

# Governance and Audit Committee Meeting

**Grand Jury Room, Town Hall, High Street,  
Colchester, CO1 1PJ  
Tuesday, 26 July 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.



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The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to most public meetings. If you wish to speak at a meeting or wish to find out more, please refer to Your Council> Councillors and Meetings>Have Your Say at [www.colchester.gov.uk](http://www.colchester.gov.uk)

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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.

**COLCHESTER BOROUGH COUNCIL**  
**Governance and Audit Committee**  
**Tuesday, 26 July 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 - 12

To confirm as a correct record the minutes of the meeting held 28 June 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.

7	<b>Work Programme 2016-17</b>	13 - 16
	See report of Assistant Chief Executive.	
8	<b>Annual Statement of Accounts 2015/16</b>	17 - 46
	See report of Assistant Chief Executive.	
9	<b>Complaints in relation to Councillor Buston</b>	47 - 86
	See report of Assistant Chief Executive	
11	<b>2015/16 Year End Review of Risk Management</b>	87 - 112
	See report of Assistant Chief Executive.	
12	<b>Review of Meetings and Ways of Working</b>	113 -
	See report of Monitoring Officer	116
13	<b>Exclusion of the Public (not Scrutiny or Executive)</b>	
	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)

# GOVERNANCE AND AUDIT COMMITTEE

## 28 JUNE 2016

*Present:-* Councillor Pearson (Chairman), Councillor Barlow, Councillor Chaplin, Councillor Chillingworth, Councillor F. Maclean, Councillor Willetts

### **3. Minutes**

The minutes of the meeting held 19 January 2016 and 25 May 2016 be approved as a correct record of the meeting.

### **4. Work Programme 2016-17**

Councillor Pearson introduced the Work Programme for the Governance and Audit Committee.

Councillor Pearson highlighted that the Chairman of the Governance and Audit Committee and the Chairman of the Scrutiny Panel will be meeting to discuss how to balance the work programme between the two Committees.

*RESOLVED* that the Work Programme 2016-17 be noted.

### **5. Audit Plan and Annual Audit & Certification Fees**

**Councillor Fiona Maclean joined the meeting prior to this item.**

Francesca Palmer, Ernst and Young, introduced the Audit Plan and Annual Audit and Certification Fees report. The report requests that the Governance and Audit committee consider and note the contents of both the Audit Plan for year ending 31 March 2016 and the indicative audit and certification fees for 2016/17.

Francesca Palmer highlighted within the report the two significant financial statement risks which affect all local authorities. This includes the risk of fraud in revenue recognition, and the risk of management override. In addition, the Council is also at risk of significant national appeals which may impact the Council's business rates appeals provision.

The report from Ernst and Young also give information on a risk in its value for money conclusion. This risk relates to the Council continuing to face significant financial challenges over the next three to four years and the risk that the savings plans to bridge this gap are not robust and/or achievable. Francesca Palmer also highlighted that the audit fees have reduced compared to prior years as a result in reduction of overheads of the Public Sector Audit Appointments compared to the Audit Commission.



The Committee welcomed the report and the Chairman requested that acronyms within the report are explained in full. Councillor Chillingworth questioned whether the level of risk associated with funding from external sources particularly government funding should be identified. In response Francesca Palmer stated that this was a business risk to the Council rather than an audit risk. In addition, it was noted by the Committee that a Risk Register report which will include information about external funding risks to the authority will be coming to the committee at its next meeting.

Councillor Jarvis asked for further information on the difference between audit fees and non-audit fees, and the significance of the 3.9% ratio between the two types of audit. In response Francesca Palmer stated that audit fees are those associated to auditing the financial statements and certification of claims and returns which are set out under statute, and managed by the Public Sector Audit Appointments (PSAA). The Non-audit fees refer to those outside the framework such as the Housing Pooling return and there is a threshold on the amount of non-audit work allowed to ensure independence. With regard to the 3.9% ratio, this is as expected as it only includes the Housing Pooling return.

*RESOLVED* that:-

- a) The Audit Plan for year ending 31 March 2016 be noted.
- b) The indicative audit and certification fees for 2016/17 be noted.

## **6. Draft Annual Statement of Accounts 2015/16**

Steve Heath, Financial Manager, introduced the Draft Annual Statement of Accounts 2015/16. The report requests that the information provided regarding the pre-audit Statement of Accounts for 2015/16 be considered and that the Governance and Audit Committee consider the proposal for an internal briefing session on the Statement of Accounts prior to the meeting approving the audited accounts.

Steve Heath stated that the report provides an overview of the process of approving the statement of accounts for 2015/16. Steve Heath highlighted that the auditing deadlines have been moved forward so that the deadline for approving and publishing the audited accounts is 31 July rather than 30 September. Whilst these new deadlines need to be implemented for the 2017/18 accounts, the recommendation is that Local Authorities move to these new deadlines as soon as possible, with Colchester Borough Council implementing them for the 2015/16 accounts.

Steve Heath also stated that the Chief Financial Officer had signed the draft accounts on the 27<sup>th</sup> of May with the accounts having been published on the website for members of the public to view. The final accounts audit has been started and will hopefully be completed in the week following this meeting. In addition Steve Heath stated that there will be an internal briefing session taking place on 21 July so that members can raise any concerns in advance.

The Committee welcomed the report and that the link to the Statement of Accounts was tweeted. The Committee also discussed the ability for members of the public to have their say at the meeting on the Statement of the Accounts, and that the Statement of Accounts are currently out to public consultation if members of the public wish to look at the accounts. Steve Heath confirmed that there had been no comments as yet from the public regarding the draft accounts.

*RESOLVED* that

- a) the Draft Annual Statement of Accounts 2015/16 report be noted.
- b) an internal briefing session on the Statement of Accounts 2015/16 be held on 21 July.

## **7. Year End Internal Audit Assurance Report 2015/16**

Hayley McGrath, Corporate Governance Manager, introduced the report on Year End Internal Audit Assurance Report 2015/16. The report requests that the Governance and Audit Committee review and comment on the internal audit activity from 1 October 2015 to 31 March 2016 and the performance of internal audit by reference to national best practice benchmarks.

Hayley McGrath stated that Colchester Borough Council has been using an external auditor, Mazars, to run its internal audit for a number of years. The Council has an Audit Plan which lasts for five years, and is broken down into yearly plans. Key financial systems and services are audited either fully or on an interim bases each year, with other areas reviewed on a cyclical and risk related basis depending on issues such as use of contractors or whether the service is public facing.

With regard to the audit process, Hayley McGrath stated that this starts with an audit brief being written and then agreed with senior management. Following the audit a report including the recommendations resulting from the audit is submitted to management to accept the recommendations. In terms of reporting to the Governance and Audit Committee, two reports come to the Committee the 6 month and year end reports with the majority of audits being reported at the end of the year. The reports only include detailed information on the limited or no assurance audits.

During 2015/16, there were two full assurance ratings, which included the audit on Creditors and the Museums services. Two services, Payroll and Parking Services Partnership, had their audits reduced from substantial to limited. All recommendations from the audits have been agreed with management, and there are currently no recommendations outstanding.

Hayley McGrath highlighted that Colchester Borough Homes also use Mazars for their internal audit, and when joint audits are undertaken the audit days are shared between the organisations. In addition, the contract with Mazars has recently been extended for three years, with the option to extend for a further two years. The contract includes a slight reduction in the number of audit days so that these days can be used to provide specialist provision for certain services that require upfront audit controls.

The Committee welcomed the report; Councillor Jarvis questioned the categorisation of the recommendations given the high number of priority two recommendations for the Animal/Pest Control audit, but lower number of overall recommendations for the Payroll audit which had one priority and one priority two recommendation. Alan Woodhead, Mazars, stated that whilst each recommendation is a priority, the priority one recommendations are the highest and therefore the categories of audit are based on this. In both cases all the recommendations made have been accepted by management.

Councillor Chillingworth requested further information on contract management and the audit of the service. The Committee agreed that a presentation on contract management and its role at Colchester Borough Council would be helpful.

Councillor Barlow requested that the detailed recommendations from the audits be displayed in order of their priority in future reports.

*RESOLVED* that;

- a) the Internal Audit Activity for the period 01 October 2015-31 March 2016 be noted.
- b) the performance of internal audit by reference to national best practice benchmarks be noted.
- c) A report on contract management be brought to the Governance and Audit Committee on 13 September 2016.

## **8. Review of the Governance Framework and Draft Annual Governance Statement**

Hayley McGrath, Corporate Governance Manager, introduced the Review of the Governance Framework and Draft Annual Governance Statement report. The report requests that the Committee consider and note the review of the Council's compliance with the six principles of good governance including the review of effectiveness of the internal control arrangements and approve the annual Governance Statement for 2015/16.

Hayley McGrath stated that draft Annual Governance Statement comes to the Committee annually and provides a review on how the Council has been governed over the past year. In compiling the statement, one on one interviews are held with members of senior management to establish the performance over the year, which includes input from Human Resource issues and internal audits.

The report includes those areas of concern for the year, where managers have asked for assistance or additional controls are required. This included issues within Payroll, Contract Management and the Revenues and Benefits system. In addition further controls were also required for Data protection; however this issue was with a third party contractor, which has resulted in a formal protocol being created.

