

Governance and Audit Committee Meeting

**Grand Jury Room, Town Hall, High Street,
Colchester, CO1 1PJ**

Tuesday, 22 November 2016 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

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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, 22 November 2016 at 18:00

Member:

Councillor Chris Pearson
Councillor Nick Barlow
Councillor Karen Chaplin
Councillor Peter Chillingworth
Councillor Fiona Maclean
Councillor Dennis Willetts

Chairman
Deputy Chairman

Substitutes:

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

AGENDA - Part A
(open to the public including the press)

Members of the public may wish to note that Agenda items 1 to 5 are normally brief.

1 Welcome and Announcements

- a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.
- (b) At the Chairman's discretion, to announce information on:
 - action in the event of an emergency;
 - mobile phones switched to silent;
 - the audio-recording of meetings;
 - location of toilets;
 - introduction of members of the meeting.

2 Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

3 Urgent Items

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent, to give reasons for the urgency and to indicate where in the order of business the item will be considered.

4 **Declarations of Interest**

The Chairman to invite Councillors to declare individually any interests they may have in the items on the agenda. Councillors should consult Meetings General Procedure Rule 7 for full guidance on the registration and declaration of interests. However Councillors may wish to note the following:-

- Where a Councillor has a disclosable pecuniary interest, other pecuniary interest or a non-pecuniary interest in any business of the authority and he/she is present at a meeting of the authority at which the business is considered, the Councillor must disclose to that meeting the existence and nature of that interest, whether or not such interest is registered on his/her register of Interests or if he/she has made a pending notification.
- If a Councillor has a disclosable pecuniary interest in a matter being considered at a meeting, he/she must not participate in any discussion or vote on the matter at the meeting. The Councillor must withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Where a Councillor has another pecuniary interest in a matter being considered at a meeting and where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Councillor's judgement of the public interest, the Councillor must disclose the existence and nature of the interest and withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Failure to comply with the arrangements regarding disclosable pecuniary interests without reasonable excuse is a criminal offence, with a penalty of up to £5,000 and disqualification from office for up to 5 years.

5 **Minutes**

9 - 14

To confirm as a correct record the minutes of the meeting held 11 October 2016.

6 **Have Your Say!**

a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter relating to the terms of reference of the Committee/Panel not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter relating to

the terms of reference of the Committee/Panel not on this agenda.

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|----|--|--------------|
| 7 | Work Programme 2016/17
See report of Assistant Chief Executive. | 15 - 16 |
| 8 | Annual Audit Letter
See report of Assistant Chief Executive | 17 - 42 |
| 9 | Equality and Safeguarding - Annual Update Report
See report of Head of Community Services | 43 - 110 |
| 10 | Internal Audit Plan 2017/18
See report of Assistant Chief Executive | 111 -
114 |
| 11 | Annual Review of Business Continuity
See report of Assistant Chief Executive | 115 -
126 |
| 12 | Treasury Management Strategy Statement – Mid-Year Review Report 2016/17
See report of Assistant Chief Executive | 127 -
136 |
| 13 | Exclusion of the Public (not Scrutiny or Executive)
In accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972). | |

Part B

(not open to the public including the press)

- | | |
|----|---|
| 14 | Appendix A - Treasury Management Strategy - Outstanding Temporary Investments 2016-17 <ul style="list-style-type: none">• This report is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (financial / business affairs of a particular person, including the authority holding information). |
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GOVERNANCE AND AUDIT COMMITTEE

11 OCTOBER 2016

Present:- Councillor Pearson (Chair), Councillor Barlow, Councillor Chaplin, Councillor Chillingworth, Councillor Maclean, Councillor Willetts

22. Minutes

RESOLVED that the minutes of the meeting held 13 September 2016 were confirmed as a correct record.

23. Work Programme 2016/17

Councillor Pearson introduced the work programme and highlighted to the Committee that an additional meeting had been scheduled for 7 March 2016. At this meeting the agenda will include revenue and capital monitoring reports relating to the third quarter.

Councillor Pearson also provided an update on the review of meetings and ways of working; he stated that a meeting for councillors to have their say on the review so far and provide input into the review had been scheduled for 24 October at 7pm.

RESOLVED that the Work Programme 2016/17 be noted.

24. Review of contract management arrangements

Andrew Weavers, Monitoring Officer, introduced the Review of contract management arrangements, which requests that the committee note the contents of the report.

Andrew Weavers stated that this report has come to the Committee following a request for further information at its meeting on 28 June 2016.

Alison Shaw, Business Partner (Procurement), provided the Panel with a presentation on contract management within the Council. The presentation outlined the procurement rules and regulations that the Council adheres to. It was outlined to the Committee that the overriding procurement policy is that all procurement must be based on value for money. Procurement at Colchester Borough Council is governed by three sets of rules and regulations, this includes an EU directive, UK legislation and the Council's constitution.

Alison Shaw highlighted that public procurement is subject to principles from both the EU Treaty as well as those principles that have emerged from case law. In addition to the principles there are thresholds for the value of the procurement which require slightly different approaches. There are those values set within the Colchester Borough Council constitution, and thresholds set by the EU; if higher than the EU thresholds the procurement is subject to EU tender.

Alison Shaw informed the committee of the procurement process, the framework

agreements and the use of electronic tendering software. An update on the impact of the EU referendum result on procurement was also provided to Committee members, Alison Shaw outlined that it was likely that public procurement rules more generally will remain in place as they have been implemented via UK law. Committee members were also provided with information on contract management lifecycle and the responsibilities of the contract management team.

Hayley McGrath, Corporate Governance Manager, provided further information on the management of the Audit and Insurance contracts. Hayley McGrath stated that the two contracts have different styles of service delivery, with the audit contract being an onsite service delivery, whereas the insurance contract is provided by offsite advisors. Due to the cost associated with the insurance contract this was tendered through the Official Journal of the European Union (OJEU), whereas the audit contract used the central government framework. Hayley McGrath also highlighted the management of the contracts and how they differ. With regard to internal audit a good working relationship with the manager is required due to frequent meetings, in addition the contract contains a number of key performance indicators to enable performance to be monitored. In terms of insurance, due to its reactive nature a significant amount of information had to be provided by the Council in advance of the tender, with key performance indicators measuring performance against previous years.

In response to a question regarding the Essex Procurement Hub, Alison Shaw stated that the hub consist of six councils, Colchester Borough Council, Braintree District Council, Epping Forest District Council, Castle Point District Council, Maldon District Council and Rochford District Council. The hub provides a small rebate back to the partners when a contract is awarded through that system, an example of a contract awarded through this is the playground landscaping contract.

In response to a query regarding different views of procurement between senior management teams and frontline staff members, Hayley McGrath stated that getting information from staff members about current contracts forms part of the tender exercise. In addition if there are issues during a contract this should be picked up by the contract manager and fed through to management.

The Committee thanked the officers for the presentation and requested that a copy of the presentation be made available through the online members' library on CMIS.

RESOLVED that Colchester Borough Council's contract management arrangements be noted.

25. Health and Safety Policy 2016/17

Hayley McGrath, Corporate Governance Manager, introduced the Health and Safety Policy 2016/17. The report requests that the Committee review and endorse the Health and Safety Policy for 2016/17 and consider and comment on the work undertaken during 2015/16.

Hayley McGrath outlined that this was the first time the Health and Safety Policy had been sent to the Governance and Audit Committee for approval. Health and safety had been previously been included as part of the Annual Governance Statement for Colchester Borough Council and the partnership organisations; in previous years health and safety had been identified as an area that required improvement.

Since the review a new officer has been employed and new policies and procedures have

been implemented. Colchester Borough Council has a Health and Safety Committee where all teams across the Council are represented by a designated officer who has been given Institution of Occupational Safety and Health training. Currently the Health and Safety Policy is not part of the formal policy framework, but does form part of the risk management process. Hayley McGrath stated that there is a quarterly audit programme for Health and Safety, and a Health and Safety training matrix has been agreed by Senior Management team to ensure that there is training at all levels of the organisation.

Councillor Willetts questioned whether there had been any serious failures of health and safety, as any incidents reported to the Governance and Audit Committee would assist in assessing whether the policy is fit for purpose. In response Hayley McGrath stated that a table of incidents can be brought to a future briefing. The majority of changes to the Health and Safety Policy have only been introduced during this year, and statistics prior to its introduction are skewed as incidents that weren't related to health and safety were recorded as such. Hayley McGrath highlighted one of the most serious accidents over the past year involved a member of staff operating a street sweeper in the Town Centre. The incident was investigated by the Health and Safety Executive and found no failings.

In response to a further question regarding North Essex Parking Partnership (NEPP) staff, Hayley McGrath and Matthew Sterling, Assistant Chief Executive, confirmed that whilst they are directed by the Partnership in terms of role objectives they are Colchester Borough Council staff. Both the North Essex Parking Partnership and the Colchester and Ipswich Museums Service have representatives on the Health and Safety Committee. With regard to the NEPP, the Health and Safety Committee have assisted in the introduction of the body worn cameras and violence and aggression training for the Civil Enforcement Officers. In addition information on health and safety is reported to both partnerships joint committees through the annual governance statement.

The Chair proposed, with agreement from the Committee, that a recommendation be made to Council that the Health and Safety Annual report be incorporated into the Council's policy framework.

RESOLVED;

- a) That the Health and Safety Policy for 2016/17 be endorsed.
- b) That the work undertaken during 2015/16 be noted.
- c) To *RECOMMEND* to Council that the Health and Safety Policy be included in the Council's Policy Framework.

26. Local Government Ombudsman – Annual Review 2015/16

Andrew Weavers, Monitoring Officer, introduced the report which requests that the Committee note the contents of the Local Government Ombudsman's Annual Review letter for 2015/16.

Andrew Weavers highlighted that anyone is able to make a complaint to the Local Government Ombudsman. However the Local Government Ombudsman will usually insist that the Council has the opportunity to resolve the complaint locally through its own complaints procedure. Mr Weavers stated that there were no findings of maladministration against the Council and no formal reports were issued. During 2015/16 243,775 customer contacts were made, with 25 complaints or enquiries made in relation to how the Council deals with its customers.

RESOLVED that the Local Government Ombudsman's Annual Review letter for 2015/16 be noted.

27. Review of the Council's Ethical Governance Policies

Andrew Weavers introduced the report, which comes to the Committee each year, which requests that the following policies be reviewed;

- Anti-Fraud and Corruption
- Whistleblowing
- Anti-Money Laundering
- Covert Surveillance
- Corporate Information Security
- Data Protection

The report also requests that the revised policies are recommended to Council to be included in the Council's Policy Framework.

Andrew Weavers went through the policies and highlighted whether any revisions had taken place during the year. With regard to the Anti-Fraud and Corruption Policy, Andrew Weavers stated that it had been reviewed and was deemed fit for purpose, the only alteration is that any allegations of benefit fraud are to be referred to the Department of Work and Pensions for investigation, rather than previous having been dealt with Colchester Borough Council staff.

With regard to the Whistleblowing Policy, Andrew weavers said that there had been no change in the policy as it remains fit for purpose. Mr Weavers also stated that there had been no instances of whistleblowing during the financial year; the Council has a secure whistleblowing e-mail address that is monitored by the Monitoring Officer, the Corporate Governance Manager and the Section 151 Officer.

With regard to the Anti-Money Laundering policy this had been reviewed and deemed fit for purpose with no instances of the policy being used. The Covert Surveillance policy, which involves Regulations of Investigatory Powers Act (RIPA), has been received and updated with Home Officer advice. Andrew Weavers stated that the Council must report annually to the Office of Surveillance Commissioner to inform if any powers are used; during 2015/16 no covert surveillance was undertaken.

The Corporate Information Security Policy has also been reviewed, following its introduction into the Ethical Governance Policies last year and was deemed fit for purpose. The Data Protection Policy was also brought to the Committee for the first time last year and has also been reviewed. Andrew Weavers highlighted that a data protection incident had occurred during the year involving a third party contractor losing an encrypted memory stick, which underlined the importance of having this policy in place. All the policies will need to be recommended to the next Council meeting.

The Committee welcomed the reports, and requested that when the reports come back to the Committee additional information is included about the times when the policies have been invoked.

Councillor Chillingworth questioned whether the surveillance policy included information on drones. Andrew Weavers responded to the question stated that it depends on what is being

done with the drones. For example overt CCTV is not surveillance, however if it is directed or it zooms in it becomes direct surveillance, footage of the street scene from a drone would be classed as overt. The Government will be issuing guidance in the near future about usage of drones.

RESOLVED;

a) that the following polices be approved:

- Anti-Fraud and Corruption
- Whistleblowing
- Anti-Money Laundering
- Covert Surveillance
- Corporate Information Security
- Data Protection

b) **RECOMMEND** to Council that the polices be included in the Council's Policy Framework.

28. Review of the Members' Code of Conduct and the Council's Localism Act Arrangements

Andrew Weavers, Monitoring Officer, introduced the report which requested the Committee note the contents of the report and agree to keep the Members' Code of Conduct and the Council's "Arrangements" under annual review and to recommend to Council any subsequent amendments in the light of experience.

Andrew Weavers stated that the Localism Act changed the way in which member complains were dealt with. The last review at Colchester Borough Council took place in October 2015, and the report includes information on the number of allegations against Councillors.

Since the new process was implemented there have been no investigations of formal complaints; the Council always seeks to deal with any issues informally to begin with. There have been no Parish Council official complaints.

Councillor Chillingworth raised a query with regard to the declaration of interests and in particular the understanding of non-pecuniary interests at Parish Council level. Councillor Chillingworth questioned whether the Monitoring Officer would be able to provide training to Parish Councils on this issue. In response Andrew Weavers stated that he would be able to provide training to those Parish Councils.

RESOLVED;

- a) That the contents of the report be noted
- b) That The Members' Code of Conduct and the Council's Localism Act Arrangements be reviewed on an annual basis and to make recommendations to Council regarding any subsequent amendments.

29. Gifts and Hospitality – Review of Guidance for Councillors and Policy for Officers

Hayley McGrath, Corporate Governance Manager, introduced the report which requests

that the Guidance for Members regarding Gifts and Hospitality be approved and included in the Constitution and that the Gifts and Hospitality Policy for Officers be approved.

Hayley McGrath stated that the Committee last considered the policy for members on 19 January 2016, but it was appropriate to bring it back to the Committee for annual review. Hayley McGrath stated that the policy remained fit for purpose.

RESOLVED;

- a) That the Guidance for Members regarding Gifts and Hospitality be approved for inclusion in the Constitution
- b) That the Gifts and Hospitality Policy for Officers be approved.

30. Review of Local Code of Corporate Governance

Hayley McGrath, Corporate Governance Manager, introduced the report which requests that the updated Local Code of Corporate Governance for 2016/17 be reviewed and recommended to Council for inclusion in the Council's policy framework.

Hayley McGrath stated that the aim of the Local Code of Corporate Governance is deliver good governance at Colchester Borough Council. The code has six core principles, which contain a number of aims and steps to achieve those aims. Hayley McGrath stated that this is reviewed on an annual basis and forms the basis of the Annual Governance Review.

Councillor Chillingworth suggested that under 4.1.1 of the Local Code of Corporate Governance there should be a reference to the Call-in procedures as part of the Scrutiny function.

RESOLVED;

- a) That Scrutiny of Portfolio Holder decisions be included under the processes of principle 4.1.1
- b) To *RECOMMEND* to Council that the Local Code of Corporate Governance be included in the Council's Policy Framework.

22 November 2016

Report of	Assistant Chief Executive	Author	Jonathan Baker
Title	Work Programme 2016-17		☎ 282207
Wards affected	Not applicable		

This report sets out the current Work Programme 2016-2017 for the Governance and Audit Committee.

1. Decisions Required

- 1.1 The Committee is asked to note the contents Committee's Work Programme for 2016-17.

2. Alternative options

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

3. Introduction

- 3.1 The Governance and Audit Committee deals with the approval of the Council's Statement of Accounts, audit, other miscellaneous regulatory matters and standards.
- 3.2 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.
- 3.3 An additional meeting of the Governance and Audit Committee has been scheduled for 7 March 2017.

4. Strategic Plan References

- 4.1 Governance is integral to the delivery of the Strategic Plan's vision themes of a vibrant, prosperous, thriving and welcoming Borough.
- 4.2 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.

5. Standard References

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

WORK PROGRAMME 2016-17

Meeting date / Agenda items
28 June 2016 <ol style="list-style-type: none"> 1. Audit Plan and Annual Audit & Certification Fees (Ernst and Young) 2. Draft Annual Statement of Accounts 2015/16 (Finance Manager) 3. Review of the Governance Framework and Draft Annual Governance Statement (Corporate Governance Manager) 4. Year End Internal Audit Assurance Report 2015/16 (Audit Manager and Corporate Governance Manager)
26 July 2016 <ol style="list-style-type: none"> 1. Annual Statement of Accounts 2015/16 (Finance Manager) 2. Complaints in relation to Councillor Buston 3. Review of Council Meetings and Procedures 4. 2015/16 Year End Review of Risk Management
13 September 2016 <ol style="list-style-type: none"> 1. Colchester Borough Homes Annual Report and Governance Statement 2. Annual Statement of Accounts 2015/16 3. Financial Monitoring Report – April to June 2016 4. Capital Expenditure Monitor 2016/17 5. Review of Meetings and Ways of Working
11 October 2016 <ol style="list-style-type: none"> 1. Review of Contract Management 2. Health and Safety Policy and Annual Report 3. Local Government Ombudsman Annual Review (Monitoring Officer) 4. Review of the Council's Ethical Governance Policies (Monitoring Officer) 5. Review of the Members' Code of Conduct and the Council's "Arrangements" (Monitoring Officer) 6. Gifts and Hospitality – Review of Guidance for Councillors and Policy for Officers (Monitoring Officer) 7. Review of Local Code of Corporate Governance (Monitoring Officer)
22 November 2016 <ol style="list-style-type: none"> 1. Annual Audit Letter (Ernst and Young) 2. Internal Audit Work Programme 2017/18 (Corporate Governance Manager) 3. Annual Review of Business Continuity (Corporate Governance Manager) 4. Equality and Safeguarding Annual Update 5. Treasury Management – Half Yearly Update
17 January 2017 <ol style="list-style-type: none"> 1. Certification of Claims and Returns – Annual Report 2015/16 (Ernst and Young) 2. Risk Management Progress Report (Corporate Governance Manager) 3. 2016-17 Interim Internal Audit Monitor (Corporate Governance Manager) 4. Annual Governance Statement Interim Review (Corporate Governance Manager)
7 March 2017 <ol style="list-style-type: none"> 1. 2016-17 Revenue Monitor, period April – December 2. 2016-17 Capital Monitor, period April – December

22 November 2016

Report of	Assistant Chief Executive	Author	Steve Heath
Title	Annual Audit Letter		☎ 282389
Wards affected	Not applicable		

The Committee is invited to consider and note the contents of the 2015/16 Annual Audit Letter

1. Action required

- 1.1 To consider and note the contents of the 2015/16 Annual Audit Letter.

2. Reason for decision

- 2.1 The Accounts and Audit Regulations require the Council to consider the Annual Audit Letter.

3. Supporting information

- 3.1 The 2015/16 Annual Audit Letter summarises the conclusions and significant issues arising from Ernst & Young's 2015/16 audit of the council, and the way the Council uses its resources.

4. Strategic Plan references

- 4.1 The objectives and priorities of the Strategic Plan informed all stages of the budget process for 2015/16.

5. Publicity considerations

- 5.1 The Annual Audit Letter has been publicised on the Council's website, and a hard copy of the document is available at Council offices in line with statutory requirements.

6. Financial Implications

- 6.1 There were no financial implications arising from the audit fees, which were in line with the budgeted amounts.

7. Other Standard References

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

Colchester Borough Council

Annual Audit Letter for the year ended 31 March 2016

October 2016

Ernst & Young LLP



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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies 2015-16". It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment from 1 April 2015' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

A hand with white nail polish holds a blue and silver pen, writing on a document. In the background, a calculator and a laptop are visible on a desk. A white mug is on the left. A yellow rectangular box is overlaid on the left side of the image.

Executive Summary

Executive Summary

We are required to issue an annual audit letter to Colchester Borough Council (the Council) following completion of our audit procedures for the year ended 31 March 2016.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's ▶ Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Council as at 31 March 2016 and of its expenditure and income for the year then ended
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts
Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the consolidation pack.

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 8 July 2016
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 27 July 2016

In December 2016 we will also issue a report to those charged with governance of the Council summarising the certification work we have undertaken.

We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.

Kevin Suter

Executive Director
For and on behalf of Ernst & Young LLP

Purpose



Purpose

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council.

We have already reported the detailed findings from our audit work in our 2015/16 Audit Results Report to the 26 July 2016 Governance Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.



Responsibilities

Responsibilities

Responsibilities of the Appointed Auditor

Our 2015/16 audit work has been undertaken in accordance with the Audit Plan that we issued on 10 June 2016 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2015/16 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the return.

Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement. In the AGS, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

The background image is a blurred photograph of a desk. On the desk, there is a laptop with a blue screen, several clear glasses filled with water, and some papers. One of the papers in the foreground shows a grid of numbers and some yellow highlights. The overall scene suggests a professional or financial setting.

Financial Statement Audit

Financial Statement Audit

Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 27 July 2016.

Our detailed findings were reported to the 26 July 2016 Governance Committee.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
<p>Management override of controls</p> <p>A risk present on all audits is that management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to respond to this risk by testing the appropriateness of journals, testing accounting estimates for possible management bias and obtaining an understanding of the business rationale for any significant unusual transactions.</p>	<p>We obtained a full list of journals posted to the general ledger during the year, and analysed these journals using criteria we set to identify any unusual journal types or amounts. We then tested a sample of journals that met our criteria and tested these to supporting documentation.</p> <p>We considered the following accounting estimates on property, plant and equipment, and pensions liabilities to be the most significant in your accounts. We considered the estimates and the key judgements made to be reasonable.</p> <p>We did not identify any material weaknesses in controls or evidence of material management override.</p> <p>We did not identify any instances of inappropriate judgements being applied.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business</p>
<p>Revenue and expenditure recognition</p> <p>Auditing standards also required us to presume that there is a risk that revenue and expenditure may be misstated</p>	<p>Our testing has not revealed any material misstatements with respect to revenue and expenditure recognition.</p>

due to improper recognition or manipulation.
We respond to this risk by reviewing and testing material revenue and expenditure streams and revenue cut-off at the year end.

