - 18-01-2022

7 - 24

6 Have Your Say! (Hybrid meetings)

Members of the public may make representations to the meeting. This can be made either in person at the meeting or by joining the meeting remotely and addressing the Council via Zoom. Each representation may be no longer than three minutes. Members of the public wishing to address the Council remotely may register their wish to address the meeting by e-mailing democratic.services@colchester.gov.uk by 12.00 noon on the working day before the meeting date. In addition a written copy of the representation will need to be supplied for use in the event of unforeseen technical difficulties preventing participation at the meeting itself.



There is no requirement to pre register for those attending the meeting in person.

7 Equality and Safeguarding - Annual Update Report

25 - 48

The Committee will consider a report setting out the Council's duties and updates for Equality and Safeguarding and illustrating the steps the Council has taken to meet these mandatory requirements and specific duties.

8 External audit 2020/21 update

49 - 52

The Committee will consider a report providing an update on further delays to the 2020/21 audit.

9 Financial Monitoring Report – April to December 2021

53 - 70

The Committee will consider a report which provides the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

10 Capital Monitoring Report Quarter 3 21/22

71 - 80

The Committee will consider a report comparing Capital Programme expenditure to budget at the end of Quarter Three 21/22. The Capital Programme encompasses General Fund services, the Housing Revenue Account Housing Investment Programme, and the

Revolving Investment Fund. It is a significant capital programme with a high level of investment benefitting the Borough, contributing towards the local economy, and working towards recovery.

- | | | |
|----|---|---------|
| 11 | Internal Audit Plan 2022/23 | 81 - 92 |
| | The Committee will consider a report detailing the annual internal audit plan for the forthcoming financial year. | |
| 12 | Review of digital meetings following Covid-19 - verbal update | |
| | The Committee will receive a verbal update containing a review of digital meetings, and developments that have been made. | |
| 13 | Work Programme 2021-2022 | 93 - 96 |
| | The Committee will consider a report setting out the work programme for the current municipal year. | |

Part B
(not open to the public including the press)

GOVERNANCE AND AUDIT COMMITTEE

18 January 2022

Present:- Councillor Kevin Bentley, Councillor Michelle Burrows, Councillor Adam Fox, Councillor Chris Hayter, Councillor David King, Councillor Gerard Oxford, Councillor Dennis Willetts (Chairman)

Substitutions: Councillor Paul Dundas, Councillor Sue Lissimore*, Councillor Leigh Tate

Also Present:-

*attended remotely

295. Substitutions

Although there were no substitutions to the Committee, Councillor Willetts noted that Councillor Tate had tendered her resignation from the Committee as she had accepted a role on the Board of Colchester Commercial Holdings Limited, and considered there to be a conflict between the two roles. She attended the meeting as an observer.

296. Minutes of the previous meeting

RESOLVED that: the minutes of the meeting held on 23 November 2021 be confirmed as a correct record.

297. Colchester Commercial Holdings Limited Business Plans

Andrew Tyrrell, Client and Business Manager, attended the meeting to introduce the report and assist the Committee with its enquiries. The Committee heard that Colchester Commercial Holding (CCHL)'s Business plan set out the overarching strategy for all the Council's wholly owned commercial companies (the Companies), and detailed the activities of the companies and how they aligned with Colchester Borough Council (the Council)'s strategic objectives, to ensure openness and transparency. Each subsidiary company also had its own Business Plan which were commercially sensitive, and which contained more detail and set out the Companies' plans for the coming four to five years. The report that had been presented to the Committee also set out the governance arrangements for the Companies, which

were approaching the end of their fourth trading year, having been set up in April 2018. Although the last two years had been affected by the Coronavirus pandemic, signs of recovery were starting to be seen.

Paul Smith, Managing Director of Colchester Commercial Holdings Limited (CCHL), attended the meeting to deliver a presentation containing detailed information about the past performance and future plans of the Council's wholly owned commercial companies (the Companies), and assist the Committee with its enquiries. The Committee received information in relation to CCHL's prediction as to the dividend that would be available to be supplied to the Council this year, and it was considered that careful management of CCHL's finances had yielded a very positive return. The Committee were reminded that the achievements of CCHL were the result of joint working with the Council and the utilisation of Council funds, as CCHL carried out functions which could not be undertaken by a Local Authority under the Localism Act 2011 and the Local Government Act 1972. The Committee received updates on key projects and achievements from the period 2021-2022.

Colchester Northern Gateway Sports Park had opened in May 2021, had hosted the Women's Tour of Britain, and the whole sports complex had been very well received locally. Future events were planned for 2022.

With regard to Colchester Northern Gateway South, CCHL had been successful in negotiating and finalising the Turnstone Development, construction of which was due to commence before the end of the current financial year. The Walk, which was a boulevard which ran through the entire Northern Gateway development, had been completed in conjunction with heat network pipes and other ducting for future use. Work had commenced on the development of St Mark's Community Centre.

The Council's commercial companies had been very successful in managing the impact of the restrictions imposed as a result of the pandemic, and event that had been compliant with Covid restrictions had been held through the summer. The Committee were reminded that the events activities of CCHL did help to cross-subsidise the start-up of both the Council's Energy Company (CAEL) and Homes Company (CAHL), and should not be underestimated. As full a calendar of events as was permitted was planned for 2022.

The Helpline service had performed very well, and throughout the entire pandemic full operation of the service had been maintained. The Committee heard that the service did not simply monitor events, but actively assisted its customer base, and had been supported by staff and volunteers over the past year.

CCHL had continued to work on the provision of a Local Full Fibre Network (LFFN) to Colchester, which was of key importance to the continued economic growth and success in the borough, and the work would be completed in February 2022. The LFFN had also been used to increase the expanse of the Council's Close Circuit Television (CCTV) network, as well as its quality of image, which had been of great assistance to the Council's partners.

The Council's energy company, Colchester Amphora Energy Ltd (CAEL) had now completed all the boreholes necessary to support the operation of the Northern

Gateway Heat Network, and consideration had been given to the feasibility of a potential solar farm and microgrid at the Northern Gateway to help deliver a more sustainable electricity supply to the development.

Colchester Amphora Homes (CAHL) had completed its first mixture of private and affordable housing, and the Committee heard that CAHL would always deliver 30% affordable housing on any of its developments, which was a very important aspect of what CAHL would be providing to the Borough. The Company was moving forwards with designs and feasibility for new pipeline sites coming forward.

With regard to the future activity of CCHL, the Committee heard that over the coming years, key priorities were to lead development of Section 106 funded community buildings at Stanway and North Colchester which had already commenced, together with the development of the new St Mark's Community Centre. Work would continue on the digital grow-on space scheme at the Queen Street Bus Depot, together with a continued focus on partnership working, and the delivery of the LFFN project.

The Committee were assured that the Asset Management Team had worked diligently through the pandemic to ensure that income from the Council's assets had been realised, and a strong income stream had been achieved with limited loss of rental income.

In line with signs that the pandemic may be coming to an end, CCHL hoped to deliver as full a programme of events and weddings as was possible in the coming year, and the importance of the income that would be generated in supporting other elements of the Companies was again brought to the attention of the Committee.

It was intended that the excellent Helpline service would be maintained over the coming years, and the customer base expanded throughout Colchester and possibly beyond. The digital upgrade of the Helpline operating system would continue, facilitating the expansion of digital services to customers via the LFFN.

The Capital Projects Team would continue to lead delivery of key projects throughout the borough to include the Rowan House refurbishment works, the Northern Gateway, the Queen Street Bus Depot and the St Mark's Community Centre projects.

Of key importance to Colchester Amphora Energy Limited (CAEL), was engaging with a contractor for the installation and commission of the Energy Centre, which was hoped would come forward through the coming financial year. Work would also continue around examining the feasibility of a microgrid, and the continued provision of excellent advice to the Council around sustainable energy, to support the Council's Strategic Priorities in this regard.

Colchester Amphora Homes Limited (CAHL) would seek to progress its Housing Revenue Account (HRA) sites through its action as project manager of these, and it was hoped that the Military Road site Phase 1 development would be complete in the Spring of 2022. Further work would be undertaken to identify the feasibility of pipeline sites for future development, and bringing these forward, and all available Homes England housing grants would be taken advantage of.

The Committee heard that CCHL had previously been requested to consider how it might expand the business in the future, and one of the key obstacles that was envisioned with regard to this was the potential change with regard to the Department of Levelling Up, Housing and Communities in the approach they may take towards local authorities borrowing money, and how they could potentially be requested to input a minimum revenue provision to limit local authorities exposing themselves to undue risks. The Council was submitting a response to a consultation in relation to this, which was due to close on 8 February 2022 as it was important to ensure that no imposition was made that would stifle the delivery of homes in the borough, together with other investments that the Council may wish to make such as in the heat network. This uncertainty had been borne in mind when considering the Business Plans, as well as potential changes in the market which may affect household income and mortgage ability.

Bearing in mind the success of CCHL over the previous financial year, and the balance which existed between the individual Companies, CCHL considered that in the financial year 2022/2023 net profit for distribution would be £256,131, however, in subsequent years the effects of completed housing being sold on would be seen and net profit available for distribution rose significantly to £1,017,627 in 2023/2024, £1,687,436 in 2024/2025 and £1,778,135 in 2025/2026. These predictions had been made as the result of very careful consideration, and were considered to be as realistic as possible.

Councillor Willetts considered that the proposed Business Plan was somewhat light on detail concerning the projected activities towards the end of 2026, but he accepted that this was as the result of unknown factors which could significantly affect CCHL. Councillor Willetts did, however, consider that three issues which had been raised by the Committee in the past had not been adequately addressed by the proposed Business Plan. The first of these issues was the financial flexibility and balance sheet strength of CCHL, so that in addition to executing the projects of the Council, CCHL retained the ability to engage in other profitable activities. Secondly, was the question of tax implications on turnover, and the effect that the move towards contracts which contained more social benefit would inevitably have on profitability and therefore the tax liability. Additionally, no reference had been made to the tax payable on dividends that were paid out by CCHL, and Councillor Willetts considered that this was an area which should be carefully considered to ensure the most favourable tax conditions were created. The third issue not addressed by the Business Plan was the range of activities that CCHL might consider including, but which were currently not included. Councillor Willetts noted that the Localism Act 2011 permitted local authorities to undertake profit making activity if this was delivered as part of a company structure, and he enquired whether there were activities currently being carried out by the Council which could be taken on by CCHL to expand its portfolio of profit-making activities.

Paul Smith confirmed that at a previous meeting of this Committee the possibility of retaining dividends in CCHL had been discussed with the aim of growing the balance sheet. This has been discussed internally with the Council, but with the budget pressures that the Council was expected to experience over the coming years it was

not considered that dividend retention would be a viable option, and the Council would need to receive the benefit of the trading activities of CCHL. Consideration was being given to the expansion of the operations and profitability of CCHL, however, the lack of clarity which was caused by the regulation review that was being undertaken by the Department of Levelling Up, Housing and Communities had meant that CCHL had not been in a position to present ideas to the Committee. With regard to the tax implications of CCHL, both the external auditors of CCHL and the Council were very keen to make sure that there was nothing in the trading and the internal movement of costs, dividends and paybacks where there could be any perception that there was an undervalue for the cost of transfer. The Committee heard that the requirement to pay corporation tax was the result of successful trading, although if there was any surplus income from activities that a local authority could carry out itself then this was exempt from corporation tax liability. The three individual Companies also benefited from group relief, with losses made by the Energy Company through its inception being offset, to ensure that group relief was maximised to minimise the corporation tax liability. With regard to the range of activities that were undertaken by CCHL, this was something that was the subject of detailed discussion between CCHL and the Council, but progress in this area was also subject to delay caused by the uncertainty surrounding future recommendations from the Department of Levelling Up, Housing and Communities.

Councillor Willetts considered that the Business Plan should touch on some of the issues that he had raised as he believed that they were particularly pertinent to the acceptability of the Business Plan, and it was right that the Governance and Audit Committee, as the shareholder committee for CCHL should explore these issues. He questioned the way that the Business Plan addressed unresolved risks, in particular the minimum revenue protection requirements (MRP), which may have a very significant impact on the Business Plan. He noted that the Business Plans would need to be referred to Cabinet for approval before the final position in relation to MRP was known, but wondered whether it would be prudent to have a section in the Business Plan dealing with unresolved financial risks, and the potential impact that MRP could have in a variety of scenarios; in particular the impact that MRP could have on the Council and any loans which had been made. Councillor Willetts sought an opinion on the extent to which unresolved financial risks should be included and addressed within the proposed Business Plan for the next four years, particularly with regard to the energy and housing projects.

Paul Smith confirmed that a balance had to be struck between the commercial sensitivity of the activities being undertaken, and the need to make information publicly available as part of the CCHL Business Plan. He was happy for the Business Plan to be augmented in accordance with the suggestions that had been made, and confirmed that the possible impact of MRP had been considered in the as part of the predictions for the coming years, however, more transparency could be included around some of the assumptions which had been made in this regard.

In response to an enquiry from Councillor Bentley, Paul Smith confirmed that the projected rise in the cost of living and materials had been considered when making net profit predictions, together with any time delays which may occur. It was noted

that the expectation was that production levels would return to their pre-pandemic levels during the course of the year, and CCHL had utilised predictions that had been made by the Royal Institute of Chartered Surveyors to ensure that the predictions that had been made were not overly optimistic.

Councillor King noted that two or three years ago he was aware that concerns had been expressed as to whether the Council should have the Companies, and the interrelationship between them, however, he was aware of far fewer concerns being expressed now. He sought a view on whether the set up of the Company felt right in the opinion of Officers, and also how the success of the Companies could be measured on a commercial level given that they received business from the Council. The Committee were reminded that the Companies were set up to deliver services which the Council could not. The boreholes which were part of the heat network were owned by the Council, however, the additional benefit associated with the renewable heat incentive scheme could not be obtained by a public body and had to be retained by a private company, in this case CAEL. Additionally, the Companies allowed the Council to profit from the sale of council housing projects in a way that a local authority on its own could not. With regard to the LFFN, the Council was able to facilitate funding from the Department for Culture, Media and Sport (DCMS) to put in the basis of this network, however, a private company was then required by DCMS to implement the network itself. Given this rationale behind the creation of the Companies, and their utility in these areas, the governance and structure of the Companies, there were a number of activities where CCHL was an inwardly looking organisation which was utilising public sector funding and was therefore bound by public sector regulations. Other activities carried out by CCHL, for example the events business, were very commercially successful and were generating good surpluses. Paul Smith considered that the governance arrangements which had been put in place when CCHL had been formed were still appropriate and relevant now, however, should CCHL become more commercial in the future, the governance arrangements may need to be reconsidered. With to the competitiveness of CCHL the services that the Companies provided were measured against a baseline which allowed for some comparisons to be made with the services provided by CCHL and the same services provided commercially. When winning the prestigious 'Entrepreneurial Council of the Year' award, the assessment panel had been intrigued by the fact that CCHL had been able to deliver a positive return immediately, which had not been seen before. CCHL was also able to retain the social benefit in its activity, which made making a straight comparison between CCHL and private companies very difficult to do. Key Performance Indicators (KPI)s had been agreed with the Council to ensure that performance which was important to it was met, and CCHL was judged on these KPIs and the dividend which was provided.

Councillor Willetts noted that the Companies were not Council departments, but commercial organisations in their own right, and he would welcome a degree of boldness in the Business Plan about the aims of the Companies, how they wished to help the Council and assist in the provision of Council services in the future, a sentiment which was supported by Councillor King.

Councillor Fox also supported the inclusion of positivity in the Business Plans and considered that in his opinion the current Plan could be considered to be quite short term in its outlook. He noted that he had been involved with the Companies since their inception and considered that the same projects had been worked on throughout the life of the companies. He would welcome more long term thinking and planning within the Business Plans allowing the Companies to demonstrate the flexibility that would make them continuously successful. He considered, by way of example, that lessons which had been learned from the Northern Gateway Project should now be applied to future projects, such as the Garden Community. He questioned whether CAHL would deliver 350 homes by 2024 or 2025, as this was not clear in the Plan, and it was confirmed that there was an obligation to complete the 350 properties by July 2025. Paul Smith explained that the pipeline of Council based assets that could be developed was being considered and CAHL was concerned with ensuring that the land which the Council wished to see develop was being utilised, and it was hoped that future targets for CAHL would be identified. The Events Company was identified as being a wholly commercial company which was not funded by the Council, and which generated significant income. The Events Company had also provided services to two other local authorities which represented an expansion of the business activity. Other local authorities had indicated an interest in utilising the services provided by the Companies, as these were delivered within a local government framework and with a public sector ethos, and this represented a further opportunity for expansion, subject to any funding issues which may arise.

Councillor Fox noted current rising energy prices and the impact which this would have on household income, and wondered whether there were any risks to the Northern Gateway Heat Network and the proposed Microgrid as a result of these changes to the energy market. The Committee heard that it was anticipated that the National Grid would experience strain during the transition from fossil fuels to more sustainable sources of energy, however, the energy that would be generated by the Northern Gateway Heat Network would generate a profit for the Council while at the same time providing cheaper hot water to all residential properties in the Northern Gateway development and reducing the carbon footprint; one of the Council's strategic priorities. The Committee heard that the proposed Microgrid was a bank of solar panels which could be used to create battery storage of electricity which could be utilised not only by the Council but potentially by developers concerned about the inability of the national grid to provide the electricity consumption that was required locally. It was considered that the associated risk element to this scheme was quite low, and this would be reflected in any business plan which was put forward for approval by the Council.

Andrew Tyrrell highlighted to the Committee the social and environmental benefits which the Companies were able to bring to the Council, which was particularly evident through the future Microgrid. The Council had declared a climate emergency in 2019, and has adopted an agreed pathway to net zero carbon emissions by 2030 in association with the Carbon Trust. Although the Council had managed to significantly reduce its carbon footprint already, if only the projects currently under

way were completed, the Council would still have a carbon footprint of 2,700 tonnes of carbon. The Microgrid which was being currently considered would have the effect of removing approximately one third of this carbon, which was a significant beneficial impact.

Councillor Oxford noted that the Business Plan mentioned the hiring out of Council meeting rooms, and expressed a concern that these commercial hirings may have the effect of limiting the use of the meeting rooms for Council business. Councillor Oxford considered that this issue did need to be addressed in the Business Plan, as if there was a booking clash and a Council meeting which needed to be scheduled had to be held at another venue, there was no guarantee that the alternative venue would be fully accessible. He also noted that the disabled access lift to the Old Library building had required replacing relatively soon after it had been installed and considered that a cover was needed for this lift to protect it. Paul Smith assured Councillor Oxford that CCHL was cognisant of the requirement for Council meetings, and had, on a number of occasions cancelled private bookings of meeting rooms to accommodate Council meetings. He would consider this issue in the future to ensure that both the needs of CCHL and the Council could be met. Dan Gascoyne, Chief Operating Officer, considered that the balance between Council meetings and commercial letting of the Council's property, principally the Town Hall, was about right, and noted that there was a separate hire agreement between CCHL and the Council which dealt with the operation matters which had been the subject of Councillor Oxford's enquiry.

Councillor Willetts considered that there was considerable overlap and duplication between the activities of the Council and CCHL, and he wondered to what extent this could be rationalised to increase the profitability of CCHL. Paul Smith was not aware of any particular areas of overlap between the services provided by the Council and CCHL, however, the structure of CCHL was currently being considered to build in resilience to the operational activities over forthcoming months, when any areas of overlap would be considered.

Councillor Willetts did not consider that any of the issues that had been discussed by the Committee were of sufficient seriousness for the Committee to recommend that the proposed Business Plan not be presented to Cabinet for approval.

Nevertheless, many of the questions that had been asked had been pertinent, and it was down to CCHL to consider whether the Business Plan would be improved if it were amended to take account of the issues that had been raised by the Committee. Councillor Willetts summarised the issues on which the Committee had considered that clarification in the Business Plan would be useful as being; the financial flexibility of the balance sheet, the tax implications, the additional activities which could be envisaged in the Business Plan to ensure that profit making activities were within CCHL, the unresolved financial risks and assumption with regards to the potential impact of MRP on the two major projects which required capital which were energy and housing, the impact of inflation on the Business Plan, the competitiveness and boldness of CCHL (particularly in the energy market), and the issue of potential overlaps and duplications. It was suggested that the Committee commend these

suggestions to the Company to consider whether the Business Plan would be improved by giving further consideration to these issues.

Councillor Fox pointed out that there were inconsistencies in the paperwork which had been presented in relation to whether the 350 homes would be delivered by 2024 or 2025, and although a verbal clarification had been given at the meeting, he requested that the Company be clear on when it expects the homes to be delivered.