*RESOLVED* that:

- a) The Council's compliance with the six principles of good governance including the review of effectiveness of the internal control arrangements be noted.
- b) The Annual Governance Statement for 2015/16 be noted.

26 July 2016

<b>Report of</b>	<b>Assistant Chief Executive</b>	<b>Author</b>	<b>Jonathan Baker</b>
<b>Title</b>	<b>Work Programme 2016-17</b>		<b>282207</b>
<b>Wards affected</b>	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 Following a discussion as part of the Year End Internal Audit Assurance Report 2015/16 at the Governance and Audit Committee meeting on 28 June 2016, the Committee agreed to invite officers to provide further information about Contract Management at Colchester Borough Council. This has been scheduled for the meeting on 13 September 2016.

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







## Governance and Audit Committee

Item  
**8**

26 July 2016

Report of	Assistant Chief Executive	Author	Steve Heath ☎ 282389
Title	Annual Statement of Accounts 2015/16		
Wards affected	Not applicable		

**This report provides comments on the Auditors' report on the Statement of Accounts for 2015/16**

### 1. Decisions Required

- 1.1 To:
- Accept the Auditors' report,
  - Note the comments in this covering report,
  - Approve the letter of representation, and
  - Approve the audited Statement of Accounts.

### 2. Audit Results Report

- 2.1 The pre-audit Statement of Accounts (SOA) was certified by the responsible financial officer on 27 May, which is in accordance with the statutory deadline. A report was presented to this Committee on 28 June highlighting the availability of the draft accounts, and explaining the key financial statements.
- 2.2 The Auditors' work on the 2015/16 accounts has now been substantially completed. The issues raised during the audit have been discussed with the Auditor and dealt with, and the Statement of Accounts is being agreed. The presentation of the attached Auditors' report to those charged with governance is the final stage in the process to approve the Council's Statement of Accounts.
- 2.3 The Audit Plan identified general audit risks that are shown on page 3 of the Auditor's Audit Results Report. The Auditors' testing has not identified any significant issues, and does not raise any concerns over our accounting treatment of these areas.
- 2.4 The Auditor expects to issue an unqualified opinion on the financial statements by 31 July, which is in advance of the statutory deadline of 30 September. In keeping with the usual practice the published statement, including the Auditor's opinion, will be submitted to the Committee following conclusion of the audit.
- 2.5 The audit identified a small number of minor disclosure and consistency errors within the accounts that have all been amended during the course of the audit. No material errors were identified, and there were no errors identified during the audit that have not been adjusted. The report also states that the audit has not identified any weaknesses in internal control that might result in a material error in the financial statements.
- 2.6 The Auditor has a responsibility to be satisfied that the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In examining these arrangements, the Auditor did raise one significant risk relating to the



Council's arrangements for sustainable resource deployment. This concerns the Council's response to the financial pressure resulting from the continuing economic downturn. To address this, the Auditor reviewed the Council's 2016/17 budget and Medium Term Financial Forecast, and has assessed the Council to have adequate arrangements in place. The findings are set out on page 7 of the Auditor's Audit Results Report.

- 2.7 In line with International Standards of Auditing, the Audit Commission requests a general letter of representation in support of the SOA. This provides assurance about the information within the SOA and any issues that could arise between the end of the financial year and the conclusion of the audit. A draft of the letter required, which will be signed by the Section 151 Officer, is attached to this report.

### **3. Strategic Plan References**

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

### **4. Publicity Considerations**

- 4.1 The accounts were open for public inspection from Monday 6 June to Friday 15 July to meet our legal duties. This had been advertised on the Council's website and via social media.

### **5. Financial Implications**

- 5.1 The approval of the audited Statement of Accounts meets a statutory requirement for financial reporting and is an important part of the process to demonstrate accountability in the use of public funds.

### **6. Other Standard References**

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

## **Background Papers**

### **Attached to this report:**

Audit Results Report  
Draft Letter of Representation

### **Available on the Council's website:**

Draft Statement of Accounts 2015/16 (updated)

<http://www.colchester.gov.uk/article/11907/Statement-of-Accounts---Colchester-Borough-Council>

Draft Annual Statement of Accounts – Report to Governance & Audit Committee on 28 June 2016

<http://colchester.cmis.uk.com/colchester/MeetingCalendar/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/394/Committee/35/Default.aspx>

# Colchester Borough Council

Audit Results Report - ISA (UK and Ireland) 260  
for the year ended 31 March 2016

July 2016

Ernst & Young LLP



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## Contents

<b>1. Executive summary .....</b>	<b>0</b>
<b>2. Responsibilities and purpose of our work.....</b>	<b>2</b>
<b>3. Financial statements audit .....</b>	<b>3</b>
<b>4. Value for money .....</b>	<b>6</b>
<b>Appendix A – Outstanding matters .....</b>	<b>8</b>
<b>Appendix B – Independence.....</b>	<b>9</b>
<b>Appendix C – Auditor fees .....</b>	<b>10</b>
<b>Appendix D – Draft audit report.....</b>	<b>11</b>
<b>Appendix E – Management representation letter.....</b>	<b>14</b>
<b>Appendix F – Required communications with the Governance and Audit Committee .....</b>	<b>18</b>

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](http://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 Audit Results Report is prepared in the context of the Statement of responsibilities. This report is intended solely for the use of the Members of the audited body. 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.

# 1. Executive summary

The National Audit Office's Code of Audit Practice (the Code) requires us to report to those charged with governance – the Governance and Audit Committee – on the work we have carried out to discharge our statutory audit responsibilities together with any governance issues identified. This report summarises the findings from the 2015/16 audit which is substantially complete. It includes messages arising from our audit of your financial statements and the results of the work we have undertaken to assess your arrangements to secure economy, efficiency and effectiveness in your use of resources.

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

Status of the audit	<p>We have substantially completed our audit of the financial statements of Colchester Borough Council for the year ended 2015/16. Subject to satisfactory completion of the outstanding items included in Appendix A we will issue an audit opinion in the form which appears in Appendix D:</p> <p>We have performed the procedures outlined in our Audit Plan and anticipate issuing an unqualified opinion on the Authority's financial statements.</p> <p>We expect to conclude that you have put in place proper arrangements to secure value for money in your use of resources.</p> <p>We expect to issue the audit certificate at the same time as the audit opinion. However, this is subject to the completion of procedures required by the National Audit Office (NAO) regarding the Whole of Government Accounts submission. These have yet to be performed as the Group Audit Instruction has yet to be issued following national delays in the WGA process.</p>
Audit differences	<p>There are no unadjusted audit differences.</p> <p>Our audit identified a number of minor amendments to disclosures which our team have highlighted to management for amendment. These have been corrected during the course of our work</p>
Scope and materiality	<p>In our audit plan, presented at the Governance and Audit Committee meeting on 28 June, we communicated that our audit procedures would be performed using a materiality of £2.9m. We have reassessed this based on the actual results for the financial year and there has been no change to the materiality level we have applied. The basis of our assessment is 2% of gross operating expenditure, which has remained consistent with prior years.</p> <p>The threshold for reporting audit differences which impact the financial statements has also not changed.</p> <p>We carried out our work in accordance with our Audit Plan.</p>
Significant audit risks	<p>We identified the following audit risks during the planning phase of our audit, and reported these to you in our audit plan:</p> <ul style="list-style-type: none"> <li>• Risk of fraud in revenue recognition</li> <li>• Risk of management override.</li> </ul> <p>The 'addressing audit risks' section of this report sets out how we have gained audit assurance over those issues.</p>

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Other reporting  
issues

We have no other matters we wish to report.

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Control  
observations

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

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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

## 2. Responsibilities and purpose of our work

### The Council's responsibilities

The Council is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement (AGS). In the AGS, the Council reports publicly on the extent to which it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes 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.

### Purpose of our work

Our audit was designed to:

- Express an opinion on the 2015/16 financial statements and the consistency of other information published with them;
- Report on an exception basis on the Annual Governance Statement;
- Consider and report any matters that prevent us being satisfied that the Council had put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion); and
- Discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

In addition, this report contains our findings related to the areas of audit emphasis and any views on significant deficiencies in internal control or the Council's accounting policies and key judgments.

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the National Audit Office.

### 3. Financial statements audit

#### Addressing audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

A significant audit risk in the context of the audit of the financial statements is an inherent risk with both a higher likelihood of occurrence and a higher magnitude of effect should it occur and which requires special audit consideration. For significant risks, we obtain an understanding of the entity's controls relevant to each risk and assess the design and implementation of the relevant controls.