For local authorities the potential for the incorrect classification of revenue spend as capital is a particular area where there is a risk of management override. We therefore review capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised.

Overall our audit work did not identify any issues or unusual transactions which indicated that there had been any misreporting of the Council's financial position.

Our testing of income and expenditure found that it was appropriately classified, and our cut-off testing established it was recorded in the correct year.

Our testing did not identify any expenditure which had been inappropriately capitalised.

Other Key Findings

There were significant trends in national appeals that may have impacted on the Council's business rates appeals provision.

Conclusion

We reviewed the methodology underpinning the Council's business rate appeals provision, and how it had factored in national trends such as appeals for GP surgeries.

We judged the Council had made reasonable assumptions, supported by appropriate levels of evidence. There were no concerns reported.



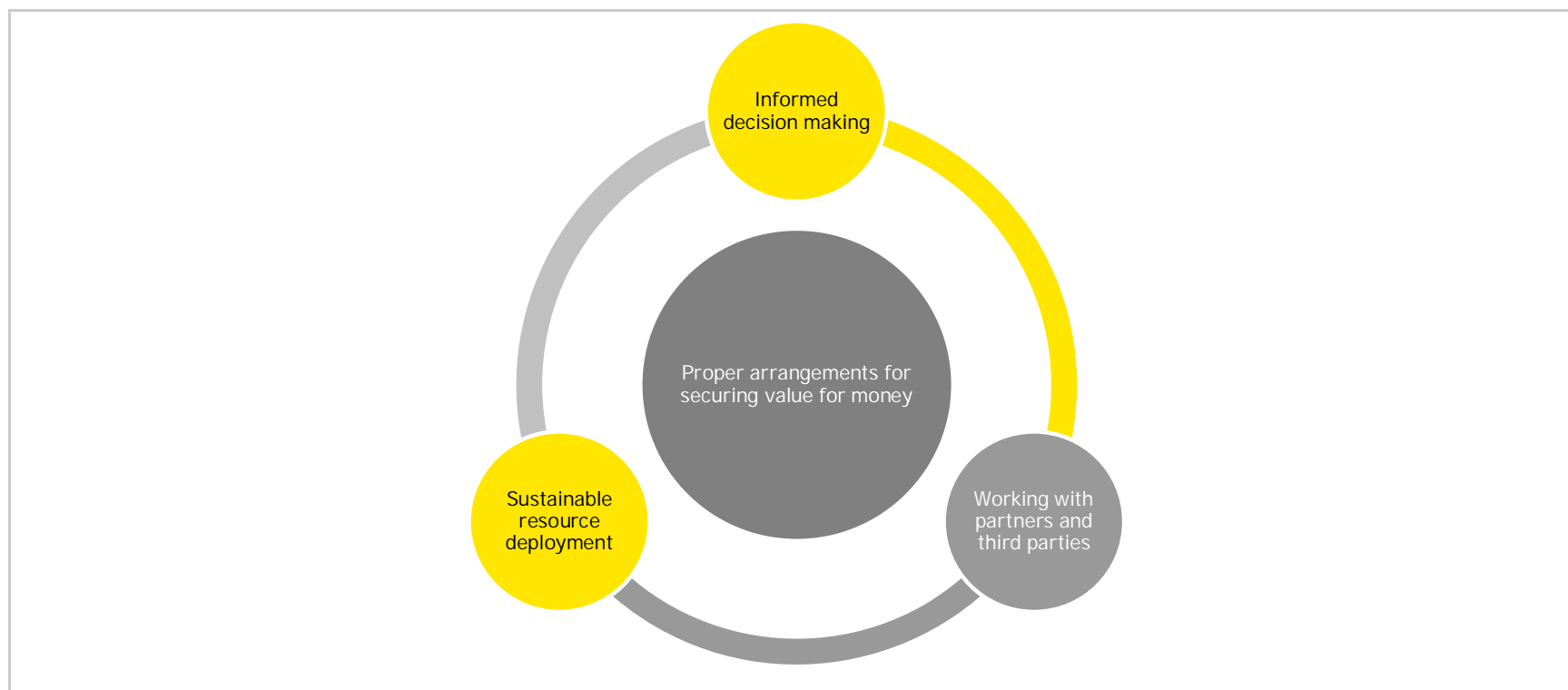
Value for Money

Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.



We issued an unqualified value for money conclusion on 27 July 2016.

Our audit identified a significant risk to sustainable resource deployment for which, on the basis of our work performed, we concluded that adequate arrangements were in place. Our key findings are set out below.

Key Findings

In 2015/16 the Council continued its track record of achieving its annual budget, delivering a surplus of £0.8m, including approximately £2.2m of savings and additional income. The general fund balance stood at £10.3m as at 31 March 2016,

We reviewed the Council's 2016/17 budget and the medium term forecast, assessing the extent of the savings plans in place. This took into account the Council's historic record.

The 2016/17 budget is balanced, through the use of efficiencies and income plans. Although it was still relatively early in the financial year, we assessed these as reasonable taking into account the Council's track record of delivering savings over the recent financial periods. While incrementally savings can become harder to achieve over time, the Council's performance in delivering its plans gives confidence that it can continue to do so.

We also reviewed the key assumptions in the budget and MTFF, which adequately took into account the economic environment at that time for business rate projections, and the forecast for reduced central government funding and the potential four-year settlement.

The cumulative budget gap, taking into account the 2015/16 outturn, is now forecast at £2.8m to 2019/20. Compared to a gross expenditure of approximately £135m per annum, we judge this to be a manageable budget gap.



Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the consolidation pack.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2015/16 financial statements from member of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Governance Committee on 26 July 2016. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

A close-up, shallow depth-of-field photograph of a person's hands holding binoculars. The person's face is blurred in the background, focusing attention on the binoculars and the text overlay. A bright yellow rectangular box is positioned on the left side of the image, partially overlapping the binoculars.

Focused on your
future

Focused on your future

Area	Issue	Impact
EU referendum	<p>Following the majority vote to end the UK's membership of the European Union (EU) in the EU Referendum held on 23 June 2016 there is a heightened level of volatility in the financial markets and increased macroeconomic uncertainty in the UK. All three major rating agencies (S&P, Fitch and Moody's) took action on the UK Sovereign credit rating and, following the rating action on the UK Government. For entities in the public sector, there is likely to be an impact on investment property valuations if confidence in the wider UK property market falls; and the valuation of defined benefit pension obligations may also be affected. It is too early to estimate the quantum of any impact of these issues, but there is likely to be significant ongoing uncertainty for a number of months while the UK renegotiates its relationships with the EU and other nations.</p>	<p>Many of the issues and challenges that face the UK public sector will continue to exist, not least because continued pressure on public finances will need responding to. Additionally it may well be that the challenges are increased if the expected economic impacts of the referendum and loss of EU grants outweigh the benefits of not having to contribute to the EU and require even more innovative solutions.</p> <p>We are committed to supporting our clients through this period, and help identify the opportunities that will also arise. We will engage with you on the concerns and questions you may have, provide our insight at key points along the path, and provide any papers and analysis of the impact of the referendum on the Government and Public Sector market.</p>

Appendix A

Audit Fees

Appendix A Audit Fees

Our fee for 2015/16 is in line with the scale fee set by the PSAA and reported in our Audit Plan and Annual Results Report.

Description	Final Fee 2015/16 £	Planned Fee 2015/16 £	Scale Fee 2015/16 £
Total Audit Fee – Code work	62,582	62,582	62,582
Total Audit Fee – Certification of claims and returns	12,557	12,557	12,557

Our fee for the certification of grant claims is based on the indicative scale fee set by the PSAA. Our actual fee will be determined on completion of the Housing Benefit subsidy claim, due by 30 November 2016.

We confirm we have not undertaken any non-audit work outside of the PSAA's requirements.

EY | Assurance | Tax | Transactions | Advisory

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ED None

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22 November 2016

Report of	Head of Community Services	Author	Andrew Harley
			☎ 282880
Title	Equality and Safeguarding - Annual Update Report		
Wards affected	All		

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

1 Decision Required

- 1.1 Committee is asked to review progress made in meeting the Council's legal duties and objectives in regard to both Equality and Safeguarding, and to endorse the approach set out at paragraph 8 below.
- 1.2 Committee is also asked to note the proposed revisions to the Council's Safeguarding Policy which takes account of new legislation and guidance but whose approach remains the same. (See Appendix C.)

2. Reasons for Decision

- 2.1 It is important that Committee has an opportunity to review progress and activities and supports the approach set out in order to assist the Council with compliance of the relevant duties.

3. Supporting information

- 3.1 The following appendices have been included at the end of this report to assist Committee in its task:
 - Appendix A – Council initiatives in the areas of Equality and Safeguarding
 - Appendix B - Modern Slavery Transparency Statement and Associated Actions
 - Appendix C – Safeguarding Policy with revisions highlighted in bold italics

4. A Combined Approach

- 4.1 The Committee is being asked to review the Council's approach to both Equality and Safeguarding. There are a number of reasons for this combined approach:
 - The two areas of work are mutually supportive and reinforcing.
 - 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 may 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

Equality and Diversity

- 5.1 During the relevant period, there have been no changes to legislation or guidance in regard to how the Council should meet its [Public Sector Equality Duty](#). Furthermore, no review has been announced, despite the statement of the Government's Independent Steering Group that "a full evaluation of the PSED will be undertaken in 2016".
- 5.2 Nevertheless, there have been some notable developments in policy areas relevant to Equality and Diversity:
- In April 2016, the Home Office launched a new [Resettlement Scheme](#) to support 3,000 vulnerable and refugee children and their families at risk within the Middle East and North Africa. This was followed by the announcement of a [Community Sponsorship Scheme](#) for refugees in the UK and [Online Help](#) service.
 - In July 2016, the Home Office introduced a [Hate Crime Action Plan](#) which outlined actions to prevent, respond to, and support victims of Hate Crime to 2020.
- 5.3 In terms of central government arrangements, in July 2016, Nicky Morgan MP was replaced by Justine Greening MP as [Minister for Women and Equalities](#). Justine Greening has overall responsibility for the Government's policies on women, sexual orientation and transgender equality, and cross-government equality strategy and legislation. There is also a [Parliamentary Under Secretary of State for Disabled People](#) who is responsible for areas including cross-government disability issues and strategy, disability benefits and mental health matters.

Safeguarding

- 5.4 In the area of Safeguarding, there have been significant public policy developments. It is clear that effective safeguarding remains high on the Government's agenda.
- From 31 October 2015, a new 'female genital mutilation' [mandatory reporting duty](#) was introduced via the [Serious Crimes Act 2015](#). Although this applies to teachers, health and social care professionals (as opposed to Council staff and councillors), the importance of this issue is clear, and the Council's revised Safeguarding Policy requires all those subject to the Policy to follow reporting procedures. Multi-agency [Statutory Guidance](#) on FGM was issued in April 2016.
 - Following concerns around '[failing children's services](#)', the Government commissioned a review into the role and functions of Local Safeguarding Children Boards (LSCBs). The [Government's Response](#) to the [Wood Report](#) (published in May 2016) suggests further legislation and guidance to deliver:
 - A "new duty" requiring "more robust and much clearer arrangements" to promote effective joint working.
 - Greater flexibility in local arrangements, coupled with Secretary of State powers to intervene where these are deemed to be inadequate
 - A centralised *National Learning Framework* to replace the existing system of Serious Case Reviews

- In January 2016, notice was given of new [Joint Targeted Area](#) inspections to assess how local authorities and partners are working together to identify and protect children. A 'deep dive' element was included in order to focus on children at risk of Child Sexual Exploitation (CSE). In March, 2016, Ofsted announced a consultation on proposals for "a more proportionate approach to... re-inspection", followed in June by a further consultation on the [future of social care inspection](#).
- There have been a number of consultations during this period, including those on the [Definition of Child Sexual Exploitation](#) which ended in March 2016. In July, the Home Office announced a consultation to run until September on a [mandatory reporting duty](#) to report suspected abuse or neglect of a child.
- The significance for the Council of the [Modern Slavery Act 2015](#) and the [Counter Terrorism and Security Act 2015](#) will be considered in detail at paragraph 6 below.

5.5 There have also been revisions to [Statutory Guidance](#) on the Care Act 2014. Following learning and feedback from the first period of implementation, the following changes are of note:

- An adult safeguarding enquiry (conducted by Essex County Council) is not generally appropriate in cases of self-neglect, and that assessment should be made on a "case by case basis" which may depend upon "the adult's ability to protect themselves by controlling their own behaviour".
- Guidance adopted the new cross-government definition of domestic violence and abuse as: "any incident or pattern of incidents of controlling, coercive, threatening behaviour, violence or abuse between those aged 16 or over who are, or have been, intimate partners or family members regardless of gender or sexuality." This definition reflects the new offence of *coercive and controlling behaviour* introduced by the [Serious Crimes Act 2015](#).

5.6 In terms of Local Safeguarding Board arrangements, Phil Picton was appointed the new independent Chair of the Essex Safeguarding Children Board (ESCB) and the Essex Safeguarding Adults Board (ESAB) in June 2016.

6. Meeting the Duties

Overall Arrangements

- 6.1 Equality and Safeguarding are each integrated into the day-to-day operations of the Council. However, arrangements are also in place to ensure strategic focus and operational co-ordination. The Head of Community Services provides the strategic lead whereas the Equality and Safeguarding Co-ordinator provides the operational lead. The relevant Cabinet Portfolio is 'Business, Leisure and Opportunities'. Appendix A provides some specific examples of where Equality or Safeguarding initiatives have taken place over the last 12-18 months.
- 6.2 In the area of Equality and Diversity, the Diversity Steering Group (DSG) provides an active forum for 'advancing equality' for both customers and staff. Its members are service 'representatives' who play a key role in reviewing progress and disseminating best practice. In a similar way, Designated Safeguarding Officers attend quarterly 'workshops' to review safeguarding referrals and improve processes. Each service area has between two and four officers who have an enhanced level of training to provide expertise and assistance to officers.
- 6.3 Partnership working is key to meeting the Council's safeguarding duties. The [Safer Colchester Partnership](#) (SCP) is led by a Responsible Authorities Strategic Group

(RASG) which consists of Chief Officers representing local 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 on issues including domestic violence and hate crime. Examples of such initiatives are included in Appendix A.

- 6.4 The Council works closely with both the Essex Safeguarding Adults Board and the Essex Safeguarding Children Board. Support from, and representation to, both the ESCB and ESAB for District Councils is by way of Board Membership. Colchester Borough Council Executive Director Pam Donnelly sits on the ESAB, whilst Maldon District Council Chief Executive Fiona Marshal sits on the ESCB. Both feedback to the Chief Executives Group and Designated Leads for the District and Borough Councils.

Equality and Diversity

- 6.4 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 the need 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.

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.

- 6.5 The Equality and Human Rights Commission's [Technical Guidance](#) to the PSED (2013) remains the best guide to the practical operation of the PSED. In addition, the Council continues to take note 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 particular policy is being considered; it must be exercised in substance, with rigour and with an open mind; and that it is non-delegable.

- 6.6 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 2015-16 we have continued to meet both of these requirements. Information published on the Council website includes:

- [Equality Impact Assessments](#)
- The Council's [Strategic Plan](#) and its Year End Performance Report (including its Strategic Plan Action Plan).
- The Council's website pages on [Equality and Diversity](#)
- The Council's [equality information](#) section contains all required information
- Workforce statistics: [Equality monitoring information](#)
- Work undertaken by the Council's Research and Engagement team about service users, customers and the borough's population.
- The Council's independent, external accreditation as an '[achieving](#)' organisation under the Equality Framework for local government.

- .6.7 In April 2015, the Council published its new 'equality objective', which is (to):

'Ensure Colchester is a welcoming and safe place for residents, visitors and businesses with a friendly feel that embraces tolerance and diversity'.

This objective is reflected in the new [Strategic Plan 2015-18](#) within the 'Welcoming' Priority. The specific actions required to meet the objective are included within the associated Action Plan, which is subject to six monthly monitoring.

- 6.8 The Council remains committed to the use of 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, disproportionate negative impacts upon the 'protected characteristics'. It allows us to make the right judgements on the basis of sound information and data, in an open and transparent way.
- 6.9 The Council works with a host of agencies and organisations in order to meet its duties and advance equality more generally. Many of these are included in Appendix A.

Safeguarding

- 6.10 Under Section 11 of the [Children Act 2004](#), local authorities "must make arrangements for ensuring (that)...their functions are discharged having regard to the need to safeguard and promote the welfare of children." The Act required district councils to supply information to enable the Local Safeguarding Children Board to perform its function to co-ordinate activity. There are agreed [SET Procedures](#) (covering Southend Essex and Thurrock) for child safeguarding which district councils are required to follow, and which are integrated into the Council's Safeguarding Policy.
- 6.11 Under Section 42 of the [Care Act 2014](#), the local authority must make enquiries to co-ordinate action to support an adult who: (a) has needs for care and support (whether or not the authority is meeting any of those needs), (b) is experiencing, or is at risk of, abuse or neglect, and (c) as a result of those needs is unable to protect himself or herself against the abuse or neglect or the risk of it. Although Essex County Council is the *investigating authority*, the Act requires district councils to supply information to enable the Local Safeguarding Adults to perform its function to co-ordinate activity. There are also agreed [SET Procedures](#) for adult safeguarding, integrated into the Council's Safeguarding Policy.
- 6.12 The Council passes concerns to the Family Operations Hub (in regard to children) and to Social Care Direct (in regard to an adult). A secure record of contacts and referrals (via the [FORS](#) and [SETSAF1](#) forms) with any feedback received are retained in a secure area, and are reviewed at quarterly Designated Officer Workshop meetings.
- 6.13 The Council, as chair of the local Community Safety Partnership, has responsibilities under [Section 9 of the Domestic Violence, Crime and Victims Act 2004](#). During the period, the Safer Colchester Partnership has had one Domestic Homicide Review published, which can be viewed on the ESAB website [here](#). The Council has provided information to other Community Safety Partnerships in the case of two 'Serious Adult Reviews' and twelve 'Domestic Homicide Reviews'.
- 6.14 Partnership working remains key to the Council being able to meet its statutory duties more generally. On 30 November, the Safer Colchester Partnership will be hosting Colchester's *Hidden Harms Conference* for partner organisations in order to raise awareness, share approaches and deepen joint working. It will include presentations and

workshops around key issues such as Gangs, CSE and Modern Slavery. The Council regularly attends the Essex County Council *Missing and Child Exploitation* (MACE) strategic meeting which facilitates the sharing of intelligence and best practice between partner agencies.

- 6.15 The local Safeguarding Boards audit the approach and performance of partners including Colchester Borough Council in regard to: (a) senior level commitment, and accountability; (b) core policies and procedures; (c) safer recruitment; (d) service development; (e) learning, development and staff support; (f) preventative work and inter-agency working; and (g) information sharing. In 2015, the Council completed remote audits for each Board by self-assessment. Over 80% of criteria were met for each audit following moderation, indicating a high level of compliance. However, a number of actions were identified in the areas of training, multi-agency working, customer feedback and complaints, the dissemination of lessons learnt from SCRs and DHRs, and 'Early Help'. The Council monitors progress towards completing such actions.
- 6.16 Modern slavery encompasses sexual exploitation, labour exploitation, forced criminal exploitation and domestic servitude. Section 43 of the [Modern Slavery Act 2015](#) states that local authorities have a duty to co-operate with the Independent Anti-Slavery Commissioner. A Strategic Plan was published in October 2015 which identified models for "best practice within partnership working". Information on Modern Slavery (along with Domestic Abuse, Mental Capacity, Forced Marriage, FGM, and PREVENT) has been incorporated into e-learning Safeguarding Awareness training which is taken by all Council staff. As required by the Act, a Transparency Statement has been published on the Council's website. Appendix B (below) includes the published Transparency Statement (in addition to associated actions planned for the period 2016/17).
- 6.17 [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." [Statutory Guidance](#) to accompany the new duty was issued in April 2015: "Effective leadership" and "partnership working" are required for the Council "to demonstrate an awareness and understanding of the local risk of radicalisation". The Council is required to work with "relevant agencies" using "existing mechanisms to understand the risk". In accordance with the Guidance, concerns around radicalisation are referred by the Council to the Essex County Council's Family Operations Hub or Social Care Direct, as with other safeguarding concerns. The CSP's Responsible Authority Strategic Group has agreed a Strategy and Action Plan. The [PREVENT Strategy](#) is published on the Safer Colchester Partnership website.

7. Overview

- 7.1 The Council believes that its approach to meeting its duties in both the areas of Equality and Safeguarding is appropriate and proportionate. An intelligent approach that recognises where and how these legally distinct areas intersect can offer efficient and effective working.

8. Going Forward

- 8.1 In 2016 we propose to:
- Remain focused on continuing to integrate and embed equality considerations into the day-to-day running of Council business, ensuring that equality considerations are always considered through the framework of Equality Impact Assessments.

- Encourage staff to make full use of the Mosaic Segmentation Tool and the new corporate complaints platform to deliver improved equality analysis. This should facilitate greater equality of access to Council services for customers.
- Further extend awareness of key safeguarding issues such as CSE, Forced Marriage, FGM, Modern Slavery and Radicalisation so that the Council can fully discharge its legal and moral safeguarding responsibilities.
- Work more closely with the Safer Colchester Partnership to promote the safeguarding agenda, especially around harms that are often hidden from view and little understood. (Planned projects include the *Hidden Harms Conference* included at 6.14, above).

9. Strategic Plan References

- 9.1 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, it contains the Council's current 'equality objective'.
- 9.2 Progress towards the Council's Strategic Plan Action Plan is reviewed within the Council's [Year End Performance Report](#).

10. Consultation

- 10.1 Extensive consultation preceded the publication of the Council's Strategic Plan 2015-18.