Councillor King noted the impact that the Companies could make in supporting the objectives of the Council in terms of delivering social value and contributing to reducing the Council's use of carbon, and he considered that the Company could be encouraged to highlight this element of their work when considering the final Business Plan.

Councillor Willetts confirmed that the Committee had now raised eight issues for further consideration by the Company, and considered that it was now for CCHL to consider whether or not it wished to modify the Business Plan to take into account the issues which the Governance and Audit Committee, as Shareholder, had raised.

Councillor Lissimore, Portfolio Holder for Resources, thanked the Committee for its work, and looked forward to considering the proposed Business Plans at the forthcoming meeting of Cabinet.

RESOLVED that:-

- Colchester Commercial Holdings Limited be requested to consider amending the proposed Business Plans to take account of the following:
 - the financial flexibility of Colchester Commercial Holdings Limited's balance sheet
 - the tax implications associated with Colchester Commercial Holdings Limited's trading activity
 - the additional activities which could be envisaged in the Business Plan to ensure that profit making activities were within Colchester Commercial Holdings Limited
 - the unresolved financial risks and assumption with regards to the potential impact of Minimum Revenue Protection on the two major projects which required capital investment
 - the impact of inflation on the Business Plan
 - the competitiveness and boldness of Colchester Commercial Holdings Limited
 - the issue of potential overlaps and duplications between services delivered by Colchester Borough Council and Colchester Commercial Holdings Limited
- clarity regarding the timeline for delivery of 350 new homes

RECOMMENDED TO CABINET that the proposed Business Plans of Colchester Commercial Holdings Limited be agreed.

298. External Audit Update and new arrangements

Paul Cook, Head of Finance, attended the meeting to present the report and assist the Committee with its enquiries. It had been hoped to bring the audit opinion to the Committee at this meeting, but this had not been possible, and intensive work was being carried out with Colchester Borough Council (the Council)'s external auditors, BDO, in an effort to be in a position to bring the audit opinion to the March 2022 meeting of the Committee.

The Committee were advised that a number of proposed changes to the external audit regime had been announced at the same time as the Local Government Finance Settlement. These changes included improved guidance for audit firms, extra funding allocated, in the sum of £45m nationally, to help local authorities with the account preparation, but it was suspected that the majority of this money would be used to pay additional audit fees. The Chartered Institute of Public Finance and Accountancy (CIPFA) had been asked to issue guidance to simplify accounts, which would assist the Council by reducing workload. It had also been suggested that audit committee arrangements should be revised to include an independent member, and the consultation in relation to this would be brought to this Committee as soon as it was published. CIPFA were undertaking work to simplify the presentation of the financial statements, which would be welcomed. It had also been suggested that Public Sector Audit Appointments procurement process could be improved, but most importantly extending the deadline for publishing with opinion for 2021/2022 accounts until the end of November 2022. The Committee were advised that in 2018/2019 before the onset of the Covid-19 pandemic, the Council was publishing with opinion before the end of July, however, under the current circumstances this would not now be possible before the end of March, with the target for 2021/2022 being set for the end of November 2022. Following this, the deadline for publication would revert back to 30 September annually. The Committee was assured that any consultations that were published would be referred to it for input.

Francesca Palmer of BDO attended the meeting to address the Committee. The Committee heard that there had been a number of challenges to delivering audits over the past two years, with very few audits completed by the September deadline. BDO had struggled with a national shortage of audit staff and had suffered a net loss of qualified staff. There had been specific difficulties associated with the completion of the Council's audit, including a member of staff having to take unplanned leave, and the resignation of the audit senior who had been assigned to the audit, which added to the resourcing pressures that BDO faced on a national scale. Further delays had been caused by both BDO and Council staff being affected by Covid-19, which had caused deadlines to be pushed back with a resultant knock-on effect on other work. Progress had been made with the hope of the audit being completed by the date of this Committee, but the hope was now for the work to be completed by the March 2022 meeting of this Committee.

Councillor Willetts expressed his disappointment in the delays, noting that all organisations had been affected by Covid-19, and that Council staff had still managed to ready all the necessary data for audit on time, and he wondered why

one group of accountants managed to get the work done, while another group seemed to be disproportionately affected by the pandemic. He was advised that there was a severe shortage of experienced public sector auditors at present, and all the audit firms were struggling to get audits delivered on time. Delays to audits last year had impacted the delivery of services this year and compounded the issues that were faced.

In response to an enquiry from Councillor Bentley, Francesca confirmed that the majority of local authorities in the east of England had not produced signed statements of account before Christmas 2021, and as at the end of September 2021 only 9% of local authority accounts had been audited. Councillor Bentley noted that the Committee had already written a letter of complaint in respect of the situation, and he wondered whether it was right that the Committee now simply accept the situation, or offer a statement on behalf of the taxpayer stating that this was not acceptable, and that next year the government would be asked to change things.

Councillor King, endorsed the comments of Councillor Bentley, and although he did not wish to criticise individual officers, considered that the delays were a disgrace which were not of the Council's making, and that this message needed to be fed back to senior officers at BDO as a matter of urgency. He further considered that the continued delay carried with it a risk to local authorities that issues that needed to be resolved or addressed were not discovered in a timely manner.

Councillor Fox endorsed the comments of both Councillors King and Bentley, and welcomed the cross-party unity on this issue. The Committee's frustrations had been laid out in the past, and he considered that if it was not possible for auditors to deliver the required work, then they needed to consider whether to bid for this work in the future, if it was not possible to finish it. He considered that the government should put extra resource into the system to ensure that local authority accounts could be audited in a timely manner so that the Council could demonstrate its good governance.

Councillor Willetts considered that the recommendations which had been proposed would not be sufficient to address the issues inherent in the current audit system. In his opinion, the monopoly which was held by only four companies able to offer audit services to local authorities was the cause of the problem. He wondered whether it would be appropriate for another letter to be written by the Chair of the Committee, and copied to BDO, expressing the extreme dissatisfaction which was felt, and calling for radical reform of the current system.

Councillor Bentley proposed a two part resolution to the Committee, firstly praising the great efforts and hard work of Council staff, and secondly expressing the Committee's deep disappointment for the continued delays which were being experienced. He considered that any letter written should be sent to the minister and the Chair of the Local Government Association (LGA).

Councillor Lissimore, Portfolio Holder for Resources, attended the meeting remotely and endorsed what had been said, and confirmed that she would be happy to add her name to any letter which was to be sent.

Councillor Oxford expressed his disappointment that we could not achieve the high standards which were expected, and Councillor Hayter believed that the Council was being taken advantage of by the monopoly position which was in place and under different circumstances would simply have switched auditors or obtained compensation for poor service.

Dan Gascoyne, Chief Operating Officer, advised the Committee that by coincidence the Council had that morning received a letter from Catherine Francis, Director General of Local Government Strategy Analysis at the Department for Levelling Up, Housing and Communities (DLUHC). The letter outlined the fact that timely completion of local government audits were a vital transparency method for the taxpayer and for sustaining public confidence in local democracy more broadly. The letter also listed a number of measures that had been taken by the Department to deal with the problem, which were along the lines of those mentioned in the Officer's report. The letter had been sent to the Chief Executive of the Council as well as the Section 151 Officer, and the Committee heard that as well as writing to the relevant minister, there may also be an Officer response sent to DLUHC.

RESOLVED that:

- The revised audit 2020/2021 timetable set out in the Officer's report be approved
- The revised audit requirements from 2021/22 accounts onwards set out in the Officer's report be noted
- The hard work and diligence shown by Colchester Borough Council's staff in preparation for the completion of the audit be noted
- The Chair of the Committee would write a letter expressing the extreme disappointment that was felt by the Committee at the continued delays to Colchester Borough Council's audit to the Secretary of State for Levelling Up, Housing and Communities

299. Interim Review of the Annual Governance Statement Action Plan

Hayley McGrath, Corporate Governance Manager, attended the meeting to present the report and assist the Committee with its enquiries. The Committee were reminded that the Annual Governance Statement had been presented to the Committee in June 2021, which considered how well the organisation was governed in that financial year, and formed part of Colchester Borough Council (the Council)'s statement of accounts. An Action Plan was drawn up for the financial year 2021/2022 looking at any issues which had been highlighted, and the management of these, and the Committee were presented with an interim update detailing progress that had been made. At this point in time, the Council's external auditors had not raised any issues in respect of the Annual Governance Statement and the Action Plan, and it was not anticipated that any would be forthcoming.

The two issues which were raised during the review of 2020/2021 concerned cyber security and the Council's partnerships. Although no specific issues in relation to cyber security had been identified at the Council, it had been recognised that cyber

attacks in general were becoming more sophisticated. The results of the Cyber Maturity Audit were awaited, and although this had yet to be finalised, no issues had been identified so far. The Council was also looking at a Security Information and Event Management (SIEM) system, which was a control tool to ensure that potential cyber attacks were picked up at the earliest possible opportunity.

With regard to the Council's partnership, although it was felt that these were extremely successful, a review was being undertaken of the Council's partnership arrangements to include highlighting partnerships which were considered strategically important, and the results of this review would be presented to this Committee in the financial year 2022/2023.

The Committee made no comment with regard to the cyber security issue which had been raised.

Councillor King welcomed the partnership working which had been undertaken by the Council, considering that this would be key to the delivery of essential Council services in the future.

Councillor Willetts considered that from a governance perspective there were some concerns with partnership working, as increasingly key targets were being delivered by partnerships, and the Committee was not scrutinising the partnerships to ensure sound governance arrangements. Hayley assured the Committee that the review of partnership working would look at the framework of governance requirements, with a focus on the Council's strategic objectives to ensure that these were being met. Governance controls were now being introduced to the Council's partnerships at a much earlier stage than had been the case in the past.

RESOLVED that: the work undertaken to implement the current Annual Governance Statement action plan be considered and noted.

300. Risk Management Progress Report

Hayley McGrath, Corporate Governance Manager, attended the meeting to present the report and assist the Committee with its enquiries. The Committee heard that the risk management process was designed to identify areas of future concern, and how these may be managed to avoid a crisis situation. The report before the Committee constituted an interim risk management review, with a full review being presented to the Committee every July. In terms of the physical work that had been undertaken, this had been focussed on the response to the pandemic, including key issues such as continuity plans, health and safety and emergency planning, all of which formed part of Colchester Borough Council (the Council)'s Risk Management Framework.

The format of the Strategic Risk Register has been revised over the past year to strengthen the risk management processes through considering the Council's risk

appetite and the maturity level of the risk function, and more detail surrounding this would be presented to the committee as part of the scheduled year end report.

Support was still being provided to other organisations in Colchester such as the Safety Advisory Group (SAG), the Community Stadium SAG, the North Essex Parking Partnership and the Museums Partnership organisations. The Strategic Risk Register had been reviewed by the Council's Senior Management Team in December 2021, and as a result of this, five changes had been made to risks on the Risk Register, with three risks being raised, and two lowered. One of the risks which had increased was that of Covid-19, to reflect the increased infection rates which were prevalent at the time of the review but this would be assessed and reduced when appropriate. The second risk which had been increased was cyber security, although this was not a particular risk to Colchester, a neighbouring authority had suffered a serious cyber attack just before Christmas, and it was considered that although attacks were more likely, the Council's safeguards would mean that they were not more dangerous. The third risk to have been increased was staff welfare in the light of the continuing impact of the global pandemic, and the additional pressures that were placed on staff in responding to this. It was recognised that personal resilience levels were quite low, and it was important to highlight this and to accept that the probability of an impact on staff had gone up. Consideration was being given to providing more support for Officers and the organisation as a whole in order to rebuild some staff resilience.

The first of the risks which had been reduced was compliance, in recognition of the Council's systems operating effectively. Although there would always be a risk from lack of compliance, the probability of a breach was considered to be lower, which was supported by the Internal Audit reports which had been received. The second risk which had been lowered was that of financial inequality. Although there was still financial inequality in the borough, the Council's Customer Services Team had revised how it had provided some services to focus on financial and employment support for customers which had resulted in less need for crisis intervention in many cases.

Councillor Willetts voiced his appreciation for the increasingly clear way in which the Risk Register was set out, which aided understanding of the levels of risks which were recorded.

Councillor Burrows was pleased to hear that the Council was supporting its staff, and requested specific information as to what support was being provided. Hayley confirmed that there was a confidential employee support programme including a helpline. An action plan would ensure that performance was regularly monitored with the aim of offering any support that was needed, training managers to recognise when staff were close to burning themselves out through continued desire to deliver services. Staff were surveyed on a regular basis to ensure that the Council understood as far as possible what issues were being faced. Staff wellbeing was also an issue which would be examined by the Council's internal auditors next year. It was also confirmed that the Council's confidential assistance scheme was available to all staff and their immediate family.

Councillor Fox praised the work that had been undertaken to address financial inequality, but noted that household bills were likely to rise with the removal of the energy price cap and increases in National Insurance and Council Tax. Could more be done to assist those in need? It was confirmed that the Council's Customer Services Team was going through another review of key services which recognised the likely hardships to come, to try to identify those in most need and providing targeted information and additional support where needed.

Councillor King supported the comments of Councillor Fox, noting that significant numbers of households struggled to maintain a decent standard of living. He further considered that risk management at the Council was conducted to the highest standard, and gratitude was expressed to the Officers responsible.

Councillor Bentley praised the clarity of the information that had been presented, and considered that the maintenance of the Risk Register was of vital importance, and he wondered how often the Register was re-assessed to take account of swiftly changing circumstances. The Committee was assured that the Register was reviewed by the Council's Senior Management Team at least every three months, however, if a critical issue arose in the meantime, this would be addressed immediately. In addition to this the Council's internal audit programme also looked at risks contained within the Register, to ensure good compliance in mitigating actions was achieved.

RESOLVED that:

- the Council's progress and performance in managing risk during the period from April to September 2021 be noted
- the current Strategic Risk Register had been considered and noted
- the excellent performance of Officers in managing and maintaining the Strategic Risk Register be noted

301. Mid-Year Internal Audit Assurance Report

Hayley McGrath, Corporate Governance Manager, attended the meeting to present the report and assist the Committee with its enquiries. The Council engaged a private company, TIAA, to carry out internal audit work on its behalf, and all internal audits were on course to be completed on schedule by the end of the current financial year. Although TIAA had not been able to physically visit Colchester Borough Council (the Council)'s Offices due to the restrictions imposed as a result of the pandemic, they had nonetheless been able to establish excellent working relationships with key officers. A concern which had been discussed with TIAA was the number of audit reports which had been allocated the top rating, which was 'substantial' assurance. Assurances had been received from the auditors that they were aware of key issues, and their investigations had confirmed that the Council's internal controls were operating correctly. Because a number of internal audits were carried out in support of the Council's final Statement of Accounts, these were

carried out year on year, meaning that as issues were identified and dealt with, performance had improved over the years. In addition to this, many of the Council's systems were becoming more automated, removing the potential for human error to influence a process, and allowing additional controls to be built in. The Committee was advised that it was not possible to provide 100% assurance in relation to internal audit, as it was not possible to check every single transaction, however, from the evidence that had been provided there was confidence that the Council's processes were working correctly. This was supported by the culture at the organisation which allowed managers to raise issues when it was felt that processes could be improved, meaning that any issues were often able to be resolved internally before audits were carried out to confirm that processes were now working correctly.

Councillor Fox was interested in the automation of systems, and wondered whether the auditors had the necessary skills to interrogate some of the automated processes in detail to ensure that they were operating correctly? The Committee was assured that TIAA made use of very sophisticated computer systems which allowed them to take large samples of data provided by the Council and subject this to specialist algorithms to obtain the necessary assurance that procedures were being complied with. It was possible to invite TIAA to attend the meeting of the Committee when the Year End Internal Audit Assurance report was delivered in order to provide examples of this system in operation, and this suggestion was welcomed by the Committee.

RESOLVED that: the Internal audit activity for the period 1 April – 30 November 2021 be reviewed and noted.

302. Annual Review of Business Continuity

Hayley McGrath, Corporate Governance Manager, attended the meeting to present the report and assist the Committee with its enquiries. The Committee heard that business continuity was part of Colchester Borough Council (the Council)'s risk management framework, and provided operational assurance around the provision of Council services. There was no formal requirement for the Committee to consider business continuity, however, it was considered good practice to allow the Committee the opportunity to review the business continuity work that had been undertaken. The previous two years had provided a really good test of the Council's business continuity plans, and some areas where plans needed to be revised had been revealed. The Council's Senior Management Team constituted a 'First Call Officer Group', which provided twenty four hour support for the organisation if there was a serious issue. In the wake of the Covid-19 pandemic, the Council's Resilience Officer had been working to review and test the Council's business continuity plans and revising these where necessary. Specific impact assessments had been carried out for key services to determine which were of critical importance, and how these could be disrupted, in order to provide a focus for the Council's recovery processes. An online e-learning course would be circulated to all Officers to help them understand their role with regard to business continuity.

Stage 1 of the Council's Fuel Plan had been activated in September 2021 in response to the national fuel shortages, which had primarily been caused by a 'panic buying' response to an initial delay in supply. Good supply issues throughout the country were also being monitored, as these potentially affected the costs of larger projects undertaken by the Council.

The Business Continuity Strategy had been reviewed for 2022, and although this did not form part of the Council's Policy Framework, it was considered best practice for Officers and Members, and was considered fit for purpose.

Councillor Willetts wondered whether the same business continuity plan could realistically deal with different types of critical event, for example the gradual erosion of resources, compared to the sudden catastrophic loss of all connectivity and data. Hayley explained to the Committee that several plans were in place, including a Corporate Business Continuity Plan for the Council as a whole, setting out critical services and the key risks associated with these, together with key actions, roles and responsibilities. There were also individual service plans which considered impacts on key areas; staff, buildings and technology which formed the fundamental basis for the delivery of any service. The Committee heard that although the Council's business continuity plans provided a framework for responding to a crisis, the decisions which would be taken under the framework would be tailored to meet the needs of each issue as it arose, and would be taken according to a clear and prescribed process.

Councillor Fox noted that although greater flexibility was afforded to the Council in its service delivery by technological advances such as remote working, there were some services which could not be delivered from anywhere in the world, such as refuse collection. He considered that in local government, the sense of place was important in staff, and wondered what the advantages and disadvantages may be associated with increases in remote working.

Dan Gascoyne, Chief Operating Officer, confirmed that some staff were not located in the borough, and indeed in some cases were located overseas, however, there was no indication that any of those staff who were not local, performed to a lesser extent. In fact, many staff who were located outside the borough went above and beyond the call of duty to deliver excellent services for the Council.

RESOLVED that: the Business Continuity Strategy for 2022 be endorsed.

303. Work Programme 2021-2022

Matthew Evans, Democratic Services Officer, attended the meeting to present the report and assist the Committee with its enquiries.

RESOLVED that: the contents of the work programme be noted.

8 March 2022

Report of	Assistant Director of Communities	Author	Yovone Cook (Equality) and Sonia Carr (Safeguarding) ☎ 282965 / 282978
Title	Equality and Safeguarding - Annual Update Report		
Wards affected	All		

The Committee is asked to review this annual report on Equality and Safeguarding

1. Executive Summary

- 1.1 The report sets out the Council's duties and updates for Equality and Safeguarding and illustrates the steps the Council has taken to meet these mandatory requirements and specific duties.
- 1.2 This report will also provide a focus on the Covid-19 pandemic recovery and the impact on Equality and Safeguarding since November 2020. This year's events have continued to highlight the pre-existing inequalities amongst our communities and the disproportionate impact of Covid on our Diverse Ethnic Communities, making us all reflect on our response and the communities we serve. We have tried to respond quickly and are looking at ways to increase our understanding, but we are ever mindful of the ongoing impacts of both the virus, and the inevitable aftermath that follows.
- 1.3 The Council will continue to create and build a diverse and inclusive workplace where people are supported to reach their potential. One of the councils People Strategy's four themes is to be inclusive, it aims to celebrate diversity by understanding our staff as unique individuals with different experiences and perspectives. The main objectives include:
 - Creating a diverse and inclusive workplace where people are supported to reach their potential
 - Valuing difference and the unique talent of our people
 - Focusing on our people's physical and mental health wellbeing so they can thrive at work
 - Supporting staff to balance their work and life beyond work
 - Assess whether existing policies, practices and procedure are inclusive and sensitive to all protected characteristics. The action plan can be seen in the Appendix.
- 1.4 To enhance the equality and diversity work and to ensure the council continues to comply with its duty under the Equality Act, an independent external audit has been commissioned. As part of the audit, the consultant Gulshan Kayembe has reviewed our existing HR policies and processes including recruitment and learning and development, the profile of our workforce by protected characteristics and how far equality and diversity is embedded in the council from senior management to across the council.