Significant Risks (including fraud risks)	Audit procedures performed	Assurance gained and issues arising
<p><b>Risk of management override</b></p> <p>As identified in ISA (UK and Ireland) 240, 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. We identify and respond to this fraud risk on every audit engagement.</p>	<ul style="list-style-type: none"> <li>Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;</li> <li>Reviewed accounting estimates for evidence of management bias, specially the NNDR provision as it has been calculated by council staff for the first time this year;</li> <li>Evaluated the business rationale for any significant unusual transactions; and</li> </ul>	<ul style="list-style-type: none"> <li>We selected a number of journals to review based on our risk assessment. We have agreed these to other areas of our audit work or other supporting evidence. We have no concerns to raise.</li> <li>Our review of estimates has not identified evidence of management bias</li> <li>We have not identified any unusual business transactions.</li> </ul>
<p><b>Risk of fraud in revenue recognition</b></p> <p>Under ISA240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue.</p> <p>In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p> <p>For local authorities the potential for the incorrect classification of revenue spend as capital is a particular area where there is a risk of incorrect recognition, and also management override.</p>	<ul style="list-style-type: none"> <li>Reviewed and tested revenue and expenditure recognition policies;</li> <li>Developed a testing strategy to test material revenue and expenditure streams including payroll, housing benefits, rents repairs and maintenance accounts payable and accounts receivable; and</li> <li>Reviewed and tested revenue cut-off at the period end date.</li> <li>Reviewed capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised.</li> </ul>	<ul style="list-style-type: none"> <li>We have tested revenue recognition and cut off as part of income and expenditure testing and have not identified any issues with classification or recognition of expenditure.</li> <li>We have reviewed capital expenditure on property plant and equipment and found no issues with the classification as capital expenditure.</li> </ul>



We also identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

Other Risks	Audit procedures performed	Assurance gained and issues arising
<p>The Council's brought forward provision for business rates appeals is significant, totalling £5m and was predicted to increase to £7m at year end. This provision is subject to significant estimation techniques as well as precedent set by rate payers who may have successfully appealed in other parts of the country. Significant national appeals are currently in progress, mainly affecting GP surgeries and NHS trusts, which may result in the need for the Council to recognise additional provision for the 2015-16 financial year. As appeals are made to the Valuation Office (VOA), the Council may not be aware of the level of claims lodged in the year, as well as those claims successfully lodged elsewhere, and there is therefore a risk that the provision could be materially misstated or incomplete.</p>	<ul style="list-style-type: none"> <li>• Reviewed the Council's methodology underpinning the provision for business rate appeals to ensure it has been calculated on a reasonable basis in line with IAS37;</li> <li>• ensured the provision is supported by appropriate evidence and that the level of estimation uncertainty is adequately disclosed; and</li> <li>• reviewed the completeness and valuation of the provision, taking into account information held by the VOA</li> </ul>	<ul style="list-style-type: none"> <li>• We have reviewed the methodology and supporting evidence to confirm that the approach the council has taken is robust.</li> <li>• In addition we also carried out testing to gain assurance that the list of properties provided for was complete.</li> </ul>

## Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we are required to communicate to you significant findings from the audit and other matters that are significant to you oversight of the Council's financial reporting process, including the following:

- Qualitative aspects of your accounting practices; estimates and disclosures;
- Matters specifically required by other auditing standards to be communicated to those charged with governance. For example, issues about fraud, compliance with laws and regulations, external confirmations and related party transactions;
- Any significant difficulties encountered during the audit; and
- Other audit matters of governance interest

We have no matters we wish to report.

## **Control themes and observations**

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

We have tested the controls of the Council only to the extent necessary for us to complete our audit. We are not expressing an opinion on the overall effectiveness of internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

We have reviewed the Annual Governance Statement and can confirm that it not misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Council.

## **Request for written representations**

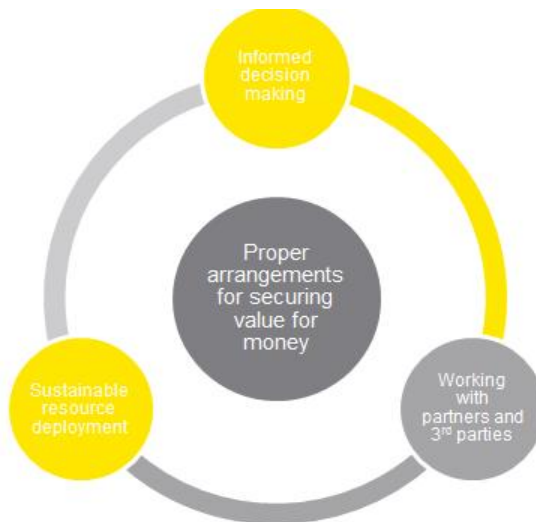
We have requested a management representation letter to gain management's confirmation in relation to a number of matters, as outlined in Appendix E. In addition to the standard representations, we have requested the following specific representations:

## **Whole of Government Accounts**

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the National Audit Office.

There has been a national delay in the WGA completion process, and Group Audit Instruction, and therefore we are yet to conclude our work in this area. We will report any matters that arise to the Governance and Audit Committee.

## 4. 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.

### Overall conclusion

We identified a significant risk in relation to these arrangements regarding sustainable resource deployment.

We have performed the procedures outlined in our audit plan. We did not identify any significant weaknesses in the Council's arrangements

We therefore expect to conclude that you have put in place proper arrangements to secure value for money in your use of resources.

### Significant risks

The table below presents the findings of our work in response to the risk areas in our audit plan.

VFM risk identified within our audit plan	To date the Council has responded well to the financial pressure resulting from the continuing economic downturn. However, the Council continues to face significant financial challenges over the next three to four years, with a forecasted underlying budget gap of £2.7m by 2019-20. Given the scale of the savings needed, there is a risk that savings plans to bridge this gap are not robust and/or achievable.
Impacts arrangements for:	Deploying resources in a sustainable manner

Key findings

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.

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 now stands at £10.3m as at 31 March 2016,

The 2016/17 budget is balanced, through the use of efficiencies and income plans. Although it is still relatively early in the financial year, we assessed these as reasonably based 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.

Therefore, based on the known information as at the end of the financial year, we assess the Council to have adequate arrangements.

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## Appendix A – Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report

Item	Actions to resolve	Responsibility
Management representation letter	Receipt of signed letter of representation.	Management, and Governance and Audit Committee
Accounts	<ul style="list-style-type: none"> <li>• Incorporation of EY review comments on disclosure notes.</li> <li>• Accounts re-certified by RFO.</li> <li>• Approval of accounts by Governance and Audit Committee.</li> </ul>	EY, management and Governance and Audit Committee
Subsequent events review	Completion of the subsequent events procedures to the date of signing the audit report.	EY and management
Final review procedures	Management and EY to work together to complete any outstanding work arising as a result of outstanding review	EY and management
Receipt of investment confirmations.	Management and EY to continue to chase investment managers for these	EY and management
IAS Assurance	Awaiting final IAS19 assurance from auditors of Essex Pension Fund	EY

## Appendix B – Independence

We confirm there are no changes in our assessment of independence since our confirmation in our Audit Plan dated 10 June 2016.

We complied with the Auditing Practices Board's Ethical Standards for Auditors and the requirements of the Public Sector Audit Appointments Ltd (PSAA)'s Terms of Appointment. 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 of regulatory and professional requirements.

We confirm that we are not aware of any relationships that may affect the independence and objectivity of the firm that we are required by auditing and ethical standards to report to you.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Governance and Audit Committee on 26 July 2016.

We confirm that we have met the reporting requirements to the Governance and Audit Committee, as 'those charged with governance' under International Standards on Auditing (UK and Ireland) 260 – Communication with those charged with governance. Our communication plan to meet these requirements was set out in our Audit Plan of 10 June 2016.

## Appendix C – Auditor fees

The table below sets out the scale fee and our final proposed audit fees.

Description	Proposed final Fee 2015/16 £	Scale Fee 2015/16 £	Variation comments
Total Audit Fee – Code work	62,582	62,582	
Certification of claims and returns – work not yet completed*	12,557	12,557	
Non-audit work Housing pooled capital receipts – work not yet completed	2,350	-	Non-audit work is not include within the scale fee.

\* Our certification of the Housing Benefit claim will be completed to the 30 November 2016 deadline, and the final fee concluded at that time.

Our actual audit fee is in line with the scale fee set by the PSAA at this point in time, subject to satisfactory clearance of the outstanding work.

We confirm we are planning to undertake non-audit work outside of the PSAA's requirements. This is for the certification of the Councils Pooled housing capital receipts return to DCLG.