11. Publicity Considerations

- 11.1 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.
- 11.2 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. This helps with openness and transparency, with everything 'in one place'. 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. Over the period, a new website has been created dedicated to the [Safer Colchester Partnership](#)

12. Financial Implications

- 12.1 The Council continues to face significant financial pressures. As part of its strategic response, the Council has sought to mainstream a "business culture" focused on commercialisation and income generation. In this context, special attention will continue to be paid to 'advancing equality' and safeguarding children and 'adults at risk'. An approach that further exploits the interrelationship of these two areas may deliver greater efficiencies.
- 12.2 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 necessarily be taken. The Council must nevertheless always seek to remove or reduce negative impacts.

- 12.3 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.

13. Equality, Diversity and Human Rights Implications

- 13.1 This report is an annual update about Equality and Diversity, and Safeguarding. The importance that the Council attaches to these areas helps to protect vulnerable groups from harm and exploitation and promotes the human rights of all.

14. Community Safety and Health and Safety Implications

- 14.1 The Council's approach to Equality and Safeguarding involves working closely with partners and communities. The Community Safety Partnership plays a vital role in helping the Council to meet its legal duties around safeguarding.
- 14.2 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.

15. Risk Management Implications

- 15.1 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.
- 15.2 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.

Key improvements and initiatives 2015-16

- The Council distributed over £200,000 of Voluntary Welfare Funding to 'not for profit' organisations that help the Council to meet its equality and safeguarding objectives. In 2015-16, the following organisations received funding: Age Concern; Colchester Citizen's Advice Bureau; Colchester Community Voluntary Service (CCVS); Colchester and Tendring Women's Refuge; Emergency Nightshelter; Grassroots; Rural Community Council of Essex (RCCE); and SHAKE Colchester Furniture Project. .
- The Community Initiatives Team co-ordinated two Crucial Crew events in 2016 in order to deliver increased community safety. In June, awareness sessions were delivered to over 100 adults, and presentations covered Falls Prevention, Trading Standards and Council Zone services. In June, 2000 'Year 6' pupils attended presentations covered healthy relationships, knife crime, internet safety and drug and alcohol awareness.
- It has also worked in partnership with CCVS and other agencies to promote its [Winter Warmth Scheme](#), targeted towards older people. This included information on the Council's [Warm Homes Project](#) and its [Emergency Heater Scheme](#). The Council continues to chair the [Older Persons Forum](#), which is well attended by local partners which support and provide services to older people. The Council also continues to host and support the Migrant Agency Forum which works with Essex County Council and local organisations to "promote community cohesion through the successful integration of vulnerable migrant groups within Essex".
- The [Good Gym](#) was launched in 2016 to help promote a healthier lifestyle and reduce loneliness and isolation. Funded by the Council and CCVS, local 'runners' pay a visit to a Community Group Hub as part of their route in order to do odd jobs for vulnerable older people. "You run there, fix the problem, and run back again".
- The [SOS Bus](#) treated 825 people over the period 2015-16 with a smaller proportion requiring hospital attendance compared with the previous year. Funded by the Council and its partners, the service particularly benefits people aged 18-24. Drawing on the skills of the Emergency Doctors Medical Service, more sophisticated procedures can now be used which include the suturing and gluing of wounds, thereby bypassing the need for A&E attendance. The Bus also acts as a place of safety for vulnerable people.
- The Syrian VPR ([Vulnerable Person Resettlement](#)) Programme has continued during 2015-16. Working alongside our voluntary sector colleagues at [Fresh Beginnings](#), the Council has helped to welcome and resettle eight families in the Colchester borough as part of its five year programme, with two more families due to arrive in September 2016. All eight families have settled in well and local communities and neighbourhoods have been welcoming and helpful. Children are attending local schools and adults are attending English classes as part of the programme. The Council has also continued to work with Fresh Beginnings on the resettlement of Afghan Nationals who had been employed as translators, and their families. To date, a total of 55 individuals have been resettled as part of this [Special Immigration Scheme](#).
- In partnership with Thurstable School, Zone Wardens have re-invented the traditional 'Tea Dance' as a multi-agency learning experience. It included group interactive singing, the use

of 'Retro-boxes' and a quiz. The team implemented strategies to help ensure the safety and wellbeing of participants across a variety of different age ranges and cultural backgrounds.

- A number of initiatives that help to meet our safeguarding objectives have been co-ordinated by the [Safer Colchester Partnership](#) including support and intervention for vulnerable individuals: A Domestic Abuse Awareness Day was held in November 2015, at which 2-300 people were seen and 100 awareness packs were distributed; During 2015-16, 62 'Home Security Reports' were passed by Essex Police to the Colchester Sanctuary Scheme (which operates to protect high risk, repeat victims of domestic abuse from harm); Partnership working has also delivered a pilot 'Drive Project' for which three case workers have been recruited to work intensively with high priority perpetrators of domestic abuse to implement behaviour change.
- In September 2015, the Partnership initiated a project to help support repeat victims of ASB through local organisations including Beacon House, Open Road and Catch 22. In addition, the Keep Safe Scheme has been extended to provide additional security to over 200 vulnerable adults through more than 20 venues. Officers are working on extending the scheme to more vulnerable groups and introducing a mobile App.
- In 2015-16, [The Big Garden](#) has provided therapeutic placements for 50 volunteers many of whom have mental health support needs. In 2016, its volunteer group *The Big Friendly Gardeners*, was chosen to benefit from the Co-op's Community Token Scheme in May, June and July.
- The Council's work in supporting vulnerable groups extends beyond the borough boundaries through the [Colchester and Ipswich Museums Service](#). 'Cultural Heritage in Mind' is a project working across museums in Suffolk to offer courses targeted at people dealing with mental ill-health. The initiative involves developing art and other skills over a seven week period to reflect upon 'place' within the community. In 2015, Museums officers received training from [Vocal Eyes](#) on making museum venues and collections more accessible for visually impaired visitors. The Museums Service is currently hosting a trainee from the British Museum's [Learning Museum](#) programme, part of the Heritage Lottery Fund's 'Skills for the Future' funding. The programme is aimed at creating a more diverse and representative museums workforce, and the diverse group of trainees not only learn many valuable skills but also assist host museums to attract visitors and participants from non-traditional museum audiences.
- Customer Services has continued to target resources towards vulnerable groups. The refurbishment of the [Library and Community Hub](#) incorporates the use of clear signage and new technology, and includes knowledgeable and dedicated staff on hand to provide one-to-one support to customers. The new 'Customer Support Team' is made up of officers dedicated to providing a holistic and specialist service to more vulnerable clients that includes administering Discretionary Housing Payments and Exceptional Hardship Payments. The team has benefited from a substantial programme of training provided by local organisations including One Support, Colchester Mind, Colchester Food Bank and Dementia Friends - to whom officers refer customers for specialist support.
- The team succeeded in securing a £10,000 funding grant from [Colchester Catalyst](#) for its [Transformation Project](#). This means that the new Library and Community Hub will include a sensory area in the children's library.

- The new Go-Online Team has assisted vulnerable groups and enabled people to become more confident in accessing Council and other services online over the past year. The [Digital Skills for Life](#) course has proved particularly popular with older people; workshops at [Beacon House](#) have targeted assistance at homeless customers; and services have been targeted at Black and Minority Ethnic customers at CCVS.
- Specific progress has been made in delivering the Council's [Homelessness Strategy](#). The Council works closely with its partners to reduce homelessness and increase support. In 2015-16, this has included: additional 'drop-in' services provided by One Support including at the Library and Community Hub (increasing the total of referrals to 260 per month); setting up a 'Bridging the Gap' service provided by [Beacon House](#) to help enable people to secure and maintain accommodation; YES ([Youth Enquiry Service](#)) joint working with Social Care to prevent homelessness.
- The Council provided 56 Disabled Facilities Grants totalling £470,587 (2015-16) for the provision of private sector housing adaptations to sustain independent living. This is targeted at people with physical or mental disabilities, across all age ranges. It is a fully assisted service with a visiting case worker and direct access to a CBH contractor.
- The Council has also provided Disabled Facilities Assistance Loans to help fund housing adaptations or alternatives that do not fall within the 'DFG' program. These are provided for sensory rooms and for assistance to move for those with physical or mental health disabilities. In addition, the Council has also provided Home Repair Loans to a value of £72,050 to remove hazards, and discretionary financial assistance where the occupier is the victim of domestic abuse or otherwise vulnerable.
- The Council's housing stock is managed by Colchester Borough Homes. Whilst it is a separate 'ALMO' organisation, it contributes significantly towards the Council meeting its equality and safeguarding duties. CBH has achieved much during this period including: an initial self-assessment towards meeting the Social Housing Equality Framework (SHEF) prior to full assessment in 2017; creating a training workshop titled 'Respect Difference' in partnership with Colchester Institute which culminated in attendees scripting and producing their own myth-busting films about social housing. For this work, CBH was shortlisted in the Excellence in Equality and Diversity category at the TPAS Central Region (Tenant Engagement) Awards in 2016.
- The Council's 'Enterprise, Skills and Employment Grant' funding has enabled a number of initiatives over the period 2015-16. This has included funding for the [Small Steps Big Change Programme](#) (a six week course providing support to women looking to start-up a business) and [Signpost](#) (which provides Digital Skills Workshops).
- Following the adoption in 2016 of a new platform to manage and analyse customer complaints, the Council now routinely collects equality monitoring information on age, sex, race and disability. As more data becomes available, it is anticipated that useful equality analysis will help deliver better equality outcomes across the 'protected characteristics'.
- As part of the Learning and Development Plan, the Council commissioned Mental Health Awareness training for managers, facilitated by the charity *Rethink*. The purpose of the training was to give managers a better understanding of mental health and illness and its impact upon staff and included practical advice on how to identify potential issues and provide support.

- [The North Essex Parking Partnership](#) recognises its responsibilities to protect staff from harassment through both its 'duty of care' and through the PSED 'general duty'. In 2016, it introduced body worn cameras for all NEPP staff to help prevent violent and aggressive behaviour. The cameras provide video and audio evidence that can be used at court.
- The Council's Licensing Team has worked hard to raise awareness of CSE for taxi drivers. In 2016, Barnardos provided specialist training to private hire and hackney carriage drivers. This has helped to ensure that drivers understand the issue, can recognise possible signs of CSE and know how to report concerns. Key safeguarding information approved by Essex Police and the local Safeguarding Boards is also provided to staff.
- The Council has implemented actions arising from various multi-agency Domestic Homicide Reviews and Serious Case Reviews over the period which have included providing specific training and advice to staff around meeting the needs of Roma Gypsies and Irish Travellers.
- Council leaders across the political parties united to denounce Hate Crime in June following an apparent rise in racially motivated attacks in the aftermath of the EU Referendum. Full Council approved the following statement:
 - *We are proud to live in a diverse and tolerant society. Racism, xenophobia and hate crimes have no place in our country. This Council condemns racism, xenophobia and hate crimes unequivocally. We will not allow hate to become acceptable.*
 - *This Council will work to ensure local bodies and programmes have support and resources needed to fight and prevent racism and xenophobia.*
 - *We reassure all people living in the Borough of Colchester that they are valued members of our community.*

Training Resource 2016: Improvements and Initiatives 'At a Glance'



Modern Slavery Act 2015 - Transparency Statement 2015/16

This statement sets out Colchester Borough Council's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business, and its supply chains. This statement relates to actions and activities during the financial year 1 April 2015 to 31 March 2016.

As part of Local Government, the Council recognises that it has a responsibility to take a robust approach to slavery and human trafficking. In addition to the Council's responsibility as an employer, it also acknowledges its duty as a Borough Council to notify the Secretary of State of suspected victims of slavery or human trafficking as introduced by section 52 of the Modern Slavery Act 2015.

The Council is committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking. The below sets out practices already in place at the Council and any committed actions set for 2016/17 in response to the introduction of the Modern Slavery Act.

Section 54 of the Modern Slavery Act states that the employer's slavery and human trafficking statement might include information on:

- its structure, business and supply chains;
- its policies in relation to slavery and human trafficking;
- its due diligence processes in relation to slavery and human trafficking in its business and supply chains;
- the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps that it has taken to assess and manage that risk;
- its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate; and
- the training about slavery and human trafficking available to its staff.

This statement has been approved by the Council's Senior Management Team and the Portfolio Holder for Business, Leisure and Opportunities. It will be reviewed and updated as part of the Council's annual policy review of Safeguarding.

Annie Feltham
Portfolio Holder for Business, Leisure and Opportunities
August 2016

Structure and Business

Colchester Borough Council is a local authority which provides a wide range of statutory and discretionary services for its residents, businesses, visitors and partners. Its structure is shown on its website [here](#).

Colchester has a rapidly growing population and economy. Over the next 15 years the borough is anticipated to experience one of the fastest growth rates within the county, with population rising from around 180,000 to 208,000 by 2030.

The Council's [Strategic Plan 2015-18](#) includes supporting our residents, businesses and staff. The four words that we feel sum up what we want to achieve for the borough are:

- **Vibrant** - promoting our heritage and working hard to shape our future.
- **Prosperous** – generating opportunities for growth and supporting infrastructure.
- **Thriving** - attracting business and selling Colchester as a destination.
- **Welcoming** - a place where people can grow and be proud to live.

The Council's [People Strategy 2015-18](#) has three themes: Customer, Business and Culture. It is reviewed every three years (and its associated action plan annually) so that it stays relevant. The Strategy is supported by other policies, available on the Human Resources (HR) section of the Council's intranet, which are also regularly reviewed.

Supply Chains

From April 2016, all tender processes will require bidders to provide confirmation that they are compliant with the Act. In addition, before being added to the finance system, all new suppliers will have provided confirmation of compliance.

[Procurement Strategy 2015-17](#)

The Council procures goods and services from various suppliers and this is governed by our procurement strategy.

Policies

The Council reviews its policies and procedures on an ongoing basis to ensure they remain compliant and fit for purpose. The following policies and procedures are considered to be key in meeting the requirements of the Modern Slavery Act.

Safeguarding

The Council embraces its responsibility to develop, implement and monitor policies and procedures to safeguard the welfare of children and 'adults at risk'. The Council has a comprehensive Safeguarding Policy which all staff and councillors are expected to read and work within. The Council works within multi-agency partnerships to protect and safeguard people.

Recruitment

The Council's recruitment processes are transparent and reviewed regularly. They include robust procedures for vetting new employees, which ensures they are able to confirm their

identities and qualifications, and they are paid directly into an appropriate, personal bank account. To comply with the Asylum, Immigration and Nationality Act 2006, all prospective employees are asked to supply evidence of their eligibility to work in the UK. References are also requested and followed up.

Agency Workers

The Council uses only reputable employment agencies to source labour and verifies the practices of any new agency it is using before accepting workers from that agency.

Pay

The Council operates a Job Evaluation Scheme to ensure that all employees are paid fairly and equitably. As part of its commitment to being a good employer, the Council has paid the Living Wage or more to its employees since 2013. The Council became an accredited Living Wage Employer in February 2016, meaning that this will be extended to relevant contracted staff as those contracts come up for renewal.

Employee Code of Conduct

The Council's Employee Code of Conduct makes clear to employees the actions and behaviours expected of them when representing the Council. The Council strives to maintain the highest standards of employee conduct and ethical behaviour and breaches are investigated.

Whistleblowing

The Council encourages all its employees, customers and other business partners to report any concerns related to the direct activities or the supply chains of the Council. The Council's whistleblowing procedure is designed to make it easy for employees to make disclosures, without fear of retaliation.

Councillors (Members)

Members' Code of Conduct and Ethical Framework

The Council expects all Councillors to demonstrate the highest standards of conduct and behaviour. All Councillors are required to abide by a formal Code of Conduct. Breaches are investigated by the Monitoring Officer. The Ethical Framework within the Council's Constitution sets out further details.

Councillors' Declarations of Interests

The Council requires all Councillors to record and declare personal and prejudicial interests.

Partnerships

The Council works in partnership with a wide range of agencies to prevent abuse and neglect, to detect and report occurrences and to support victims. This includes Essex County Council and the Local Safeguarding Boards. It also leads the Safer Colchester Partnership (SCP). Audits are carried out for the Essex Safeguarding Children Board and Essex Safeguarding Adults Board on an annual basis. This includes appropriate reference to Modern Slavery and human trafficking.

Contractors and Service Providers

The Council requires its key contractors to have safeguarding policies, procedures and training in place in addition to providing confirmation of compliance with the Act.

Training

Staff

The Council has a programme of mandatory training that all employees must complete. It enables officers in community-facing roles to identify and know how to report suspected incidents of abuse and neglect, including modern slavery and trafficking. Information on Modern Slavery was included within Designated Officer training in 2015, and was incorporated into updated safeguarding awareness training for all staff in July 2016.

Councillors' Training

Induction material on Equality and Diversity and Safeguarding is provided to councillors on election, and face to face training is available on an annual basis.

Modern Slavery Act 2015 Transparency Statement Associated Actions

1. *Action for 2016/17 – Review the Strategic Plan annual action plan to ensure that the Modern Slavery Act is considered where appropriate.*
2. *Action for 2016/17 – Review relevant policies and procedures in the light of the introduction of the Modern Slavery Act and reference where appropriate.*
3. *Action for 2016/17 – Review the Procurement Strategy in the light of the introduction of the Modern Slavery Act and reference where appropriate.*
4. *Action for 2016/17 – Work with the Safer Colchester Partnership to plan and deliver a Hidden Harms Conference in November 2016 to include Modern Slavery for local partners and key Council staff.*
5. *Action for 2016/17 – Council officers to brief the Safer Colchester Partnership Strategic Group on Modern Slavery (to include legislation and the local response).*
6. *Action for 2016/17 – Review work to identify any potential risk of slavery and human trafficking, and to develop appropriate steps to manage that risk.*
7. *Action for 2016/17 – To extend induction material and face to face training for Members to include awareness of the Modern Slavery Act and the actions being taken by the Council.*

Below is the Council's Safeguarding Policy with revisions highlighted in bold italics, and referenced within both the contents page and the 'version control' pages at the end of the document.



Safeguarding Policy

Colchester Borough Council

Version 4 - See end of this document for "Version Control"

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INTRODUCTION

Children, and adults with needs for care and support, have the right to participate and be safe in accessing services provided for them. Colchester Borough Council is committed to carrying out its responsibilities by ensuring that their needs and interests are considered by councillors, employees and contractors in the provision of services and in its decision-making.

POLICY STATEMENT

The purpose of the policy is to help the Council meet its legal duty to “safeguard and promote the welfare of children”, and to discharge its legal obligations towards adults with needs for care and support. Colchester Borough Council performs various functions and delivers a wide range of services. This Policy aims to ensure that all of its activities take place within this context.

The Council will safeguard and promote the welfare of children and adults with needs for care and support by:

- Respecting the rights, wishes, feelings and privacy of children and adults
- Ensuring that all staff understand the different forms abuse can take and how to identify them
- Responding appropriately and promptly to concerns reported
- Ensuring that employees understand the Council’s Safeguarding Policy
- Ensuring that employees know how to record and report safeguarding concerns, Incidents or allegations
- Taking any concern made by a councillor, employee, contractor, child or adult seriously and sensitively
- Ensuring that contracted/commissioned and grant-funded services have safeguarding policies and procedures consistent with the Council’s commitment to the protection of children and adults.
- Please see Appendix 4 for the ‘Policy statement and procedure template’ which organisations are free to use and must comply with as a minimum to receive funding from the Council.
- Ensuring that training appropriate to the level of involvement with children and adults with needs for care and support is available for all employees.
- Responding to any allegations appropriately and implementing the appropriate disciplinary and appeals procedures.
- Implementing effective procedures for recording and reporting to the Council any allegations, incidents or suspicions of abuse.
- Ensuring that all councillors and employees adhere to all appropriate safe working practices when working with children and adults with needs for care and support (see Appendix 7).
- Encouraging safeguarding best practice both within the Council and within the borough of Colchester
- Not tolerating harassment of any councillor, employee, contractor or child or adult with needs for care and support who raises concerns of abuse

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- Ensuring that unsuitable people are prevented from working with children and ‘adults with needs for care and support’ through its ‘Safer Recruitment Procedure.’

This policy applies to all services within the scope of Colchester Borough Council. In addition to all internal provision of services, it also applies to: Outside hirers; Outside organisations delivering services involving children or adults with needs for care and support on behalf of the Council; Contractors and Grant-funded organisations.

DEFINITIONS

A “child” refers to the legal definition in UK law being anyone under the age of 18 years.

An “adult with needs for care and support” largely replaces the pre-Care Act 2014 term ‘vulnerable adult’.

This reflects the local authority’s new safeguarding duties that apply in relation to an adult who:

- (a) has needs for care and support (whether or not the authority is meeting any of those needs),***
- (b) is experiencing, or is at risk of, abuse or neglect, and.***
- (c) as a result of those needs is unable to protect himself or herself against the abuse or neglect or the risk of it..***

NB: A person who “has needs for care and support” may be vulnerable for many different reasons including due to a physical, learning or mental health disability, someone affected by domestic abuse, someone elderly and frail - or someone with a drug or alcohol addiction.

In this document the term “member” is interchangeable with “councillor”.

This policy is inclusive of all children and adults with ‘needs for care and support’, irrespective of their age, race or ethnicity, religion, disability, sex or sexual orientation.

MONITORING AND REVIEW MECHANISMS

Monitoring mechanisms include: External (Section 11) audits; internal audits; recording of staff training at different levels; reporting to the Council’s Senior Management Team and Leadership Team; Special Case Reviews, Serious Case Reviews, Domestic Homicide Reviews and Serious Adult Reviews; and positive engagement with Essex Safeguarding Boards, including the sharing of best practice and membership of communication and strategic groups within their

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structures. The policy will be substantially reviewed every three years although it may be subject to minor corrections or operational updates in the interim.

Colchester Borough Council is committed to safeguarding in the supervision process. The Council's SMART performance management system, with year end appraisals of staff performance objectives, helps to ensure safer supervision.

ROLE OF THE ESSEX SAFEGUARDING BOARDS

Essex Safeguarding Children's Board (ESCB) is a statutory multi-agency organisation. The organisation brings together agencies who work to safeguard and promote the welfare of children. Under Section 13 of The Children Act 2004, each children's services authority in England must establish a Local Safeguarding Children's Board (LSCB).

The objective of the LSCB is to co-ordinate what is done by each person or body represented on the board for the purposes of safeguarding and promoting the welfare of children in the area of the authority by which it is established. Colchester Borough Council is committed to maintaining an effective working relationship with the ESCB to help achieve its mutual aims in respect of child safeguarding.