- 1.5 Recommendations will be presented to Senior Management Team and then focus groups will be formed looking at themes that come from the survey and will feed into the development of a new Equality and Diversity framework.
- 1.6 The Council has increased its commitment to online training, including the launch of a new, extensive Safeguarding Training package, which contains new Safeguarding Level 1 and 2 eLearning packages, suicide awareness, Prevent and many other training options.
- 1.7 New Customer Service Standards have been developed for both internal and external customers to enable high levels of customer satisfaction. The Customer service Commitment includes:
 - Make sure everyone has easy, equal access to our services (e.g. – hearing or visual impairment and when languages other than English are used)
 - Ensure our digital services are accessible and compatible across any device
 - Make sure our services are compliant with accessibility software and that we can provide non-digital and/or plain text alternatives
- 1.8 Our Asset Based approach to Community Development, continues to be developed through in-depth collaboration with our communities and partners to bring about positive change. In addition, the new Communities Can Document launched in October with the One Colchester Strategic Partnership aims to support the growth of inclusive, bottom up, community-driven and citizen-led change that lessens the impacts of pre-existing inequalities.

2. Recommended Decision

- 2.1 Committee is asked to review the progress made in meeting the Council's legal duties and objectives regarding both Equality and Diversity, and Safeguarding, and to endorse the approach set out at paragraph 7 below.

3. Reason for Recommended Decision

- 3.1 By reviewing the approach in these key areas, the Committee will assist the Council in meeting its legal duties
- 3.2 The following appendices have been included at the end of this report to assist the Committee in its task:
 - Appendix A – National and local developments
 - Appendix B - Key improvements and initiatives

4. Continuation of a Combined Approach

- 4.1 This annual report continues a combined reporting approach to scrutiny in the areas of Equality and Diversity, and Safeguarding, bringing the following advantages:
 - The two areas of work are mutually supportive and reinforce the importance of Equality and Safeguarding for staff and residents. There has been an increased focus over the last 12 months as a direct result of Covid19.
 - They both involve the principle of proportionality and having “due regard”.
 - Each area helps to support and prevent harm occurring to vulnerable groups.
 - An approach that reviews these two areas together can help to deliver maximum benefit for customers, the most effective management of risk and the most efficient use of resources.

5. National and Local Developments

- 5.1 There have been changes at Essex County Council, and in terms of national governance. These changes and those made to national guidance can be found in Appendix A

Equality and Diversity (Covid-19 Specific)

- 5.2 The Faith and Communities Tactical Co-ordination Group (TCG), a sub-group of the Essex Strategic Coordination Group, was set up in response to the COVID-19 pandemic. A member of the Community Enabling team sat on this group as well as local faith leaders. The remit of the group was to provide information and advice to faith and community groups and also inform the development of future resilience/recovery/pandemic response work.

Working groups have been set up focusing on Faith and Dementia and supporting the mental health and wellbeing of the LGBTQ+ community. The TCG brought together faith and community leaders to work with public services in a way that hadn't been seen before.

The group has now stepped down and work continues through the Essex Faith Covenant. Projects included:

- Security personnel and taxi and private hire vehicle drivers were identified as being at high risk due to both due to their occupation and ethnicity. There was a lack of specific guidance for these groups. The group worked together with operators to produce simple messages for these industries based on government guidance, but also provided information on general wellbeing. Social media assets were also produced and shared on Enjoy Colchester Facebook page.
- Tips giving advice around handwashing, face coverings and looking after health and mental wellbeing were produced for residents of black and minority ethnic backgrounds. Information was put on the website, a leaflet was produced and translated into a number of community languages.
- Important religious events occurred through the pandemic, with the restrictions on place differing for a number of them. Working with media teams across Essex key message were shared to help people mark these occasions safely. The TCG also continued to work with local faith leaders and communities to circulate more specific and detailed government advice in relation to some occasions e.g. the Jewish High Holy Days and Remembrance Sunday

- 5.3 In response to local consultations that took place with Colchester's Diverse Ethnic Communities and Faith communities to really understand the direct impact of Covid-19. A Community Forum was established hosted by Community360. The forum meets bi-weekly and is attended by local community leaders, a member of CBC's Community Enabling Team. COVID specific achievements of this group include

- Advised extensively on vaccine hesitancy and cultural barriers
- Contributed to the tailoring of vaccine clinics
- Continued myth busting within communities and encouragement to get vaccinated

- 5.4 The Community Response Team which was mobilised as part of the Council's response to Covid-19, has continued to support communities and provide them with important information, help and support as the pandemic has evolved. The team continues to produce a Community Response Pack which includes translated information on vaccinations and information on the test and trace service. During the winter of 2021/22 the focus changed to support communities to keep well through the winter months and signpost for financial support.

Safeguarding (COVID-19 specific)

- 5.5 During the pandemic, CBC Community Safety Team worked closely with partners to ensure that domestic abuse support services in Colchester remained available for people to access during the coronavirus outbreak. Engaging with Essex Police, Next Chapter, Colchester Borough Homes and Essex Country Council ensured that:
- Domestic abuse reports, response rates and emerging trends were monitored, allowing Police to direct resources appropriately
 - Increased demand in refuge services was anticipated, additional safe accommodation was investigated, and Next Chapter were able to access additional MHCLG funds for increased provision

Attending the Essex Strategic Group (Domestic Abuse Response to Covid-19) meant a co-ordinated response across the County was followed and ECC are now implementing a centralised process for resourcing/procurement of additional accommodation to ensure equal access/cost for all districts/boroughs in Essex.

- 5.6 CBC Comms Team supported social media posts including those from Next Chapter, Women's Aid, Southend, Essex and Thurrock Domestic Abuse Board (SETDAB) and the Essex Police Community Policing Team during the pandemic and recovery, to raise awareness of domestic abuse and how to seek help. CBC will continue to support posts/messages whenever possible and have also invited these organisations to highlight any specific messages to convey and any positive/success stories to share.
- 5.7 CBC's website has a Coronavirus section – this was updated with domestic abuse advice under <https://www.colchester.gov.uk/coronavirus/residents/domestic-abuse/>
- 5.8 Safer Colchester Partnership website was also updated to reflect this guidance, with a specific section on Coronavirus and Domestic Abuse.
<https://www.safercolchester.co.uk/category/protect/>
- 5.9 The Colchester Borough Homes Rough Sleeper Outreach Team appointed a Specialist Drug and Alcohol officer and a trauma informed counsellor. This has enabled the team to build pathways to treatment and housing for customers. 101 people were accommodated in the 'Everybody In' Protect and Protect Plus Initiatives. Colchester Borough Homes chairs the Colchester Homelessness Action Partnership and the Joint Referral Panel which have continued through the pandemic. 17 rough sleepers remained accommodated at end of March (2021) with pathway plans to move into alternative accommodation.
- 5.10 The Community Safety Team were unable to deliver the physical version of Virtual Crew Project into Colchester Primary Schools (year 6 pupils) in June 2021 as planned due to COVID restrictions. Instead, the Team worked with Tic Box to develop recorded performance of a theatre production, followed by live stream interactive sessions, written specifically for Virtual Crew. Focusing on county lines, drugs, weapons and healthy relationships. 1884 pupils from 49 primary schools participated in the virtual sessions. Plans for Virtual Crew 2022 are currently underway
- 5.11 Essex Youth Services delivered a number of online activities for young people during the COVID restrictions. A schedule was distributed to partners on a weekly basis.
- 5.12 Safeguarding Adult Leads (SAL) Network led by Essex Safeguarding Adults Board (ESAB) continue to meet virtually on a bi-monthly to discuss partner agencies response to COVID-19 recovery and safeguarding. Particular focus was given to some of the hidden harm issues such as Modern Slavery and Domestic Abuse.

City, District and Borough (CDB) Safeguarding lead meetings, led by Essex Safeguarding Children's Board, were also reinitiated to discuss partner agencies

response to COVID-19 recovery and safeguarding. Particular focus was given to mental health and wellbeing of children affected by lockdown / not able to attend school etc.

- 5.13 Coronavirus Advice page added to the Essex Safeguarding Adults Board website: <https://www.essexsab.org.uk/about-esab/coronavirus-advice-page/> to provide latest advice and guidance.
- 5.14 CBC were awarded approximately £234,000 during 2020/2021 from MHCLG and Essex County Council to initiate compliance and enforcement activities to tackle Covid, plus deliver the local Track and Trace service (supporting the Essex and National service). The funding allowed for a Covid Coordinator to be recruited, alongside commissioning Covid Marshals and providing vital supplies of testing kits, Covid signage (to promote social distancing and wearing of face masks), hand sanitiser and face masks, establishing testing centres, responding to Covid breaches and outbreaks, providing support to the most vulnerable whilst isolating; all of which were vital in helping to keep residents and businesses of Colchester safe and forward planning for Covid recovery.

Safeguarding (Business as Usual)

- 5.15 New Domestic Abuse Act [Domestic Abuse Act 2021 \(legislation.gov.uk\)](https://www.legislation.gov.uk) received Royal Assent on 29 April 2021. The Domestic Abuse Act will provide further protections to the millions of people who experience domestic abuse and strengthen measures to tackle perpetrators (overarching factsheet [Domestic Abuse Act 2021: overarching factsheet - GOV.UK \(www.gov.uk\)](https://www.gov.uk))

The Community Safety Team, working with Colchester Borough Homes, Essex County Council and MHCLG will consider the main components of the new Domestic Abuse Act 2021 and ensure that the responsibilities on Colchester Borough Council as a Local Authority are supported.

6. Meeting Duties

Overall Arrangements at Colchester Borough Council

- 6.1 Equality and Safeguarding are both integrated into the day-to-day operations of the Council. However, arrangements are also in place to ensure strategic focus and co-ordination. The Assistant Director for Communities provides the strategic lead, with support from the lead Officers for Equality and Diversity and Safeguarding.
- 6.2 The relevant Cabinet Portfolio for Safeguarding is Cllr Beverley Oxford (Communities).

Equality and Diversity

- 6.3 Our diversity training has been refreshed, introduce staff focus groups to explore and identify how we can promote inclusivity, apply data to understand our workforce and put in place an action plan to address areas underrepresented.
- 6.4 The Council has introduced mandatory Equality and Diversity training for all staff and Councillors every 3 years, starting January 2021. Since the launch of the new E and D course, 137 staff have passed the course.
- 6.5 In light of the councils new People Strategy the Diversity Steering Group (DSG) which provided an active forum for 'advancing equality' for both customers and staff is undergoing a review and will be relaunched in 2022.
- 6.6 The Equality Act 2010 imposed a Public Sector Equality Duty (PSED) upon local authorities including district councils. Under its 'general duty', the Council must "integrate

consideration of the advancement of equality” into its “day-to-day business, and across all functions”. Councillors and staff must have “due regard” to

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- advance equality of opportunity between people who share a ‘protected characteristic’ and those who do not
- foster good relations between people who share a ‘protected characteristic’ and those who do not

6.7 The ‘protected characteristics’ are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. The duty also covers marriage and civil partnership, but not for all aspects of the duty.

6.8 The Equality and Human Rights Commission’s [Technical Guidance](#) to the PSED remains the best guide to the practical operation of the PSED. In addition, the Council takes due account of the Government’s [Review](#) of the PSED which endorsed the so-called “Brown Principles”. These confirmed that the ‘due regard’ duty must be fulfilled before and at the time that a policy is being considered; it must be exercised in substance, with rigour and with an open mind; and that it is non delegable.

6.9 The PSED ‘specific duties’ require us to publish information to demonstrate that we are meeting both the ‘general duty’, and one or more published [equality objectives](#). During the period 2020-21 we have continued to meet both requirements. Information published on the Council website includes:

- [Equality Impact Assessments](#)
- The Council's The Strategic Plan 2020 - 23 and its Year End Performance Report (including its Strategic Plan Action Plan).
- The Council's People Strategy
- The Council’s website pages on [Equality and Diversity](#)
- The Council’s [Equality Information](#) section contains all required information

6.8 The Council remains committed to the use of the Equality Impact Assessment process. Despite not being a legal requirement, these remain a vital framework through which the Council can continue to identify, evaluate, and mitigate against negative impacts upon the ‘protected characteristics. It allows us to make the right judgements based on sound information and data, in an open and transparent way. A new simpler method of producing these is being investigated.

6.10 Accessibility regulations for websites came into force for public sector bodies on 23 September 2018 – stating you must make your website more accessible by making it “perceivable, operable, understandable and robust.” The accessibility regulations build on the existing obligations for people who have a disability under the Equality Act 2010. CBC’s online team have been working hard to ensure the CBC website meets the accessibility standards as stated in the accessibility regulations. The team have reviewed our website against the new accessibility criteria and made any necessary reasonable adjustments. During 2021

- The accessibility statement on our website has been updated.
- Disproportionate burden assessments have been introduced. A disproportionate burden is when the negative impact (on an organisation) of making a document accessible far outweighs what would be a very small or non-existent benefit to disabled users. The disproportionate burden assessment is a legal requirement

and must be carried out by the service as it will determine whether the document can go up as a PDF or if it needs to be made into a webpage/webpages (accessible).

- The improvements the team are continuing to make to the website mean that its users who have a disability that requires text to be read can do so from their computer.

Safeguarding

- 6.11 In the area of safeguarding, Designated Safeguarding Officers, who have an enhanced level of training to provide expertise and assistance to officers, attend quarterly workshops (currently virtual) led by the Community Safety Team. The workshops review legislative changes, safeguarding referrals, training requirements for all staff and improve processes. In the last year 7 new Designated Safeguarding Officers have come on board and will be receiving their Level 3 Training in February 2022 to enable them to carry out the role effectively. They have also attended J9 Domestic Abuse Training and a Hate Crime Ambassador Workshop and have a Modern Slavery workshop planned for June 2022.
- 6.12 The Council continues to raise safeguarding concerns with Essex County Council via its [Concerns about the welfare of a child \(escb.co.uk\)](https://www.esccb.co.uk/concerns) and the [SETSAF](#) form in regard to an adult. Records of referrals made, and any feedback received, are retained in a secure area of the Council network and are reviewed at quarterly Designated Officer Workshop meetings. Both the online reporting form for child referrals and the SETSAF form for adult referrals have been updated in 2020/2021.
- 6.13 In 2020 (1 January – 31 December), 50 referrals were made to Essex County Council (for 53 individuals) These referrals related to 46 adults (26 females and 20 males), who were referred to Adult Social Care and 7 children (4 females, 2 males and 1 unknown) who were referred to Children and Families Hub.

Of the adults, the main type of recorded (or suspected) abuse was self-neglect at 26 reports, followed by neglect (11), psychological abuse (6), domestic abuse (4), financial abuse (2) with 1 report each for physical and sexual abuse. There were a number of cases (15) where the type of abuse was recorded as 'not determined' due to the referring officer being unsure of the main type of abuse (usually as referral taken via phone rather than in person). Suicidal Ideation was mentioned in 13 cases.

For **2021** (1 January – 30 November) 40 referrals (for 41 individuals) have been made to Essex County Council. These referrals related to 35 adults (21 females and 14 males) who were referred to Adult Social Care and 5 children (1 female and 4 male) were referred to Children and Families Hub.

Of the adults, the main type of recorded (or suspected) abuse was self-neglect at 13 reports, followed by neglect (9), psychological abuse (4), financial abuse (4), domestic abuse (4), physical abuse (1) and organisational abuse (1). Most statistics for the period January – November mirror the same period in 2020.

There were several cases (9) where type of abuse was recorded as 'not determined' due to the referring officer being unsure of the main type of abuse. This statistic has dropped from 13 for the same time period in 2020; we feel this is due to further training being delivered by the Community Safety Team to Designated Safeguarding Officers (DSO's) on how to make a referral/increased awareness of the types of abuse etc.

Suicidal Ideation was mentioned in 3 cases (this has fallen from 11 for the same period in 2020).

Of the children, the types of abuse recorded (or suspected) were neglect (2) and domestic abuse (1), with not determined also recorded for 2 children.

Further training with the Designated Safeguarding Officers to increase awareness of types of abuse is an ongoing process, with 14 attending the J9 Domestic Abuse Workshop in June 2021. Information on types of abuse is also included in the new Level 1 and 2 Safeguarding eLearning training, and in the CBC Safeguarding Policy.

- 6.14 Over the relevant period (July 2020 to June 2021), Colchester Borough Homes has made a total of 60 referrals, 56 in relation to adults and 4 child referrals (for a total of 5 children). This reflects an 18% decrease overall compared with referrals recorded in 2019-20 and appears to reflect an overall decrease in referrals from all sources into Essex Social Care during the pandemic. The total number of children referred by Colchester Borough Homes has fallen from 19 (2019-20) to 5 (2020-21) which represents a decrease of over 70%. Of the 4 child referrals, 3 related to neglect and 2 were statutory risk of homelessness referrals. In contrast, the number of adult referrals has slightly increased from 54 in 2019-20. Of 56 adult referrals, a total of 80 concerns were raised. (This is because, in many cases, more than one type of abuse was raised as a concern.) Self neglect was raised as a concern in 83% of referrals. Physical abuse was raised in 17% of referrals; material/ financial abuse in 17%; domestic abuse in 7%; psychological/ emotional abuse in 4%; and neglect in 2%. Compared to 2019-20 data, self-neglect has become more dominant as the principal concern highlighted, and the number of referrals raising domestic abuse as a concern has increased.

- 6.15 The Safeguarding Level 1 eLearning training package was reviewed and updated in throughout 2020 and launched on CBC's new e-learning platform to all staff in May 2021. This eLearning package is a mandatory requirement for all CBC staff and members, and completion is monitored via the HR Team (in consultation with Community Safety Team)

For the period May 2021 (launch of training plan) – November 2021, 512 Passes of Safeguarding Level 1 and 249 Passes of Safeguarding Level 2.

In response to the high suicide rates for Colchester, Suicide Awareness e-learning (via Zero Suicide Alliance) was made mandatory for all staff to complete from May 2021. For the period May 2021– November 2021, 391 Passes of Suicide Level 1 and 193 Passes of Suicide Level 2. 15 Councillors have also completed the Suicide Level 1 training.

The new Safeguarding Training Plan highlighted other optional training including:

- J9 Domestic Abuse Awareness workshops
- Suicide First Aid Training
- County Lines Exploitation

Completion rates of all mandatory safeguarding training are regularly monitored by the HR Team, who liaise with management to ensure reminders are sent to relevant teams to encourage completion. There have been some technical challenges with integrating the new eLearning platform with existing reporting mechanisms which HR and ICT are working together closely to resolve.

- 6.16 Partnership working is key to meeting the Council's safeguarding duties. The [Safer Colchester Partnership](#) is now led by One Colchester Strategic Board, which consists of Chief Officers representing local statutory partners and non-statutory partners and organisations. It aims to achieve sustainable solutions following the identification of local needs and priorities. It does this by delivering initiatives and engaging with local communities through two Operational groups; these being the Community Safety Delivery Board and the One Colchester Delivery Board.
- 6.17 Colchester Borough Council engages positively with the relevant 'Stay Safe' group which comes under the Essex Safeguarding Children's Board's governance. This group helps

to put into practice effective partnership working to keep children safe from harm including abuse. The Council also attends local 'MACE 2' (Missing and Child Exploitation) meetings which facilitate joint approaches and key information sharing to help protect children from exploitation.

In addition, from 2020, the Council attends the Multi Agency Disruption Panel (formally the Organised Crime Group Disruption Panel) organised by Essex Police, in which disruption strategies and action planning for those individuals at risk of exploitation are discussed.

- 6.18 The Council works closely with both the Essex Safeguarding Adults Board (ESAB) and the Essex Safeguarding Children Board (ESCB). Support from, and representation on, both the boards for District Councils is by way of Board Membership. Colchester Borough Council Executive Director Pam Donnelly sits on the ESAB and feeds back to the Chief Executives Group. The Council is also represented at the Adult Safeguarding Leads and the City, District and Borough (CDB) leads meetings by the Community Safety and Safeguarding Coordinator.
- 6.19 Between September 2019 and January 2020, CBC completed the Essex Safeguarding Adults Board Safeguarding Audit, where staff from a number of partner agencies within Essex were invited to answer questions about safeguarding adults. Locally, for CBC, a link to the survey was sent out via internal CBC comms, via Managers Network and DSO's which led to 141 people within CBC completing the survey (16%). Several recommendations were made by Essex Safeguarding Adults Board for Local Authorities and CBC are ensuring all of the recommendations are being considered and actioned as part of a Safeguarding review being undertaken by the Community Safety and Safeguarding Team.
- 6.20 In September 2021, CBC completed the Essex Safeguarding Children Board Section 11 (S11) Audit, and we are currently awaiting results. S11 is required as set out in the Children Act 2004 which places duties on a range of organisations, agencies and individuals to ensure their functions, and any services that they contract out to others, are discharged having regard to the need to safeguard and promote the welfare of children.
- 6.21 Modern slavery encompasses sexual exploitation, labour exploitation, forced criminal exploitation and domestic servitude. To meet its legal duties under Section 43 of the [Modern Slavery Act 2015](#) the Council published on its website its fifth Modern Slavery Transparency Statement (and action plan) in September 2021.