## Appendix D – Draft audit report

### Independent auditor's report to the members of Colchester Borough Council

#### Opinion on the Authority's financial statements

We have audited the financial statements of Colchester Borough Council for the year ended 31 March 2016 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Authority and Group Movement in Reserves Statement,
- Authority and Group Comprehensive Income and Expenditure Statement,
- Authority and Group Balance Sheet,
- Authority and Group Cash Flow Statement,
- Related notes 1 to 42 and G1 to G13,
- Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and related notes H1 to H13, and
- Collection Fund and the related notes C1 to C5

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

This report is made solely to the members of Colchester Borough Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of the Strategic Finance Officer and auditor

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 20, the Strategic Finance Manager is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority and Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Strategic Finance Manager, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Statement of Accounts 2015/16 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in



the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the financial position of Colchester Borough Council and Group as at 31 March 2016 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

### **Opinion on other matters**

In our opinion, the information given in the Statement of Accounts 2015/16 for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we report by exception**

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Council;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects

### **Conclusion on Colchester Borough Council's arrangements for securing economy, efficiency and effectiveness in the use of resources**

#### ***Authority's responsibilities***

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

#### ***Auditor's responsibilities***

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

***Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources***

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2015, as to whether Colchester Borough Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the whether Colchester Borough Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, Colchester Borough Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

***Conclusion***

On the basis of our work, having regard to the guidance issued by the C&AG in November 2015, we are satisfied that, in all significant respects, Colchester Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

***Certificate***

We certify that we have completed the audit of the accounts of Colchester Borough Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

*Kevin Suter*

*for and on behalf of Ernst & Young LLP, Appointed Auditor*

*Luton*

*26 July 2016*

## Appendix E – Management representation letter

This letter of representations is provided in connection with your audit of the consolidated and council financial statements of Colchester Borough Council (“the Group and Council”) for the year ended 31 March 2016. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and council financial statements give a true and fair view of the Group and Council financial position of Colchester Borough Council as of 31 March 2016 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Group and Council CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16

We understand that the purpose of your audit of our consolidated and council financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and Council the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.
2. We acknowledge, as members of management of the Group and Council, our responsibility for the fair presentation of the consolidated and council financial statements. We believe the consolidated and council financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and Council in accordance with [the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and are free of material misstatements, including omissions. We have approved the consolidated and council financial statements.
3. The significant accounting policies adopted in the preparation of the Group and Council financial statements are appropriately described in the Group and Council financial statements.
4. As members of management of the Group and Council, we believe that the Group and Council have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 for the Group and Council that are free from material misstatement, whether due to fraud or error.

There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

#### **B. Fraud**

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. We have disclosed to you the results of our assessment of the risk that the consolidated and council financial statements may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Group or Council's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the consolidated or council financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the consolidated or council financial statements or otherwise affect the financial reporting of the Group or Council.

#### **C. Compliance with Laws and Regulations**

1. We have disclosed to you all identified or suspected non-compliance with laws and regulations whose effects should be considered when preparing the consolidated and council financial statements.

#### **D. Information Provided and Completeness of Information and Transactions**

1. We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the consolidated and council financial statements.
3. We have made available to you all minutes of the meetings of the Council, Cabinet and Governance and Audit Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 26 July 2016.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets,

liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and council financial statements

5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable
6. We have disclosed to you, and the Group and Council has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and council financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

#### **E. Liabilities and Contingencies**

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and council financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.<sup>1</sup>
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in Note 39 to the consolidated and council financial statements all guarantees that we have given to third parties.
4. No claims in connection with litigation have been or are expected to be received.<sup>2</sup>

#### **F. Subsequent Events**

1. Other than described in Note 7 to the consolidated and council financial statements, there have been no events subsequent to year end which require adjustment of or disclosure in the consolidated and council financial statements or notes thereto.

#### **G. Group audits**

1. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst council, subsidiary undertakings and associated undertakings.

Yours faithfully,

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Strategic Finance Manager

<sup>1</sup> ISA (UK and Ireland) 501.12

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Chairman of the Governance and Audit Committee

## Appendix F – Required communications with the Governance and Audit Committee

There are certain communications that we must provide to the Governance and Audit Committee. These are detailed here:

Required communication	Reference
<b>Planning and audit approach</b> Communication of the planned scope and timing of the audit, including any limitations.	Audit Plan
<b>Significant findings from the audit</b> <ul style="list-style-type: none"> <li>▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▶ Significant difficulties, if any, encountered during the audit</li> <li>▶ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▶ Written representations that we are seeking</li> <li>▶ Expected modifications to the audit report</li> <li>▶ Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit Results Report
<b>Going concern</b> Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none"> <li>▶ Whether the events or conditions constitute a material uncertainty</li> <li>▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▶ The adequacy of related disclosures in the financial statements</li> </ul>	No conditions or events were identified, either individually or in aggregate, that indicated there could be doubt about Colchester Borough Council's ability to continue as a going concern for the 12 months from the date of our report.
<b>Misstatements</b> <ul style="list-style-type: none"> <li>▶ Uncorrected misstatements and their effect on our audit opinion</li> <li>▶ The effect of uncorrected misstatements related to prior periods</li> <li>▶ A request that any uncorrected misstatement be corrected</li> <li>▶ In writing, corrected misstatements that are significant</li> </ul>	Audit Results Report
<b>Fraud</b> <ul style="list-style-type: none"> <li>▶ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▶ A discussion of any other matters related to fraud</li> </ul>	We have made enquiries of management and the Audit & Governance Committee. We have not become aware of any fraud or illegal acts during our audit.
<b>Related parties</b> Significant matters arising during the audit in connection with the entity's related parties including, when applicable: <ul style="list-style-type: none"> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	We have no matters we wish to report regarding related parties.

Required communication	Reference
<b>External confirmations</b> <ul style="list-style-type: none"> <li>▶ Management's refusal for us to request confirmations</li> <li>▶ Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	We have received all requested confirmations, other than where outlined in Appendix A.
<b>Consideration of laws and regulations</b> <ul style="list-style-type: none"> <li>▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off</li> <li>▶ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of</li> </ul>	We have not identified any material instances of non-compliance with laws and regulations.
<b>Independence</b> Communication of all significant facts and matters that bear on EY's objectivity and independence  Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul>	Audit Plan and Audit Results Report
<b>Significant deficiencies in internal controls identified during the audit</b>	Annual Audit Letter/Audit Results Report
<b>Group audits</b> <ul style="list-style-type: none"> <li>▶ An overview of the type of work to be performed on the financial information of the components</li> <li>▶ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components</li> <li>▶ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work</li> <li>▶ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted</li> <li>▶ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements</li> </ul>	Audit Plan Audit Results Report
<b>Fee Information</b> <ul style="list-style-type: none"> <li>▶ Breakdown of fee information at the agreement of the initial audit plan</li> <li>▶ Breakdown of fee information at the completion of the audit</li> </ul>	Audit Plan Audit Results Report Annual Audit Letter if considered necessary
<b>Certification work</b> <ul style="list-style-type: none"> <li>▶ Summary of certification work undertaken</li> </ul>	Certification Report



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## **Corporate & Financial Management**

Rowan House  
33 Sheepen Road  
Colchester, CO3 3WG

Kevin Suter  
Director  
Ernst & Young LLP

Contact Mr Sean Plummer  
Phone (01206) 282347 Fax (01206) 282358  
Minicom textphone 18001 01206 282389  
E-mail sean.plummer@colchester.gov.uk  
Your ref  
Our ref  
Date 26 July 2016

Dear Kevin

### **Letter of Representation – 2015/16 financial year**

This letter of representation is provided in connection with your audit of the consolidated and council financial statements of Colchester Borough Council (“the Group and Council”) for the year ended 31 March 2016. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and council financial statements give a true and fair view of the Group and Council financial position of Colchester Borough Council as of 31 March 2016 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Group and the Council, CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

We understand that the purpose of your audit of our consolidated and council financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

#### **A. Financial Statements and Financial Records**

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and the Council, the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.
2. We acknowledge, as members of management of the Group and Council, our responsibility for the fair presentation of the consolidated and council financial statements.

We believe the consolidated and council financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and the Council, in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and are free of material misstatements, including omissions. We have approved the consolidated and council financial statements.

3. The significant accounting policies adopted in the preparation of the Group and Council financial statements are appropriately described in the Group and Council financial statements.

4. As members of management of the Group and Council, we believe that the Group and Council have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 for the Group and Council that are free from material misstatement, whether due to fraud or error.

5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

## **B. Fraud**

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

2. We have disclosed to you the results of our assessment of the risk that the consolidated and council financial statements may be materially misstated as a result of fraud.

3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Group or Council's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the consolidated or council financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the consolidated or council financial statements or otherwise affect the financial reporting of the Group or Council.

## **C. Compliance with Laws and Regulations**

1. We have disclosed to you all known actual or suspected non-compliance with laws and regulations whose effects should be considered when preparing the consolidated and council financial statements.

## **D. Information Provided and Completeness of Information and Transactions**

1. We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and

- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the consolidated and council financial statements.

3. We have made available to you all minutes of the meetings of the Council, Cabinet and Governance and Audit Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 26 July 2016.

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and council financial statements.

5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. We have disclosed to you, and the Group and Council has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and council financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

## **E. Liabilities and Contingencies**

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and council financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note 39 to the consolidated and council financial statements all guarantees that we have given to third parties.

4. No claims in connection with litigation have been or are expected to be received.

## **F. Subsequent Events**

1. Other than described in Note 7 to the consolidated and council financial statements, there have been no events subsequent to year end which require adjustment of or disclosure in the consolidated and council financial statements or notes thereto.

## **G. Group Audits**

1. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst council, subsidiary undertakings and associated undertakings.

Signed on behalf of Colchester Borough Council

I confirm that this letter has been discussed and agreed by the Governance and Audit Committee on 26 July 2016.

**Sean Plummer**  
**Chief Financial Officer**

**Cllr Chris Pearson**  
**Chairman of the Governance and Audit Committee**

26 July 2016

Report of	Monitoring Officer	Author	Andrew Weavers ☎ 282213
Title	Complaints in relation to Councillor Buston		
Wards affected	Not applicable		

**This report requests the Committee to consider two complaints received in relation to Councillor Buston**

## 1. Decision(s) Required

- 1.1 To make an initial assessment in accordance with the Council's Localism Act Arrangements, regarding what action should be taken in relation to these complaints.