Essex Safeguarding Adults Board (ESAB) is an Inter-agency forum for agreeing how the different services and professional groups should cooperate to safeguard adults across Essex and for making sure that arrangements work effectively to identify abuse or inadequate care, help vulnerable people and plan and implement joint preventative strategies.

The ESAB was placed on a statutory footing by the Care Act 2014.

The ESAB aims to raise awareness and promote the welfare of adults with needs for care and support by the development of an effective cooperative involving people from a wide range of public and voluntary services and other organisations. Colchester Borough Council is committed to maintaining an effective working relationship with the ECAB to help achieve its mutual aims in respect of the safeguarding of adults with needs for care and support.

SAFEGUARDING RESPONSIBILITIES

Whilst safeguarding is everyone's responsibility, there are a number of specific safeguarding roles that individuals hold within Colchester Borough Council.

The following is a guide as to the safeguarding roles within the Council:

Chief Executive – Overall accountability regarding safeguarding

Delegated Safeguarding Lead – Senior Officer providing a lead on safeguarding within Colchester Borough Council.

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Safeguarding Co-ordinator – Works with the Delegated Lead to ensure the effective implementation of the Safeguarding Policy; works to: assess and reduce risks in relation to safeguarding; raise awareness of safeguarding issues amongst staff; establish and maintain effective multi-agency working; identify and provide for staff training needs.

Strategic People and Performance Manager – Works to ensure that stringent recruitment procedures are in place and that appropriate checks are made on staff working with children and vulnerable adults. This includes administering Disclosure and Barring Service (DBS) checks and ensuring that DBS referrals are made if appropriate. Also acts as the first point of call for staff reporting safeguarding allegations made against employees.

Managers - Ensure that 'safe' recruitment is in place for all job roles that involve working with children; Carry out the correct safeguarding induction process for all new staff including booking the appropriate training; Ensure that all staff within their remit are made aware of this policy.

Designated Safeguarding Officers – Have a sound working knowledge of the Safeguarding Policy, relevant legislation and guidance; Follow correct reporting procedures to Essex Police and Essex County Council; Maintain proper records; Report safeguarding training needs to the Safeguarding Co-ordinator; Act as a Safeguarding Champion within the relevant service or service area - helping to raise awareness and disseminate best practice.

Employees and volunteers - Know how to access the Council's Safeguarding Policy; Take concerns about abuse or neglect seriously; Know the ten main types of abuse and neglect and how to recognise them; Participate in safeguarding training or development opportunities; Report to HR any criminal action that could affect their position in post. Employees should alert a Designated Officer if they become aware of a safeguarding concern whereas volunteers should alert their volunteer manager.

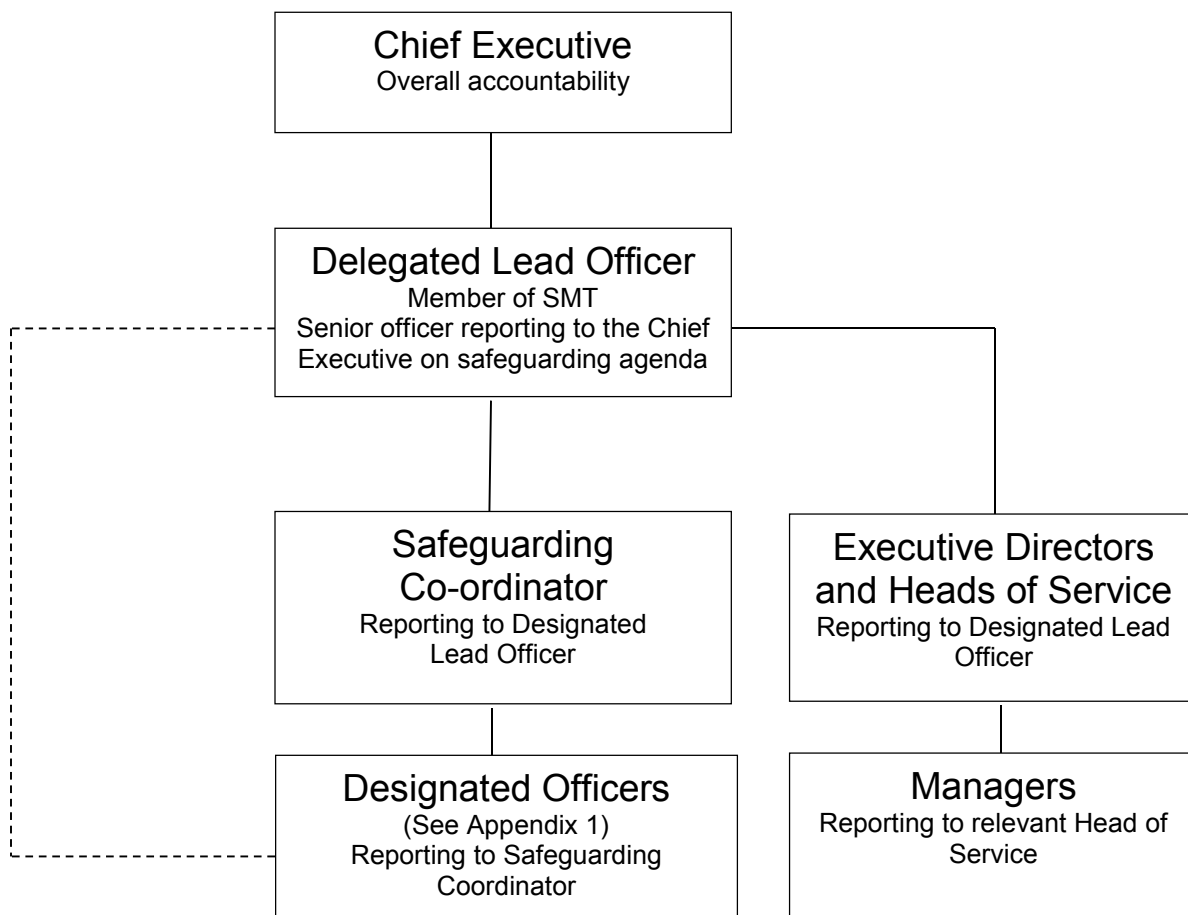
Councillors - *Take into account the Council's legal duties in respect of children and 'adults at risk' when making decisions; Take concerns about abuse or neglect seriously; Report any concerns about abuse or neglect to Safeguarding Co-ordinator or Delegated Lead; Engage in relevant member development opportunities; Assist in advancing awareness around Safeguarding issues; Help to minimise and manage safeguarding risks.*

Outside organisations, contractors and hirers – When delivering services for or involving children or adults at risk on behalf of Colchester Borough Council, outside organisations, contractors and hirers must comply with Colchester Borough Council's Safeguarding Policy and, where relevant, have their own policy and procedures in place.

COUNCILLORS

Councillors are required to adhere to the Policy. If they do not, there may be grounds for reporting their behaviour to the Government Committee, which may require an investigation under the Councillor Code of Conduct. If a safeguarding issue occurs relating to a Councillor, the Designated Officer informed of the breach should contact the Monitoring Officer immediately. Where there is evidence of illegal activity, the councillor will be reported to the relevant authorities and may face criminal investigation. Annual awareness training will be offered to councillors.

LINES OF ACCOUNTABILITY FOR SAFEGUARDING



RECOGNISING POTENTIAL ABUSE

Even though many councillors, employees and contractors have limited contact with children and with adults with needs for care and support as part of their duties and responsibilities for Colchester Borough Council, everyone should be aware of the potential indicators of abuse and be clear about what to do if they

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have concerns. There are ten main types of abuse: Physical; Psychological or Emotional; Sexual; Neglect; Self-neglect; Organisational; Discriminatory; Financial or Material; Modern Slavery; and Domestic Abuse. It is not the responsibility of any councillor, employee or contractor to determine whether abuse is taking place. Concerns, incidents or allegations must be reported. The role of the councillor or employee is to refer the case to the appropriate person, not to investigate or make a judgement.

RESPONDING TO A CONCERN (ABOUT A CHILD OR ‘ADULT WITH NEEDS FOR CARE AND SUPPORT’)

Where a member of staff is concerned about the person’s immediate safety (s)he should:

- Call the Police on **999**
- Call an Ambulance on 999 if the person needs urgent medical assistance.

In the case of a concern about a child

Where a member of staff has concerns that a child is being harmed or neglected, or is at risk of this, he should:

- Alert the Designated Officer. (A complete list is available on the Hub). Should the individual team/ service Designated Officer(s) be unavailable an alternative Designated Officer should be contacted. The Designated Officer should support the member of staff in making an appropriate referral. ***A CBC volunteer should alert his or her volunteer manager who should follow the procedure above.***
- ***In the case of a child that needs immediate protection, the Designated Officer should call 0345 603 7627 (the Family Operations Hub) and request a ‘Priority’ response. A formal referral should also be made by completing the FORS (Family Operations Request for Services) form, which should be securely emailed to FOH@essex.gcsx.gov.uk***
- ***Where it is not believed that there is an immediate risk of harm, the Designated Officer should call the same number 0345 603 7627 but request the ‘Family Operations Line’ in order to raise a concern or seek advice. Unless directed otherwise, a formal referral via FORS should also be completed and emailed as above. The emergency duty out-of-hours service can be contacted on 0345 606 1212. Further instructions on how to refer can be found here.***
- ***NB: The parents’ consent should be sought before sharing personal information or data with the Family Operations Hub - unless this could place the child at risk of significant harm.***

In the case of a concern about an ‘adult with needs for care and support’

Where a member of staff has concerns that an ‘adult with needs for care and support’ is being harmed or neglected, or is at risk of this, he should:

- Alert the Designated Officer. (A complete list is available on the Hub). Should the individual team/ service Designated Officer(s) be unavailable an alternative Designated Officer should be contacted. The Designated Officer should support the member of staff in making an appropriate referral. ***A CBC volunteer should alert his or her volunteer manager who should follow the procedure above.***
- ***The Designated Officer should call 0345 603 7630 (Adult Social Care) to raise the concern. Unless directed otherwise, a formal referral should also be made by completing the SETSAF1 form which should be securely emailed to essexsocialcare@essex.GCSX.gov.uk. The emergency duty out-of-hours service can be contacted on 0300 123 0778.***
- *NB: The adult’s consent should be sought before sharing personal information or data with Adult Social Care - unless this could place the adult at serious risk.*

The Safeguarding Co-ordinator should always be made aware of all contacts or formal referrals.

WHEN THE CHILD OR ADULT (WITH NEEDS FOR CARE AND SUPPORT) LIVES OUTSIDE ESSEX

Where the usual place of residence of the child or adult with needs for care and support is outside Essex, then the local authority with responsibility for Social Care in that area should be contacted. All child and adult safeguarding boards for local authorities within the UK have websites which include the relevant contact details for Social Care services. These can be identified using the dedicated search engine www.LGsearch.net. Where the usual place of residence is outside the UK or unknown, the Police should be contacted. In the case of concerns about a child or adult with needs for care and support is usually resident in Suffolk the number to call is **0808 800 4005**.

WHEN A MEMBER OF STAFF OR VOLUNTEER IS IMPLICATED IN ABUSE

- If the conduct of a member of staff is implicated in the abuse of a child or ‘adult with needs for care and support’, details should be passed to the CBC Delegated Lead or Strategic People and Performance Manager.

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- The Strategic People and Performance Manager should telephone the LADO (Local Authority Designated Officer) on 03330 139 797 (in regard to a child) or 0845 603 7634 (in the case of an 'adult with needs for care and support').
- The member of staff may be suspended from all duties or relevant duties with immediate effect pending investigations.
- These allegations could potentially result in any of the following types of investigation: Criminal; Child protection; and Disciplinary or misconduct.

OUTSIDE NORMAL OFFICE HOURS

Where a member of staff is implicated it may not always be possible to contact the Delegated Lead or Strategic People and Performance Manager. In such cases, it may be necessary for the relevant service/duty manager to suspend the member of staff and advise the LADO (via the telephone number above) where this is necessary to guarantee appropriate levels of protection. If the Duty Manager is unsure about the correct course of action after receiving the allegation then (s)he may call the CBC Monitoring Centre via 282222 and ask to speak to the acting 'First Call Officer'. This officer will then be able to clarify the best course of action at that stage. These recommended actions should be followed and the details of the discussion documented for future reference.

DATA PROTECTION

All copies of Referral Forms to the Family Operations Hub and Essex Social Care should be retained by the Safeguarding Coordinator in a secure location to ensure confidentiality. This information will be retained in accordance with data protection periods. No other copies should be kept.

CONFIDENTIALITY

Employees have a duty to share information relating to suspected abuse with Essex Social Care and Essex Police.

Employees must not:

- Discuss any allegations of abuse or bullying, substantiated or not, with anyone from Colchester Borough Council other than with their line manager, a Designated Officer, the Safeguarding Co-ordinator, the Safeguarding Lead or the Strategic People and Performance Manager.
- Discuss any allegations of abuse or bullying, substantiated or not, with any member of an external agency (excluding Essex Social Care and Essex Police), other than as part of a referral or investigation,
- Discuss any allegations of abuse or bullying, substantiated or not, with any other interested party, including parents, carers and relatives of the child,

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without the express permission of the person with overall responsibility for the investigation.

This does not exclude the employee from the need or right to consult with a solicitor, trade union representative or other bona fide legal adviser.

RECORDING INFORMATION

Staff should make a note of the information gained about possible abuse or neglect at the time that it becomes known, or as soon as possible afterwards. It should be passed promptly to the Designated Officer who will retain the information securely in a dedicated area of the network. Other copies should not be kept.

As much relevant information as possible should be recorded including:

- ***the name, address and date of birth of the person the member of staff is concerned about***
- ***the nature and date of the incident or concern***
- ***GP contact details where known***
- ***the member of staff's name and contact details***

It should also be confirmed whether consent to share information has been sought and obtained. See below.

CONSENT

With regard to a child

Consent to share information about abuse or neglect should always be sought from the parent unless knowledge of the referral could place the child at greater risk. For example, this might be the case where the parent is alleged to have caused, or have been complicit in, the abuse. Consent may be verbal.

Where the child could be at risk of "significant harm", the Council has a duty to share information even when consent has been denied.

(Harm is defined as ill-treatment or impairment of health or development including, for example, impairment suffered from seeing or hearing the ill-treatment of another. Development can be physical, intellectual, emotional, social or behavioural; health can be physical or mental; Ill-treatment includes sexual abuse and forms of ill-treatment which are not physical.)

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The Designated Officer may discuss the circumstances of a possible referral with the Family Operations Hub without disclosing personal information or data in order to gain advice on the issue of consent.

Personal information or data can always be shared with the Police where a serious crime may have been committed.

With regard to an 'adult at risk'

Consent to share information about abuse or neglect should always be sought unless knowledge of the referral could place the adult at greater risk. Information about abuse or neglect, however, can still be shared even where consent has been denied where:

- *the person lacks mental capacity*
- *there is a public interest (eg another adult could be put at risk of harm)*
- *there is a duty of care (eg a crime has been or may be committed)*

The Designated Officer may discuss the circumstances of a possible referral with the Social Care Direct without disclosing personal information or data, in order to gain advice on the issue of consent.

MENTAL CAPACITY

The Mental Capacity Act 2005 aims to protect people who cannot make decisions for themselves, whether these are day-to-day decisions, or major decisions such as where to live. People may be unable to make decisions for themselves for many reasons including mental health, learning disabilities or dementia.

The Act's Five Core Principles are:

- *a person must be assumed to have capacity unless established otherwise by way of an assessment*
- *a person should be supported as much as possible to make a decision for themselves*
- *a person is not to be treated as unable to make a decision merely because they make an unwise decision*
- *any decision made on behalf of someone who lacks capacity must be made in the person's best interests*
- *whatever action is taken on someone's behalf must be the least restrictive option*

Staff who work with people who may have a mental disability, condition or trauma, need to know about the Mental Capacity Act. Line managers need

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to ensure that staff access suitable training. Information and forms can be accessed on the Essex County Council website.

NB: Deprivation of Liberty Safeguards (known as “DOLS”) exist to provide a legal framework around the deprivation of liberty within a hospital or care home setting. Further information can be accessed on the Essex County Council website.

HOMELESSNESS

Colchester Borough Council owes a legal duty to provide temporary accommodation to individuals whose status and circumstances meet certain criteria as defined by statute. This function is delegated to Colchester Borough Homes which is an ALMO (Arms Length Management Organisation) owned by the Council. Its officers may need to refer families or individuals to Essex Social Care outside of the safeguarding processes outlined on page 8.

Persons affected	Reason for contacting Essex Social Care
Homeless 16-17 year olds	A 16 or 17 year old may be referred to Essex Social Care for assessment to determine if they are a child in need with a duty owed to them by Essex Social Care.
Intentionally homeless household with children	If a household with children is found to be intentionally homeless, Essex Social Care Direct should be advised in writing so that they can ascertain whether a duty is owed under the Children Act 1989.

Colchester Borough Homes only places children or adults with needs for care and support into 'Bed and Breakfast' or temporary accommodation in an emergency and as a last resort. Officers complete a detailed Housing Options form with applicants. This helps to identify needs and vulnerabilities, and assists in the process of safeguarding both children and adults with needs for care and support.

USE OF CONTRACTORS

Colchester Borough Council will take reasonable care that contractors doing work on its behalf are monitored appropriately. Any contractor or sub-contractor engaged by the Council in areas where workers are likely to come into regular contact with children or 'adults with needs for care and support' should have its own equivalent safeguarding children and adults at risk policies, or failing this, must comply with the terms of this policy. This requirement will be written into the contract.

Where contact with children and adults with needs for care and support is a necessary part of the contracted service, it is the responsibility of the manager who is using the services of the contractor to ensure that satisfactory Disclosure and Barring Service (DBS) checks have been completed where appropriate.

GRANT APPLICATIONS

Safeguarding policies and procedures are required from all grant funded organisations. In addition, satisfactory DBS checks may be required from appropriate individuals working with children and vulnerable adults which seek funding from the Council. (Such requirements are subject to relevant legislation including the 'regulated activity' criteria contained within the Protection of Freedoms Act 2012). This information will be requested at the application stage and applications will not be processed without the relevant documentation. As a minimum, any organisation receiving funding from the Council will be expected to have a statement of policy and procedure regarding safeguarding, in place and understood by employees and volunteers, and available to service users.

This applies to all organisations the Council awards grants to, irrespective of how the grant has been awarded. An example policy to use is included in Appendix 4. Commissioned/contracted or grant-funded organisations with minimal contact with children, young people, adults with needs for care and support or 'vulnerable adults' (for DBS purposes) may wish to adopt the Council's policy if deemed suitable.

LICENSING

The Council is responsible for carrying out certain licensing functions. Protection of children from harm is a licensing objective that the Council is legally obliged to consider as part of its licensing function, in particular when licensing premises under the Licensing Act 2003 or the Gambling Act 2005.

HEALTH AND SAFETY

Where the Council inspects premises to discharge its legal responsibilities in this area, employers may be obliged to carry out risk assessments, including for the employment of young people. As part of the inspection process, officers may examine such risk assessments to determine their suitability. If evidence is gained that young people are working without relevant permits in place, or in 'unsuitable workplaces', the Council will report this to Essex Social Care Direct.

PHOTOGRAPHY AND PORNOGRAPHY

It is an unfortunate fact that some people have used children's events as opportunities to take inappropriate photographs or footage of children and young people. Councillors, employees and contractors should be vigilant at all times. Anyone using cameras or film recorders for or on behalf of the Council must have either completed media consent forms from the parents of children being photographed or filmed, or have checked with the parent or guardian, before the activity commences. When commissioning professional photographers or inviting the press to cover the organisation's services, events and activities, the Council will ensure that expectations are made clear in relation to child protection.

There are some easy steps to take:

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1. Check credentials of any photographers and organisations used.
2. Ensure identification is worn at all times.
3. Do not allow unsupervised access to children or adults with needs for care and support including through one-to-one photographic sessions.
4. Do not allow photographic sessions outside of the activities or services, or at a child's home.
5. The names of children or adults with needs for care and support should not be used in photographs or footage, unless with the express permission of the parent/carer of the child, young person or adult.

Council employees should contact the Communications Team for advice and a copy of the Media Consent Form before the activity commences.

CHILD SEXUAL EXPLOITATION (CSE)

The sexual exploitation of children exploitative situations, contexts and relationships where the child (or a third person or persons) receives 'something' (for example, food, accommodation, drugs, alcohol, cigarettes, affection, gifts, money) as a result of performing, and or others performing on them, sexual activities.

Child sexual exploitation can occur through use of technology without the child's immediate recognition, for example the persuasion to post sexual images on the internet/mobile phones with no immediate payment or gain. In all cases those exploiting the child/young person have power over them by virtue of their age, gender, intellect, physical strength and /or economic or other resources.

The UN Convention on the Rights of the Child, article 34 states 'governments must protect children from sexual abuse and exploitation'. Section 11 of the Children Act 2004 places a duty on key organisations to ensure that they work together to improve the wellbeing of children. There are six main 'models' of CSE:

- ***Inappropriate Relationship Model***
- ***Organised / Network & Trafficking Model***
- ***Gangs and Group Model***
- ***Peer on Peer Model***
- ***Older Adult 'Boyfriend' Model***
- ***On-Line Grooming Model***

The Council is committed to play its full part in tackling CSE which includes reporting concerns and increasing awareness. It endorses the ESCB statement that this problem "cannot be dealt with by individual organisations working alone and that a multi-disciplinary commitment is required to tackle and respond to CSE".

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Further information on CSE models and Essex-wide operational arrangements for both CSE and Missing Children are detailed within the ESCB document Essex CSE and Missing Arrangements.

Staff responsibility

Staff with concerns about a specific child being at risk of CSE should speak to a Designated Safeguarding Officer for their service. He or she will assist the member of staff in making a referral to the Family Operations Hub. If a child is at immediate risk of harm the Police should always be called on 999.

Where a member of staff has general (as opposed to person specific) concerns, for example in regard to a suspected CSE "hotspot", then the Police may be contacted on csett@essex.pnn.police.uk. In this case, please copy in the Equality and Safeguarding Co-ordinator so that a central record is retained. .

Further information about CSE can be found on the Essex Police and ESCB websites.