To raise awareness around Modern Slavery supply chain implications, a new e-learning course for Procurement Team and Staff who commission goods/services was launched in May 2021 'Protecting Human Rights in the Supply Chain (Modern Slavery)'. For the period May 2021 – November 2021, 41 Passes of Modern Slavery in the Procurement Process training.

- 6.22 [Sec 26 of the Counter Terrorism and Security Act 2015](#) placed a new duty upon local authorities to have "due regard to the need to prevent people from being drawn into terrorism." To assist implementation of the duty in section 26 of the Counter-Terrorism and Security Act 2015, a [Home Office Prevent eLearning](#) training package is available. and was launched to all staff and Members in May 2021 for mandatory completion alongside the Safeguarding Level 1 eLearning. For the period May 2021 – November 2021, 115 Passes of PREVENT training.

This Prevent training package is also mandatory for Colchester Borough Homes staff.

7. Going Forward

Equality and Diversity

- 7.1 Equality, Diversity and Inclusion issues experienced by both staff and residents will be heard and discussed at the newly refreshed Diversity Steering Group quarterly meetings.
- 7.2 The Community Enabling Team will continue to work with and support all community groups across the borough, including those who share protected characteristics and those who do not.
- 7.3 CBC will continue to support National and Local Awareness campaigns to promote Equality, Diversity and Inclusion across the borough.
- 7.4 A Community Enabling Officer will continue to attend meetings such as the Essex Equalities Network, Essex Faith Covenant, Faith and Communities Tactical Co-ordination group meetings. A member of the team also attends the Colchester IAG, hosted by Community360
- 7.5 The new Vision, Values and People Strategy shows how we will recruit, retain and develop staff to help support the delivery of our overall strategic priorities. The Inclusive values this strategy are Ambitious, Agile, Valued and Inclusive.
- 7.8 CBC will assess existing policies, practices and procedures to ensure they are inclusive and sensitive to all protected characteristics.
- 7.9 CBC are developing an Asset Based Community Development approach to community enabling which will give us a better understanding of our communities, help to reduce inequalities and improve the health and wellbeing of residents. ABCD training will be delivered to CBC staff and members.
- 7.10 CBC will respond to the E and D audit findings and recommendations and address and developmental areas through an action plan and new Equality and Diversity framework.
- 7.11 The Essex Equalities Forum is planning to deliver an inaugural Essex Diversity Awards late 2022. A member of the Community Enabling team is on the working group for this.
- 7.12 A Power App is being developed for all CBC service areas which will make the creation of EqlAs more time efficient. This will be accompanied by a support guide. All EqlA's uploaded onto the website will also align to new accessibility regulations
- 7.12 A new fixed term post focusing on Health Inequalities has been secured within the Community Enabling Team.
- 7.13 Our Financial and Employment Support Team offer a range of free, confidential financial and employment support to all residents in Colchester, including: Assess personal finances and budgeting
Help paying rent arrears, Support paying Council Tax, Accessing wider Benefits, Employment and Job Search, Accessing food, Help paying energy bills, Money and Debt advice. Residents can access this support through the homepage of our website, by telephone or in- person

Safeguarding

- 7.14 The Council will continue to raise awareness for staff (and highlight its procedures) on key issues including Prevent, modern slavery, child sexual exploitation, domestic abuse, criminal exploitation (including cuckooing) and hate crime. To do this effectively, the Council will increase its commitment to online training, including the launch of a new Safeguarding Level 2 eLearning package (for those frontline staff who may encounter a

vulnerable adult or child at risk), based on the original Observers scheme. This new Level 2 training will form part of a new CBC Safeguarding Training Plan.

- 7.15 CBC Community Safety Team will continue to monitor and update the new Safeguarding Training Plan for all staff, volunteers and members. This training plan sets out structured categories Levels 1, 2, 3 to clarify mandatory and optional training dependent upon staff roles.

Completion rates of all mandatory safeguarding training are regularly monitored by the HR Team, who liaise with management to ensure reminders are sent to relevant teams to encourage completion.

- 7.16 The Level 2 training now available for front line staff, will also be revised for contractors and external partner agencies to utilise. This will be accessible via the Safer Colchester Partnership website.

Colchester Borough Homes will further develop their programme of e-learning including CBH specific 'Safeguarding Awareness' and 'Suicide Awareness' throughout 2021-22

- 7.17 Projects and initiatives to raise awareness in the community of some of the hidden harms will also be delivered or commissioned by the Community Safety Team over the coming year. Projects will include Operation Henderson (in partnership with Essex County Council and Essex Police) to raise awareness of child exploitation with local businesses near train stations, on the train and taxi drivers that are used for county lines. Further hate crime awareness sessions to encourage recruitment of Hate Crime Ambassadors within a community.

The Community Safety Team will also Investigate the feasibility of forming a Colchester Anti-Slavery Partnership, including the outcome of the multi-agency project, to prevent, identify and disrupt this crime and safeguard any potential victims.

- 7.18 CBC will continue to support National and Local Awareness campaigns such as Domestic Abuse Awareness week, Hate Crime Awareness Week, International Anti-Slavery Day, Modern Slavery Action weeks, Online Exploitation Awareness and Safeguarding Adults week.

- 7.19 The Community Safety Team and CBC Licensing are in the process of adapting an online programme of Safeguarding Training for Taxi Drivers Safeguarding training for licensed drivers will be mandatory from Winter 2021.

- 7.20 As Community Safety takes on the operational lead on safeguarding, the Council is in a good position to continue to deepen partnership working with agencies and voluntary organisations, including through the [Safer Colchester Partnership](#) and the wider One Colchester Partnership in order to deliver for residents.

8. Strategic Plan References

- 8.1 The Council's Strategic Plan is a key mechanism through which the Council monitors how it is meeting its equality and safeguarding responsibilities. In particular, the Strategic Plan 2020 - 23 contains the Council's current 'equality objectives' of

'Creating safe, healthy and active communities. The priorities which particularly help supported the Council's Equality Objective are:

- Tackle the causes of inequality and support our most vulnerable people
- Support people to live in healthy homes that meet their needs
- Supporting the most vulnerable residents through our One Colchester partnership

9. Consultation

- 9.1 Throughout the Covid19 pandemic, the Community Response Team consulted with and supported many underrepresented groups to understand their need and the impacts and

risks they faced. Regular engagement and consultation with these groups made people feel listened to, supported, and more valued.

- 9.2 A Fear of Crime survey was conducted by Community Safety Team in July 2021. This captured data on victims of crime and perception of crime in the Borough (from 114 responses). The plan is to repeat this survey in 2022 and annually, to identify trends and inform action planning: [Fear of Crime Survey 2021](#)

10. Publicity Considerations

- 10.1 The Council's approach to Equality and Safeguarding has the potential to affect everyone who lives, works or visits the borough. It can play a key role in the daily lives of individuals and communities by helping to safeguard vulnerable groups from harm, as well as tackling prejudice and advancing equality of opportunity.
- 10.2 The [Equality Information](#) section on the Council's website continues to provide updated information as required by legislation and guidance, along with related content of use or interest to customers, staff and councillors.
- 10.3 The Council's website also includes a section dedicated to [Safeguarding children and 'adults with needs for care and support'](#) which contains key information for residents along with links for further information.

11. Financial Implications

- 11.1 It is important to understand that our obligation to have "due regard" to the three aims of the 'general duty' does not mean that decisions which have a disproportionate impact upon one or more 'protected characteristics' cannot be taken. The Council must nevertheless always seek to remove or reduce negative impacts.
- 11.2 The Council's approach must continue to be proportionate, with key decisions being given due priority. Equality Impact Assessments must remain an integral part of the decision-making process when addressing changes to policies and practices.

12. Equality, Diversity and Human Rights Implications

- 12.1 This report is an annual update about Equality, Diversity and Safeguarding, which helps the Council to ensure it meets its duty and protect vulnerable groups.

13. Community Safety and Health and Safety Implications

- 13.1 The Council's approach to Equality and Safeguarding involves working closely with partners and communities. The [Safer Colchester Partnership](#) plays a vital role in helping the Council to meet its legal duties around safeguarding.
- 13.2 By meeting its Public Sector Equality Duty, the Council will help to ensure that employees do not suffer discrimination, harassment or victimisation. This will in turn create a safer working environment, and one which is consistent with the Council's Health and Safety policies.

14. Risk Management Implications

- 14.1 As an employer and provider of public services, the Council could face legal challenges from individuals or groups who have been unlawfully discriminated against, however unintended. Legal cases brought on grounds of discrimination do not have upper financial limits like those brought through employment tribunals. The Council must meet its responsibilities to ensure it does not discriminate, and this will also help to avoid the potential for significant financial claims.
- 14.2 The Council could suffer significant reputational damage should its staff or councillors fail to comply with their Safeguarding responsibilities. This paper details the Council's strategic and operational approach in this area.

Equality and Safeguarding Annual Report Appendix A

Changes to guidance and updates

Equality and Diversity

- There have been changes at Essex County Council, Kevin Bentley is Leader of the Council, Louise McKinlay is cabinet member for Community, Equality, Partnerships and Performance. Beverley Egan is now Cabinet Member for Children and Families, Graham Butland is the Cabinet Member for Devolution, Art, Heritage and Culture and John Spence remains Cabinet Member for Health and Adult Social Care (which includes Disabilities).
- There have been a few changes in terms of national Governance; Therese Coffey MP remains Secretary of State for DWP including administration of state benefits and providing support to families and children, disabled people (appointed Sept 2019), Elizabeth Truss MP remains Minister for Women and Equalities (appointed Sept 2019), Gavin Williamson MP remains Secretary of State for Education (including children's social care (appointed July 2019), Sajid Javid MP is now Secretary of State for Health and Social Care including social care policy (appointed June 2021) and Priti Patel MP remains Secretary of State for the Home Department including security and terrorism (appointed July 2019).

Guidance and papers were updated or published covering a number of areas.

- **Health inequalities: place-based approaches to reduce inequalities.** From: Public Health England – Published 29 July 2019. Last updated 3 August 2021.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1008132/PBA_final_evaluation_report.pdf
- **Equal Rights Coalition.** From Foreign and Commonwealth Office and Foreign, Commonwealth and Development Office. Published 30 September 2019 - Last updated 7 July 2021. <https://www.gov.uk/government/collections/equal-rights-coalition>
Strategic plan 2021-2026. <https://www.gov.uk/government/publications/equal-rights-coalition-strategic-plan-2021-to-2026>
- **Guidance on the gender pay gap data employers must gather.** A task list to help employers gather the required data needed to make gender pay gap calculations. From Government Equalities Office – Published 14 December 202 - Last updated 23 February 2021 <https://www.gov.uk/guidance/the-gender-pay-gap-data-you-must-gather>
<https://www.gov.uk/guidance/making-your-gender-pay-gap-calculations>
<https://www.gov.uk/guidance/the-gender-pay-gap-information-employers-must-report>
<https://www.gov.uk/guidance/who-needs-to-report-their-gender-pay-gap>
- **Guidance on Inclusive communication.** How to produce communications that include, accurately portray, and are accessible to disabled people. From Disability Unit and Cabinet Office – Published 14 August 2014 - Last updated 15 March 2021.
<https://www.gov.uk/government/publications/inclusive-communication>
- **Policy paper: National Disability Strategy.** This strategy sets out the actions the government will take to improve the everyday lives of all disabled people. From: Disability Unit, Equality Hub, Department for Work and Pensions, Justin Tomlinson MP, and The Rt Hon Thérèse Coffey MP. Published 28 July 2021.
<https://www.gov.uk/government/publications/national-disability-strategy>
- **UK Sport outlines new Equality, Diversity and Inclusion Strategy. Published 24 June 2021.** <https://www.uksport.gov.uk/news/2021/06/24/new-equality-diversity-and-inclusion-strategy>

- **Policy paper: State of the nation 2021: Social mobility and the pandemic.** Social Mobility Commissioners build on three years of in-depth research and strategic thinking to set out a programme of reform to drive social mobility forward.
<https://www.gov.uk/government/publications/state-of-the-nation-2021-social-mobility-and-the-pandemic>
 - **Consultation outcome: Consultation on sexual harassment in the workplace: government response. Updated 21 July 2021.**
<https://www.gov.uk/government/consultations/consultation-on-sexual-harassment-in-the-workplace/outcome/consultation-on-sexual-harassment-in-the-workplace-government-response>
 - **Equalities report 2021**
<https://www.gov.uk/government/publications/ofqual-equalities-report-2021/equalities-report-2021>.
- Policy paper: Gender Equality Advisory Council Recommendations to G7 Leaders.** Recommendations of the Gender Equality Advisory Council 2021 for Leaders of the G7 on how to build back better for women and girls and achieve gender equality. From: Cabinet Office – Published 11 June 2021.
<https://www.gov.uk/government/publications/gender-equality-advisory-council-recommendations-to-g7-leaders>

Safeguarding

- Essex Safeguarding Children's Board operates in line with the requirements of the statutory guidance 'Working Together to Safeguard Children 2018'. The implementation of the new Multi-Agency Safeguarding Arrangements (MASA) in September 2019 led to Essex Safeguarding Children's Board retaining its name, brand and logo. The seven local safeguarding partners jointly leading the Partnership Arrangements are: Essex County Council, Essex Police and Five Clinical Commissioning Groups. Further information can be found here: [Essex MASA Plan 20-21](#) (second publication June 2020)
- The Southend, Essex and Thurrock Safeguarding Adult concern form (SET SAF), used to begin the adult safeguarding process, was updated in January 2021 (fax number removed). The latest version can be found here:
<https://www.essexsab.org.uk/professionals/reporting-concerns/>
- Changes to the Request for Support (RFS) online referral form, used to begin the child safeguarding process, came into effect from August 2020. The latest version of form can be found here: [Concerns about the welfare of a child \(escb.co.uk\)](#)
- National Safeguarding Adults Week took place 16-22 November 2020 – the theme being Financial Abuse. Over the seven days, Essex Safeguarding Adults Board hosted a week of virtual activity where professionals who work with adults could support the campaign through listening to podcasts and booking onto webinars that featured a range of guest speakers from; The Southend, Essex, Thurrock Safeguarding Adult Boards, Essex County Council Trading Standards and Adult Social Care, Essex Police, Mid Essex Clinical Commissioning Group, Essex Legal Services, The Office of the Public Guardian and The Southend, Essex and Thurrock Domestic Abuse Board who covered topics such as doorstep crime and financial abuse legislation including lasting power of attorney. Further information on the 2020 National Safeguarding Adults Week can be found here: <https://www.essexsab.org.uk/about-esab/national-safeguarding-adults-week-2020/> . National Safeguarding Adults Week 2021 will take place 15-21 November.

- The Government launched a new online portal in January 2020 to strengthen support to charities handling safeguarding concerns or allegations. To access the portal, please visit <https://safeguarding.culture.gov.uk/>
- The Local Government Association and the Association of Directors of Adult Social Service (ADASS) published Adult Safeguarding and Homelessness - a briefing on positive practice, in March 2020. The briefing can be found here: [Adult Safeguarding and Homelessness Briefing](#) Colchester Borough Homes lead on the homelessness agenda for CBC.
- Colchester Borough Homes published its first Hoarding Policy in May 2021. Its development reflected the need for a more consistent and systematic approach. The policy recognises the need for specialist support underpinned by effective partnership working. Its development has benefited from the combined operational approach to equality (since hoarding may be underpinned by disability) and safeguarding (since hoarding may reflect mental capacity issues and/or 'self-neglect').
- David Archibald continues his role as Independent Chair of the Essex Safeguarding Children Board. Deborah Stuart-Angus continues her role as Independent Chair
- 'What Works for Children's Social Care' (WWCSC) are funding a new programme that provides supervision to Designated Safeguarding Leads (DSLs) in Primary and Secondary Schools (across Essex). Primary school DSL will be provided with one-to-one supervision and Secondary School DSL's will be offered the opportunity to engage in group supervision. The programme offers supervision to DSLs in schools for an initial period of six months and the evaluation of the programme will look at whether there is an impact on the referrals that DSLs make to children's social care. The research element of the programme includes a randomised control group who will not receive supervision.

Equality and Safeguarding Annual Report Appendix B

Key initiatives and provisions

Equality and Diversity

- Colchester Borough Council Covid website designed to support residents throughout the pandemic with additional information for our most at risk communities.
<https://www.colchester.gov.uk/coronavirus/communities/support-for-bame-communities/>
- Colchester Borough Council is a member of the Essex Dementia Alliance. Partnership-working is a big part of the DAA cohort, with regular meetings with the 60+ partners across the Borough. Through 2020, a Pan-Essex DAA group was established to strengthen ties through the Covid pandemic.
- The Council also works in partnership with Community360 in the Lottery-funded Place Based Social Action project to make Colchester a Dementia Friendly Town. Our mutual goal is to improve local service provision through increased awareness. Consultation has been integral in gathering 'lived-experience' from local residents who live with Dementia or care for someone who does; this helps to design a bottom-up approach, offering the most appropriate support where it is identified most.
- To date, over 160 staff members and Councillors of Colchester Borough Council have attending Dementia Friends Awareness Sessions. Training has continued through the 2020 pandemic lockdowns through online channels and further sessions are planned, including provision for community groups and Parish Councils.
- 200 Children's University Summer activity packs were delivered to 5 partners, including Refugee Action Colchester, Essex Integrations and CBH to distribute to disadvantaged families
- CBC were awarded £12000 from ECC's Winter Covid funding to support those community groups offering food, fuel and essential items support. This funding was allocated to
 - Colchester CAP
 - The Boaz Project
 - Refugee Action Colchester
 - HomeStart Colchester
 - Essex Integration
 - North Essex Support Team
 - Colchester Islamic Community Centre
 - Bangladeshi Women's Association
 - Next Chapter
 - The Munch Club
 - Tots 2 Teens
 - ECFWS (Barnardo's)
 - GO4- Café
- Members of the Community Forum have been involved in a number of non-covid related activities including
 - 1 x report on interpretation
 - Information on interpretation at medical appointments sent to CCG lead
 - 1 x member attending One Colchester meetings
 - 2 x members of IAG on Stop and Search panel
 - 3 IAG members interested in Police Professional Standards Panel

- 2 x Women's health information sessions
- In 2021 Colchester Museums
 - Formed a Diversity Advisory Group made up of staff from across the museum service who champion various protected characteristics. An Inclusion Consultant was commissioned to work with the group on a strategy and action plan for the coming year.
 - Museum staff received training on anti-racism and the social model of disability. LGBT awareness and other sessions are to be confirmed
 - Reviewed numerous job descriptions and adverts to make the wording more accessible and flag any points that go against best practice e.g., an interest in museums - often included but isn't something that can be objectively assessed for. They have also created a list of organisations with followers from underrepresented groups, who can help share vacancies on social media .
 - Updated the museum website to include more staff imagery and more information on working for CIMS for prospective applicants: <https://cimuseums.org.uk/what-we-do/aboutus/our-team/>
 - Had about 15 staff across the service trained up as Access Champions. They have conducted audits of our 6 venues and produced a long list of recommendations we're working through, from removing black mats (which can be confusing to those with Dementia) to organising audio description training for staff.
 - Created more detailed access pages for our museum venues e.g. <https://colchester.cimuseums.org.uk/castleaccess/>. We are planning to work on creating Visit England Accessibility Guides over the coming months.
 - Published a free LGBT resource for teachers: <https://colchester.cimuseums.org.uk/learn/teacher-resources/>
- There is also a commitment to deliver more exhibitions and events that focus on previously untold stories e.g., our Hidden Histories programme in Colchester or the Power of Stories exhibition in Ipswich. Furthermore, staff have been involved in a traineeship scheme aimed at people from underrepresented backgrounds and another colleague has been working closely with the Ipswich Jobcentre and other community organisations to bring museum content to families on lower incomes and/or affected by digital poverty
- Members of the Community Enabling and Community Safety Team sat the One Colchester Tackling Racism working group
- During Black History Month a banner was displayed from the Town Hall balcony.
- £35 000 of Section106 monies were made available to Colchester Mosque to complete renovation works and provide disabled access and toilets.
- A member of the Community Enabling Team sits on the Steering Group for the Bangladeshi Women's Association Community Ambition Programme. The programme focuses on the Bangladeshi and Muslim community across North East Essex and will form and expand partnership with statutory and voluntary organisations working in partnership with the Ipswich Bangladeshi Community, linking in with other Diverse Ethnic Community networks within the integrated Care systems to share best practice. The project aims to improve access to health service and information sharing. This needs assessment's aim is to identify the needs of Bangladeshi and the Muslim community which will improve the designing of future service and information

- **Street Tag:** Street Tag turns physical activity into a game by converting walking, running, and cycling into Street Tag points (tags). It is a way to transform streets and parks into a giant virtual playground for local communities.