## 2. Background

- 2.1 Under the Localism Act the Council has a statutory duty to promote and maintain high standards of conduct by members and co-opted members of the authority. In order to discharge this duty the council has adopted a Code of Conduct for Members which sets out the conduct expected of members and co-opted members of the authority when they are acting in that capacity. The Council has also adopted Arrangements which detail how complaints in relation to Member conduct will be handled.
- 2.2 The Full Council agreed that as part of the terms of reference of this Committee it is responsible for promoting and maintaining high standards of conduct by Members and Co-opted Members of the Council.
- 2.3 The Council's Localism Act Arrangements provide that the Monitoring Officer may, after consulting with one of the Council's appointed Independent Persons, refer a complaint to this Committee to make an initial assessment regarding what action to take. In view of the fact that there are two separate complaints regarding Councillor Buston from Councillor Bourne the Monitoring Officer decided that these complaints should be referred to this Committee.

## 3. The complaints

### Complaint 1

- 3.1 On 12 May 2016 a complaint was received from Councillor Bourne regarding Councillor Buston's *"continuing unlawful and discriminatory language around travellers. Travellers/Gypsy communities are afforded protection under Equality Act and the Council signs up to a Public Sector Equality Duty, a statement of which is on our website."* Councillor Bourne cited an email sent by Councillor Buston dated 9 May 2016 in relation to Travellers which was copied to many officers and some residents which Councillor Bourne found offensive. The email in question is attached at Appendix 1
- 3.2 The Monitoring Officer emailed Councillor Buston regarding this complaint on 16 May 2016 and Councillor Buston responded via an email dated also 16 May 2016 both of which are attached at Appendix 2. This complaint originally included Councillor Jarvis however,

Councillor Buston took sole responsibility for the 9 May 2016 email and accordingly Councillor Jarvis is not included in this matter.

## Complaint 2

- 3.3 On 27 May 2016 a second complaint was received from Councillor Bourne regarding the tone of his comments contained in a Daily Gazette article on Travellers dated 27 May 2016 (attached at Appendix 3). Councillor Bourne was concerned that Councillor Buston *“had not heeded any advice that may have been given to him regarding stigmatising whole communities, and worse he directly refers to conversations he has had regarding his comments that I found offensive last week. A councillor is a community leader, Cllr Buston has wrongly used the phrase 'deprived minority group' to gain favour with local residents which is mocking and unkind. He also makes reference to this group being able to afford 'brand new lorries and vans', further inciting fear and loathing in local residents and the wider population. The 'I pay my Council tax and other taxes' phrase is equally distasteful.”*
- 3.4 The Monitoring Officer emailed Councillor Buston regarding this complaint on 1 June 2016 (attached at Appendix 4)

## **4. The Code**

- 4.1 The Council's Members' Code of Conduct states at paragraph 3 (3) (a):
- “You must not do anything which may cause the Authority to breach any of the equality enactments”*
- 4.2 Under the Equalities Act 2010, travellers are a group with protected characteristics. The Council as a public authority is required to comply with the public sector equality duty. This in turn means that the Council ( including councillors) when making decisions or publishing information must have due regard to the need to:
- Eliminate unlawful discrimination
  - Advance equality of opportunity
  - Foster good relations between people who share a protected characteristic and people who do not share it.

## **5. Options for the Committee**

- 5.1 The Committee needs to make an initial assessment of these complaints. This is not a hearing but a decision following consideration of the contents of this report and in accordance with the Council's Localism Act Arrangements (attached at Appendix 5) whether Councillor Buston's conduct potentially amounted to a breach of the Members' Code of Conduct and if so, whether either one or both of the complaints:-
- (a) merits no further investigation; or  
(b) merits further investigation.
- 5.2 If the Committee determines that no further investigation is merited it can also agree that no further action be taken or the Committee may wish to consider providing advice to avoid future situations occurring.
- 5.3 If the Committee determines that Councillor Buston's conduct merits further investigation then the Monitoring Officer will appoint an external person as an Investigating Officer who will then conduct an investigation and report back to the Committee in accordance with the Council's Localism Act Arrangements attached at Appendix 5.

## **6. Strategic Plan References**

- 6.1 The manner in which the Council governs its business is an underpinning mechanism in the Council's Strategic Plan aims to set out the direction and future potential for our Borough.

## **7. Financial, Equality, Diversity and Human Rights, Consultation, Community Safety, Health, Publicity and Safety and Risk Management Implications**

- 7.1 None identified.





## Andrew Weavers

---

**From:** Tina Bourne <tinajanebourne@gmail.com>  
**Sent:** 12 May 2016 11:04  
**To:** Andrew Weavers  
**Cc:** Adrian Pritchard; Tim Young  
**Subject:** Fwd: P 25 31 18 25 E Mail LR CBC 09 May 16 Hilly Fields Travellers encampment

Dear Andrew

I gather you have looked at the letter in the paper from Cllr Goss today, which in my opinion goes well beyond the musings of an elected Member and is in breach of the code of conduct and the law.

I will be reporting him to Standards unless a full apology and retraction is made.

In addition, I wish to report Cllrs Buston and Jarvis to Standards for their continuing unlawful and discriminatory language around travellers. Travellers/Gypsy communities are afforded protection under Equality Act and the Council signs up to a Public Sector Equality Duty, a statement of which is on our website.

Please find below a recent email from Cllr Buston received by me, copied to many officers and some residents that I find offensive.

I am writing to the Gazette Editor pointing out that Travellers are a protected characteristic under the Equality Act and the letter should not have been published, in the same way that I challenged the editor over pejorative letters about refugees.

Please advise accordingly - I understand that we will be discussing this at Exec Board later today.

Kind regards  
Tina

COPY OF EMAIL BELOW....

Sent from my iPhone

Begin forwarded message:

**From:** Roger Buston <[rbuston@apblaw.co.uk](mailto:rbuston@apblaw.co.uk)>  
**Date:** 9 May 2016 at 21:55:30 BST  
**To:** "[Beverley.Jones@colchester.gov.uk](mailto:Beverley.Jones@colchester.gov.uk)" <[Beverley.Jones@colchester.gov.uk](mailto:Beverley.Jones@colchester.gov.uk)>  
**Cc:** Brian Jarvis - Cllr - own email <[brianjarvis08740@btinternet.com](mailto:brianjarvis08740@btinternet.com)>, "[tinajanebourne@gmail.com](mailto:tinajanebourne@gmail.com)" <[tinajanebourne@gmail.com](mailto:tinajanebourne@gmail.com)>, "[Belinda.Silkstone@colchester.gov.uk](mailto:Belinda.Silkstone@colchester.gov.uk)" <[Belinda.Silkstone@colchester.gov.uk](mailto:Belinda.Silkstone@colchester.gov.uk)>, Dennis Willetts <[Dennis.Willetts@colchester.gov.uk](mailto:Dennis.Willetts@colchester.gov.uk)>, Brian Jarvis <[Brian.Jarvis@colchester.gov.uk](mailto:Brian.Jarvis@colchester.gov.uk)>, Rory Doyle <[Rory.Doyle@colchester.gov.uk](mailto:Rory.Doyle@colchester.gov.uk)>, "[will.quince.mp@parliament.uk](mailto:will.quince.mp@parliament.uk)" <[will.quince.mp@parliament.uk](mailto:will.quince.mp@parliament.uk)>, Paul Vickers <[ndaC.Vickers@colchester.gov.uk](mailto:ndaC.Vickers@colchester.gov.uk)>, Carla Davis <[Carla.Davis@colchester.gov.uk](mailto:Carla.Davis@colchester.gov.uk)>, Dean Weston <[Dean.Weston@colchester.gov.uk](mailto:Dean.Weston@colchester.gov.uk)>, Helpline <[Helpline@colchester.gov.uk](mailto:Helpline@colchester.gov.uk)>, Lewis Barber <[lewis.barber.13@ucl.ac.uk](mailto:lewis.barber.13@ucl.ac.uk)>, "[Lou.Middleton@essex.pnn.police.uk](mailto:Lou.Middleton@essex.pnn.police.uk)" <[Lou.Middleton@essex.pnn.police.uk](mailto:Lou.Middleton@essex.pnn.police.uk)>, Adrian Pritchard <[Adrian.Pritchard@colchester.gov.uk](mailto:Adrian.Pritchard@colchester.gov.uk)>, Andrew Weavers <[Andrew.Weavers@colchester.gov.uk](mailto:Andrew.Weavers@colchester.gov.uk)>, Karen Loweman <[Karen.Loweman@cbhomes.org.uk](mailto:Karen.Loweman@cbhomes.org.uk)>, Leonie Rathbone <[Leonie.Rathbone@colchester.gov.uk](mailto:Leonie.Rathbone@colchester.gov.uk)>  
**Subject:** P 25 31 18 25 E Mail LR CBC 09 May 16 Hilly Fields Travellers encampment

From:

Councillors Roger Buston and Brian Jarvis



## Team Lexden & Prettygate Conservatives

Here to make a positive difference

P 25 31 18 25

09 May 16

Good evening Beverley ,

### Crime Prevention / Environmental Protection

#### Hilly Fields LNR : Incursion by Travellers

I am obliged for your response.