DOMESTIC ABUSE

The Council adopts the Government's definition of domestic abuse as being:

"Any incident or pattern of incidents of controlling, coercive, threatening behaviour, violence or abuse between those aged 16 or over who are, or have been, intimate partners or family members regardless of gender or sexuality."

Such abuse can encompass, but is not limited to:

- *Psychological*
- *Physical*
- *Sexual*
- *Financial*
- *Emotional*
- *Controlling behaviour*

Controlling behaviour is a range of acts designed to make a person subordinate and/or dependent by isolating them from sources of support, exploiting their resources and capacities for personal gain, depriving them of the means needed for independence, resistance and escape and regulating their everyday behaviour.

Survivors/victims may be affected by domestic abuse in a number of ways:

- *Loss of opportunity*

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- *Isolation from family/friends*
- *Loss of income or work*
- *Homelessness*
- *Emotional/psychological effects such as experiences of anxiety,*
- *Depression or lowered sense of self-worth*
- *Poor health*
- *Physical injury or ongoing impairment*
- *Death*

The effects of domestic abuse on survivors/victims include the direct effects on them and their relationships with other people, particularly their children.

Domestic abuse or violence is a crime and should be reported to the Police. The duty to share information for the prevention, or detection, of a crime overrules the usual principles of Data Protection (as per s.29 of the Act)

What staff should do if they become aware of domestic abuse or violence:

- *In an emergency call 999.*
- *If less urgent, call 101 - or contact the Essex Police 'Domestic Abuse and Safeguarding Team' direct on 012076 717834*
- *Alternatively any concerns can be passed to CRU-PPenquiries@essex.pnn.police.uk which is monitored between 8.00am and 10.00pm 7 days a week.*
- *In addition to any of the above, staff should contact a Designated Officer who will advise on making a referral to the Family Operations Hub (if the concern is about a child) or Adult Social Care (if the concern is about an adult).*
- *Survivors/victims can also contact the Police direct on 0800 358 0351.*

HONOUR BASED ABUSE

Honour Based Abuse is an international term used by many cultures for justification of abuse and violence. It is a crime or incident committed in order to protect or defend the family or community 'honour'. Honour Based Abuse is often the collective term used to include Female Genital Mutilation and Forced Marriage.

Forced Marriage

A forced marriage is a marriage in which one or both spouses do not (or, in the case of some adults with learning or physical disabilities, cannot)

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consent to the marriage and duress is involved. Duress can include physical, psychological, financial, sexual and emotional pressure.

There is a clear distinction between a forced marriage and an arranged marriage. In arranged marriages, the families of both spouses take a leading role in arranging the marriage but the choice whether or not to accept the arrangement remains with the prospective spouses.

Female Genital Mutilation (FGM)

Female genital mutilation (FGM) includes procedures that intentionally alter or injure female genital organs for non-medical reasons. The procedure has no health benefits for girls and women. FGM is internationally recognised as a violation of the human rights of girls and women.

The Female Genital Mutilation Act 2003:

- *makes it illegal to practice FGM in the UK*
- *makes it illegal to take girls who are British nationals or permanent residents of the UK abroad for FGM whether or not it is lawful in that country*
- *makes it illegal to aid, abet, counsel or procure the carrying out of FGM abroad*
- *has a penalty of up to 14 years in prison and, or, a fine*

Suspensions may arise in a number of ways that a child is being prepared for FGM to take place abroad. These include knowing that the family belongs to a community in which FGM is practised and is making preparations for the child to take a holiday, arranging vaccinations or planning absence from school. The child may also talk about a 'special procedure/ceremony' that is going to take place. Girls are at particular risk of FGM during summer holidays. This is the time when families may take their children abroad for the procedure. Many girls may not be aware that they may be at risk of undergoing FGM.

Further information and resources on FGM are available on this page of the ESCB website.

Where staff have concerns that a child may be a possible or potential victim of Forced Marriage or FGM, this should be raised with a Designated Safeguarding Officer via the existing procedures outlined above in respect of 'Raising a safeguarding concern' involving contact with the Family Operations Hub or Adult Social Care. The Designated Safeguarding Officer will also ensure that the Police is contacted where a criminal offence is suspected.

MODERN SLAVERY

The Modern Slavery Act 2015 is intended to provide law enforcement agencies with stronger legal tools to stamp out modern slavery, ensuring that the perpetrators receive suitably severe punishment, while enhancing the protection of, and support for, victims.

Modern Slavery is estimated to be one of the world's most profitable criminal activities. An assessment published in 2014 conducted by the Home Office estimates that there are between 10,000 and 13,000 victims in the UK. Sexual exploitation is the most common form of modern slavery currently reported by potential victims in the UK, followed by labour exploitation, forced criminal exploitation and domestic servitude.

Where staff have concerns about a child or adult suffering abuse related to any form of modern slavery, this should be raised with a Designated Safeguarding Officer via the existing procedures outlined above in respect of 'Raising a safeguarding concern' involving contact with the Family Operations Hub or Adult Social Care.

In addition the Council has a specific legal duty under the Act relating to the functions of the Independent Anti-Slavery Commissioner whose role is to act in the interests of victims and potential victims by ensuring that the law enforcement response to modern slavery is coordinated. All local authorities have a duty to co-operate with the Commissioner as per section 43(1). The Council is committed to increasing awareness of Modern Slavery for all staff through its safeguarding training programme.

PREVENT

Section 26 of the Counter Terrorism and Security Act 2015 places a new duty upon local authorities including district councils to have "due regard to the need to prevent people from being drawn into terrorism".

The PREVENT Strategy has three objectives, to:

- *Respond to the ideological challenge of terrorism and the threat we face from those who promote it*
- *Prevent people from being drawn into terrorism and ensure they are given appropriate advice and support; and*
- *Work with sectors and institutions where there are risks of radicalisation that we need to address*

It includes all forms of violent terrorism and non-violent extremism - including Islamist and far-right supremacist forms. 'Extremism' is defined as "vocal or active opposition to fundamental British values, including

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democracy, the rule of law, individual liberty and mutual respect and tolerance of different faiths and beliefs.”

As directed by statutory guidance, concerns about individuals being drawn into terrorism should be raised by Designated Safeguarding Officers via the existing procedures outlined above in respect of ‘Raising a safeguarding concern’ involving contact with the Family Operations Hub or Adult Social Care.

Prevent should not involve covert activity against communities or individuals, but should involve the sharing of personal information to ensure that a person at risk of radicalisation is given appropriate support. Following a referral as above, support may be co-ordinated by the local CHANNEL Panel.

Working principles include the need for proportionality and the principle of consent (unless seeking this could put a person at risk). The Council’s approach is consistent with existing safeguarding processes to include secure record keeping in accordance with the Data Protection Act.

The Safer Colchester Partnership has agreed a Prevent Strategy and Action Plan. The Strategy is published on the Council’s website and appears here in the appendices.

SAFEGUARDING TRAINING

Whenever Colchester Borough Council recruits employees it will ensure that they are well informed, trained, supervised and supported so that they are less likely to become involved in actions that may cause harm to children or ‘adults with needs for care and support’, or be misunderstood.

The level to which individual employee training is required is determined in accordance with the training guidance issued by Essex Safeguarding Children Board and Essex Safeguarding Adults Board.

All new employees and councillors are made familiar with their responsibilities in regard to the safeguarding of children and adults with needs for care and support. Staff are required to complete a safeguarding awareness course, either by e-learning, or by following a paper equivalent (where staff do not have network access).

Safeguarding Training at Colchester Borough Council	
Who requires this training	Level of training required
All staff.	Level 1 - All staff are required to complete safeguarding e-learning

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	<p>awareness - or a combined paper equivalent for those without e-learning access which requires staff signature.</p> <p>This training should be refreshed at least every 3 years.</p>
Members of the workforce who work “predominantly” with children, young people, adults with needs for care and support and/or their parents/carers – for example Sports Coaches.	<p>Level 2 – Safeguarding Board approved external training is delivered to staff identified by internal audit.</p> <p>This training should be refreshed every 3 years.</p>
Designated Officers	Designated Officer training – Safeguarding Board approved external training should be accessed by such officers at least every 3 years .
Strategic and Operational Safeguarding Leads	Safeguarding Leads training – is provided by the ESCB and ESAB and should be accessed at least every 3 years.
Customer facing ‘front line’ officers	Officers and their managers will be contacted when they are identified as requiring PREVENT (counter-terrorism) or other safeguarding related training.

Councillors will be invited to attend annual safeguarding sessions to update their knowledge and provide an opportunity to review best practice and experiences.

SAFE RECRUITMENT

Colchester Borough Council is committed to taking all reasonable steps to prevent unsuitable people working with children and ‘vulnerable adults’ (The term vulnerable adults has been retained in respect to Disclosure and Barring.).

All job descriptions are risk assessed within the organisation to identify which jobs are likely to involve regular and/or substantial unsupervised contact with children and vulnerable adults. For all new employees, confirmation of employment will be dependent on satisfactory checks where appropriate.

Disclosure and Barring Service (DBS) checks are sought where employees and volunteers have substantial or regular or unsupervised contact with children, young people or vulnerable adults as part of their duties or responsibilities for or on behalf of the organisation. Checking activity will be consistent with relevant

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legislation, especially the 'regulated activity' criteria contained within the Protection of Freedoms Act 2012.

DBS checks only guarantee that the person concerned does not have a relevant criminal conviction up to the date that the certificate is issued.

Please see Appendix 10 for a link to the Council's 'Manager's Guide to Recruitment'. Appendix VII of the Manager's Guide includes a checklist which managers are required to adhere to as part of the process to ensure safe recruitment.

WORK EXPERIENCE / INTERNS

Colchester Borough Council may offer work experience placements across the organisation to a number of young people each year. This is beneficial to both the young person and to the Council. When the organisation offers a work experience placement, managers have a responsibility for their health, safety and welfare. Under health and safety law, these students will be regarded as employees.

WHISTLEBLOWING

Whistleblowing is defined by the charity Public Concern at Work to mean:

'A disclosure of confidential information which relates to some danger, fraud or other illegal or unethical conduct connected with the workplace, be it of the employer or of its employees.'

In Safeguarding, as in all areas, the Council is committed to the highest possible standards of openness, probity, accountability and honesty. Should an employee, councillor or volunteer have serious concerns about any aspect of the Council's work, he or she is encouraged to come forward to voice those concerns without fear of victimisation or disadvantage.

Concerns should be raised with the Monitoring Officer or the Section 151 Officer. Further information can be found within the Council's Whistleblowing Policy, which is published on its website.

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APPENDIX 1: CURRENT ROLES

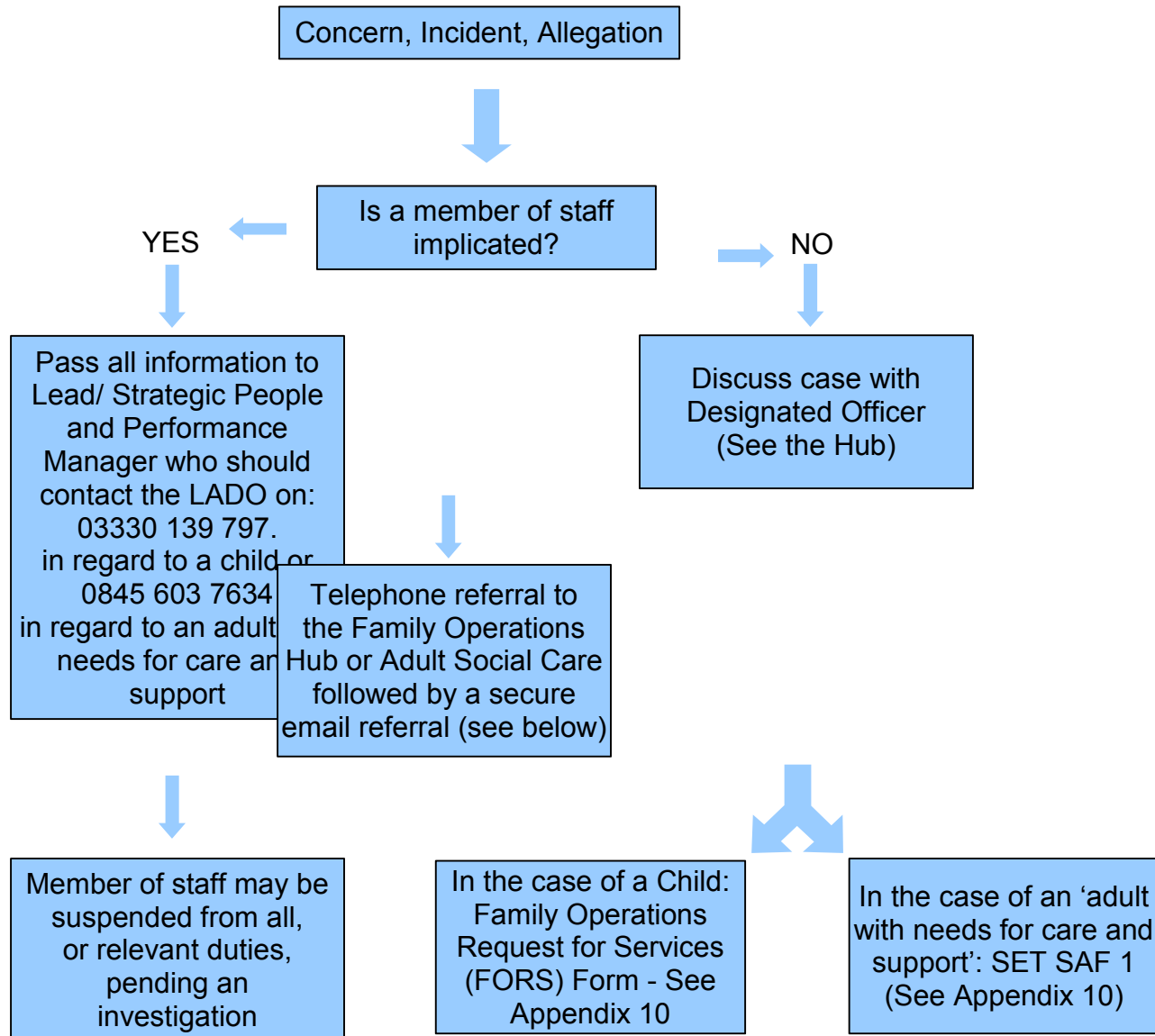
Key staff with responsibilities for Safeguarding

Delegated Lead Officer	Lucie Breadman
Strategic People and Performance Manager	Jessica Douglas
Safeguarding Co-ordinator	Andrew Harley

Designated Safeguarding Officers

Colchester Borough Council staff and councillors can access a full list of Designated Safeguarding Officers on the staff intranet.

APPENDIX 2: PROCEDURE FLOWCHART



999 – Requiring an emergency response to anyone’s immediate safety
0345 603 7627 – *Either request a ‘Priority’ response (for a child requiring immediate protection) or request the ‘Family Operations Line’*
0345 606 1212 - *Emergency duty out-of-hours service (children)*

0345 603 7630 - *Concern about an ‘adult with needs for care and support’*
0300 123 0778 - *Emergency out of hours service (adults)*

The completed FORS form should be securely emailed to FOH@essex.gcsx.gov.uk; the completed SETSAF1 should be securely emailed to essexsocialcare@essex.GCSX.gov.uk.

APPENDIX 3: TYPES OF ABUSE

There are ten main types of abuse. The table below includes key physical and behavioural indicators that staff should look out for:

Type of Abuse	Physical Indicator	Behaviour Indicator
Physical	<ul style="list-style-type: none"> • Unexplained bruising, marks or injuries • Bruises which reflect hand marks • Cigarette burns • Bite marks • Broken bones • Scalds 	<ul style="list-style-type: none"> • Fear of parent being contacted • Aggressive or angry outburst • Running away • Fear of going home • Flinching • Depression • Keeping arms/legs covered • Reluctance to change clothes • Withdrawn behaviour
Psychological	<ul style="list-style-type: none"> • Developmentally delayed • Sudden speech disorders • Loss of appetite / loss of weight • Disturbed Sleep 	<ul style="list-style-type: none"> • Neurotic behaviour e.g. hair twisting, rocking • Unable to play/take part • Fear of making mistakes • Sudden speech disorders • Self harm or mutilation • Fear of parents being contacted
Neglect and Self Neglect	<ul style="list-style-type: none"> • Constant hunger, stealing food • Unkempt state • Weight loss/underweight • Inappropriate dress • Untreated physical illnesses • Constantly tired 	<ul style="list-style-type: none"> • Truancy/late for school • Withholding of 'necessaries', eg nutrition, medication, healthcare, social stimulation • Withholding assistance to use toilet, keep clean, warm and comfortable • Disregarding one's personal hygiene, health or surroundings
Sexual	<ul style="list-style-type: none"> • Pain/itching in the genital area • Bruising/bleeding near genital area • STIs • Vaginal discharge/ infection 	<ul style="list-style-type: none"> • Sudden change in behaviour • Nightmares • Unexplained sources of money • Sexual drawings/ language • Bedwetting • Self-harming behaviours

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	<ul style="list-style-type: none"> • Stomach pains • Discomfort when walking/ sitting • Pregnancy 	<ul style="list-style-type: none"> • Secrets which cannot be told to anyone • Behaving beyond their age
Financial or Material	<ul style="list-style-type: none"> • Stealing money • Prevention of necessary care options 	<ul style="list-style-type: none"> • Never having money for activities, snacks or treats • Unexplained or sudden inability to pay bills • Personal possessions of value go missing from home without explanation • Pressure or misappropriation of property, wills, bank accounts, benefits or assets
Discriminatory	<ul style="list-style-type: none"> • Ignoring dietary requirements 	<ul style="list-style-type: none"> • Direct or indirect discrimination based on race, gender, culture, disability, sexuality, religion, belief or values • Omitting services or activities based on preconceived ideas about someone's age or condition
Organisational	<ul style="list-style-type: none"> • Poor care planning • Inflexible routines • Lack of privacy 	<ul style="list-style-type: none"> • The routine/ practice or management that is not responsive to or respectful to the individuals served • Little opportunity for outside activities
Domestic Abuse	<ul style="list-style-type: none"> • Signs of psychological, physical, sexual and financial abuse • Female Genital Mutilation • Forced marriage. 	<ul style="list-style-type: none"> • Being prevented from seeing family/friends or attending college/work/appointments • Being followed or continually being asked where they are • Feeling scared of others, • Being threatened personally or threats against other family/friends • Being prevented from leaving the home; withholding finances, • Being forced to do something unwanted for their partner.
Modern Slavery	<ul style="list-style-type: none"> • Signs of physical or psychological abuse • May appear malnourished or unkempt, or appear withdrawn 	<ul style="list-style-type: none"> • Signs of isolation • Being prevented from travelling freely or going out on their own • Appearing to be under the control or influence of others • Appearing to be unfamiliar with their neighbourhood or where they work

APPENDIX 4: POLICY STATEMENT AND PROCEDURE TEMPLATE

(Name of organisation working with or on behalf of Colchester Borough Council) explicitly agrees to the following Statement of Policy and Procedures in regard to Safeguarding:

We are committed to safeguarding children (those under 18) and ‘adults with needs for care and support’, and protecting them from abuse when they are engaged in services organised and provided by us. We will act in the best interest of the child or adult at all times, and will proactively seek to promote their welfare and protection.

We confirm that we will follow Southend Essex Thurrock (SET) Safeguarding Guidelines.

We will ensure that unsuitable people are prevented from working with children and ‘vulnerable adults’ through using safe recruitment and selection processes. This will involve DBS (Disclosure and Barring Service) ‘checks’, where appropriate.

We will take any concern made by a service user, employee, volunteer or child/adult seriously and sensitively, and will not tolerate harassment of a person who raises concerns.

We confirm that we have at least one Designated Safeguarding Officer responsible for raising concerns about abuse or suspected abuse towards a child or adult with needs for care and support with Essex County Council and the Police, as appropriate.

We acknowledge our responsibility to contact Essex County Council promptly if we become aware of concerns about a Child or Adult with needs for care and support. We confirm that we will contact the Local Authority Designated Officer (LADO) in cases of concerns or allegations about a member of staff or volunteer.

We confirm that those raising a concern will be made aware that it will be shared with appropriate people but will be treated in confidence as far as possible. Staff and volunteers will not discuss the concern except with the Designated Safeguarding Officer, the Council’s Safeguarding Co-ordinator, or an agent of the responsible authority investigating the concern (Essex County Council or Essex Police). We agree to make referrals, and retain records, securely and appropriately in accordance with relevant legislation.

We understand that it is our responsibility to access and monitor appropriate training for staff and volunteers in respect of safeguarding, details of which can be provided by the Local Safeguarding Boards.

APPENDIX 5: SAFEGUARDING LEGISLATION

The following legislation and guidance underpin the safeguarding policy and aim to ensure that children and ‘adults with needs for care and support’ are protected from harm.

Included below is a list of legislative acts that empower and compel organisations to ensure that adequate safeguarding measures for children are in place.

Legislation	Description
The United Nations Convention on the Rights of the Child 1989	The Convention on the Rights of the Child was adopted by the UK in full in 2008. It was the first legally binding international instrument to incorporate the full range of human rights—civil, cultural, economic, political and social rights. In 1989, world leaders decided that children needed a special convention just for them because people under 18 years old often need special care and protection. The leaders also wanted to make sure that the world recognised that children have human rights too.
Children Act 2004	Section 11 places a statutory duty on district councils to make arrangements to ensure that in discharging their functions they consider the need to safeguard and promote the welfare of children. Section 10 outlines the duty to promote inter-agency cooperation between named agencies (including district councils). There is a reciprocal duty on those agencies to co-operate with the Child Support Agency (CSA) in budget pooling – a key provision that underpins children's trust arrangements. Section 13 requires each local authority to be a statutory partner of the Local Safeguarding Children Board. Section 17 entitles district councils to be consulted on the CSA's Children and Young People's Plan (CYPP).
The Apprenticeships, Skills, Children and Learning Act 2009	Section 9 makes amendments to the Children Act 2004, specifically regarding the establishment of Children's Trust Boards. The Children's Trust comprises: <ul style="list-style-type: none"> a) the local authority including all constituent services that impact on children and families, such as housing, b) named statutory 'relevant partners' – this includes district councils, c) any other partners the local authority considers appropriate.