Getting outdoors and being more active has been proven to make an enormous impact on people's physical and mental wellbeing. Incentivising getting more people outside and moving, works towards the Council's strategic aim to create safe, healthy and active communities throughout the Borough.

Street Tag launched within our most deprived ward of Greenstead on the 29th of March 2021

- There are currently 24 Primary School teams on the schools leader board
- 4 of the schools fall within our most deprived areas.
- St Johns Green, Hazelmere Juniors, Roach vale and St Thomas Mores
- The Care Home leader board launched on the 14th July and currently has 8 Care Homes signed up and using the app.
- St Fillians is currently top of this leader board with 28 of the home's residents collecting points on a weekly basis. This home also falls into the IMD 1-4.
- CBC joint hosted the ONE Colchester Inequalities seminar in the Autumn
- In 2021 Leisure World
 - **Ladies Only Swimming** LW lead public sessions in Fitness Pool - 4 sessions per week.
 - **Ladies Only Swim – 'private hire'.** Weds 1x PCW. Funding via Active Essex, I am told that some funding remains available, however, most users who attend are BAME community members, of which are presently classified as high-risk of Covid transmission. They have suspended sessions until government guidance allows. LW General pool capacities are restricted, however, we are happy to review and prioritise upon their request.
 - **Freedom memberships** – Discounted membership: low income/ government support status including accessibility users.
 - **Phoenix Swimming Club** - long-term private hirers. Adults and juniors with physical/ learning disabilities. Swim teaching covers all user's personal levels/abilities. (Beginners up to Paralympic athletes).
 - 15-30 per session (Hosted Tuesdays, Thursdays and Saturdays)
 - **Market Field School swimming** - learning difficulties, have sessions/lessons hire. 10-15 per session 1x per week.
 - **Muslim community (Women/Children).** private swimming in Leisure Pool - *in partnership with Active Essex and Colchester Citizens.*
 - This group had sessions on the first Wednesday of each month from December 2018 to February 2020 – Continue to hold due to COVID and the end of their funding from Active Essex.
 - **Endeavor.** LW lead session for adults/ children of physical/ mental disability focusing on physical exercise, fun and inclusivity. (including trampolining and sport play). All activities due to transfer to Sport for Confidence session modal Jan'22.
 - **Racketeer Club** – Badminton private hire - players of Asian Indian/ Bangladeshi 40+ strong membership base.
 - **Indoor 'Lawn' Bowl Club** – majority of membership base over 60yrs+.

- **Walking Indoor Football** – ACE – private hire. Physical/ mental disabilities. Temporary not running due to Covid concerns.
- **Cycle Projects** – a pilot scheme, aiming to support promote greater accessibility, women, and areas of deprivation to access, learn / increase confidence in cycling.
 - The project is called Wheels for All.
 - Access to eight accessible cycles.
 - Delivery modal: 2x 2hr sessions once per week.
 - Cycle UK, lead project - funded via LDP.
 - Pilot session delivery: July'21-June'22.
- **Accessible cycling bike access**
 - Disabled cyclists can cycle via closed road circuit with access to high quality accessible cycles.
 - No time/ date restrictions of access. Open to public sessions.
 - Carer access free
- **Active+** Open to all uses (off-peak), pay one price for multiple activities during their visit.
 - Monday to Friday between 9am-3pm to use the Gym, Aqua Springs and classes as discount rate. They also got access to play racket sports like Squash and/or Badminton between 9.30-12pm.
 - Typical demographic 90%> over 50's
 - *Currently suspended due to Covid capacity restrictions.*
- **Sport for Confidence.** providing inclusive sporting opportunities to people who face barriers to participation, including those with learning disabilities, mental health issues, dementia, autism, physical impairment or disability, homelessness, and many other complex health needs.
 - Delivery modal covers 2x per week 9am-4pm (7x 1hr sessions)
- **Activa Gym:-**
 - Wheelchair user friendly access/ medical certified equipment - service as normal.
 - Carer access free to support user to exercise/ workout together.
- **Lexden Spring School** – gym usage, fortnightly, on Friday for an hour for to 10 children physical/ mental disabilities using it for their PE lessons.
 - *Currently stop due to covid restrictions.*
- **GP Referral program (LEAP).** Support Service cater for wider range of patient with complex medical conditions:
 - Use of gym/ studio classes such as: Cardiac/ Vascular Rehab, Osteoarthritic, Back Rehabilitation, cancer pre/rehabilitation support programmes including aquatic activity.
- **Aerobic programming: -**
 - FOC carer access available to all accessible users (participants classes together).
 - Low Impact ETM – classes design for those with limited movement or restricted.
 - GP Referral classes – up to 10 scheduled classes per week.

- **Customer service operations:** EqIA review of cashless payment was carried out in 2020/21. User groups were reviewed and low-income households, over 60s and those with physical/ mental disabilities were seen to prefer face to face payments. As a result the decision was to retain face-to-face payment kiosks
- **Leisure World Holiday Camps (Kids Camp):**
 - Children's holiday activity sports club, Covering ages 5-15years.
 - Includes food provision (optional).
 - Open to members of the public.
- **Swim School:**
 - 1000+ school children enrolled on 'ASA learn to swim' program.
- **School curriculum swimming:**
 - Schools use Fitness Pool between (9.30am-2.30pm) weekdays Mon-Fri.
 - Host 37 local Colchester schools.
 - Funded by central government.
 - *Currently suspended until 2021 due to Covid restrictions.*
- **Sigma Trust academy:**
 - Further education provider 16-18years focusing on sport studies.
 - Based at Colchester Northern Gateway Sports Park up to 5 days per week.
 - Access to in/outdoor sport facilities including class/meeting room facilities.
- **Essex Cricket academy groups**
 - Up to 20hrs of community use facilitated via ECC.
 - Usage mix league/ nets sessions.
 - Users contain mix of under 18's, Diverse Ethnic Community members.
- **Community Cycling Groups:**
 - Up to 15hrs track usage available peak-time per week to community cycle groups
 - Mix of road cycling, junior and adult activity
 - Inclusive cycle coaching
- **Learn to Ride**
 - Closed road circuit school cycling coaching (1hrs)
 - Accessible to ages 5-11years, coach lead via British Cycling
 - Cycle assets provided by Sport and Leisure service
 - Due to launch Winter 21/22.
- **Changing Places fully accessible toilet facility**
 - Based at Colchester Northern Gateway Sports Park.
 - Accessible from facility launch (April 2021).
- **Poor Air Quality** disproportionality affects the elderly, the young and those with existing respiratory conditions. To support improvements in the boroughs air quality, temporary signage has been installed on Brook Street and East Street. The signage aims to increase the number of drivers who 'switch off' their engines whilst stationary, early findings have shown a 9% increase in the number of drivers switching off their engines from 12% (baseline data) to 21%. The signage will be in place until September 2022.

In October 2020, the Council launched a DEFRA funded behaviour change campaign, which aims to encourage residents to switch off their engines when stationary, particularly outside schools. Research by Kings College London found that switching off engines when stationary can cut pollution by up to 30% and the effects are immediate.

The campaign, CAReless Pollution, was developed in partnership with local people. An Advisory Group has been set up to facilitate sharing intelligence and resources. It includes representatives from Breathe Easy Colchester, the Business Improvement District, Colchester Mosque, Clean Air Colchester and EnForm. A 50 strong stakeholder group has also been established to help widen the reach of the campaign by sharing communication and resources amongst their networks. The campaign resources are available at www.colchester.gov.uk/cleanair.

In October 2021, 1 year after the campaign launched, 65% of drivers outside schools reported that they switch off their engine more than they did a year ago (survey conducted with drivers outside schools throughout September 2021). In March 2021 the Council received funding from DEFRA to run the campaign for a further 12 months.

- **In 2017 the Council declared itself a Borough of Sanctuary**

In order to strengthen our commitment to those who face the ordeal of being separated from their families and home this Council pledges to:

- *continue to do all in its power to welcome and assist refugees and all those forced to seek sanctuary in our Borough.*
- *ensure services and resources are accessible, including by signposting, translation, and advocacy.*
- *acknowledge the pledges of institutions, businesses, individuals and families across Colchester.*
- *declare ourselves as a Borough of Sanctuary, following the examples of other local authorities already signed up to the City of Sanctuary principles.*

Since December 2020 the council has welcomed 80 plus asylum seekers through the Home Offices Dispersal Programme. Staff from the Community Enabling Team and Private Sector Housing Team work closely to with Clearsprings Ready Homes, the Government's provider of the accommodation, to ensure the housing is of acceptable standards.

There is also a Home Office Contingency Hotel for Asylum seekers in the borough. Officers have worked closely with other agencies including the Home Office, Public Health, Refugee Action Colchester and Clearsprings Ready Homes to ensure the wellbeing of the residents.

Funding has been provided through Community360 to help support Refugee Action Colchester with the additional workload brought on by the influx of asylum seekers,

Working with Community360, Refugee Action Colchester, Essex Cricket and a local bootcamp provider and number of fitness activities have been provided for the asylum seekers at the hotel to improve their health and wellbeing.

Essex University, CBC, C360 and RA-Colchester have collaborated on a project "*Pilot of a wellbeing-enhancing physical activity intervention for locally accommodated asylum seekers*". The funding has been awarded from Research England's Quality Related Strategic Priorities Fund, which supports engagement with policymakers, policy relevant research and capacity building for policy engagement. The hope is that the project will demonstrate how it might influence policy going forward. Should further funding be sourced after the pilot concluded it is hoped to expand the project to include asylum seekers in dispersal accommodation.

Safeguarding

- 2020 saw the adoption of version 2 of the CBC Suicide Protocol (on responding to threats or ideas of suicide or self-harm) which includes detailed guidance and procedures as well as contact details of dedicated organisations and relevant agencies. In addition to the Protocol, summary guidance documents on how to respond to threats of suicide and procedure to follow were also made available to staff and members via the CBC intranet. This policy has been reviewed and amended to highlight relevant updates in September 2021.
- 2021 saw the formation of the Colchester and Tendring Suicide Prevention Task and Finish Group to investigate, understand and address the significantly high and rising suicide rate in Colchester.
- Action to review Car Park safety in relation to suicide threats has included multi agency meetings, led by Community Safety team, including on-site reviews. This has resulted in practical solutions being implemented to protect vulnerable residents. This review will continue across Council owned car parks.
- Suicide awareness training was delivered to a Members Development session in October 2021. Training on Modern Slavery and Safeguarding are to be delivered in 2022.
- Colchester Borough Homes' Suicide Prevention Protocol was launched in the autumn of 2020. This provides detailed processes and guidance to help us safeguard some of their most vulnerable customers
- 2020 saw the adoption of version 7 of the CBC Safeguarding Policy; a comprehensive guide including information on a number of areas such as roles and responsibilities, recognising and responding to concerns, identifying types of abuse, where to seek help, training, legislation, and many more. In addition to the Policy, summary guidance documents on how to recognise potential abuse, raise concerns and make a referral were also made available to staff and members via the CBC intranet. This policy been reviewed and amended to highlight relevant updates in September 2021.
- Colchester Borough Homes published its first Hoarding Policy in May 2021. Its development reflected the need for a more consistent and systematic approach. The policy recognises the need for specialist support underpinned by effective partnership working. Its development has benefited from the combined operational approach to equality (since hoarding may be underpinned by disability) and safeguarding (since hoarding may reflect mental capacity issues and/or 'self-neglect').
- The Community Safety Team were successful in being awarded, as Lead Local Authority, a bid of over £376,000 from Essex County Council to extend the 'Together We Can' project until April 2022; a project to support a recovery refuge (for women with active substance misuse issues), community resettlement programme (supporting women to establish and maintain safe accommodation) and provide specialist support for children and young people affected by domestic abuse (particularly those in families who have fled domestic abuse or remain in the home after perpetrator has left).
- The Community Safety Team will continue to seek funding opportunities that can support community safety activity across the borough. Bidding opportunities over the past year include funding for initiatives to improve the safety of Women and Girls in Greenstead and the Safety of Women and Girls at Night.
- A successful bid to Violence and Vulnerability Unit to reduce Violent Offending in Greenstead resulted in the implementation of a 'mini-job centre' and associated projects to encourage education and employment of those aged 15-24 years. This will be extended further for 2021-22 and include a new Multi-Agency Centre in Greenstead

aiming to engage the most vulnerable individuals with the aim to safeguard and prevent criminal behaviour.

- Colchester Borough Council remains a key member of the J9 Scheme, designed to provide a place of safety such a shop, library, fire station, restaurant or CBC building for a victim of domestic abuse to visit should they be feeling at risk or in need of help or support. CBC's Designated Safeguarding Officers received J9 training in June 2021, and this training is detailed on the Safeguarding Training Plan as optional for all staff.
- A Hate Crime Ambassador Course was delivered in April 2021 with 11 attendees including Designated Safeguarding Officer's and Covid Marshals.



Governance and Audit Committee 8 March 2022

Item
8

Report of	Chief Operating Officer	Author	Paul Cook □ 505861
Title	External audit 2020/21 update		
Wards affected	All		

1 Executive Summary

- 1.1 To update the Committee on further delays to the 2020/21 audit.

2 Recommended Decision

- 2.1 To note further delays in finalising the 2020/21 audit.

3 Reason for Recommended Decision

- 3.1 The external audit is a statutory requirement.

4 Alternative Options

- 4.1 None.

5 2020/21 Audit Timetable

- 5.1 The Council has been working with our external auditors BDO to complete the audit of the 2020/21 statement of accounts.
- 5.2 The Head of Finance published the draft Statement of Accounts on 11 June 2021. The period of public audit rights was commenced following approval of the Annual Governance Statement by the 22 June 2021 Committee. It was expected that the accounts with audit opinion would be available to the 7 September 2021 Committee.
- 5.3 At the 7 September 2021 Committee a revised timetable of accounts with audit opinion to the 23 November 2021 Committee was agreed.
- 5.4 Following delays in the audit, the accounts with audit opinion did not go forward to 23 November 2021 Committee and it was agreed with BDO to work towards the 18 January 2022 Committee.
- 5.5 Following delays in the audit, the accounts with audit opinion did not go forward to 18 January 2022 Committee and it was agreed with BDO to work towards the 8 March 2022 Committee.

- 5.6 Following further audit delays the audit opinion is not ready for the 8 March 2022 Committee. The Council is now continuing to work with BDO to finalise the audit. When completed the audit opinion will be reported to the Committee in the new Municipal Year.
- 5.7 Under current National Audit Office guidance BDO have three months from giving their audit opinion to make their 2020-21 use of resources judgment on the Council. The judgement will need to be received in the new Municipal Year.
- 5.8 Section 7 below sets out BDO's explanation of the further audit delays.
- 5.9 Staffing issues at BDO have undoubtedly impacted on the audit timetable. As at 22 February 2022 there remained a number of audit requests to the Council yet to be resolved to BDO's satisfaction. These include payroll enquiries for the Council and its companies requested February 2022. It is considered by the Council these queries might have been raised much earlier.
- 5.10 It is not considered by the Head of Finance that there are any audit issues that will have a material impact on the Council's financial position. However, the audit opinion when forthcoming is a matter for BDO to determine. The external auditors may raise additional or new queries at any stage.

6 Practical Implications of the Audit Delays

- 6.1 Whilst it is highly unsatisfactory and poor local accountability not to have the audit opinion on 2020/21, the delay will not be allowed to impact on financial management in 2021/22, 2022/23 or 2023/24.
- 6.2 The 2021/22 outturn will be reported to Governance and Audit Committee in June 2022 following the normal timetable.
- 6.3 Delays in the audit opinions for 2020/21 and potentially 2021/22 (due November 2022) are not expected to have any impact on the preparation of the 2023/24 budget.
- 6.4 Any material changes to financial assumptions ultimately identified by the external auditors relating to 2020/21 will be dealt with through reserves.

7 BDO

- 7.1 BDO will update on the 2020/21 audit at the meeting.

8 2021/22 External Audit

- 8.1 Under proposed Government Accounts and Audit Regulations covering 21/22 statements of accounts, the Council will have until the end of July 2022 to publish its draft 21/22 statement of accounts and commence the period of public rights.
- 8.2 The Council expects to publish the draft 21/22 statement of accounts in accordance with the regulatory timetable and will update the Committee once the external audit timetable for 2021/22 has been agreed with BDO. However, based

on the experience of 2020/21 audit any external audit timetable has a significant risk of non-delivery by the external auditors.

9 Risk Management Implications

9.1 None specific.

10 Financial implications

10.1 As set out in the report.

11 Environmental and Climate Change Implications

11.1 All budget measures are assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme of the new Strategic Plan.

12 Equality and Diversity Implications

12.1 Consideration will be given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

13 Other Standard References

13.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

8 March 2022

Report of	Assistant Director Corporate and Improvement	Author	Darren Brown 📞 282891
Title	Financial Monitoring Report – April to December 2021		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report gives the Committee the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets. The financial position is summarised as follows:-
- The General Fund is showing a net underspend against services of £1,999k as at period 9. This includes less expenditure of £235k and more income of £1,764k, compared to profiled budgets.
 - The current forecast outturn position for the General Fund is a net underspend of £1.606m, assuming the agreed use of reserves of £2.4m in the budget. The forecast outturn is comprised of a net underspend on services of £0.663m, and an underspend of £0.943m in technical/corporate items.
 - The Housing Revenue Account is showing a net underspend of £315k as at period 9 and is forecast to be on budget at the year-end.
- 1.2 Assistant Directors and their budget holders have undertaken a thorough review of the financial position for their services, which is reflected in this report. In addition, SMT continues to monitor the budget position on a monthly basis. The final end of year position will be reported for scrutiny purposes and the impact of this on balances will be considered by Cabinet as part of the budget strategy for 2023/24.
- 1.3 Given the forecast outturn underspend on the General Fund of £1.606m, this would mean we would need to use less reserves than originally agreed in the budget, to deliver an on-budget year end position.

2. Action required

- 2.1 The Committee is asked to consider the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the first nine months of 2021/22, and to note the forecast budget underspend of £1.606m on the General Fund and that this would necessitate less reserves being used to deliver an on-budget year-end position than originally assumed.

3. Reason for scrutiny

- 3.1 Monitoring of financial performance is important to ensure that:
- Service expenditure remains within cash-limited budgets.
 - Potential variances at year-end are identified early so that remedial action can be taken to recover the position or 'recycle' any surplus budgets.
 - Performance targets are being met.

- 3.2 This report also gives the committee the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

4. Background

- 4.1 This report reviews the Council's overall position based on profiled income and expenditure for the nine months to 31 December 2021, and also shows a projection of the outturn figures for the full year. All the information presented in respect of General Fund Services shows the position based on net 'direct costs'. The review of the Housing Revenue Account is different in that it shows all costs, both direct and indirect.

Summary Position

- 4.2 The projected outturn for the General Fund is currently a net underspend of £1.606m, assuming the agreed use of reserves of £2.4m in the budget. The Housing Revenue Account forecast outturn position is currently to be on budget.
- 4.3 The underspend on services includes £500k improved income against budget on Sport and Leisure. The underspend also includes £120k improved parking income against budget. These improvements reflect prioritisation of these recovery areas by the Senior Management Team. Further details of the improvements are set out in Appendix D.
- 4.4 The General Fund position is set out in more detail in the following paragraphs and the HRA position explained in paragraphs 4.21 to 4.25. Budgets carried forward from 20/21 are now included in the schedules within this report, and as such will be monitored as part of the overall position.

General Fund – Position to 31 December 2021

Service Budgets

- 4.5 Appendix A shows the current budget variances and forecast outturn variances by Service Group. The net position shows a variance against profiled budget for General Fund Services (excluding Benefits, NEPP & JMC) of £1,999k (favourable). This comprises total expenditure being £235k lower than expected and total income being £1,764k higher than expected. Appendix B breaks these variances down by subjective group.
- 4.6 There are changes expected to expenditure and income variances between period 9 and the year-end, and this reflects a number of factors such as:
- Income either decreasing, or not continuing at the level to date for the remainder of the financial year.
 - The profiling of budgets and the impact of changes in spending and income patterns.
 - Areas where adjustments will take place as part of the closure of accounts (for example where income has been received in the current year but relates to the next financial year).
 - Budgets currently unspent for which a carry forward at year-end may be identified

Income

- 4.7 Income to the Council is below targets to date in a number of areas, but most notably in Planning and Museums. However, income levels are above profiled budgets within Sport & Leisure, Domestic Waste, Parking and Land Charges.