I am very sorry indeed , both for our residents as well as personally, that we find ourselves put into this adversarial position.

#### Criminal damage report by residents.

I am absolutely sure, as perhaps you might imagine, that the residents who reported the Criminal Damage to both Padlock and subsequently to the Gate being ripped off its hinges to me, have no wish to “ come forward “ and report the matter publicly , for fear of intimidation by the Travellers.

To suggest otherwise would, I suggest, be disingenuous.

Would you come forward in such circumstances ?

With respect, I suggest , probably not.....

The reputation of our “friendly” travellers precedes them, doesn't it .....?

Nonetheless I am sure you will agree that intimidation of this nature this should not mean , as appears to be the case here, for our residents that the Police will pretend that nothing of this nature has ever happened here , and that no criminal damage occurred.

Please look again at the evidence attached.

At the very least surely we should be entitled to reasonably expect the Police to conduct a thorough forensic examination , and fingerprints being taken both of and at the site, as well as of all the likely suspects : if only , perhaps as they say in the films, to rule out those who are innocent ?

Dramatic perhaps, and indeed perhaps I have been watching too many detective films, but residents will demand why this has not been done , and why are our - their - Police so reluctant to Act ?

By ignoring the issue, what sort of message does this give out ?

“Commit crime in Colchester and we’ll take no notice ? “ ....” Criminals and intimidators welcome here “ : I do hope not.

At the moment the policy both from CBC as well as the Police seems to be not to do anything at all in regard to the wanton damage committed , which I suggest is

(1) unacceptable to both residents and Council Tax payers alike

and

(2) sets an extremely bad example.....unless of course you are a traveller, in which case it is very encouraging and supportive indeed : “ Welcome to Colchester “ – we’ll let you do as you like.

The way this matter is being presented at the moment, with respect, both by CBC Officers as well as the Police is that it is our residents who are being cast as the ones who at fault by daring to report the matter and by being intimidated (!)

Perhaps it is about time this position were reversed, and a bit of empathy was shown towards our residents ?

.....this quite apart from the rather obvious fact as has been suggested to me by a number of angry residents that it is “us the Residents that pay the wages of the Officers both of CBC and the Police so why are you taking their side etc etc “. Sadly as a CBC Councillor, and thus seemingly to them at least representing “officialdom” here, I find myself being tarred with the same brush, which I find singularly inappropriate and most uncomfortable.

Residents feel that they have the right to be accorded the duty of care and support from the Members and the Officers they employ , rather than seemingly every excuse be put forward not to take firm action against the , I suggest, rather obvious perpetrators of these various and deliberate crimes ?

Perhaps we might be better served by inviting Inspectors from HM Revenue and Customs to visit the site ? From my recollections of erring clients in the past , over the last 40 + years I have been in practice , HMRC have few, if any, scruples or reservations in acting precipitously and without warning whenever the opportunity presents itself.....those brand new vans lorries and caravans have to come from somewhere.....?

#### **ECTU Notice.**

Please confirm that the ECTU notice will be backed up by immediate s. 61 Action if the Travellers do not “ move on “ directly : and if they do move on will it also be made clear that a similar reaction will be forthcoming if they decide to Trespass on any other land in Colchester ?

#### **The Police**

In regard to the above, I have to again note that you indicate that the Police claim that no crime has been committed.

I have evidenced at last 4 in my earlier correspondence.

Can CBC please formally requisition the Police to identify why none of the items I so far identified constitutes a crime , and therefore why they should do nothing about it , where the evidence adduced clearly indicates the exact opposite ?

I have to suggest that our Residents have the right to expect more of their Public servants than this.

Best wishes



Roger Buston  
TD LLB TEP FCMI VR  
Consultant Solicitor

**Councillor, ( fmr Lexden) Prettygate Ward, Colchester Borough Council**

Correspondence to :

Birkett Long LLP | 42 Crouch Street | Colchester | Essex | CO3 3HH  
**T: 01206 217 335 | F: 01206 711398 |M : 07 770 305 977 | DX 3603 Colchester 1**  
**E : | [buston@apblaw.co.uk](mailto:buston@apblaw.co.uk)**

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Please consider the environment before printing this email. Thank you.

**From:** "Beverley Jones" <[Beverley.Jones@colchester.gov.uk](mailto:Beverley.Jones@colchester.gov.uk)>  
**Subject:** RE: P 25 31 18 25 E Mail LR CBC 09 May 16 Hilly Fields Travellers encampment  
**Date:** 9 May 2016 16:41:26 BST  
**To:** "Roger Buston - Cllr - own email" <[rbuston@apblaw.co.uk](mailto:rbuston@apblaw.co.uk)> ,

Dear Cllr Buston

I know that Belinda has copied you into her latest update regarding the action we are taking to deal with the unauthorised encampment at Hilly Fields.

As you will have seen, the Essex-wide County Traveller Unit have attended to serve the "Direction to Leave" the site and will be taking the necessary action to secure compliance with the notice. As explained in the update, if they do not leave after the 24 hours has expired then we will be required to take further legal action which will require us securing a court date. Clearly we will do this as quickly as possible and I would like to assure you that we are working with ECTU to take all the appropriate steps to secure their removal.

I note your questions in relation to the decision not to use s61 and would like to confirm that the potential use of s61 has been discussed between both ECTU and the Police at each review point in the process to ensure that the most appropriate legal recourse is used at the time. Clearly, I will leave our Police colleagues to respond to your detailed questions, but they have confirmed to us that there is currently no evidence to support them using these powers.

In relation to the points you have raised concerning the access gates – if you are able to provide us with the details of witnesses who directly observed the travellers either removing the padlock or damaging the gate then we will be more than happy to work with the Police to obtain witness statements and take further action. Whilst I understand that residents will naturally come to a conclusion as to who is responsible, without clear proof as to the perpetrator we are unable to take any further action.

I will ask Belinda to ensure that you are included in the updates that she will continue to send.

I look forward to hearing from you with any information you are able to provide in relation to the damage to the access gates.

Kind regards  
Beverley

**Beverley Jones** • Head of Professional Services • Colchester Borough Council •  
Rowan House, Sheepen Road, Colchester, Essex CO3 3WG • Tel: +44 (0)1206  
282593 • Fax: +44 (0)1206 282598 • Textphone users dial 18001 followed by the full  
telephone number you wish to call • Email: [beverley.jones@colchester.gov.uk](mailto:beverley.jones@colchester.gov.uk)







### Andrew Weavers

---

**From:** Roger Buston <rbuston@apblaw.co.uk>  
**Sent:** 16 May 2016 17:36  
**To:** Andrew Weavers; Brian Jarvis - Cllr - own email  
**Subject:** P 25 31 18 25 Complaint

P 25 31 18 25

16 May 16

Good afternoon Andrew,

### Complaint

I wrote the item now complained about by Cllr Bourne , and thus I accept full responsibility for it - so please discount Cllr Jarvis from this witch hunt.

With respect to Councillor Bourne , I simply cannot see what she is complaining about ?

I can see nothing at all within in the content of the E Mail I wrote that could be remotely breaching any Equality Law , Protocol or indeed the Members Code of Conduct.

In fact , the contrary.

I would suggest the folk whose human rights have been breached here are the residents and Council Tax payers of Colchester , who have had crimes committed against them collectively , which appear to be being ignored by , particularly, the Police , for whatever reason , and , further now that the (Travellers ) - or whatever more respectful description Cllr Bourne wishes to attribute to these illegal occupants, have departed , the Residents are required , adding insult to injury, to have to pay for the privilege of clearing up the mess the (Travellers) have left behind them.

With respect I cannot see that I , acting on residents behalf, have anything to apologise for ?

If I am nonetheless required by Cllr Bourne to apologise for standing up for the Residents and Council Tax payers of Colchester against those who choose deliberately to commit wanton acts of vandalism and criminal damage against them and intimidate them ( whatever and whoever these persons for the sake of convenience and an artificial label currently applied to them may be) and at residents expense too , I will not .

.....in that that's what (at least I thought that) I was elected to do ?

I am very disturbed indeed if this is to be the measure of the Councils application of support for its residents and those as stand up for our residents under the current Administration.

Best wishes



**Roger Buston**  
TD LLB TEP FCMI VR  
Consultant Solicitor

Councillor Prettygate Ward Colchester Borough Council

Birkett Long LLP | 42 Crouch Street | Colchester | Essex | CO3 3HH  
**T: 01206 217 335** | **M : 07 770 305 977** | **F: 01206 711398** | [WEBSITE](#) | [MAP](#)  
**E: [roger.buston@birkettlong.co.uk](mailto:roger.buston@birkettlong.co.uk)**

\*\*\*\*\*



## Appendix 2

CONFIDENTIAL \* This email is intended for and confidential to the named recipient. If you have received a copy in error, please accept our apologies and destroy it. You may not use or disclose the contents of this e-mail to anyone, nor take copies of it. The only copies permitted are to be made by the named recipient and for the purpose of completing successful electronic transmission to the named recipient and then only on condition that these copies, with this notice attached, are kept confidential until destruction.  
\*\*\*\*\*

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**From:** Andrew Weavers [mailto:Andrew.Weavers@colchester.gov.uk]  
**Sent:** 16 May 2016 14:49  
**To:** Roger Buston <rbuston@apblaw.co.uk>; Brian Jarvis - Cllr - own email <brianjarvis08740@btinternet.com>  
**Subject:** Complaint

Dear Councillors Buston and Jarvis

I have received a complaint from Councillor Bourne regarding the contents of the email below which, as you will recall relates to Travellers.