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	The 'relevant partners' are placed under a duty to cooperate in the making of arrangements to improve wellbeing and have a power to pool budgets and share other resources.
The Human Rights Act 1998	Sets out the rights of children and families to challenge what they perceive to be an infringement of their human rights.
Protection of Children Act 1999	Sets out the framework to enable employers to check on the suitability of employees to work with children. This act builds on the Police Act (1997), which set up the Criminal Records Bureau.
The Sexual Offences (Amendment) Act 2000	Introduces the concept of 'abuse of trust,' whereby adults could commit an offence in engaging in sexual activity with someone younger than them if they are seen to be in a position of trust, even if the younger person is above the age of consent (16-18 in the case of child protection).
The Sexual Offences Act 2003	This replaced the Sex Offenders Act (1997). This incorporated 50 new offences, including a new 'Grooming' offence. Offences also include the use of the internet in child abuse and abuse of positions of trust. It also includes a new definition of rape.
Care Standards Act 2000	The Care Standards Act 2000 sets out a regulatory framework and standards for services people might receive. This applies to regulated services such as residential care, domiciliary care or adult placement schemes. Part 7 makes provision for the Protection of Vulnerable Adults (POVA) scheme to prevent abusers from working with vulnerable adults. This sets out a regulatory framework and standards for services people might receive. This applies to regulated services, including care in a care home, domiciliary care and adult placement schemes (now referred to as Shared Lives).
Mental Capacity Act 2005	Made it an offence to neglect or deliberately ill-treat a person who lacks capacity. It put arrangements in place for advocacy support and best-interest decision-making.
Safeguarding Vulnerable Groups Act 2006	Created the Independent Safeguarding Authority (ISA) ¹ , which aims to prevent unsuitable people working with children and vulnerable adults. It includes social care services, as well as health, education, housing support and supporting people services.

¹ In December 2012, the Disclosure and Barring Service (DBS) merged the functions previously carried out by the Criminal Records Bureau (CRB) and Independent Safeguarding Authority (ISA).

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<p>Every Child Matters, the Government's vision for children's services (no longer in force, yet the principles remain key cross cutting priorities)</p>	<p>This set out 5 key outcomes - be healthy, stay safe, enjoy and achieve, make a positive contribution and achieve economic wellbeing. District councils contribute to these outcomes in a variety of ways including:</p> <ul style="list-style-type: none"> • Housing – for example: preventing homelessness, providing supported accommodation for young parents and care leavers, re-housing families fleeing domestic abuse, supported accommodation for vulnerable adults, adaptations to properties etc. • Planning – for example: providing appropriate play facilities in new housing developments, making road safety schemes child-friendly. • Culture, leisure and learning opportunities – for example: provision of local leisure centres, art, crèche and playgroup facilities, museums, theatres. • Environmental health services – for example: promoting the health of children and adults, particularly in relation to food hygiene and nutrition.
<p>Protection of Freedoms Act 2012</p>	<p>Part 5 of the Protection of Freedoms Act 2012 covers the reduction in scope of the definition of regulated activity, new services provided by the Disclosure and Barring Service (DBS), and disregarding convictions and cautions for consensual gay sex.</p> <p>The DBS helps employers make safer recruitment decisions and prevent unsuitable people from working with vulnerable groups, including children. It replaces the Criminal Records Bureau (CRB) and Independent Safeguarding Authority (ISA). For the purposes of Disclosure and Barring, the term 'vulnerable adult' has been retained.</p>
<p>Care Act 2014</p>	<p><i>The Act changes the definition of adult safeguarding. This reflects the local authority's new safeguarding duties that apply in relation to an adult who:</i></p> <ul style="list-style-type: none"> • <i>(a) has needs for care and support (whether or not the authority is meeting any of those needs),</i> • <i>(b) is experiencing, or is at risk of, abuse or neglect, and.</i> • <i>(c) as a result of those needs is unable to protect himself or herself against the abuse or neglect or the risk of it.</i> <p><i>The Act also:</i></p> <ul style="list-style-type: none"> • <i>Places the adult at risk at the centre of the decision-making process.</i> • <i>Places Local Safeguarding Adults Boards on a statutory footing</i>

APPENDIX 6: MODERN SLAVERY - TRANSPARENCY STATEMENT 2015/16

This statement sets out Colchester Borough Council's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business, and its supply chains. This statement relates to actions and activities during the financial year 1 April 2015 to 31 March 2016. As part of Local Government, the Council recognises that it has a responsibility to take a robust approach to slavery and human trafficking. In addition to the Council's responsibility as an employer, it also acknowledges its duty as a Borough Council to notify the Secretary of State of suspected victims of slavery or human trafficking as introduced by section 52 of the Modern Slavery Act 2015. The Council is committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking. The below sets out practices already in place at the Council and any committed actions set for 2016/17 in response to the introduction of the Modern Slavery Act.

Section 54 of the Modern Slavery Act states that the employer's slavery and human trafficking statement might include information on:

- its structure, business and supply chains;*
- its policies in relation to slavery and human trafficking;*
- its due diligence processes in relation to slavery and human trafficking in its business and supply chains;*
- the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps that it has taken to assess and manage that risk;*
- its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate; and*
- the training about slavery and human trafficking available to its staff.*

This statement has been approved by the Council's Senior Management Team and the Portfolio Holder for Business, Leisure and Opportunities. It will be reviewed and updated as part of the Council's annual policy review of Safeguarding.

Annie Feltham
Portfolio Holder for Business, Leisure and Opportunities
August 2016

Structure and Business

Colchester Borough Council is a local authority which provides a wide range of statutory and discretionary services for its residents, businesses, visitors and partners. Its structure is shown on its website [here](#).

Colchester has a rapidly growing population and economy. Over the next 15 years the borough is anticipated to experience one of the fastest growth rates within the county, with population rising from around 180,000 to 208,000 by 2030.

The Council's [Strategic Plan 2015-18](#) includes supporting our residents, businesses and staff. The four words that we feel sum up what we want to achieve for the borough are:

- *Vibrant - promoting our heritage and working hard to shape our future.*
- *Prosperous – generating opportunities for growth and supporting infrastructure.*
- *Thriving - attracting business and selling Colchester as a destination.*
- *Welcoming - a place where people can grow and be proud to live.*

The Council's [People Strategy 2015-18](#) has three themes: Customer, Business and Culture. It is reviewed every three years (and its associated action plan annually) so that it stays relevant. The Strategy is supported by other policies, available on the Human Resources (HR) section of the Council's intranet, which are also regularly reviewed.

Supply Chains

From April 2016, all tender processes will require bidders to provide confirmation that they are compliant with the Act. In addition, before being added to the finance system, all new suppliers will have provided confirmation of compliance.

[Procurement Strategy 2015-17](#)

The Council procures goods and services from various suppliers and this is governed by our procurement strategy.

Policies

The Council reviews its policies and procedures on an ongoing basis to ensure they remain compliant and fit for purpose. The following policies

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and procedures are considered to be key in meeting the requirements of the Modern Slavery Act.

Safeguarding

The Council embraces its responsibility to develop, implement and monitor policies and procedures to safeguard the welfare of children and ‘adults at risk’. The Council has a comprehensive Safeguarding Policy which all staff and councillors are expected to read and work within. The Council works within multi-agency partnerships to protect and safeguard people.

Recruitment

The Council's recruitment processes are transparent and reviewed regularly. They include robust procedures for vetting new employees, which ensures they are able to confirm their identities and qualifications, and they are paid directly into an appropriate, personal bank account. To comply with the Asylum, Immigration and Nationality Act 2006, all prospective employees are asked to supply evidence of their eligibility to work in the UK. References are also requested and followed up.

Agency Workers

The Council uses only reputable employment agencies to source labour and verifies the practices of any new agency it is using before accepting workers from that agency.

Pay

The Council operates a Job Evaluation Scheme to ensure that all employees are paid fairly and equitably. As part of its commitment to being a good employer, the Council has paid the Living Wage or more to its employees since 2013. The Council became an accredited Living Wage Employer in February 2016, meaning that this will be extended to relevant contracted staff as those contracts come up for renewal.

Employee Code of Conduct

The Council's Employee Code of Conduct makes clear to employees the actions and behaviours expected of them when representing the Council. The Council strives to maintain the highest standards of employee conduct and ethical behaviour and breaches are investigated.

Whistleblowing

The Council encourages all its employees, customers and other business partners to report any concerns related to the direct activities or the supply chains of the Council. The Council's whistleblowing procedure is designed to make it easy for employees to make disclosures, without fear of retaliation.

Councillors (Members)

Members' Code of Conduct and Ethical Framework

The Council expects all Councillors to demonstrate the highest standards of conduct and behaviour. All Councillors are required to abide by a formal Code of Conduct. Breaches are investigated by the Monitoring Officer. The Ethical Framework within the Council's Constitution sets out further details.

Councillors' Declarations of Interests

The Council requires all Councillors to record and declare personal and prejudicial interests.

Partnerships

The Council works in partnership with a wide range of agencies to prevent abuse and neglect, to detect and report occurrences and to support victims. This includes Essex County Council and the Local Safeguarding Boards. It also leads the Safer Colchester Partnership (SCP). Audits are carried out for the Essex Safeguarding Children Board and Essex Safeguarding Adults Board on an annual basis. This includes appropriate reference to Modern Slavery and human trafficking.

Contractors and Service Providers

The Council requires its key contractors to have safeguarding policies, procedures and training in place in addition to providing confirmation of compliance with the Act.

Training

Staff

The Council has a programme of mandatory training that all employees must complete. It enables officers in community-facing

roles to identify and know how to report suspected incidents of abuse and neglect, including modern slavery and trafficking. Information on Modern Slavery was included within Designated Officer training in 2015, and was incorporated into updated safeguarding awareness training for all staff in July 2016.

Councillors' Training

Induction material on Equality and Diversity and Safeguarding is provided to councillors on election, and face to face training is available on an annual basis.

APPENDIX 7: SAFER COLCHESTER PARTNERSHIP PREVENT STRATEGY 2016-19

Contents

- **Introduction**
- **Responsibility and Governance**
- **Local Context**
- **Community Partnership Working**
- **Aims and Objectives**
- **Delivering the Strategy**
- **Reporting Concerns**
- **Sources of Further Information**

Introduction

This Strategy has been commissioned by Colchester Borough Council's Director of Partnerships for the Safer Colchester Partnership (SCP). Community Safety Partnerships (formerly Crime and Disorder Reduction Partnerships (CDRPs)) were established by the Crime and Disorder Act 1998 in order to reduce crime and protect vulnerable groups. The SCP is made up of the Council and its local partners including Essex Police, Fire and Rescue, Probation and Health.

The Colchester Prevent Strategy sets out the Partnership's strategic aims over the next three years, but may be amended during this timeframe. A separate Action Plan sets out its objectives and how these will be met.

Sec 26 of the Counter Terrorism and Security Act 2015 ("the Act") places a duty upon local authorities including district councils to have "due regard to the need to prevent people from being drawn into terrorism." Preventing people from being drawn into terrorism is part of a range of activities already undertaken by local authorities. The legislation seeks to improve consistency and spread best practice. Effective partnership working is key to Colchester Borough Council meeting its duties. The duty builds upon the PREVENT Strategy published in 2011. Prevent is part of the Government's overall counter-terrorism strategy, CONTEST, which aims to reduce the risk to the United Kingdom from international terrorism 'so that people can go about their lives freely and with confidence.' These forms of terrorism include:

- ***Far Right extremists***
- ***Al-Qaida influenced groups***
- ***Environmental Extremists***
- ***Animal Rights Extremists***

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‘Contest’ consists of the following four strands:

<i>Pursue</i>	<i>to stop terrorist attacks</i>
<i>Protect</i>	<i>to strengthen our overall protection against terrorist attacks</i>
<i>Prepare</i>	<i>where an attack cannot be stopped, to mitigate its impact</i>
<i>Prevent</i>	<i>to stop people becoming terrorists or supporting terrorism</i>

The Prevent Strategy has three objectives, to:

- 1. Respond to the ideological challenge of terrorism and the threat we face from those who promote it*
- 2. Prevent people from being drawn into terrorism and ensure they are given appropriate advice and support; and*
- 3. Work with sectors and institutions where there are risks of radicalisation that we need to address*

Statutory Guidance to accompany the new duty was issued in April 2015 and has been used to draft this Strategy.

It is the responsibility of all SCP agencies to ensure that, where relevant, their policies, procedures and processes reflect this Strategy and its accompanying Action Plan.

Responsibility and Governance

The Safer Colchester Partnership (SCP) is led by a Responsible Authorities Strategic Group (RASG) which consists of Chief Officers representing statutory partners and organisations that are well placed to help reduce crime and protect vulnerable groups. It aims to achieve sustainable solutions following the identification of local needs and priorities. The Council’s strategic and overall lead on Prevent falls to both Lucie Breadman (as Head of Community Services) and Pam Donnelly (Director of Partnerships). The operational lead is provided by Andrew Harley (Equality and Safeguarding Co-ordinator) who liaises with Sonia Carr (Senior Community Safety Officer).

Local context

The population of Colchester is 180,420 (mid 2014 estimation) and is projected to grow by 8% by 2022, reaching 195,000. An estimated 39,770 young people were living in the borough in 2014 (those aged 18 years or younger), which accounts for approximately 22% of the total Colchester

population, which is the same as that for Essex and for the UK. Those aged 65 or over accounted for 17% of the total Colchester population which compares with 20% for Essex and 18% for the UK.

The unemployment rate for over 16 year olds in the borough was estimated to be 5.9% , which is less than the England average of 7.2% and the Essex average of 6.3%.

The Black or Minority Ethnic (BME) Community amounted to 8% of the Borough's population in 2011. This compares with 14% for England and Wales and 5.6% for Essex. The largest BME group in the Borough is Asian or British Asian. In 2014 there was a 17.3 rate of migrant workers registered to work in Colchester. This is higher than the rate for Essex which is 9.8 but lower than the rate for England and Wales which is 20.2. The five highest nationalities of non UK residents registered to work in the borough in 2012 were Polish (1770), Indian (990), Chinese (880), Lithuanian (570) and Filipino (480). Census data confirms that 94.2% of people living in Colchester spoke English as their first language. The next most spoken first languages were Chinese, Polish, Arabic, Nepalese, Filipino, Greek, Lithuanian, Romanian and French.

58% of the Borough's population identified themselves as being Christian and 31% as having 'no religion'. 0.6% identified as Buddhist; 0.7% as Hindu; 0.2% as Jewish; 1.6% as Muslim; and 0.1% as Sikh. Places of worship within the borough include more than 100 Christian churches, a Buddhist Centre, a Jewish Synagogue and two Mosques (on Priory Street and at the University of Essex).

The health of people in Colchester is varied compared with the England average. The rate of hospital stays related to alcohol-related harm was 495, which is lower than the average for England. According to the 2015 Public Health Profile 16.3% of children in Colchester are living in poverty. The 2015 Public Health Profile does not provide values for Essex or the UK. However, according to the March 2015 update of 'Child poverty in Essex' (a review of the drivers of child poverty now, and children growing up to be poor adults), there are fewer children living in poverty in Essex (16.1%) than the national average (20.1%). The average IMD score for Colchester is 16.9 which compares with 17.1 for Essex.

The Colchester campus of the University of Essex is two miles from the centre of Colchester. The university is home to more than 10,500 students belonging to more than 130 different nationalities. Colchester Institute is a provider of vocational education in Colchester, Braintree and Clacton. The Borough is also home to 18 schools that provide secondary education.

No obvious community tensions were reported in Colchester based on the 2012/13 Residents' Survey results. 79% of respondents answered that they are satisfied with Colchester as a place to live, compared with the national average of 82%. Also, 60% of respondents reported they feel safe outside after dark and 62% feel that they belong in their local neighbourhood."

Colchester has 62 Police recorded crimes per 1000 of the population which compares with 53 for the 'most similar group average'. In common with Essex and UK data, there has been an increase in recorded crime since March 2015.

Community Partnership Working

The Safer Colchester Partnership is well placed to work with Colchester Borough Council to deliver the Prevent Strategy and to continue to help keep vulnerable people safe. Partnership initiatives have included its 'Day of Action' and 'Night of Action' events, as well as its Domestic Abuse Awareness campaigns. It also funds Colchester's 'SOS Bus' project which provides practical and medical help and advice to young people who are vulnerable. The Council works with its local partners by chairing and hosting a range of groups including the Essex Migrant Agencies Forum and the Young Person's Housing Forum. Colchester takes part in the 'Keep Safe' Scheme which helps ensure that people with a learning disability feel safe and confident outside their home. The Community Initiatives Team co-ordinated two 'Crucial Crew' events in 2014, designed to increase safety awareness. The Council's 'Zone Wardens' are active in the community in helping to support children and vulnerable people, including those with disabilities.

Aims and Objectives

This Strategy has the same objectives as the national Prevent Strategy, namely to:

- Respond to the ideological challenge of terrorism and the threat we face from those who promote it*
- Prevent people from being drawn into terrorism and ensure they are given appropriate advice and support; and*
- Work with sectors and institutions where there are risks of radicalisation that we need to address*

This Strategy is designed to address all forms of terrorism but continue to prioritise according to local knowledge. The allocation of resources will be proportionate to the threats faced.

The accompanying Action Plan takes into account the local context and the CTLP (Counter Terrorism Local Profile) to establish operational priorities. Its purpose is to identify, prioritise and facilitate delivery of projects, activities or specific interventions to reduce the risk of people being drawn into terrorism.

Delivering the Strategy

Evidence suggests that there is neither an obvious profile of a person who is likely to become involved in a terrorist related activity, nor a single indicator of when a person might move to support extremism. It is the case that anyone may be susceptible to radicalisation, and vulnerable individuals are particularly at risk.

Indicators of concern that staff may observe or identify in the behaviour of individuals may include:

- *Graffiti symbols, writing or artwork promoting violent extremist messages or images*
- *Voicing radical ideology or the use of extremist or hateful terms to exclude others or incite violence*
- *The accessing of violent extremist material online, including social networking sites*
- *Individuals taking photos of shopping areas or trying to gain access to secure areas or buildings*
- *Parental/family reports of changes in behaviour or actions*

Vulnerable individuals can be exploited in many different ways as a result of face to face contact, or indirectly through the internet, social networking or other media. Radicalisation is a process, and there is no single route or pathway to radicalisation. Access to extremist material is often through leaflets and local contacts although the internet plays an increasingly important role in the communication of extremist views. It provides a platform for extremists to promote their cause and encourage debate, and is a swift and effective mechanism for disseminating propaganda.

Reporting Concerns

Partner agencies should raise concerns about individuals being drawn into terrorism via their child and adults with needs for care and support safeguarding procedures. Concerns about possible criminal activity may be passed to Essex Police via prevent@essex.pnn.police.uk, the national anti-terrorist reporting line on 0800 789321 or via Essex Police on 0300 333 4444. It is important that partner agencies pass on concerns no matter how insignificant they may appear. There is no 'typical' person

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who could be immediately identified as a possible suspect planning a terrorist attack or trying to radicalise others.

Where an employee expresses views, distributes material, uses or directs others to extremist websites or promotes terrorism, partner agencies should follow their procedures in respect of managing allegations in the workforce.

APPENDIX 8: SAFE WORKING PRACTICES

Guidelines for conduct when working/having contact with children and ‘adults with needs for care and support’

It is best practice for councillors, employees and contractors who have contact with children and adults with needs for care and support to follow these guidelines:

- When working with children and adults with needs for care and support, always be open to scrutiny and avoid situations where an employee, volunteer or service provider is alone and unobserved.
- Children and adults with needs for care and support have a right to privacy, respect and dignity. Respect the individual and be sure to provide a safe and positive environment.
- All children and adults with needs for care and support should be treated equally in the context of any activity.
- Councillors, employees and contractors must put the wellbeing and safety of the child or adult with needs for care and support before the development of performance.
- Always report incidents as soon as possible to a line manager and a Designated Safeguarding Officer (and make a written report) if a child or ‘adult with needs for care and support’:
 - is accidentally injured as the result of action taken
 - seems distressed in any way as a result of action taken
 - appears to be sexually aroused by, or misunderstands or misinterprets something you have done
- If a child or adult with needs for care and support arrives at an activity or service showing signs or symptoms that give you cause for concern, you must act appropriately following the procedures outlined above in the Safeguarding Policy.
- When administering first aid, employees should ensure that another adult is present where possible, or is aware of the action being taken. Parents/carers should always be informed when first aid is administered.

NEVER:

- Take children or adults with needs for care and support to your home where they will be alone with you.
- Engage in rough physical games including horseplay.
- Engage in sexually provocative games.
- Allow, encourage or engage in inappropriate touching of any form.
- Allow children or adults with needs for care and support to use language inappropriate to the circumstances, unchallenged, or use it yourself.
- Make sexually suggestive comments about, or to, a child or adult with needs for care and support, even in fun.

NEVER (CONTINUED)

- Allow an allegation about a child or an adult with needs for care and support to be ignored or go unrecorded.
- Do things of a personal nature for children or adults with needs for care and support *that they can do for themselves*, such as assisting with changing. Such tasks should only be carried out with the full understanding and consent of parents/carers. In an emergency situation that requires this type of help, you should endeavour to have someone else present and inform the parents/carers as soon as is reasonably possible. In such situations it is important that all employees treat the child or adult with the utmost discretion.
- Share a room with a child or adult with needs for care and support
- Enter areas designated only for the opposite sex.
- Use the internet or any other electronic or telephone device to access pornography sites.

APPENDIX 9: MISSING AND UNCOLLECTED CHILDREN

Missing children

- When a member of staff becomes aware that a child has gone missing, the supervisor and manager should be informed immediately.
- The manager will inform reception and all other operational staff. Reception staff will be responsible for watching the entrance and exits.
- The supervisor will begin a thorough search of the building, using all supernumerary staff. This will be carried out in a calm manner.
- If the child has not been found after five minutes, the child's parents will be informed (if they are not already aware)
- If the child has not been found after fifteen minutes, the police will be informed.
- The search will continue with as many staff as are available (whilst safety of other children is maintained) until the police arrive and advise further action accordingly.
- The manager should liaise with the Safeguarding Co-ordinator and/or the Safeguarding Lead in regard to communication with the police and the parents.
- When the situation has been resolved, a thorough risk assessment of the circumstances surrounding the incident should be carried out, with safeguards being implemented where possible or necessary to prevent the situation from occurring again.
- All relevant agencies will be informed and a comprehensive record of the incident will be kept confidentially.