Expenditure

- 4.8 There are underspends against profiled budgets in a number of services areas, predominantly within premises and transport costs, which are partially offset by overspends within employees and supplies & services costs. These variances can be as a result of profiling of budgets as well as timing of expenditure.

- 4.9 Benefits payments are not shown in Appendix A & B to avoid distorting the reported position for Service Groups. It is currently projected that this area will be on budget at year end, when the final subsidy claim is paid. Furthermore, NEPP and JMC variances are not included in the Appendix A & B totals, given these areas are ring-fenced and are reported to the relevant joint committee.

Outturn Forecast / Risk Areas

- 4.10 This is the third formal review this year of the 2021/22 budget position, and the current forecast outturn is a net underspend of £1.606m, assuming the agreed the use of reserves of £2.4m in the budget.

	£'000	
Service budgets	(663)	See paras. 4.11 to 4.12 and Appendix D
Technical / Corporate Items	(943)	
Potential net underspend	(1,606)	

Service Budgets

- 4.11 The following table sets out the forecast outturn for all service areas, with outturn variances. This shows a net forecast underspend of £1,606k. The largest areas contributing to the net position are;

- Community: A shortfall in Museums income of £96k and Licencing, Food & Safety income of £57k.
- Neighbourhood Services: £175k pressure due to the vacancy factor target potentially not being met, £510k net overspend on agency/employee costs, £125k pressure relating to Hythe Quay wall repairs and £125k underspend on fleet costs, £87k saving on contractor costs, £585k more paper collection/recycling income, £50k loss of income in trade waste, and a shortfall in Market and Beach Hut income of £165k Additional parking income of £120k.
- Place & Client: £158k more planning income, £111k Amphora dividend forecast in line with the business plan, £500k more net income from Sport and Leisure, and £144k more Commercial & Investment income primarily relating to a prior year adjustment.
- Customer: £107k of New Burdens grant and £73k more land charges income.
- Corporate & Improvement: £50k employees pressure in Governance and £50k for members equipment (hire costs for streaming committee meetings), and £79k less travel plan parking income.
- £100k more income forecast from the Council Tax Sharing Agreement.

Service	Forecast outturn		
	<i>Expenditure</i>	<i>Income</i>	<i>Net</i>
	£'000	£'000	£'000
Corporate & Improvement (incl. CDC)	75	(30)	45
EMT (including additional Coronavirus costs)	(4)	-	(4)
Community	(4)	169	165
Customer	(9)	(171)	(180)
Environment	678	(434)	244
Place & Client	(51)	(882)	(933)
Total all services	685	(1,348)	(663)

- 4.12 As the above table shows, the main reason for the net underspend currently forecast is due to achieving more income than assumed in the budget, especially in sport & leisure, planning, car parking and the waste service. This is showing the results of the successful transformation work being undertaken to recover income levels to our pre-pandemic levels.

Appendix C

- 4.13 Appendix C shows the original budget, the forecast outturn as at Quarter 3 and the variance. The purpose of this table is to bring together the overall revenue budget and show the impact of Government support and the required use of reserves.
- 4.14 As shown the 21/22 budget includes a use of reserves to support covid of £2.4million and to balance the budget, given the impact of Coronavirus on our income earning services. The budget report agreed at Cabinet on the 13th October 2021 stated that the Head of Finance in consultation with the Deputy Leader and Portfolio Holder for Resources determine the reserves to be used in 2021/22 to fulfil the requirements to meet Covid costs.
- 4.15 The intention is that the use of reserves for covid will be the last source of funding in determining the outturn position, meaning that reserves will be preserved as much as possible. Given the forecast outturn at Period 9 is an underspend of £1.606m, then our use of reserves would potentially reduce from £2.400m to £0.794m at year-end.

Corporate / Technical Items

- 4.16 The budget includes a number of corporate and technical budget areas such as net interest earnings, the provision to repay debt, pension costs and some non-service specific grants. It is currently forecast that there will be a saving on interest payable of £400k, as we haven't needed to borrow as planned given our higher cash balances and thus the ability to internally borrow. Furthermore, there is a saving of £123k relating to the 21/22 pay award assumptions included in the budget.
- 4.17 The 21/22 budget included an initial estimate of £500k for Sales, Fees & Charges income support from the Government for Quarter 1. Based on the actual Quarter 1 return we have claimed £920k, therefore additional income support of £420k compared to the budget.
- 4.18 Appendix D sets out details of all forecast variances against service budgets at the year-end totalling £663k. To provide some context on the scale of the variances shown in Appendix D, a percentage value has been included within the comments which shows the proportion of the relevant budget that it represents. For example, an underspend due to vacant posts or the vacancy factor would be expressed as a proportion of the total employees budget for that area.

Summary position and action proposed

- 4.19 The forecast outturn shows a potential net underspend of £1.606m assuming the agreed use of reserves of £2.4m. The impact of Coronavirus and related economic uncertainty on the Councils finances is continually being reviewed, and further more detailed work will continue to be undertaken during Quarter 4 to ensure forecast outturn positions are robust, including those income areas where they have been particularly impacted by Coronavirus and as recovery progresses and customer behaviour moves towards pre-covid levels.
- 4.20 Assistant Directors and their budget holders have undertaken a thorough review of the financial position for their services, which is reflected in this report. In addition, the Senior Management Team continues to monitor the budget position on a monthly basis. The final end of year position will be reported for scrutiny purposes and the impact of this on balances will be considered by Cabinet as part of the budget strategy for 2023/24.

Housing Revenue Account

- 4.21 The Housing Revenue Account (HRA) is a ring-fenced account which is affected by a number of variable factors. At the end of December 2021, the HRA is showing a net underspend of £315k compared to the profiled budget for the same period. This is primarily due to lower expenditure on Premises costs of £362k and Supplies and Services of £344k, and £383k less income than budgeted.

Position to date

- 4.22 Premises related costs are showing an underspend of £362k as at the end of December 2021. Overall, there is a net underspend of £296k on Repairs and Maintenance, which primarily relates to the timing of expenditure on repairs and maintenance of pumping stations, Homeless Persons Units and other delegated areas. There are further underspends of £95k on Grounds Maintenance budgets and £21k on Cleaning Contract costs which relate to the timing of expenditure. There is an overspend of £35k on Utility and Water costs.
- 4.23 Supplies & Services costs are underspent by £344k at the end of December. There is a general underspend across most budget headings, which primarily relate to the timing of expenditure, the main area being IT costs including Project Aurora of £180k.
- 4.24 We have received £383k less income at the end of December 2021. This primarily reflects the net impact of rental & service charge income being lost from dwellings and garages than assumed within the budget, through a combination of voids and the level of Right to Buy sales, along with the timing of acquisition and additions to our housing stock.

Forecast Outturn

- 4.25 The HRA is currently forecast to be on budget at the year-end. Any underspend or overspend that occurs in the year will be used to fund a greater/lesser proportion of our Housing Capital Programme through a variation to the Revenue Contribution to Capital.

5. Standard References

- 5.1 Having considered consultation, publicity, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

6. Strategic Plan References

- 6.1. The priorities within the Strategic Plan are reflected in the Medium-Term Financial Forecast, which makes assumptions regarding government grant/funding and Council Tax income and identifies where necessary savings will be found in order to achieve a balanced budget. The 2021/22 revenue budget was prepared in accordance with the Strategic Plan's priorities, in the context of the Council facing growing financial pressures. Budget monitoring enables the financial performance against these priorities to be assessed.

7. Financial Implications

- 7.1. As set out above.

8. Environmental and Climate Change Implications

- 8.1. All budget measures will be assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's post-Covid recovery planning.

9. Risk Management Implications

- 9.1. Risk management is used throughout the budget cycle, and this is reflected in the strategic risk register. The 2021/22 revenue budget report that was approved by Council in February 2021 took into consideration a number of potentially significant risk areas that had been identified during the budget process. In addition, Assistant Directors identify a number of both positive and negative risk areas during the year.
- 9.3 Extensive modelling work has been undertaken throughout the year to understand the impacts and variables arising from the crisis.
- 9.4 Leisure and commercial income is very dependent on events beyond the Council's control, including the return of consumer confidence and the pace of recovery.
- 9.5 Modelling has been undertaken with service managers to assess the potential range of impacts before adopting the assumptions reflected within the report.
- 9.6 All the above and other significant uncertainties and risks will have to be managed. Further change is likely to budget assumptions and the actions needed to ensure a balanced budget.

Background Papers

None

Period 9 – Current Budget Variances and Forecast Outturn Variances by Service Area

		Position to date			Forecast Outturn		
	Area	Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core		(53)	104	51	-	(100)	(100)
	Total	(53)	104	51	-	(100)	(100)
Executive Management Team							
	EMT	(23)	-	(23)	(13)	-	(13)
	Coronavirus	16	(8)	8	9	-	9
	Total	(7)	(8)	(15)	(4)	-	(4)
Community							
	Assistant Director Communities	(9)	-	(9)	(6)	-	(6)
	Licensing & Food Safety	(4)	44	40	7	57	64
	Community Safety	(4)	-	(4)	-	-	-
	Environmental Health Services	(9)	7	(2)	-	11	11
	Building Control	(16)	40	24	(6)	-	(6)
	Community Initiatives	(77)	(1)	(78)	(24)	-	(24)
	Private Sector Housing	(9)	32	23	9	(18)	(9)
	Bereavement Services	(55)	3	(52)	36	(3)	33
	Cultural Services	(20)	19	(1)	(20)	26	6
	Colchester Museums	(15)	91	76	-	96	96
	Subtotal	(218)	235	17	(4)	169	165
	Colchester & Ipswich Museums	(109)	49	(60)	(54)	75	21
	Total	(327)	284	(43)	(58)	244	186
Customer							
	Assistant Director Customers	3	-	3	4	-	4
	Accounts & Debt	(23)	(5)	(28)	(18)	-	(18)
	Local Taxation & Business Rates	(38)	(71)	(109)	(13)	(67)	(80)
	Benefits & Hub	(33)	(27)	(60)	(1)	(37)	(38)
	Contact & Support Centre	2	5	7	19	6	25
	Electoral Services	164	(157)	7	9	-	9
	Customer Digital & Systems	-	-	-	(37)	-	(37)
	Land Charges	(10)	(56)	(66)	28	(73)	(45)
	Subtotal	65	(311)	(246)	(9)	(171)	(180)
	Benefits - Payments & Subsidy	(2,367)	4,340	1,973	-	-	-
	Total	(2,302)	4,029	1,727	(9)	(171)	(180)
Environment							
	Assistant Director Environment	(5)	-	(5)	(6)	-	(6)
	Neighbourhood Services	284	(162)	122	684	(314)	370
	Car Parking	-	(200)	(200)	-	(120)	(120)

		Position to date			Forecast Outturn		
	Area	Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
	Subtotal	279	(362)	(83)	678	(434)	244
	Parking Partnership (NEPP)	(72)	478	406	27	454	481
	Total	207	116	323	705	20	725
	Place & Client						
	Assistant Director Place & Client	(1)	-	(1)	3	-	3
	Place Strategy	133	(13)	120	(8)	-	(8)
	Housing	265	(274)	(9)	(40)	(34)	(74)
	Planning	53	(158)	(105)	51	(158)	(107)
	Sustainability & Climate Change	85	(32)	53	7	-	7
	Garden Communities	-	-	-	-	-	-
	Subtotal	535	(477)	58	13	(192)	(179)
	<i>Company Related:-</i>						
	Client – Commercial Company	-	-	-	-	(111)	(111)
	Corporate Asset Management	(87)	24	(63)	1	-	1
	Commercial & Investment	(134)	(451)	(585)	-	(144)	(144)
	Sport & Leisure	(672)	(599)	(1,271)	(65)	(435)	(500)
	Total	(358)	(1,503)	(1,861)	(51)	(882)	(933)
	Corporate & Improvement						
	Assistant Director Corporate & Improvement	3	-	3	-	-	-
	Finance	(85)	3	(82)	(28)	-	(28)
	ICT	(15)	30	15	27	(5)	22
	People and Performance	(50)	55	5	(38)	75	37
	Governance	136	(3)	133	114	-	114
	Communications	68	(4)	64	-	-	-
	Total	57	81	138	75	70	145
	Total (excl. Benefits, NEPP & JMC)	(235)	(1,764)	(1,999)	685	(1,348)	(663)
	Total (all)	(2,783)	3,103	320	658	(819)	(161)

Current Budget Variances and Forecast Outturn Variances by Subjective Group

		Position to date			Forecast Outturn		
		Actual	Budget	Variance	Actual	Budget	Variance
	Subjective	£'000	£'000	£'000	£'000	£'000	£'000
	Expenditure						
	Employees	18,364	18,041	323	24,750	24,333	417
	Premises Related	4,947	5,589	(642)	7,681	7,547	134
	Transport Related	1,212	1,399	(187)	1,878	1,982	(104)
	Supplies & Services	6,137	5,812	325	9,660	9,340	320
	Third Party Payments	4,030	4,084	(54)	5,241	5,323	(82)
	Transfer Payments	328	332	(4)	442	442	0
	Capital Financing Costs	4	0	4	110	110	0
	Total	35,022	35,257	(235)	49,762	49,077	685
	Income						
	Government Grant	(1,125)	(896)	(229)	(994)	(900)	(94)
	Other Grants & Reimbursements	(3,395)	(3,358)	(37)	(4,447)	(4,080)	(367)
	Customer & Client Receipts	(16,086)	(14,617)	(1,469)	(20,188)	(19,301)	(887)
	Income-Interest	(199)	(170)	(29)	(227)	(227)	0
	Inter Account Transfers	0	0	0	0	0	0
	Total	(20,805)	(19,041)	(1,764)	(25,856)	(24,508)	(1,348)
	Net	14,217	16,216	(1,999)	23,906	24,569	(663)

Summary showing Original Council budget and latest forecast.

	2021/22 Original Budget	2021/22 – P9 Forecast	2021/22 – P9 Forecast Variance
	£'000	£'000	£'000
Base Budget	24,514	24,514	0
One-off items	(2,915)	(2,915)	0
Cost Pressures	2,372	2,372	0
Cost Pressures - Transformation & Recovery	500	500	0
Cost Pressures - Covid-19 - Economic & Income	4,129	4,129	0
Growth Items	375	375	0
Savings	(2,528)	(2,528)	0
Change in use of NHB for one off investment	(1,419)	(1,419)	0
2021/22 Forecast Outturn		(1,186)	(1,186)
Forecast Base Budget	25,028	23,842	(1,186)
<i>Funded By:</i>			
Business Rates Baseline	(4,300)	(4,300)	0
SFA	(4,300)	(4,300)	0
Increase in NNDR / taxbase above baseline	(1,620)	(1,620)	0
Business Rates Pooling	(200)	(200)	0
New Homes Bonus	(2,430)	(2,430)	0
Lower Tier Government Grant	(622)	(622)	0
Government Reimbursement - Covid-19	(993)	(993)	0
Government Reimbursement - Covid-19 - Income Support	(500)	(920)	(420)
Total Gov't grants & business rates	(10,665)	(11,085)	(420)
Council Tax	(12,588)	(12,588)	0
Collection Fund Deficit / (Surplus)	37	37	0
Business Rates Deficit / (surplus)	12,787	12,787	0
Contribution to / (Use of Reserves)	(12,199)	(12,199)	0
Use of Reserves for Covid-19 - 19/20 C/Fwds	(500)	(794)	(294)
Use of Reserves for Covid-19 - Unringfenced Grants	(950)	0	950
Use of Reserves for Covid-19 – Repairs & Renewals	(950)	0	950
Total Funding	(25,028)	(23,842)	1,186
Forecast Overspend / (Underspend)	0	0	0

Forecast Outturn Variances

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
EMT				
Executive Management Team	(13)	-	(13)	Underspends forecast across general spend, including consultancy (40%) and due to a vacant director post (5%) offsetting cost of Chief Executive recruitment (100%).
Corona Virus	9	-	9	A code had been set up in the EMT budget to capture Covid costs of pay for those people who have worked additionally on Covid related roles. This was done to capture the information in case we needed to make a claim to MHCLG for such costs. This will result in showing a net overspend in the EMT budget for April and May 2021 pay (100%).
Community				
Assistant Director Community	(6)	-	(6)	Small savings forecasted due to p/t PA vacant post.
Licensing and Food Safety	7	57	64	Forecast overspend of £9k in Supplies & Services (22%) on legal costs, unmet survey demand and testing. Offset by £2k (26%) savings on travel expenses. Estimated income shortfall of £57k (10%) mainly in Licensing (private hire vehicle licenses).
Environmental Health Services	-	11	11	Forecast £11k (16%) income shortfall in pest and animal control offset by a small gain in water testing.
Building Control	(6)	-	(6)	Employees underspend forecast of £29k (8%) due to a vacant post. £1k saving on staff mileage claims (8%). This is offset by £24k (213%) forecast overspend on outsourcing surveying services.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Community Initiatives	(24)	-	(24)	Forecasting £24k (4%) underspend relating to staff salaries. Saving is a mixture of new staff costs on lower spinal column point, recouping some core staff expenditure from grant payments.
Private Sector Housing	9	(18)	(9)	Forecasting small salaries overspend due to a new post added in PSH to help with generating more HMO licensing income. £18k (10%) Net more income mainly in civil penalties and HMO licences.
Bereavement Services	36	(3)	33	Salary overspend of £19k (8%) due to an additional Assistant Manager role. Post holder will be responsible for increasing recovery of income for assisted funerals and start claiming child burial costs which is a new source of income. The budget will benefit from these in the last quarter of 21/22. Other overspend of £17k (9%) is a mixture of equipment service charge and IT equipment. This is offset by £3k (11%) underspend on assisted funeral costs that had slowed down. Cremations and associated income forecast of £8k is offset by £5k (83%) income shortfall in Assisted funerals income recovery target.
Cultural Services	(20)	26	6	Underspend on casual staff costs and overtime of £6k (3%). £9k underspend on third party payments – no fireworks agency. £6k (45%) underspend on goods for resale is offset by £9k (50%) shortfall in VIC sales income. Further income shortfall of £17k (70%) from Guided Tours and Advertising.
Colchester Museums	-	96	96	Forecast less income of £6k (18%) on Guided Tours and £90k (19%) on general admissions and schools income. This is due to Castle's late opening from mid-May and the limited capacity due to Covid restrictions. Admissions net income loss for the first quarter will be reclaimed from the Government under their income loss compensation scheme. This is being recorded corporately.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Colchester and Ipswich Museums (CIMS)	(54)	75	21	CIMS is a ring-fenced budget. Forecast underspend mainly relating to staff costs (3%) and some underspend in Retail on materials for resale that is offset by shortfall in sales income. Loss of income on Events forecasted at £22k (51%). Retail income loss for the first quarter will be reclaimed from the Government under their income loss compensation scheme and will be allocated to CIMS in year.
Customer				
Assistant Director Customers	4	-	4	Small overspend relating to superannuation adjustment (12%).
Accounts & Debt	(18)	-	(18)	Underspend on training of £10k (59%) and stationery £7k (64%).
Local Taxation & Business Rates	(13)	(67)	(80)	A net underspend on employee costs of £13k (5%) due to maternity leave. The income forecast variance relates to unbudgeted New Burdens income £70k (100%) the NNDR Admin Grant shortfall £3k (1%).
Benefits & Hub	(1)	(37)	(38)	Income variance relates to the balances of the Test and Trace support grant (£26k) (15%) and Covid Response grant (£10k) (26%).
Contact Support Centre	19	6	25	Overspends on employee costs (£7k) due to in year redundancy. Messenger & Post Room postage £15k over budget (37.8%), with 11k less income (70.59%).
Electoral Services	9	-	9	Overspend on overtime/casual employee costs within the Elections team following the recent Election (£14k) (100%) offset by an underspend on printing costs within Electoral Registration of (£5k) (20%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Customer Digital & Systems	(37)	-	(37)	Underspends on IT software licences of £5k (1.96%) and employee costs of £30k (4.71%); recruiting into some vacant posts has been challenging and posts are remaining vacant longer than expected.
Land Charges	28	(73)	(45)	£73k additional income (29.51%) has meant that the demand for searches has increased and third party payments has overspent £25k (19.72%). Overspend on software licences £3k (19.72%).
HB – Payments & Subsidy	-	-	-	No variance forecast at this stage of the financial year although close monitoring of overpayment debt collection is carried out regularly. The audit of the 2019/20 claim has been completed and 2020/21 is in progress.
Environment				
Assistant Director Environment	(6)	-	(6)	Employee underspends.
Neighbourhood Services	684	(314)	370	<p>£175k employee overspends are forecast due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (2.56%) and a £510k employee overspend to maintain Waste Collections (14.5%).</p> <p>£125k overspend is forecast on Field Gate Quay repair works following the rapid decline of the quayside (33.3%). £125k underspend on Fleet relates to maintenance costs and PAYG (10.10%).</p> <p>Income from recycling credits are forecast to exceed the budget by £160k (9.49%) and following global market fluctuations £425k more income derived from the sale of recyclable materials and £87k savings on associated contractor costs are forecast (10.99%).</p> <p>A shortfall of income is forecast on Market & Street Trading £145k (62.77%), Trade Waste Collections £50k (7.93%), Beach Hut licence fees £20k (20.17%) and Roundabout advertising £20k (100%).</p>