Under the Equalities Act, Travellers are a group with protected characteristics and accordingly the language used in your email may have potentially amounted to a breach of that part of the Members Code of Conduct which states "Members must not do anything to breach equalities laws".

I should be grateful if you would consider the contents of your email and whether you are prepared to make an apology otherwise I will have no alternative but to deal with this matter in accordance with the Council's Localism Act Arrangements.

I look forward to hearing from you.

Andrew

**Andrew Weavers**  
Strategic Governance Manager  
Corporate and Financial Management  
Colchester Borough Council  
Tel: 01206 282213  
[www.colchester.gov.uk](http://www.colchester.gov.uk)

**From:** Roger Buston <[rbuston@apblaw.co.uk](mailto:rbuston@apblaw.co.uk)>  
**Date:** 9 May 2016 at 21:55:30 BST  
**To:** "[Beverley.Jones@colchester.gov.uk](mailto:Beverley.Jones@colchester.gov.uk)" <[Beverley.Jones@colchester.gov.uk](mailto:Beverley.Jones@colchester.gov.uk)>  
**Cc:** Brian Jarvis - Cllr - own email <[brianjarvis08740@btinternet.com](mailto:brianjarvis08740@btinternet.com)>, "[tinajanebourne@gmail.com](mailto:tinajanebourne@gmail.com)" <[tinajanebourne@gmail.com](mailto:tinajanebourne@gmail.com)>, "[Belinda.Silkstone@colchester.gov.uk](mailto:Belinda.Silkstone@colchester.gov.uk)" <[Belinda.Silkstone@colchester.gov.uk](mailto:Belinda.Silkstone@colchester.gov.uk)>, Dennis Willetts <[Dennis.Willetts@colchester.gov.uk](mailto:Dennis.Willetts@colchester.gov.uk)>, Brian Jarvis <[Brian.Jarvis@colchester.gov.uk](mailto:Brian.Jarvis@colchester.gov.uk)>, Rory Doyle <[Rory.Doyle@colchester.gov.uk](mailto:Rory.Doyle@colchester.gov.uk)>, "[will.quince.mp@parliament.uk](mailto:will.quince.mp@parliament.uk)" <[will.quince.mp@parliament.uk](mailto:will.quince.mp@parliament.uk)>, Paul Vickers <[ndaC.Vickers@colchester.gov.uk](mailto:ndaC.Vickers@colchester.gov.uk)>, Carla Davis <[Carla.Davis@colchester.gov.uk](mailto:Carla.Davis@colchester.gov.uk)>, Dean Weston <[Dean.Weston@colchester.gov.uk](mailto:Dean.Weston@colchester.gov.uk)>, Helpline <[Helpline@colchester.gov.uk](mailto:Helpline@colchester.gov.uk)>, Lewis Barber <[lewis.barber.13@ucl.ac.uk](mailto:lewis.barber.13@ucl.ac.uk)>, "[Lou.Middleton@essex.pnn.police.uk](mailto:Lou.Middleton@essex.pnn.police.uk)" <[Lou.Middleton@essex.pnn.police.uk](mailto:Lou.Middleton@essex.pnn.police.uk)>, Adrian Pritchard <[Adrian.Pritchard@colchester.gov.uk](mailto:Adrian.Pritchard@colchester.gov.uk)>, Andrew Weavers <[Andrew.Weavers@colchester.gov.uk](mailto:Andrew.Weavers@colchester.gov.uk)>, Karen Loweman <[Karen.Loweman@cbhomes.org.uk](mailto:Karen.Loweman@cbhomes.org.uk)>, Leonie Rathbone <[Leonie.Rathbone@colchester.gov.uk](mailto:Leonie.Rathbone@colchester.gov.uk)>  
**Subject:** P 25 31 18 25 E Mail LR CBC 09 May 16 Hilly Fields Travellers encampment

## Appendix 2

From:

Councillors Roger Buston and Brian Jarvis



### Team Lexden & Prettygate Conservatives

Here to make a positive difference

P 25 31 18 25

09 May 16

Good evening Beverley ,

### Crime Prevention / Environmental Protection

#### Hilly Fields LNR : Incursion by Travellers

I am obliged for your response.

I am very sorry indeed , both for our residents as well as personally, that we find ourselves put into this adversarial position.

#### Criminal damage report by residents.

I am absolutely sure, as perhaps you might imagine, that the residents who reported the Criminal Damage to both Padlock and subsequently to the Gate being ripped off its hinges to me, have no wish to “ come forward “ and report the matter publicly , for fear of intimidation by the Travellers.

To suggest otherwise would, I suggest, be disingenuous.

Would you come forward in such circumstances ?

With respect, I suggest , probably not.....

The reputation of our “friendly” travellers precedes them, doesn't it .....?

Nonetheless I am sure you will agree that intimidation of this nature this should not mean , as appears to be the case here, for our residents that the Police will pretend that nothing of this nature has ever happened here , and that no criminal damage occurred.

Please look again at the evidence attached.

At the very least surely we should be entitled to reasonably expect the Police to conduct a thorough forensic examination , and fingerprints being taken both of and at the site, as well as of all the likely suspects : if only , perhaps as they say in the films, to rule out those who are innocent ?

Dramatic perhaps, and indeed perhaps I have been watching too many detective films, but residents will demand why this has not been done , and why are our - their - Police so reluctant to Act ?

## Appendix 2

By ignoring the issue, what sort of message does this give out ?

“Commit crime in Colchester and we’ll take no notice ? “ ....” Criminals and intimidators welcome here “ : I do hope not.

At the moment the policy both from CBC as well as the Police seems to be not to do anything at all in regard to the wanton damage committed , which I suggest is

(1) unacceptable to both residents and Council Tax payers alike

and

(2) sets an extremely bad example.....unless of course you are a traveller, in which case it is very encouraging and supportive indeed : “ Welcome to Colchester “ – we’ll let you do as you like.

The way this matter is being presented at the moment, with respect, both by CBC Officers as well as the Police is that it is our residents who are being cast as the ones who at fault by daring to report the matter and by being intimidated (!)

Perhaps it is about time this position were reversed, and a bit of empathy was shown towards our residents ?

.....this quite apart from the rather obvious fact as has been suggested to me by a number of angry residents that it is “us the Residents that pay the wages of the Officers both of CBC and the Police so why are you taking their side etc etc “. Sadly as a CBC Councillor, and thus seemingly to them at least representing “officialdom” here, I find myself being tarred with the same brush, which I find singularly inappropriate and most uncomfortable.

Residents feel that they have the right to be accorded the duty of care and support from the Members and the Officers they employ , rather than seemingly every excuse be put forward not to take firm action against the , I suggest, rather obvious perpetrators of these various and deliberate crimes ?

Perhaps we might be better served by inviting Inspectors from HM Revenue and Customs to visit the site ? From my recollections of erring clients in the past , over the last 40 + years I have been in practice , HMRC have few, if any, scruples or reservations in acting precipitously and without warning whenever the opportunity presents itself.....those brand new vans lorries and caravans have to come from somewhere.....?

### ECTU Notice.

Please confirm that the ECTU notice will be backed up by immediate s. 61 Action if the Travellers do not “ move on “ directly : and if they do move on will it also be made clear that a similar reaction will be forthcoming if they decide to Trespass on any other land in Colchester ?

### The Police

In regard to the above, I have to again note that you indicate that the Police claim that no crime has been committed.

I have evidenced at last 4 in my earlier correspondence.

Can CBC please formally requisition the Police to identify why none of the items I so far identified constitutes a crime , and therefore why they should do nothing about it , where the evidence adduced clearly indicates the exact opposite ?

I have to suggest that our Residents have the right to expect more of their Public servants than this.

Best wishes



## Appendix 2

Roger Buston  
TD LLB TEP FCMI VR  
Consultant Solicitor

**Councillor, ( fmr Lexden) Prettygate Ward, Colchester Borough Council**

Correspondence to :

Birkett Long LLP | 42 Crouch Street | Colchester | Essex | CO3 3HH  
**T: 01206 217 335 | F: 01206 711398 |M : 07 770 305 977 | DX 3603 Colchester 1**  
**E : | [buston@apblaw.co.uk](mailto:buston@apblaw.co.uk)**

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Please consider the environment before printing this email. Thank you.