Uncollected children

- Every effort will be made to contact a parent/carer using the details supplied on the booking form.
- The children will be supervised at all times whilst waiting for their parent/carer to arrive.
- Under no circumstances will a member of staff take the child home.
- If a child's parents/carers cannot be contacted by staff after one hour, the manager or Designated Safeguarding Officer will contact the Family Operations Hub for advice, which should be followed.
- The child will remain under the care of staff until the parent/carer arrives or until Essex Social Care takes over responsibility for the child.
- Staff must continue to try and contact the parent/carers throughout this process.
- All events must be clearly recorded by all relevant staff as well as the Safeguarding Co-ordinator and duty manager. This record will be kept confidentially by the Safeguarding Co-ordinator.

APPENDIX 10: CHILD TRAFFICKING SIGNS AND INDICATORS

Signs that a child may have been trafficked:

There are a number of circumstances that could indicate that a child may have been trafficked to the UK and may still be in the control of the trafficker or the receiving adults. These include situations in which the child:

- Does not appear to have money but does have a mobile phone
- Is driven around by an older male or 'boyfriend'
- Is withdrawn and refuses to talk
- Shows signs of sexual behaviour or language
- Shows signs of physical or sexual abuse and/or has contracted a sexually transmitted disease
- Has a history with missing links and unexplained moves
- Is required to earn a minimum amount of money every day
- Works in various locations
- Has limited freedom of movement
- Appears to be missing for periods.

Or situations where the child:

- Is known to beg for money
- Is being care for by adults who are not parents. The quality of the relationship between the child and the carers is not good
- The presentation of a trafficked child is usually very different from other children living in the same household
- Has not been registered with or attended a GP practice
- Has not been enrolled in school
- Has to pay off an exorbitant debt, perhaps for the travel costs, before being able to have control of earnings
- Hands over a large part of earnings to another person
- Is excessively afraid of being deported
- Has had their journey or visas arranged by someone other than family
- Does not have possession of their own travel documents
- Is unable to confirm who is going to have responsibility for her/him
- Has entered the country illegally.

NB: The United Kingdom Human Trafficking Centre (UKHTC) is a multi-agency organisation led by the Serious Organised Crime Agency (SOCA). Its role is to provide a central point of expertise and coordination to combat human trafficking. More information and contact details for support from UKHTC are on its website - [The United Kingdom Human Trafficking Centre \(UKHTC\)](#)

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APPENDIX 11: FORMS AND LINKS FOR STAFF

FORS (Family Operations Request for Support) Form – for use in the case of a concern about a child

SETSAF1 - Safeguarding Adults Form – for use in the case of a concern about an 'adult with needs for care and support'

SET (Southend Essex Thurrock) Procedures

Media Consent Form – Colchester and Ipswich Museums Service - Photography

Whistleblowing Policy Statement

Code of Conduct

Managers Guide to Recruitment

Information Sharing Protocol

Designated Safeguarding Officers

Public Concern at Work: Provides free confidential advice on how to raise a concern about malpractice at work. Tel: 020 7404 6609 <http://www.pcaw.co.uk/>

Essex Police Prevent

GOV.UK Counter-terrorism policy

Safeguarding Co-ordinator: Colchester Borough Council
Tel: 01206 282880, Email: andrew.harley@colchester.gov.uk

APPENDIX 12: USEFUL WEBSITES

- **Essex Safeguarding Children Board** – A multi-agency organisation which works to bring together agencies who work to safeguard and promote the welfare of children.
 - <http://www.escb.co.uk>
- **Essex Safeguarding Adults Board** – An inter-agency forum for agreeing how the different services and professional groups should cooperate to safeguard adults with needs for care and support across Essex.
 - <http://dnn.essex.gov.uk/esab/Home.aspx>
- **Suffolk Safeguarding Children Board:**
<http://suffolksafeguardingchildrenboard.onesuffolk.net/>
- **Suffolk Safeguarding Adult Board:**
<http://www.suffolkas.org/>
- **Essex Police**
 - Non emergency number – 101
 - Emergency – 999.
- **NSPCC Child Protection Helpline** – Tel: 0808 800 5000
 - www.nspcc.org.uk
- **Disclosure and Barring Service** - The DBS merges the functions previously carried out by the Criminal Records Bureau (CRB) and Independent Safeguarding Authority (ISA).
 - Tel: 0870 9090 811 (checks) or 01325 953795 (referrals/barring)
 - <http://www.homeoffice.gov.uk/agencies-public-bodies/dbs/>
- **Ask SAL:** The Ask SAL helpline is a partnership project between the Southend, Essex and Thurrock Safeguarding Adults Boards and Essex County Council. Individuals can use this helpline to report if they see, hear or suspect that an adult with needs for care and support is being abused.
 - Ask SAL helpline – Tel: 08452 66 66 63
 - <http://www.asksal.org.uk/>
- **Child Protection in Sport Unit:** Sports organisations can seek advice on child protection issues from the Child Protection in Sport Unit: (CPSU) which has been established as a partnership between the NSPCC and Sport England. CPSU / NSPCC provide advice and assistance on developing codes of practice and child protection procedures to sporting organisations.
 - Tel: 0116 234 7278/ Email: cpsu@nspcc.org.uk
 - http://www.nspcc.org.uk/Inform/cpsu/cpsu_wda57648.html

	SAFEGUARDING POLICY VERSION CONTROL Page 1
Title :	Safeguarding Policy
Status :	Approved March 2013
Consultation :	Senior Management Team Leadership Team
Approved By :	Full Council
Approval Date :	20 March 2013
EQIA :	See website www.colchester.gov.uk or <u>click here</u>
Review Frequency :	Every three years
Next Review :	Autumn 2016
Amendments to policy	<p>Version 2 – August 2015</p> <p>Minor updates</p> <p>Version 3 – March 2016</p> <p>Reference to vulnerable adult has been changed to ‘adult with needs for care and support’ in line with Safeguarding Boards guidance following the Care Act 2014.</p> <p>New ‘FORS’ form for raising a concern about a child has replaced ECC999 and is reflected in changes to the ‘Procedure Flowchart’ within the appendices. .</p> <p>New information has been included on CSE, Domestic Abuse, HBA, Modern Slavery and PREVENT- in line with Safeguarding Boards guidance.</p> <p>Contact details for use “where a member of staff is implicated in abuse” have been updated.</p> <p>‘Safeguarding legislation’ has been updated within the appendices.</p>

	SAFEGUARDING POLICY VERSION CONTROL Page 2
Amendments to policy	<p>Version 4 – October 2016</p> <p><i>Correct procedures for volunteers have been incorporated into the policy.</i></p> <p><i>Safeguarding responsibilities have been clarified</i></p> <p><i>New sections have been added on recording information, consent and mental capacity.</i></p> <p><i>Additional rows have been added to the table on safeguarding training.</i></p> <p><i>A new section has been added on Whistleblowing</i></p> <p><i>A new appendix has been added: Modern Slavery Transparency Statement</i></p>

22 November 2016

Report of

Assistant Chief Executive

Author

Hayley McGrath
508902

Title

Internal Audit Plan 2017/18

Wards
affected

Not applicable

**This report concerns the Internal Audit plan of work for
2017/18**

1. Decision Required

- 1.1 To comment upon and agree the suggested Internal Audit plan for 2017/18 shown in appendix 1.

2. Reason for Decision

- 2.1 The Accounts and Audit Regulations 2006 require that 'a relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper internal audit practices'.
- 2.2 Internal audit is a key element of the Council's corporate governance framework. Robust 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.

3. Key Messages

- The plan has been drawn up in consultation with senior management over coverage and timings.
- The plan has been drawn up with due regard to the key risks to the Council.
- There has been a fundamental review of the plan to ensure that maximum value is added by the audit process and it supports the internal control process, including the Annual Governance Statement.

4. Supporting Information

- 4.1 The Council operates a five year plan showing coverage of the key audits. This is an overview of the areas that require assurance, and annually it is agreed with management the specific areas to be covered during the coming year. Fundamental systems, such as the General Ledger, need to be reviewed every year to provide assurance for the final accounts process, and these are known as managed audits.
- 4.2 The Internal Audit contract provides for 325 auditing days a year. For 2017/18 a total of fifty days are allocated to follow-ups and management, leaving 275 days to be allocated to other areas. Currently there are no audits to be carried forward from 2016/17.
- 4.3 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.

- 4.4 A total of fifteen days have been included in the plan to review significant contracts and twenty five to review IT systems and processes. These items will be identified during the year as required.
- 4.5 The proposed plan has been discussed with the Council's external auditors to ensure that it complements their objectives over the coming year.

5. Colchester Borough Homes

- 5.1 Colchester Borough Homes have their own agreed audit plan which is administered by the Council's auditors. The coverage of the plan is decided by Colchester Borough Homes and is not reported to this committee.
- 5.2 However there are a few systems that also involve input from the Council and it is appropriate that in these circumstances that the audit resource required to provide assurance is shared by, and reported to, both organisations. In 2017/18 there are two 'shared' audits – Management of Expenditure (8 days) and Housing Rents (5 days) – which have been included on the attached audit plan

6. Proposals

- 6.1 The suggested Internal Audit plan for 2017/18 provides a comprehensive assessment of the internal controls across the Council, with due regard to the key risks, and it is recommended that it is approved.

7. Strategic Plan Implications

- 7.1 The audit plan has been set with due regard to the identified key strategic risks to the Council and the objectives of the strategic plan to be vibrant, prosperous, thriving and welcoming. Therefore, the audit plan ensures the effectiveness of the processes required to achieve the strategic objectives.

8. 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. Other Standard References

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

Five Year Audit Plan @ 01 November 2016

	Audit Area	Managed Audit / A.G.S	2016/17	2017/18	2018/19	2019/20	2020/21
Cross Cutting							
	Site Cash Ups	✓	3	5	3	5	3
	Corporate Governance & Scrutiny	✓		12		12	
	Single Data Set	✓	5	5	5	5	5
	Security of Premises		2	2	2	2	2
	Access Cards			8			
Corporate & Financial Management							
	Contract Management Audits			15	15	15	15
	Health and Safety				8		5
	Performance Management of Staff				10		
	Recruitment and Retention					10	
	Sickness/Leave/Flex Absence & Flexible Working		10				
	Creditors (including CI scheme)	✓	5	10	5	5	10
	General Ledger	✓	10	5	5	10	5
	Risk Management	✓	7		7		7
	Treasury Management	✓	5	5	8	5	5
	Procurement		5				
	Purchasing cards		3			3	
	General IT - (to be allocated)		25	25	25	25	25
	Budgetary Control						10
	BCP / Emergency Planning		8				8
	Insurances				8		
	VAT					15	
Commercial							
	CCTV + Helpline				12		
	Commercial and Investment Property			10			10
	Building Control Fees			8			8
	Cemetery and Crematorium			7			10
	Housing Rents (shared audit with CBH)	✓	5	5	5	10	5
	Management of Expenditure CBH	✓		8			8
	Homelessness / Housing Needs Register			10			10
	S106 Monies				10		
	RTB			10			
	Events		10				10
	Garden Communities				10		
	Planning Policies - consultants and salaries						10
	Hire of Stadium				10		
	Green spaces						10
	Grant claiming					10	
	Establishment of LDV					10	
Community							
	Museums - Merged Services inc. Admissions, Shops and Inventories	✓	12	12	15	12	15
	Zone Working				10		
	Lion Walk Activity Centre				5		
	Highwoods Country Park			8			
	Use of equipment / vehicles		8				
	Contracting with 3rd Parties		8				
	Use of Grant funding		8				
Customer Services							
	Debtors	✓	10	5	5	10	5
	Corporate Debt (including bailiffs)				10		
	Council Tax	✓	10	5	5	10	5
	Housing Benefit / Local Tax Support Scheme	✓	12	12	12	12	12
	Housing Benefit Overpayments	✓		8			8
	NNDR / Business Rates	✓	10	5	5	10	5
	Discretionary Housing Payments & Exceptional Hardship Payments				8		

Operational								
	Fuel Usage		10					
	Parking Services Income / Partnership	✓	15	15	15	15	15	15
	Waste Management			10				
	Leisure World - Core functions, includes joint use centres	✓	10	10	10	10	10	10
	Leisure World - Other - inc catering and bars		10					
Professional Services	Fleet Management					10		
	Food Control					8		
	Animal / Pest Control				8			
	Planning Fees			10				10
	Corporate PSU / Management Arrangements	Bought forward from 2015/16						
	Private Sector Housing - Financial Assistance - DFG				10			
	Freedom of Information			7				
	Complaints		8					
	Payroll	✓	10	10	7	10	7	7
	Abandoned vehicles							6
	Allotment and Beach Huts		8					
	Environmental Protection					8		
	Licensing - alcohol and entertainment, gambling		8					
	Land charges		7					
	Licensing for taxis			8				
	HMO		7					
	Rechargeable works					8		
	Proceeds of crime							8
	Electoral registration - possible use of spare days 16/17							
Total No. of Days			274	275	273	265	287	

22 November 2016

Report of

Assistant Chief Executive

Author

Hayley McGrath
508902

Title

Annual Review of Business Continuity

Wards
affected

Not applicable

This report reviews the Business Continuity work undertaken for the period 1 January 2016 to 31 December 2016.

1. Actions Required

- 1.1 Consider and note the business continuity work undertaken during the period.
- 1.2 Consider and comment on the review of the Business Continuity Strategy.
- 1.3 Consider and note the intended work plan for 2017.

2. Reason for Scrutiny

- 2.1 The Risk Management Strategy, which forms part of the policy framework, identifies the Governance & Audit Committee as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to cabinet as necessary. Business continuity is an integral part of the risk management process and it is appropriate that a detailed progress report is provided to this Committee.

3. Supporting Information

- 3.1 Under the Civil Contingencies Act 2004 the Council has two duties relating to business continuity:
 1. To be able to carry on providing its own services in the event of a disruption
 2. To provide advice and guidance relating to business continuity to local businesses and voluntary organisations.
- 3.2 The responsibility for ensuring that the Council has effective business continuity plans rests with the Chief Operating Officer and the function is delivered by the Corporate Governance Team in Corporate and Financial Management. The role is to provide advice and guidance to services including the co-ordination of individual service plans as well as the overall Council plan. Issue specific plans, such as responding to a flu pandemic, are also required. The duty to provide advice and guidance to local businesses also sits within the Corporate Governance Team.
- 3.3 Business continuity issues are primarily reported to the 'First Call Officer' group, this consists of the senior management team and other key staff. The primary role of this group is to provide the strategic management of any emergency – either internal or external. The group meets every two months to review plans and consider emergency planning and business continuity issues.

4. Summary of Work Undertaken

- 4.1 Alongside the normal process of working with services to review and update plans, the following work has also been completed:
- 4.2 Working in conjunction with the Essex Resilience Forum, to develop national and regional plans for fuel and flu & mass death. This has involved working with services to determine requirements and in respect of the mass death plan, the capacity of the cemetery and crematorium.
- 4.3 Providing advice and guidance to the new Health & Safety Manager at Colchester Borough Homes to help develop and improve the sheltered housing section in their plan, following an incident, and working on areas where the CBC and CBH plans overlap.
- 4.4 The Council's critical services list has been reviewed and updated. This prioritises services in the event that there are limited resources, such as office space or IT equipment.
- 4.5 The Council uses the Resilience Direct website to store Emergency Planning information. This allows remote access to plans in the event that the Council's IT systems are unavailable and also allows collaboration with other authorities in Essex. A Business Continuity area has now been added to the website, to enable remote access to critical information.
- 4.6 The Council's Incident Management Plan (IMP) has been updated to reflect changing roles and contacts. The IMP is the overarching document that facilitates the Council's response in the event of an incident occurring
- 4.7 Each service of the Council has their own plan, which sets out their specific information and requirements. The template used for these plans has been updated following consultation with other districts, and is being rolled out across the services.
- 4.8 The on-line information relating to Business Continuity has been updated for the launch of the Council's new intranet system.
- 4.9 The Resilience Officer has completed the Business Continuity Institute Certificate examination.
- 4.10 The Corporate Governance Manager and the Resilience Officer represented the service at several events including the annual parish councils meeting and county wide training exercises.
- 4.11 The Resilience Officer has developed a strong working relationship with the other Essex Authorities and most officers now work together at Essex Fire and Rescue headquarters at Kelvedon, one day a week.

5. Business Continuity Strategy for 2017

- 5.1 The Business Continuity Strategy was agreed for the first time in 2009. A requirement within the strategy, and also of the regular internal audit assessment, is that it is reviewed annually to ensure that it is still appropriate to the Council's needs.
- 5.2 Therefore a review has been undertaken and the strategy has been updated for 2017. The revised strategy is attached at appendix 1. It is considered that the strategy continues to meet the needs of the organisation and therefore there are no fundamental changes to the strategy or the business continuity process.

6. Work plan for 2017

- 6.1 The following areas will be the primary focus for developing business continuity further in 2017:
- Testing of Service Plans to ensure that they are complete and fit for purpose
 - Developing a comprehensive self-serve presence on the intranet for both management of plans and training.
 - Mapping Business Continuity plans with significant partners and contractors.

7. Proposals

- 7.1 To note and comment upon the Councils progress and performance with regard to business continuity during 2016, the Business Continuity Strategy and work plan for 2017.

8. Strategic Plan Implications

- 8.1 The ability of the Council to carry on providing critical services, even when dealing with a major disruption, is a fundamental part of customer excellence.

9. Risk Management Implications

- 9.1 The failure to adequately manage a business interruption may have an effect on the ability of the Council to achieve its objectives and operate effectively.

10. Other Standard References

- 10.1 There are no direct Publicity, Financial, Consultation, Equality and Diversity, Human Rights, Community Safety or Health and Safety implications as a result of this report.



DRAFT Business Continuity Strategy 2016/17

A framework for developing plans to minimise disruption, when unplanned events significantly interrupt normal business.

September 2016

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BUSINESS CONTINUITY STRATEGY – 2016/17

1.0 Introduction

Colchester Borough Council provides a wide range of services to the local community, many of which are statutory functions. Any failure, actual or perceived, to deliver the full range of services will have a negative impact on both the community and the authority. As such, all reasonable measures should be adopted to minimise the likelihood of business or service interruption.

The Civil Contingencies Act 2004 places a specific duty on local authorities to ensure that they have prepared, as far as reasonably practical, to continue to provide critical functions during any disruptive incident.

However the Civil Contingencies Act is just one of the key drivers for business continuity. External assessments, such as the benefits inspection and the Lexcel accreditation, require robust business continuity arrangements to provide assurance that quality services will continue to be provided at all times. But above all, business continuity is critical to the Council in its ability to survive an incident with as little disruption to services and reputation as possible.

This Business Continuity Strategy provides the framework for developing plans that will prevent or mitigate the severity of potential disruptions and enable the Council to effectively respond to incidents.

The plan will identify the mitigation measures, specific recovery objectives, the structure for implementation and the communication process to keep staff, partners and the public informed of necessary changes to service delivery.

2.0 Overview

The strategy adopted for development of the business continuity plans can be summarised as follows:

- The Corporate Incident Management Plan will form the basis of the Council's response. This is an operational document designed to assist the authority in the event of a disruption occurring. The plan sets priorities and communications to ensure an appropriate response to any disruption.
- The Corporate Incident Management Plan is the overall tool for the Council and event controllers. However this is supported by service specific business continuity plans which ensure that each service is able to respond appropriately to an incident whether it is a corporate or service specific interruption.
- Incident specific plans are also developed for corporate issues where the risk indicates sufficient likelihood of occurrence and the impact is seen to be severe, such as pandemics, power failures and technology failure.
- Business Impact Analyses (B.I.A.s) are undertaken to be able to develop the plans. B.I.A.s assess the key risks and key services at both corporate and service level, and their maximum tolerable period of disruption (MTPD), which will help to identify preventative measures that can be undertaken.

3.0 Aim and Objectives

The aim of the strategy is:

- To support the Council in anticipating risks for the purpose of mitigating them and having flexible plans in place, which are already tested, to minimise disruption when unplanned events significantly interrupt normal business.

The objectives are:

- To identify preventative measures that can be carried out to minimise the likelihood of an incident occurring.
- To ensure the Council can continue to exercise its functions in the event of an emergency, ensuring that statutory requirements are maintained.
- To integrate the Business Continuity requirements with the Emergency Planning responsibilities of the Authority to ensure that in the event of a major disruption the Authority can respond appropriately both internally and externally.
- To identify the essential services, in order to determine overall priorities for recovery of functions if disruption takes place.
- To ensure all Council service areas are involved in the preparation of the Plan, so that there is an effective and consistent response to service continuity.
- To provide a basis for cost benefit analysis to determine which contingency plans will be developed.
- To develop a process to review and update the overall Plan and develop service area, functional or specific plans where necessary, in order to protect the services and reputation of the Council.
- To undertake training and awareness programmes for staff, elected members, suppliers and partners.
- To carry out regular tests of the Plan to validate the arrangements.

4.0 The Business Continuity Process

Irrespective of an unusual or disruptive event, occurring internally or externally, the capabilities of the Council to provide its statutory and legal duties, services to the community and income generation must be maintained. This process aims to address the issues likely to arise, and to identify measures to mitigate them.

The Business Continuity process aims to address the issues likely to arise, and potential solutions, grouped in the following three areas:

- MITIGATION - Identify and select proactive measures to reduce likelihood of disruption
- CONTINUITY AND RECOVERY - Maintenance of essential services and set timescales for recovery, returning to normality
- INCIDENT RESPONSE STRUCTURE - Provide a mechanism for responding to an incident

Business Continuity is an on-going cyclical process of risk assessment, management and review with the purpose of ensuring that the business can continue if risks materialise.

The effective implementation of business continuity has 6 stages:

- Policy and Programme Management
- Embedding business continuity
- Analysis
- Design
- Implementation
- Validation

5.0 Responsibility for Business Continuity

To be effective Business Continuity should be fully endorsed and actively promoted by senior management and there should be a clearly defined responsibility for co-ordination of Business Continuity. However it does not belong to one person or role and every service has a responsibility for ensuring that they are capable of responding to an interruption.