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Car Parking	-	(120)	(120)	More Pay and Display income of £100k (4%) and PCN income of £20k (11%).
North Essex Parking Partnership (NEPP)	27	454	481	NEPP will be 'on budget' after any shortfall variance caused by the emergency is drawn in a planned way from the £1m Reserve.
Place & Client				
Assistant Director Place & Client	3	-	3	Variance forecast on employee costs due to agency costs incurred to cover the PA vacancy.
Place Strategy	(8)	-	(8)	Forecast underspend across general spend (1%) and transport costs (52%).
Housing	(40)	(34)	(74)	Forecast underspend due to vacant posts (18%). £34k more income than budget for rents from council dwellings (9%).
Planning	51	(158)	(107)	Overspends due to Agency fees (100%), Locum costs (100%) legal spend (75%), consultancy (100%), offset slightly by net underspend across salaries (17%). Planning fees income forecast is £158k more than full year budget, this has been profiled based on the previous 3 years income trend variance. This will be reviewed at P10 (13%).
Sustainability & Climate Change	7	-	7	Forecast overspend on employee costs due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies, and Spinal Column Point increases pressure due to post changes not fully budgeted (1%) and unbudgeted spend relating to Transport East invoice (100%).
Client - Commercial Company	-	(111)	(111)	The dividend is forecast to be £111k, which is in line with the dividend reported in the CCHL Business Plan considered by Governance and Audit Committee on 18 th January 2021.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Corporate Asset Management	1	-	1	The small overspend (£1.4k) relates to a 3 year licence renewal for the Town Hall. No variances have been forecast on Rowan House until timeline for building works is confirmed and external rents are negotiated.
Commercial & Investment	-	(144)	(144)	Commercial properties have not identified any unbudgeted cost pressures for 2021/22. Income is forecast to be £143.8k (5.15%) more than the budget, primarily due to a final settlement on a long lease hold property (£104k) which has been in dispute for the last few years. The overall budget target was reduced primarily due to forecasts around the ongoing impact of the Coronavirus - the outturn variance may yet change post lockdown.
Sport and Leisure	(65)	(435)	(500)	Expenditure savings have been forecast on employee costs £187k (6%) and grounds maintenance at the Colchester Sports Park, Northern Gateway site £78k (49%), however, this has been negated to allow for expected increases in utilities bills across the service of £80k. Savings are partially negated by increases in Supplies and Services of £118k (20%). NNDR forecasts are as budgeted, but this is yet to be confirmed following a valuation inspection in December 2021. An overall income surplus of £435k (12%) is now forecast at this stage of the year due mainly to Pools (£282k), Wet Side courses (£140k) and Aqua Springs (£86k) following a significant effort by the service to capitalise on customer demand over the last 6 months. These surpluses are offset by other areas in which income levels are lower than expected. A programme is currently in place to accelerate income recovery to pre pandemic levels across all Sport and Leisure Services, although it is difficult to predict customer usage and the ongoing effect on resources.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Corporate & Improvement (incl. CDC)				
Corporate & Democratic Core	(100)	-	(100)	More income forecast from Council Tax Sharing Agreement (25%).
Finance	(28)	-	(28)	Underspend forecast on salaries due to vacant posts (6%), offsetting unbudgeted agency and recruitment costs (100%).
ICT	27	(5)	22	Overspend forecast on employee costs due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (1.5%) and Microsoft software licences (8%). One off income for work completed with CBH (100%).
People & Performance	(38)	75	37	Underspend forecast on shared payroll service (22%), purchase of staff transport tickets (72%) and salaries (1%). Less income forecast from staff car parking due to home working and part year closure of Rowan House (86%).
Governance	114	-	114	Overspend forecast in Hallkeepers as a higher saving was allocated to service than could be achieved with the agreed reduction in level of Hallkeepers. Pension strain costs (100%) as part of further review of team structure in order to achieve saving required in the budget. Higher employee costs due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (6%). Overspend on members equipment hire due to Mark's Tey Radio streaming costs (100%). This is offset slightly by some savings across supplies and services (5%) and transport budgets (58%).

December 2021	Current Period - December 2021			Forecast Year-End Position		
	Profiled Budget to Period 9 £'000	Actual to Period 9 £'000	Variance (under) / over £'000	Annual Budget £'000	Projected Outturn £'000	Variance (under) / over £'000
Account Description						
HRA - Direct & Non-Direct						
EXPENDITURE						
Employees	169	201	32	225	260	35
Premises Related	5,227	4,865	(362)	6,965	6,965	-
Transport Related	-	-	-	1	1	-
Supplies & Services	928	584	(344)	1,487	1,487	-
Third Party Payments	3,197	3,211	14	3,839	3,839	-
Transfer Payments	96	58	(38)	128	128	-
Support Services	3,120	3,120	-	3,450	3,450	-
Capital Financing Costs	-	-	-	15,088	14,632	(456)
TOTAL EXPENDITURE	12,737	12,039	(698)	31,183	30,762	(421)
INCOME						
Other Grants & Reimbursements	-	-	-	(139)	(139)	-
Customer & Client Receipts	(23,317)	(22,935)	382	(30,573)	(30,152)	421
Income-Interest	(1)	-	1	(16)	(16)	-
Inter Account Transfers	-	-	-	(56)	(56)	-
TOTAL INCOME	(23,318)	(22,935)	383	(30,784)	(30,363)	421
TOTAL NET - HRA	(10,581)	(10,896)	(315)	399	399	-

Report of	Chief Operating Officer	Author Paul Cook ☎ 505861
Title	Capital Monitoring Report Quarter 3 21/22	
Wards affected	Not applicable	

1 Executive Summary

- 1.1 This report compares Capital Programme expenditure to budget at the end of Quarter Three 21/22. The Capital Programme encompasses General Fund services, the Housing Revenue Account Housing Investment Programme, and the Revolving Investment Fund. It is a significant capital programme with a high level of investment benefitting the Borough, contributing towards the local economy, and working towards recovery.
- 1.2 Under the Council's Financial Regulations, a review of the schemes included in the capital programme is required quarterly.

2 Recommendations

- 2.1 To approve the progress of the Capital Programme as set out in this report, the associated spend for Quarter Three and the programme forecasts for future years.
- 2.2 To note the RAG rating for each capital programme scheme provided by project managers.
- 2.3 To review the risk analysis on areas where there is a risk of material shortage, inflation, or increases in costs.

3 Purpose of the report

- 3.1 This report enables the Committee the opportunity to hold Service Managers and Portfolio Holders accountable for their capital programme and the project delivery progress and outcomes.
- 3.2 The purpose of the report is to ensure:
 - Spending on projects is within agreed allocations,
 - Capital programme allocations are sufficient to enable timely project delivery and support the related service objectives.
 - The Council makes good use of its available capital resources, in accord with the Council's Treasury Management Strategy and associated statutory requirements.
 - The Committee is satisfied that the key risks associated with the Capital Programme are being managed to ensure efficient and effective delivery of the programme.

4 Background Information

- 4.1 This Capital Programme presents the Quarter Three expenditure of the reset 2021/22 Capital Programme. The comparisons are based on the capital programme as at 31 December 2021.
- 4.2 The Capital Programme was subsequently reset for 22/23 and later years in setting the 22/23 Budget. The new schemes and funding agreed at 22/23 budget setting will be included in the capital monitoring report for Quarter One 22/23.
- 4.3 It should be noted that the Capital Programme mainly consists of schemes where spending is planned across several years. Financial variances can occur as a result of:
- Reprofiting of scheme budgets into the following financial year to reflect scheme progress on site,
 - Changes in the timing of payments,
 - Additional budget requirements due to changes in schemes or unforeseen costs.

5 Quarterly Capital Monitoring Position

5.1 The table below provides a summary of the capital programme by service area:

Service	Programme	2021/22 Q3 Expenditure	2021/22 Capital Programme	Future Years' Forecast
	£'000	£'000	£'000	£'000
Communities	9,648	2,390	4,112	5,537
Environment	3,427	490	1,622	1,805
Corporate and Improvement	41,984	1,633	4,773	37,211
Place and Client	14,570	3,584	9,399	5,171
Housing Revenue Account	53,964	15,602	42,772	11,192
Total Capital Programme	123,593	23,699	62,678	60,916

5.2 Capital expenditure was £23.7m against a forecast programme of £62.7m. This represents 38% of the projected budget. At a similar stage in 2020/21 capital expenditure was £26.4m and 51% of the budget.

5.3 The Capital Programme has been adjusted to reflect S106 released funding, details of which have been reviewed by the relevant portfolio holders.

Project	£'000	Summary
King George Basketball Court	16.9	Improvement works to recreational and sport facilities.

5.4 The Capital Programme has been adjusted to reflect Estate Regeneration Fund approved by 17 November 2021 Cabinet

Project	£'000	Summary
Greenstead Land Acquisition	2,300	To accelerate and enhance our proposed regeneration scheme for the Heart of Greenstead within the Town Deal programme.

5.5 The Council is the accountable body for the We Are Colchester Town Deal. The business cases for Town Deal projects are recommended for approval to 9 March 2022 Cabinet.

Following subsequent approval by the We Are Colchester Board, the business cases will be submitted to the Department of Levelling Up, Housing and Communities by 31 March 2022. Town Deal projects approved by the Department of Levelling Up, Housing and Communities will be reported in a separate domain in the Capital Programme. This is expected to commence from Quarter One 22/23.

- 5.7 Actual expenditure for the year and updated commentary from the budget holders on all schemes is detailed in Appendix A to this report.
- 5.8 Appendix A includes the RAG (Red, Amber and Green) status of overall project performance against all capital schemes. This has been updated with revised criteria showing the status for three aspects of a project – time, cost, and delivery. The criteria for the RAG are the corporate standard. The RAG status has been assessed by the project manager. Detailed comments are provided in Appendix A against amber and red RAG rated schemes.

6 Strategic Plan references

- 6.1 The Council's Capital Programme is aligned to the Strategic Plan.

7 Financial Implications

- 7.1 Contained in the main report.

8 Risk Management Implications

- 8.1 Risk management issues are considered as part of individual capital projects.

9 Consultation

- 9.1 The Capital Programme is part of annual budget setting and is subject to the normal budget consultation processes.

10 Environmental and Climate Change Implications

- 10.1 All projects are assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme of the new Strategic Plan.

11 Equality and Diversity Implications

- 11.1 Consideration is given to equality and diversity issues in respect of the Capital Programme as part of the budget process. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

12 Other Standard References

- 12.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

Background Papers

Estate Regeneration Fund – Cabinet 17 November 2021

Appendix A

Project	Budget	Prior Years Spend	Current	Spend to Q3 21/22	Fore-cast 21/22	% to Q3	Fore-cast 22/23	Fore-cast 23/24	Fore-cast 24/25	Delivery	Timing	Cost
Lending to Housing Company	28,800	1,500	27,300	600	600	100%	26,700	0	0	G	G	G
Property Purchase - 100 Homes	22,000	4,753	17,247	9,208	16,672	55%	575	0	0	G	G	G
Housing Improvement Programme	14,439	0	14,439	2,872	11,039	26%	3,400	0	0	G	G	G
Purchase of properties - HRA	7,417	0	7,417	49	200	25%	7,217	0	0	G	G	G
Sheltered Accommodation	6,611	0	6,611	724	6,611	11%	0	0	0	G	G	G
Equity Investment in CCHL	7,300	1,500	5,800	0	300	0%	5,500	0	0	G	G	G
Grow-on Queen St Bus Depot	4,677	37	4,640	179	3,410	5%	1,230	0	0	G	G	G
Mandatory Disabled Facilities Grants	5,418	825	4,593	661	900	73%	1,280	1,280	1,134	A	A	A
New Build on Garage Sites	4,273	0	4,273	1,214	4,273	28%	0	0	0	G	G	G
N Gateway Heat Network	4,492	623	3,869	87	350	25%	3,039	480	0	G	A	A
Council House New Build	2,900	0	2,900	1,128	2,900	39%	0	0	0	A	A	A
Greenstead Land Acquisition	2,300	0	2,300	27	2,300	1%	0	0	0	G	G	G
Town Centre	4,836	2,857	1,979	254	230	110%	1,000	749	0	G	G	G
Stanway Community Centre	1,892	191	1,701	397	1,001	40%	700	0	0	G	G	G
Facility Loan to CAEL	2,520	1,000	1,520	300	700	43%	620	200	0	A	A	A
St Marks Community Centre	1,500	0	1,500	25	600	4%	800	100	0	G	G	G
N Gateway S Infrastructure	1,670	177	1,493	0	250	0%	1,243	0	0	A	A	G
Rowan House Regeneration	1,327	0	1,327	40	995	4%	332	0	0	G	A	G
Northern Gateway S The Walk	3,471	2,446	1,025	1,878	1,025	183%	0	0	0	G	A	G
Shrub End Depot	1,056	67	989	141	270	52%	719	0	0	G	G	G
Local Fast Fibre Network	3,645	2,697	948	1,224	948	129%	0	0	0	G	G	G
Adaptations to Housing Stock	760	0	760	369	760	49%	0	0	0	G	G	G
Light Fleet Replacement	726	0	726	0	676	0%	50	0	0	A	A	G
St Nicholas Square	695	82	613	34	613	6%	0	0	0	G	G	G
Rowan House Ventilation System	528	0	528	30	308	10%	212	8	0	A	A	A
Fleet Upgrade Caged Tipplers	520	0	520	0	0	N/A	520	0	0	A	A	A
N Gateway Sports Park	28,838	28,319	519	-58	339	-17%	180	0	0	G	G	A
N Gateway S Detailed Planning	1,498	987	511	48	511	9%	0	0	0	A	G	G
Grants to Registered Providers	1,708	1,261	447	0	447	0%	0	0	0	G	G	G
Housing ICT Development	317	0	317	38	317	12%	0	0	0	G	G	G
Garrison Gym Playground	306	0	306	0	0	N/A	306	0	0	G	G	G
Mercury Landscaping Works	350	55	295	160	295	54%	0	0	0	G	G	G
Private Sec Renew Loans/Grants	375	89	286	2	86	2%	200	0	0	A	A	A

Mercury Theatre Phase 2	9,313	9,040	273	992	273	363%	0	0	0	G	G	G
Leisure World artificial pitch	250	0	250	0	250	0%	0	0	0	G	G	G
N Gateway Pumping Station	250	0	250	0	50	0%	200	0	0	A	A	A
N Gateway Play Equipment	250	0	250	0	0	N/A	250	0	0	G	G	G
CCTV Monitoring	528	315	213	196	213	92%	0	0	0	G	G	G
Waste Fleet Vehicles	2,816	2,647	169	169	169	100%	0	0	0	G	G	G
Town Hall Boilers	165		165	87	165	53%	0	0	0	G	G	G
Vineyard Lift Replacement	130	0	130	0	130	0%	0	0	0	A	A	G
Castle Park Cricket Pavilion Extension S106	125	0	125	0	125	0%	0	0	0	G	G	A
Recreation Ground Old Heath	123	0	123	61	123	50%	0	0	0	G	G	G
St Botolphs Public Realm	155	37	118	0	118	0%	0	0	0	A	A	G
Leisure World Pool View	120	2	118	112	118	95%	0	0	0	G	G	G
Rowan House EV Charging Points	114	0	114	32	0	N/A	114	0	0	A	A	G
Other Projects			1,596	419	1,018	41%	578	0	0			
Total			123,593	23,699	62,678	38%	56,965	2,817	1,134			

Comments on amber rated schemes:

Mandatory Disabled Facilities Grants

Timing: Applications are progressing, but contractors' availability has impacted on the programme. Referrals from Essex County Council are also lower due to other demands on social care resources.

Cost: Cost of materials are variable and longer lead times are being experienced as demand continues to be high.

Delivery: Contractors' times are slower due to demand. Configuring the new Council IT system for the grants is impacting staff resources.

Approved Budget: External funding contribution £4.9m | CBC funding contribution £0.5m | Total £5.4m

Northern Gateway Heat Network

Timing: External deadlines have been extended which reduces the urgency to start construction.

Cost: Tender return cost for the Energy Centre installation has come back over budget. An increase in the project budget was agreed by Cabinet subject to a financial sustainability review delegated to the Deputy Leader and Head of Finance. The review is being progressed. Delays in the development may impact the cost of the project.

Delivery: The revised timetable for the project has yet to be determined once external development issues have been resolved.

Approved Budget: External funding contribution £3.7m | CBC funding contribution £0.7m | Total £4.4m

Council House New Build

Timing: There are delays due to access and receiving the materials, however the site is progressing.

Cost: The project is currently running above the contract sum. However, the contractors have said they will do everything they can to design the project within budget.

Delivery: The sites are all being delivered to the original brief and outcomes expected. Completion date is expected to be April 2022.

Approved Budget: External funding contribution £0 | CBC funding contribution £2.9m | Total £2.9m

Facility Loan to Colchester Amphora Energy Limited

Timing: See Heat Network. This project may be affected by proposed government changes to accounting for minimum revenue provisions

Cost: See Heat Network. This project may be affected by proposed government changes to accounting for minimum revenue provisions.

Delivery: See Heat Network This project may be affected by proposed government changes to accounting for minimum revenue provisions.

Approved Budget: External funding contribution £0m | CBC funding contribution £2.5m | Total £2.5m

Northern Gateway South Infrastructure

Timing: All works are progressing; discussions are ongoing with UK Power Networks.

Cost: If a reduced power provision is installed, costs will reduce as a result.

Delivery: The reduced connection may have implications to the works that could be undertaken to the site. This will be determined once available power sources have been identified.

Approved Budget: External funding contribution £0 CBC funding contribution £1.6m Total £1.6m
Rowan House Regeneration
Timing: Project has been delayed to allow work to mitigate potentially high costs. The project will complete in 2022.
Cost: Contract is currently being tendered and greater certainty around costs will be known when tenders have been returned
Delivery: HVAC works set to be completed by June 2022 with other works expected to be complete by September.
Approved Budget: External funding contribution £1.3m CBC funding contribution £0.5m Total £1.8m
Northern Gateway South – The Walk
Timing: The project is now completed.
Cost: Contributions from CAEL and CAHL due to the associated infrastructure that has been installed for these two companies is expected. A funding request has been submitted for increased costs. Additional costs to make safe the large oak tree onsite, with potential further works to the tree.
Delivery: All works completed.
Light Fleet Replacement
Timing: Not all electric vehicles can be ordered at this time due to infrastructure.
Cost: Estimated to come within budget.
Delivery: Timelines affected due to vehicle delivery dates and impacts of other projects.
Approved Budget: External funding contribution £0 CBC funding contribution £0.7m Total £0.7m
Rowan House Ventilation System
Timing: Project has been delayed to allow work to mitigate potentially high costs. The project will complete in 2022.
Cost: Contract is currently being tendered and greater certainty around costs will be known when tenders have been returned
Delivery: HVAC works set to be completed by June 2022 with other works expected to be complete by September.
Approved Budget: External funding contribution £1.3m CBC funding contribution £0.5m Total £1.8m
Fleet Upgrade Caged Tippers
Timing: Delivery due early part of the new financial year 2022. Increased delivery times from the pandemic and material shortages.
Cost: Total cost risen due to material shortages and increased material prices.
Delivery: Delivery expected April 2022.
Approved Budget: External funding contribution £0m CBC funding contribution £0.5m Total £0.5m
Northern Gateway Sports Park

Timing: The development has now been completed
Cost: Costs have been delivered on the revised budget.
Delivery: Defect repairs are being undertaken. Waiting for Archery to move onto the site.
Approved Budget: External funding contribution £4.5m CBC funding contribution £24.3m Total £28.8m
Northern Gateway South - Detailed Planning
Timing: The project is affected by progress on CNGS Infrastructure – see comments above.
Cost: All costs are on target.
Delivery: The project is affected by progress on CNGS Infrastructure – see comments above.
Approved Budget: External funding contribution £0.4m CBC funding contribution £1.1m Total £1.5m
Private Sector Renewals Loans and Grants
Timing: See comments on Disabled Facility Grants.
Cost: See comments on Disabled Facility Grants.
Delivery: See comments on Disabled Facility Grants.
Approved Budget: External funding contribution £0 CBC funding contribution £0.4m Total £0.4m
Northern Gateway Wastewater Improvements Pumping Station
Timing: This project must be complete before the first homes of the CNGS Housing development are occupied.
Cost: Final costs are currently unknown.
Delivery: The required upgrades and associated costs and timelines for completion are yet to be fully realised.
Approved Budget: External funding contribution £0 CBC funding contribution £0.3m Total £0.3m
Vineyard Car Park Lift
Timing: Working to timescales.
Cost: Potential savings to be made.
Delivery: Process is moving forward.
Approved Budget: External funding contribution £0 CBC funding contribution £0.13m Total £0.13m
Castle Park Cricket Pavilion
Timing: Construction begin in January 2022.
Cost: External funding is being raised to contribute to the project.
Delivery: Waiting for third party consent in relation to the leasehold title.

Approved Budget: External funding contribution £0.13m CBC funding contribution £0m Total £0.13m
St Botolphs Public Realm
Timing: The timeline continues to be reviewed
Cost: On hold pending Alumno developments.
Delivery: On hold pending Alumno developments.
Approved Budget: External funding contribution £0 CBC funding contribution £0.2m Total £0.2m
Rowan House EV Charging Points
Timing: Timelines affected due to vehicle delivery dates and progress of other projects.
Cost: Currently on budget.
Delivery: Power connections to be completed in February to allow installation works to take place.
Approved Budget: External funding contribution £0.01m CBC funding contribution £0.1m Total £0.11m

RAG Status Definition

Status	Definition	Action
Red	There are significant problems with the project and the project is not meeting expectations to date. The project requires corrective action to meet business objectives. The problem cannot be handled solely by the project manager.	The matter should be formally escalated to the project board. A remedial action plan to be implemented, including reviewing the frequency of progress reports.
Amber	Not meeting the expectations to date. There are mitigating circumstances in most cases and improvement is likely but risks are being flagged.	The project sponsor and owner must have early sight of the circumstances. All stakeholders are to be informed. Resolution options are to be investigated.
Green	Meeting expectations to date.	No action required.

08 March 2022

Report of	Assistant Director of Policy & Corporate	Author	Hayley McGrath
Title	Internal Audit Plan 2022/23		☎ 508902
Wards affected	Not applicable		

1.0 Executive Summary

- 1.1 The Accounts and Audit Regulations 2015 require that 'A relevant authority 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.'
- 1.2 To ensure that the Council complies with these requirements it maintains a five-year program of the key areas to be audited, then annually a plan is agreed with management about the specific areas to be covered during the next financial year. The annual plan is then submitted for committee approval.

2.0 Recommended Decision

- 2.1 The committee are asked to consider and agree the suggested Internal Audit plan for 2022/23, shown in appendix 1.

3.0 Reason for Recommended Decision

- 3.1 Internal Audit is a key element of the Council's Corporate Governance framework. A relevant and comprehensive audit programme, and implementation of audit recommendations, gives assurance to members and management that services are operating effectively, efficiently and economically and in accordance with legislative requirements and professional standards.

4.0 Alternative Options

- 4.1 The alternative is to not agree a plan for 2022/23 and to decide on an ad-hoc basis which areas are to be audited during the year. However, this option will not ensure that all key controls are audited and will reduce the effectiveness of the internal audit service.

5.0 Background Information

- 5.1 The Council operates a five-year program that provides an overview of the areas that require assurance. During the program period it is anticipated that service delivery will change, therefore an annual plan, that identifies the specific audits for the coming year, is agreed with senior management and members. Fundamental systems, such as the key financial controls, need to be reviewed every year to provide assurance for the final accounts process.
- 5.2 The current Internal Audit contract provides for 300 auditing days a year. For 2022/23 a total of twenty-six days are allocated to follow-ups and management, leaving 274 days to be allocated to other areas.
- 5.3 The Corporate Governance Manager has discussed the plan and timings with senior managers to ensure that there is commitment in supporting the auditors whilst carrying out the reviews. It has also been agreed with the Council's external auditors.

6.0 Colchester Borough Homes & Colchester Commercial Holdings Ltd

- 6.1 Colchester Borough Homes (CBH) have their own agreed audit plan which is administered by the Council's auditors. The coverage of the plan is decided by CBH and is not reported to this committee.
- 6.2 However there are a few CBH systems that involve input from the Council, and it is appropriate that in these circumstances the audit resource required to provide assurance is shared by, and reported to, both organisations. In 2022/23 there is one 'shared' audit. Homelessness / Housing Allocations.
- 6.3 The audit plan has been arranged to reflect the Council's commercial activities and several audits have been identified as coming under Colchester Commercial Holdings Ltd (CCHL). However, the Council will require assurance over specific income areas, especially in the first few years of operation, therefore there are some key areas for review (joint audits) identified on the CBC plan, along with a general allowance for CCHL to decide how to use, which has been set at eighteen days.

7.0 Strategic Plan References

- 7.1 The audit plan has been set with due regard to the identified key strategic risks to the Council, therefore ensuring the effectiveness of the processes required to achieve the strategic objectives.

8.0 Risk Management Implications

- 8.1 Agreeing an audit plan enhances the ability of the Council to control its risks and therefore will support the internal control process.

9.0 Environmental and Sustainability Implications

- 9.1 There are no environmental or sustainability implications as a result of this report.

10. Other Standard References

- 10.1 There are no particular references to consultation or publicity considerations or financial; community safety or health and safety implications.

Appendices

Appendix A – Draft Internal Audit plan for 2022/23.



Colchester Borough Council

Indicative Audit Strategy 2022/23 and Annual Plan 2022/23

2022/23



February 2022

DRAFT

OVERVIEW

Introduction

The Audit Plan for 2022/23 has been informed by a risk assessment carried out across our Local Government clients and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Emerging Themes

This year will continue to be another challenging year for Local Government in terms of funding, managing additional recruitment and technological advancement. There are a number of operational issues that have also come to prominence; we have identified a number of key areas which require consideration when planning internal audit coverage.

“Multi-channel” resident engagement: Partly as a result of COVID-19 but also as process changes through improved technology, councils will need to embrace cutting edge technology. Adopting a multi-channel approach to resident engagement will enable council services to be more readily available, more accessible and more transparent.

Commercialisation: Councils are being driven towards being more self-sufficient and cost effective, with pressure to close funding gaps and rebalance budgets. Councils will already be operating in different financial and more commercial environments. The pandemic is likely to have brought significant unforeseen risks to these investments and their underlying assumptions.

Cyber Security: As more services move on-line, risks and vulnerabilities are likely to increase. Cyber security is as much about awareness and behaviours as it is about network security. Resilience needs to be regularly and stringently stress tested across the organisation to ensure it is operating effectively.

Council mergers: Reorganisation is very much back on the table with central government inviting submissions for locally-led proposals for unitary government. The merger process itself and the cost of any redundancies is likely to add to short-term financial pressures. Mergers don't just involve the transfer of assets but also liabilities and risks; there needs to be certainty that the outcome will lead to better public services and the identified efficiencies.

Financial Viability: As we emerge from the clutches of the pandemic and some degree of normality returns the supporting grant aid will end and local authorities will be faced with the reality of unbalanced medium term financial plans without including significant potential savings. Realisation of these savings could be challenging and if not achieved at the outset will fail to provide the funds needed to retail a balanced budget.

Staff Wellbeing: COVID-19 has led to mental health declines, increased work demands and feelings of loneliness due to remote working. Staff turnover is at an all-time high. Managing the wellbeing and associated risks is crucial to ensure a stable workforce.

Climate Change: Around 300 councils have declared a climate emergency. Councils are taking action to reduce their own carbon emissions and working with partners and local communities to tackle the impact of climate change on their local area.

Providing Assurance during the COVID-19 pandemic

From the outset, we successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. We continue to consider any gaps in control or exposures that have arisen as a result of this. Whilst many measures have largely been relaxed, it is not inconceivable that further measures might be implemented to stem any increases in cases. We continue to adopt a hybrid approach with a mix of remote and on-site working and tailor this approach to client requirements and the nature of each assignment.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2022/23 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the Local Government's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

INTERNAL AUDIT PLAN

Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2022/23, we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing the Local Government and those within the sector and has been developed with senior management and Committee. Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS).

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing the Local Government. We take in to account any emerging or heightened risks that are facing the sector, to ensure that the work of internal audit remains appropriately focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix A) and the Annual Plan (Appendix B) sets out the reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and the Housing Association. This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where the Local Government agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Chief Operating Officer and will be clearly set out in the terms of reference for the additional review(s).

Release of Report

The table below sets out the history of this plan.

Date plan issued:	1 st February 2022
--------------------------	-------------------------------

APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	BAF/Risk Ref	Type	2022/23	2023/24	2024/25
Governance					
Corporate Governance (including Succession planning)		Assurance		✓	
Complaints management		Assurance			✓
Performance Management (including staff training)		Assurance		✓	
Risk					
Risk Management Framework		Assurance	✓	✓	✓
Conflict of interest (Staff working with other employers)		Assurance	✓		
ICT					
IT Virtual environment (New way of working)		Assurance	✓		
Mobile Device Management		Assurance		✓	
Cyber Security		Assurance	✓	✓	
Finance					
Procurement		Assurance		✓	✓
Budgetary Control - Income stream not realised		Assurance		✓	
Key Financial Control		Assurance	✓	✓	✓
Accounts Receivable (Debtors) – Cash Management (2022/23)		Assurance	✓		
Contract Management		Assurance		✓	
CCHL / CBC contract management and governance		Assurance	✓		✓
Other audits					
Council Tax and NNDR		Assurance	*part of key financial systems	✓	✓
Housing Benefit		Assurance	*part of key financial systems	✓	✓
Staff wellbeing and Sickness absence		Assurance		✓	

Review Area	BAF/Risk Ref	Type	2022/23	2023/24	2024/25
Human Resources and Payroll		Assurance	✓	✓	
Working with Volunteers and Police (Partnership services and Community safety)		Assurance		✓	
Homelessness/Allocations (Joint with CBH)		Assurance	✓	✓	✓
Licensing		Assurance			✓
Safeguarding		Assurance	✓		✓
Helpline and use of CCTVs		Assurance	✓		✓
Environmental Health		Assurance	✓		
Waste Management		Assurance	✓		✓
Fleet Management and Fuel Usage		Assurance		✓	
Tendring Colchester Borders project		Assurance			✓
Leisure World		Assurance	✓	✓	✓
Carbon Reduction		Assurance	✓		
Fraud and Corruption (LCFS)		Assurance	✓		✓
Climate Emergency		Assurance			✓
Business Continuity		Assurance			✓
Corporate Health and Safety		Assurance	✓	✓	
Housing Needs and Private Sector Housing		Assurance			✓
Right to Buy (Joint with CBH)		Assurance	✓		
Housing Rents (Joint with CBH)		Assurance		✓	
Planning and Development (Including S106)		Assurance		✓	
Events Management		Assurance	✓		✓
Museums - Merged Services		Assurance	✓	✓	✓
Parking Services Income / Partnership		Assurance	✓		✓
Allocation for CCHL		Assurance	✓	✓	✓

Review Area	BAF/Risk Ref	Type	2022/23	2023/24	2024/25
Management and Planning					
Follow Up		Follow Up	✓	✓	✓
Annual Planning		Management	✓	✓	✓
Annual Report		Management	✓	✓	✓
Audit Management		Management	✓	✓	✓
Total Days			300	300	300

APPENDIX B: ANNUAL PLAN – 2022/23

Quarter	Review	Type	Days	High-level Scope
1	Human Resources and Payroll	Assurance	10	Review of starters, leavers, changes to the Payroll and accuracy of monthly payroll. The Human Resources element will be confirmed (Suggested areas include Recruitment and Retention, staff appraisals).
1	Waste Management	Assurance	10	Review of the Council's waste management process (collections and recycling of waste).
1	Risk Management Framework	Assurance	12	Review evidence of embedded and working risk mitigations and controls.
1	IT Virtual environment (New way of working)	ICT	12	Effectiveness of IT provisions, security and support for staff working from home.
1	Environmental Health	Assurance	10	Council's processes to ensure Food Hygiene across the food handling businesses in the borough and Environmental permit for listed industrial activities and businesses to manage environmental pollution.
2	CCHL / CBC contract management and governance	Assurance	12	Review of contracts managed by CCHL on behalf of CBC to ensure that the targets attached to the key performance indicators in the contracts are being met.
2	Accounts Receivable (Debtors) – Cash Management	Assurance	12	Receipt and banking of all income including management of cash, management of aged debtors and debt recovery.
2	Homelessness/Allocations	Assurance	12	Housing allocations and management of Homelessness.
2	Safeguarding	Assurance	12	Scope to be determined with the relevant leads.
2	Fraud and Corruption	LCFS	12	Review the processes in place to prevent and manage different types of fraud and corruption.
2	Corporate Health and Safety	Assurance	12	Roles and responsibilities in managing workplace health and safety, availability of policies, procedures and processes for workplace health and safety.
3	Conflict of interest (Staff working with other employers)	Assurance	12	Management of staff conflict of interest and review of processes in place to ensure that staff are not engaged with other employers in contravention with their contracts with CBC.
3	Cyber Security	ICT	10	Controls and processes in place to ensure cyber safety and prevent cyber fraud and attacks.
3	Helpline and use of CCTVs	Assurance	10	Review of how the helpline and CCTVs are used in the Council.
3	Museums - Merged Services	Assurance	12	Policies & procedures, accounting for income, refunds, security & keys, stock control, exhibit inventory, insurance.

Quarter	Review	Type	Days	High-level Scope
3	Parking Services Income / Partnership	Assurance	12	Policies & procedures, accounting for income, joint committee, management info, cash collection processes, refunds, security & keys, debt management, enforcement , complaints.
3	Events Management	Assurance	10	Follow up on the findings and recommendations made in the Charter Hall Event audit carried out in 2020/21.
4	Key Financial Control (Including key controls from Council tax and NNDR, Housing benefit)	Assurance	20	Income and Debtors; Creditors; Treasury Management and General Ledger, including key controls from Council tax and NNDR and Housing Benefits.
4	Leisure World	Assurance	12	Cash collection, scale of charges, hire of facilities, credits/refunds, machine income, stock control, vetting of instructors
4	Carbon Reduction	Assurance	12	Review of implemented processes and plan in place to achieving carbon neutrality by 2030 and improving on the 40% reduction in carbon footprint the Council has made since 2008.
4	Right to Buy (Joint with CBH)	Assurance	10	Implementation of the Council's Right to buy scheme.
4	Allocation for CCHL	Assurance	18	Scope to be determined by CCHL
1 - 4	Contingency	Contingency	10	Contingency
1 – 4	Follow-up	Follow up	10	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the Housing Association are implementing recommendations, and providing reports to the Audit Committee.
1	Annual Planning	Management	3	Assessing the Local Government's annual audit needs.
4	Annual Report	Management	2	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1 – 4	Audit Management	Management	11	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
Total days			300	

APPENDIX C: INTERNAL AUDIT CHARTER

The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within Colchester Borough Council and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Governance and Audit Committee.

The Role of Internal Audit

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to Colchester Borough Council's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS and the IIA standards which are articulated in the International Professional Practices Framework (IPPF).

Scope

All Colchester Borough Council's activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that Colchester Borough Council management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions; however, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the board, Governance and Audit Committee or the nominated officer (being the post responsible for the day-to-day liaison with TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of Colchester Borough Council and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems; however, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day-to-day administrative purposes only, TIAA reports to a nominated officer within Colchester Borough Council and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the board, the chair of the Governance and Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with Colchester Borough Council management.

Conflict of Interest

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the PSIAS/IIA standards and Colchester Borough Council's requirements.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of Colchester Borough Council and additional time will be required to carry out such testing. Colchester Borough Council is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

Liaison with the External Auditor

We will liaise with Colchester Borough Council's External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

Reporting

Assignment Reports: A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA's audit charter and PSIAS/IIA standards.

Progress Reports: Progress reports will be prepared for each Governance and Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

Follow-Up Reports: We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA's audit charter and PSIAS/IIA standards. The Annual Report will include a summary opinion of the effectiveness of Colchester Borough Council's governance, risk management and operational control processes based on the work completed during the year.

Other Briefings: During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

Governance Audit Committee Responsibility

It is the responsibility of the Colchester Borough Council to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee's requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

By approving this document, the Governance and Audit Committee is also approving the Internal Audit Charter.

Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA's audit charter and PSIAS/IIA Standards.	100%

Governance and Audit Committee

Item
13

8 March 2022

Report of	Assistant Director Corporate and Improvement Services	Author	Matthew Evans ☎ ext. 8006
Title	Work Programme 2021-2022		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report sets out the current Work Programme 2021-2022 for the Governance and Audit Committee. This provides details of the reports that are scheduled for each meeting during the municipal year.

2. Recommended Decision

- 2.1 The Committee is asked to note the contents of the Work Programme for 2021-2022.

3. Reason for Recommended Decision

- 3.1 The Work Programme of this Committee is kept under review throughout the municipal year to ensure that business is progressed and Members have the opportunity to review upcoming agenda items.

4. Alternative Options

- 4.1 This function forms part of the Committee's Terms of Reference and, as such, no alternative options are presented.

5. Background Information

- 5.1 The Governance and Audit Committee deals with the approval of the Council's Statement of Accounts, audit, other miscellaneous regulatory matters and standards.
- 5.2 The Committee's Work Programme will evolve as the Municipal Year progresses and items of business are commenced and concluded. At each meeting the opportunity is taken for the Work Programme to be reviewed and, if necessary, amended according to current circumstances.

6. Standard References

- 6.1 There are no particular references to publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety, environmental and sustainability implications or risk management implications.

7. Strategic Plan References

- 7.1 Governance is integral to the delivery of the Strategic Plan's priorities and direction for the Borough as set out under the four themes of growth, responsibility, opportunity and wellbeing.
- 7.2 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self-governance provides a clear and demonstrable lead. Effective governance underpins the implementation and application of all aspects of the Council's work.

WORK PROGRAMME 2021-22

Governance and Audit Committee
Meeting date / Agenda items -
Governance and Audit Committee - 22 June 2021
<ol style="list-style-type: none">1. Draft Annual Statement of Accounts 2020/20212. Year End Internal Audit Assurance Report 2020/20213. Review of the Governance Framework and Draft Annual Governance Statement4. Financial Regulations 2022-20235. Financial Monitoring Report – End of Year 2020-20216. Capital Outturn – End of Year 2020-2021
Governance and Audit Committee - 27 July 2021
Governance and Audit Committee briefing followed by the following items -
<ol style="list-style-type: none">1. Review of digital meetings following Covid-19

2. Colchester Commercial Holdings Limited – Annual report
3. 2020/2021 Year End Review of Risk Management

Governance and Audit Committee - 7 September 2021

1. Financial Monitoring Report – April to June 2021
2. Capital Expenditure Monitor 2021/2022
3. Treasury Outturn 2020/2021
4. Audited Annual Statement of Accounts 2020/2021 and Annual Audit Letter
5. Processing of Special Category & Criminal Convictions Personal Data Policy

Governance and Audit Committee - 19 October 2021

1. Local Government and Social Care Ombudsman Annual Review 2020/2021
2. Health and Safety Policy and Annual Report
3. Colchester Borough Homes Annual Report and Governance Statement
4. Review of digital meetings following Covid-19
5. Review of Colchester Borough Council's Cyber Security provisions

Governance and Audit Committee – 23 November 2021

1. Review of the Council's Ethical Governance Policies
2. Annual Review of the Members' Code of Conduct and the Council's Localism Act "Arrangements"
3. Review of Local Code of Corporate Governance
4. Review of Member/Officer Protocol
5. Gifts and Hospitality – Review of Guidance for Councillors and Policy for Employees
9. Treasury Management – Half Yearly Update
10. Financial Monitoring Report June – September 2021
11. Capital Monitoring 2021/2022

Governance and Audit Committee - 18 January 2022

1. Interim Review of the Annual Governance Statement Action Plan
2. Risk Management Progress Report
3. Mid-Year Internal Audit Assurance Report 2021/2022
4. CCHL Half-Year Performance Report (to include draft 3 year plan)
5. Annual Review of the Council's Companies' Business Plans
6. Annual Review of Business Continuity
7. Annual Audit Letter 2020/2021

Governance and Audit Committee - 8 March 2022

1. Equality and Safeguarding Annual Update
2. External Audit Update
3. Financial Monitoring Report October to December 2021
4. Capital Expenditure Monitor 2021/2022
5. Internal Audit Plan 2022/2023
6. Review of digital meetings Covid-19 – verbal update