There are three levels of responsibility for managing the business continuity process:

1. Co-ordinator
2. Corporate Response Team
3. Service Teams

There is a core role of co-ordinating the process and ensuring that services have access to information and assistance when building their own plans. The co-ordinator also has responsibility for ensuring that key partners are involved in the process.

In the event that there is a disruption there should be a defined corporate response team who will have overall control of the situation. The co-ordinator is responsible for maintaining details of this team ensuring that they are fully briefed on executing the plan and are informed of any potential issues that may arise.

There are also individual service action teams who are responsible for ensuring that their service has its own response plan and can manage the continuity and recovery for the functions within that service. The team is likely to consist of one person for the process of defining the response plans and day to day co-ordination of Business Continuity, but will call upon other senior managers if and when the plan needs to be put into practice.

Appendix 1 sets out the roles and responsibilities for Business Continuity at all levels.

6.0 Links

To be an effective management tool and to truly embed the process throughout the organisation the plan should recognise and be influenced by the Council's operational and strategic risk registers, this will lead automatically to the plan linking into the Internal Audit plan, the strategic plan and the budget process. The plan should also recognise the Community Risk Register, maintained by the Essex Resilience Forum, to ensure that external impacts are recognised and allowed for.

The Business Continuity process must also be closely linked to the Emergency Planning process. In any major scenario it is likely that other organisations in the Borough will be effected as well and it is essential for the Council to be able to respond to their requirements as well as its own. Due to the nature of the response required from Emergency Planning it is likely that they will be the first service to receive external information regarding potential issues and it is imperative that there is a system for incorporating these issues in the Business Continuity process.

The Plan should also be aligned to the International standard for Business Continuity ISO 22301 – 2012 and the BCI 'Good Practice Guidelines 2013'.

7.0 Training

All members of the Corporate Response Team and the Service Teams need to be trained, and exercised, on an annual basis to ensure that they are fully aware of how to implement the plan. All staff should be informed of the process and further training should be available if required. Members should be trained to ensure that they know of the existence of the plan and also how they can assist, politically, in the continuity and recovery process.

8.0 Review Process

The Plan will be reviewed annually to ensure that it is still relevant to the Council's needs. However the individual plans for each service will be subject to review every six months to ensure that information on service functions and contact details are kept up to date. The high risks and priority services will also be re-assessed annually.

Appendix 1

ROLES & RESPONSIBILITIES FOR BUSINESS CONTINUITY

	Strategy And Plan	Defence	Continuity	Recovery
Members	Agreeing the strategy and plan determined by officers.	Endorsing the defence plans and ensuring that political decisions are taken with due regard for Business Continuity.	Political will to ensure that there is a united approach to continuity.	Political will to ensure that there is a united approach to recovery.
Corporate Governance Manager & Resilience Officer	Devising and co-ordinating the strategy and plan.	Ensuring that the defence actions are appropriately implemented, are regularly reviewed and that services have developed own plans.	Co-ordination of the Corporate Response Team and the Service Action Teams. Guidance on the plan and mitigating actions during the incident.	Co-ordination of the Service Action Teams. Guidance on the plan and reporting progress of recovery to senior management.
Senior Management Team	Approval and support of the strategy and plan. Completion of service plans.	Critical review and approval of the defence actions.	Support of the actions of the Corporate Response Team during the incident.	Support the actions of the Service Action Teams, endorse recovery priority for services.
Corporate Response Team	Overview of strategy and plan. Review of 'new issues'.	Critical review of the defence plans. Ensuring that the information contained within the plan is accurate. Annual testing of the plan.	Control the response to the incident until such time as the organisation enters the recovery stage. Ensuring that priority services are afforded the proper support. Ensuring information is available to members and staff. Keeping SMT informed.	Review the actions of the Service Action Teams. Facilitate full recovery and ensure that recovery follows the correct priority. Liaison with external agencies. Ensuring information is available. Keeping SMT informed.
Service Action Teams	Input into the formulation of the strategy and plan.	Development of defence plans and implementation of control actions. Ensure that checklists of key info are compiled. Identification of service priorities.	Co-ordinate their service's response. Act as a liaison between Corporate Response Team and Service. Respond to Corporate Response teams requests during an incident.	Implement their own team recovery plan whilst maintaining the link with the Corporate Response Team. Briefing staff. Overseeing alternative accommodation.
Employees, contractors and partners	Knowledge of the strategy and plan, and awareness of impact on own job / service.	Knowledge of the defence plans and awareness of impact on own job / service	Assist with the incident where required. Know how to / who to contact in emergency.	Assist with recovery where required. Understand how they fit into the recovery of their service.

22 November 2016

Report of	Assistant Chief Executive	Author	Steve Heath
			282389
Title	Treasury Management Strategy Statement – Mid-Year Review Report 2016/17		
Wards affected	Not applicable		

The Panel is invited to review treasury management activity during the first six months of 2016/17

1. Action required

- 1.1 To consider treasury management activity for the first six months of 2016/17.
- 1.2 To note the changes to the Treasury Management Strategy Statement (TMSS) for the year approved by Cabinet on 7 September 2016, as detailed in Section 4 of this report. They are:
 - A revised interest rate forecast.
 - Revisions to the borrowing and investment strategies to reflect the lower rates available.
 - Changes to the Country limits to reflect ratings agency actions following the outcome of the EU referendum.
 - Revised accounting treatment for an element of the Council's long term debt.
 - A revision to the Council's MRP policy.

2. Reason for decision

- 2.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management was adopted by this Council on 17 February 2010. The primary requirements of the Code include the creation and maintenance of a Treasury Management Policy Statement and Practices, the production of an annual Treasury Management Strategy Statement for the year ahead, a **Mid-year Review Report** and an Annual Report covering activities during the previous year. This mid-year report has been prepared in compliance with CIPFA's Code of Practice on treasury Management.

3. Introduction

- 3.1 The Council operates a balanced budget, which broadly means that income raised during the year will meet its expenditure. Part of the treasury management operation ensures that the cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity before considering optimising investment returns.
- 3.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow

surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

- 3.3 Treasury management is defined as “The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 3.4 The Council employ Capita Asset Services to provide a consultancy service in respect of treasury management, to include advice on both debt and investments. During the year they have provided advice on borrowing, investments, counterparty credit details and general capital accounting information.

4. Key changes to the Treasury Management Strategy Statement

- 4.1 This report proposes a number of changes to the 2016/17 TMSS that was approved by Council on 17 February 2016. These changes are as a result of changes to borrowing rates, credit ratings and interest rate forecasts following the outcome of the EU referendum on 23 June 2016, which includes the Monetary Policy Committee cutting the bank rate from 0.50% to 0.25% on 4 August. They are:

Interest rate forecast

- 4.2 The table below compares our treasury adviser’s latest interest rate forecasts with those that were included in the TMSS. Economic forecasting remains difficult, however the overall longer run trend is for rates to rise gently, albeit with the overall balance of risks remaining to the downside.

		Q3 2016	Q1 2017	Q1 2018	Q1 2019
Bank Rate	TMSS	0.75%	1.00%	1.75%	2.00%
	Now	0.25%	0.10%	0.10%	0.25%
PWL5 5 year	TMSS	2.70%	2.80%	3.30%	3.60%
	Now	1.00%	1.00%	1.10%	1.20%
PWL5 10 year	TMSS	3.20%	3.40%	3.80%	4.10%
	Now	1.50%	1.50%	1.60%	1.70%
PWL5 25 year	TMSS	3.90%	4.10%	4.30%	4.50%
	Now	2.30%	2.30%	2.40%	2.50%
PWL5 50 year	TMSS	3.80%	4.00%	4.20%	4.40%
	Now	2.10%	2.10%	2.20%	2.30%

- 4.3 Our treasury adviser’s latest advice is that as yields are at historic lows borrowing should be considered if appropriate to the strategy. As the outlook is uncertain, it is suggested that any borrowing is taken in tranches so as to benefit from the current rates, but also provide some flexibility if rates fall further.

Borrowing Strategy

- 4.4 The TMSS states that the Council is currently maintaining an under-borrowed position. This means that the capital borrowing need has not been fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high. This means that there would be a cost of carry to any new borrowing which causes an increase in investments, as this will incur a revenue loss between borrowing costs and investment returns.
- 4.5 At 31 March 2016 the Council’s Capital Financing Requirement was £153.5m and, net of finance lease liabilities, the underlying borrowing requirement was £150.3m. The Council’s external borrowing totalled £136.1m, which meant under-borrowing was £14.2m.

- 4.6 On the basis of the above forecasts, if the Council borrowed to its current CFR for 50 years the annual cost of carry would be approximately £260k. This is not currently budgeted for, so should be considered as a cost pressure.
- 4.7 Against the above, the long term saving resulting from borrowing at very low rates should be considered. Assuming current rates increase in accordance with the above forecast, delaying borrowing until the beginning of 2019 this would lead to the cost of borrowing being significantly higher over the life of a 50 year loan.

Country Limits

- 4.8 The TMSS states that the Council will only use approved counterparties from countries with a minimum sovereign credit rating of AA-, based on the lowest available rating. Subsequent to the EU referendum decision, the following action has been taken by the ratings agencies regarding the UK sovereign rating:

Fitch

- Sovereign rating downgraded by one notch, from AA+ to AA.
- Outlook lowered to Negative, from Stable.

Moody's

- Sovereign rating affirmed, at Aa1 (equivalent to AA+ from Fitch / S&P).
- Outlook lowered to Negative, from Stable.

Standard & Poor's (S&P)

- Sovereign rating downgraded by two notches, from AAA to AA.
- Remains on Negative Outlook.

- 4.9 It is proposed that whilst our minimum sovereign debt limit is now in line with Capita's recommendation, this section should be amended to state that this policy excludes the UK. This will take account of any further deterioration in the UK's credit rating.

Investment Strategy

- 4.10 The Investment Strategy in the TMSS assumed that the Bank Rate would remain unchanged at 0.5% before starting to rise from quarter 2 of 2016. On this basis the suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during the year was 0.90%.
- 4.11 The current forecast suggests that budgeted investment earnings for 2016/17 should be amended to 0.25%. This is likely to have an adverse impact on the Central Loans and Investment Account.

LOBO Loans

- 4.12 Unrelated to the referendum outcome, Barclays Bank contacted the Council on 20 June 2016 to state that they had decided to waive their right to change the applicable interest rate of the Council's two Lender Option/Borrower Option (LOBO) loans in the future. As a result the two loans, which total £9 million, effectively become fixed rate loans at their current investment rates with their stated maturities.
- 4.13 The Council's LOBO loans are subject to six monthly calls, and the maturity profile is shown as the next call date, and as such they are accounted for as short-term loans. The financial impact of the change is that these loans will in future periods be shown as long-term market debt, which will have an impact on prudential indicators relating to the maturity profile of debt. This change is reflected in the table below:

Maturity Structure	Original Estimate	Revised Estimate
Under 12 months	15%	15%
12 months to 2 years	15%	15%
2 years to 5 years	15%	15%
5 years to 10 years	15%	15%
10 years to 20 years	30%	30%
20 years to 30 years	30%	30%
30 years to 40 years	40%	40%
40 years to 50 years	40%	40%
Over 50 years		10%

MRP Policy

- 4.14 For capital expenditure incurred before 1 April 2008, the MRP policy currently follows the existing practice outlined in former CLG regulations (option 1), which provides for an approximate 4% reduction in the borrowing need (CFR) each year on a reducing balance basis.
- 4.15 It is now the view of the Council's external Auditors (Ernst & Young) that there is no obligation to repay on this basis. Instead this historic element of MRP can now be paid on an equal instalment basis over a period of 50 years. This change would have the benefits of reducing the amount payable by the Council over the next 17 years, introducing a consistent level of charge, and ensuring that this element is eventually completely repaid.
- 4.16 In 16/17 this change of approach would reduce this element of the MRP charge from £186,684 to a standard amount of £93,342.

5. Economic update Performance to date

- 5.1 UK growth rates in 2013 and 2014 were strong but 2015 was disappointing, though it still remained one of the leading rates among the G7 countries. Growth improved in quarter 4 of 2015 but fell back in quarter 1 of 2016 before bouncing back again in quarter 2. During most of 2015, the economy had faced headwinds for exporters from the appreciation during the year of sterling against the Euro, and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme. The referendum vote for Brexit in June this year delivered an immediate shock fall in confidence indicators and business surveys, pointing to an impending sharp slowdown in the economy. However, subsequent surveys have shown a sharp recovery in confidence and business surveys, though it is generally expected that although the economy will now avoid flat lining, growth will be weak through the second half of 2016 and in 2017.
- 5.2 The Bank of England meeting on August 4th addressed this expected slowdown in growth by a package of measures including a cut in Bank Rate from 0.50% to 0.25%. The Inflation Report included an unchanged forecast for growth for 2016 but cut the forecast for 2017 from 2.3% to just 0.8%. The Governor of the Bank of England, Mark Carney, had warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access to the EU single market. He also warned that the Bank could not do all the heavy lifting and suggested that the Government will need to help growth by increasing investment expenditure and possibly by using fiscal policy tools (taxation). The new Chancellor Phillip Hammond announced after the referendum result, that the target of achieving a budget surplus in 2020 will be eased in the Autumn Statement on November 23.

- 5.3 The Inflation Report also included a sharp rise in the forecast for inflation to around 2.4% in 2018 and 2019. CPI has started rising during 2016 as the falls in the price of oil and food twelve months ago fall out of the calculation during the year and, in addition, the post referendum 10% fall in the value of sterling on a trade weighted basis is likely to result in a 3% increase in CPI over a time period of 3-4 years. However, the MPC is expected to look thorough a one off upward blip from this devaluation of sterling in order to support economic growth, especially if pay increases continue to remain subdued and therefore pose little danger of stoking core inflationary price pressures within the UK economy.

Outlook

- 5.4 Capita Asset Services undertook a quarterly review of its interest rate forecasts after the MPC meeting of 4th August cut Bank Rate to 0.25% and gave forward guidance that it expected to cut Bank Rate again to near zero before the year end. The above forecast therefore includes a further cut to 0.10% in November this year and a first increase in May 2018, to 0.25%, but no further increase to 0.50% until a year later. Mark Carney, has repeatedly stated that increases in Bank Rate will be slow and gradual after they do start. The MPC is concerned about the impact of increases on many heavily indebted consumers, especially when the growth in average disposable income is still weak and could well turn negative when inflation rises during the next two years to exceed average pay increases.
- 5.5 The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. An eventual world economic recovery may also see investors switching from the safe haven of bonds to equities. However, we have been experiencing exceptional levels of volatility in financial markets which have caused significant swings in PWLB rates.
- 5.6 The overall balance of risks to economic recovery in the UK remains to the downside. The latest Capita Asset Services interest rate forecast is shown below.

	Dec 2016	Mar 2017	Jun 2017	Sep 2017	Dec 2017	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019
Bank Rate	0.10	0.10	0.10	0.10	0.10	0.10	0.25	0.25	0.25	0.25	0.50
5yr PWLB Rate	1.00	1.00	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.30
10yr PWLB Rate	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80
25yr PWLB Rate	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.60
50yr PWLB Rate	2.10	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.30	2.30	2.40

6. Treasury Management Strategy Statement 2016/17

- 6.1 The Council's Treasury Management Strategy Statement (TMSS) for 2016/17 was approved by full Council on 17 February 2016. The strategy was as follows:
- The UK bank rate has been unchanged from a historically low 0.5% since March 2009. The view from the Council's treasury advisers was that the Bank Rate is expected to remain unchanged until quarter 2 of 2016.
 - The Council is currently maintaining an under-borrowed position. The borrowing strategy is to reduce the difference between gross and net debt by continuing to 'borrow internally', which is primarily due to investment rates on offer being lower than long term borrowing rates. This has the advantages of maximising short-term savings and reducing the Council's exposure to interest rate and credit risk. This approach is intended to be maintained during the year.
 - The investment policy reflects the Council's low appetite for risk, emphasising the priorities of security and liquidity over that of yield. The main features of the policy are as follows:

- The Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties, which also enables diversification and avoidance of concentration risk.
- The Council applies the creditworthiness service provided by Capita Asset Services, which combines data from credit rating agencies with credit default swaps and sovereign ratings.
- The Council will only use approved counterparties from countries with a minimum credit rating of 'AA-', based on the lowest available rating.
- The suggested budgeted return on investments placed for periods up to 100 days during the year is 0.90%.
- The Council's Prudential and Treasury Indicators for 2016/17 through to 2018/19 were produced to support capital expenditure and treasury management decision making, and are designed to inform whether planned borrowing and the resultant revenue costs are affordable and within sustainable limits. They take into account all the economic forecasts and proposed borrowing and investment activity detailed in the TMSS.
- The Minimum Revenue Provision (MRP) Policy Statement for 2016/17 stated that the historic debt liability will continue to be charged at 4%, with the charge for more recent capital expenditure being based on the useful life of the asset and charged using the equal annual instalment method.

6.2 The details in this report update the position in the light of the latest economic performance. The approved changes to the TMSS for 2016/17 are detailed in Section 4 of this report.

7. The Council's Capital Position (Prudential Indicators)

7.1 This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

7.2 The table below shows the original estimates for capital expenditure when the Prudential Indicators were agreed, along with the latest forecast. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

	Original Estimate	Current Position	Revised Estimate
Capital Expenditure 2016/17	£'000	£'000	£'000
Total Spend	19,120	8,165	26,566
Total Financing	17,104	8,165	25,550
Borrowing Need	2,016	0	1,016

7.3 The following table shows the CFR, which is the underlying need to incur external borrowing for capital purposes. It also shows two further prudential indicators relating to the level of borrowing. The **Operational Boundary** reflects the Council's expected debt position during the year, whilst the **Authorised Limit** controls the overall level beyond which borrowing is prohibited. This is the statutory limit determined by section 3 (1) of the Local Government Act 2003, and reflects a level of borrowing that could be afforded in the short-term, but is not sustainable in the

longer term. The table demonstrates that the Council has maintained gross borrowing within its authorised limit during the first six months of 2016/17.

	Original Estimate	Current Position	Revised Estimate
	£'000	£'000	£'000
Capital Financing Requirement			
CFR - non housing	24,342	25,630	25,630
CFR - housing	130,548	127,933	128,949
Total CFR (year end position)	154,890	153,563	154,579
Net movement in CFR	1,327	0	1,016
The Operational Boundary			
Borrowing	141,522	136,094	137,110
Other long term liabilities	2,008	2,074	2,074
Total	143,530	138,168	139,184
The Authorised Limit			
Borrowing	168,182	166,589	167,805
Other long term liabilities	2,008	2,074	2,074
Total	170,190	168,663	169,879

- 7.4 One key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2015/16 and the next two financial years. This allows some flexibility for limited early borrowing for future years. No difficulties are envisaged for the current or future years in complying with this prudential indicator.

	Original Estimate	Current Position	Revised Estimate
	£'000	£'000	£'000
External Borrowing	141,522	136,094	137,110
Plus other long term liabilities	2,008	2,074	2,074
Gross Borrowing	143,530	138,168	139,184
CFR (year end position)	154,890	153,563	154,579
Under / (over) borrowing	11,360	15,395	15,395

8. Borrowing

- 8.1 When the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council has borrowings of £136.1m and has utilised £14.2m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate, but will require ongoing monitoring in the event that the upside risk to gilt yields prevails.
- 8.2 No new long-term or temporary borrowing has been undertaken so far this financial year in accordance with the TMSS. The general trend in PWLB interest rates has been a sharp fall in interest rates during the first half of this financial year.
- 8.3 Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates, and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken during the first six months of 2016/17.

9. Investments

- 9.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. It is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.25% Bank Rate. The continuing potential for a re-emergence of the Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk strategy. Given this risk environment, investment returns are likely to remain low.
- 9.2 The Council held £47.7m of investments as at 30 September 2016 (£37.4m at 31 March 2016) and the investment portfolio yield for the first six months of the year is 0.51% against the three-month LIBID benchmark of 0.38%. A full list of investments held as at 30 September 2016 is shown in **Appendix B**. It should be noted that the level of investments held, and therefore the total returns available, are expected to reduce during the remainder of the year as a result of cash flow fluctuations and the continuing strategy of internal borrowing.
- 9.3 With the exception of the changes in Section 4 of this report, the current investment counterparty criteria selection approved in the TMSS is meeting the requirements of the treasury management function. Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2016/17.
- 9.4 The Council's budgeted investment return for 2016/17 is £225k, and performance for the year to date is currently expected to be slightly below the budget.

10. Strategic Plan references

- 10.1 Prudent treasury management underpins the budget required to deliver all Strategic Plan priorities.

11. Publicity considerations

- 11.1 **Appendix A** to this report is confidential.

12. Financial implications

- 12.1 The Central Loans and Investment Account (CLIA) comprises the Council's borrowing costs and investment income. The CLIA is difficult to predict and can be affected by several factors. The majority of the Council's debt is on fixed rates reflecting the longer-term nature of the borrowing decisions. Investments are generally made for shorter periods, making returns more variable. This mix is generally more beneficial when interest rates are high or increasing. It is important to add that the exposure to interest rate movements is regularly monitored to minimise risks to changes in returns.
- 12.2 The outturn position for the CLIA is currently projected to be an adverse variance of £30k. The main factors affecting the forecast are a lower recharge to the HRA due to a reduction in the level of HRA borrowing required this year, and the low interest rates currently available on cash balances. With the growing prospect of short term interest rates reducing following the EU referendum result, there is potential for a further pressure on achieving investment income targets. The position will continue to be reviewed as part of the regular budget monitoring reports.

13. Risk Management implications

- 13.1 Risk Management is essential to effective treasury management. The Council's Treasury Management Policy Statement contains a section on treasury Risk Management (TMP1).
- 13.2 TMP1 covers the following areas of risk all of which are considered as part of our treasury management activities:
- Credit and counterparty risk
 - Liquidity risk
 - Interest rate risk
 - Exchange rate risk
 - Refinancing risk
 - Legal and regulatory risk
 - Fraud, error and corruption, and contingency management
 - Market risk

14. Other Standard References

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

Background Papers

Appendix A: Outstanding Temporary Investments 2016/17 (**confidential**)