**From:** "Beverley Jones" <[Beverley.Jones@colchester.gov.uk](mailto:Beverley.Jones@colchester.gov.uk)>  
**Subject:** RE: P 25 31 18 25 E Mail LR CBC 09 May 16 Hilly Fields Travellers encampment  
**Date:** 9 May 2016 16:41:26 BST  
**To:** "Roger Buston - Cllr - own email" <[rbuston@apblaw.co.uk](mailto:rbuston@apblaw.co.uk)> ,

Dear Cllr Buston

I know that Belinda has copied you into her latest update regarding the action we are taking to deal with the unauthorised encampment at Hilly Fields.

As you will have seen, the Essex-wide County Traveller Unit have attended to serve the "Direction to Leave" the site and will be taking the necessary action to secure compliance with the notice. As explained in the update, if they do not leave after the 24 hours has expired then we will be required to take further legal action which will require us securing a court date. Clearly we will do this as quickly as possible and I would like to assure you that we are working with ECTU to take all the appropriate steps to secure their removal.

I note your questions in relation to the decision not to use s61 and would like to confirm that the potential use of s61 has been discussed between both ECTU and the Police at each review point in the process to ensure that the most appropriate legal recourse is used at the time. Clearly, I will leave our Police colleagues to respond to your detailed questions, but they have confirmed to us that there is currently no evidence to support them using these powers.

In relation to the points you have raised concerning the access gates – if you are able to provide us with the details of witnesses who directly observed the travellers either removing the padlock or damaging the gate then we will be more than happy to work with the Police to obtain witness statements and take further action. Whilst I understand that residents will naturally come to a conclusion as to who is responsible, without clear proof as to the perpetrator we are unable to take any further action.

I will ask Belinda to ensure that you are included in the updates that she will continue to send.

I look forward to hearing from you with any information you are able to provide in relation to the damage to the access gates.

Kind regards  
Beverley

## Appendix 2

**Beverley Jones** • Head of Professional Services • Colchester Borough Council •  
Rowan House, Sheepen Road, Colchester, Essex CO3 3WG • Tel: +44 (0)1206  
282593 • Fax: +44 (0)1206 282598 • Textphone users dial 18001 followed by the full  
telephone number you wish to call • Email: [beverley.jones@colchester.gov.uk](mailto:beverley.jones@colchester.gov.uk)











## CONSERVATIVE COUNCILLOR CALLS FOR ALL TO BE TREATED EQUALLY BEFORE LAW



■ Encampment - close to schools in Prettygate, Colchester. Inset is Roger Buston

# Schools assured of safety after travellers pitched up

By ANDREA COLLITT  
andrea.collitt@nqe.com

THREE secondary schools have been given safety assurances after travellers pitched up close to their premises.

Caravans, 4x4s, lorries, vans, tents and dogs arrived on the land off Irvine Road, Colchester, late on Wednesday.

The site is close to Philip Morant School, St Benedict's School and the Colchester County High School for Girls.

Roger Buston, Conservative councillor for Prettygate ward, said: "I have visited the heads of all three schools to reassure them their councillors will try to assist them to safeguard and secure the positions of their schools and in particular their pupils who use this field to get to and from their premises."

"All of the schools' representatives expressed their concern to me apropos the safety of the children under their care as a result of this development."

Mr Buston spoke out about travellers after they stayed on Hilly Fields in Lexden earlier this month, leaving rubbish

and causing damage.

He said: "It has been suggested, in seeking to respond to residents' calls for these travelling folk to be moved on and to pay for the damage they cause, I am perpetrating oppression on a deprived minority group."

"That is not so. I simply call for all to be treated equally before the law. No one and no group should be exempt from the legal consequences of their actions. The police seem to be opting not to enforce the law, thus these groups are not discouraged."

"I find it difficult to reconcile the concept of the deprived, down-trodden and oppressed minority group being able to afford the giant new caravans, lorries and vans."

The travellers are understood to have accessed the site via the approach road for Philip Morant secondary school.

Travellers stayed at the same site, leased by Colches-

ter Council from Essex County Council, last July.

Tina Bourne, borough councillor responsible for public protection, said: "We are aware of an unauthorised encampment on land between Irvine Road and Reynolds Avenue."

"We have advised the Essex Countywide Unit and they will be visiting the site to carry out the initial welfare checks."

"If there are no immediate concerns they will be asked to leave."

Will Emrich, of Irvine Road Residents' Association, said they accessed the land because bollards had been removed. He said: "I have asked the council why this keeps happening."

No-one and no group should be exempt from the legal consequences of their actions



## Let Beat Box Games begin!

A BID to get people in Tending to become more physically active has been launched in Clacton.

Beat the Street is a six-week challenge which turns the district into a real-life game.

People form a team and see how many miles they can clock up by walking, cycling or running.

They log their journey by

tapping cards against 100 sensors called Beat Boxes, which will be found on lamp posts across the area, about half a mile apart.

More than 50,000 people have already played the game this year in places such as Wolverhampton and Hounslow.

The challenge runs from June 8 to July 20. To get involved visit [beatthestreet.me](http://beatthestreet.me)



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## Appendix 3

### Andrew Weavers

**From:** Tina Bourne <tinajanebourne@gmail.com>  
**Sent:** 27 May 2016 08:19  
**To:** Andrew Weavers; Adrian Pritchard  
**Cc:** ~Committee Panel - Cabinet  
**Subject:** Cllr Buston - complaint  
**Attachments:** ATT00001.txt

Dear Andrew

I am making a formal complaint about the tone of Cllr Buston's comments featured in the Gazette online and paper versions today 27.05.2016, see below.

He has not heeded any advice that may have been given to him regarding stigmatising whole communities, and worse he directly refers to conversations he has had regarding his comments that I found offensive last week. A councillor is a community leader, Cllr Buston has wrongly used the phrase 'deprived minority group' to gain favour with local residents which is mocking and unkind. He also makes reference to this group being able to afford 'brand new lorries and vans', further inciting fear and loathing in local residents and the wider population.

The 'I pay my Council tax and other taxes' phrase is equally distasteful. Do we as an authority allow Members to stray from the Code of Conduct with such blatant glee?

I would craft a better complaint but I'm doing something productive with my life in teaching young children the values of tolerance and mercy.

**PIRATE WEEK**  
MAY HALF TERM  
Pirate School  
Treasure Hunt  
Meet Pirates  
Book discount tickets to Essex's BIGGEST Pirate Treasure Hunt

THREE secondary schools have been given safety assurances after travellers pitched up close to their premises.  
A number of caravans, 4x4s, lorries, vans, tents and dogs arrived on the land off Irvine Road, Colchester, late on Wednesday evening.  
It is adjacent to Philip Morant School, St Benedict's School and the Colchester County High School for Girls.  
Roger Buston, Conservative councillor for Prettygate ward, said yesterday: "I have this morning visited the heads of all three schools to reassure them that their councillors will try to assist them however we can, to safeguard and secure the positions both of their schools and in particular their pupils who use this field to get to and from their premises."

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"All of the schools' representatives expressed their concern to me apropos the safety of the children under their care as a result of this development."  
He added: "It has been suggested to me that in seeking to respond to residents' calls for these travelling folk to be moved on and to pay for the damage as they cause, I am perpetrating oppression upon a deprived minority group."  
"That is not so - I simply call for all to be treated equally before the law, which is currently not happening. If one breaks the laws of our society, democratically made, my view is that no one and no group should be exempt the legal consequences of their actions."  
"Currently the police seem to be opting not to choose to enforce the law, thus these groups are not discouraged from continuing in their ways."  
"I find it difficult to reconcile the concept of the deprived downtrodden and oppressed minority group as has been portrayed by others, being able to afford the giant new caravans and brand new lorries and vans clearly visible - or am I missing something?"  
"I would like to belong to such a group, but in that I pay my council and other taxes, and do my best not to infringe the laws of our society, as are made for our mutual security and benefit, I probably would not qualify."

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- 13 School's celebration after improved Ofsted report
- 14 REVEALED: Park and Ride ran at £600,000 loss in its first year
- 15 Glibry is second! U's star arrested after town centre fracas
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See more stories

### Andrew Weavers

---

**From:** Andrew Weavers  
**Sent:** 01 June 2016 11:34  
**To:** Roger Buston - Cllr - own email  
**Cc:** Dennis Willetts - Cllr - own email  
**Subject:** Complaint

Dear Councillor Buston

I have received a complaint from Councillor Bourne regarding the comments made by yourself both in the Daily Gazette online and paper versions on 27 May 2016 in relation to Travellers.

Under the Equalities Act, Travellers are a group with protected characteristics and accordingly the language used in your comments may have potentially amounted to a breach of that part of the Members Code of Conduct which states "Members must not do anything to breach equalities laws". The Council as a public authority is required to comply with the public sector equality duty. This in turn means that the Council ( including councillors) when making decisions or publishing information must have due regard to the need to:

- Eliminate unlawful discrimination
- Advance equality of opportunity
- Foster good relations between people who share a protected characteristic and people who do not share it.

Councillor Bourne is concerned that your comments as reported do not do anything to foster good relations and are actually stigmatising whole communities . Furthermore it is wrong for a councillor as a community leader to use the phrase "deprived minority group" to gain favour with local residents which is mocking and unkind. You also made reference to this group being able to afford "brand new lorries and vans", further inciting fear and loathing in local residents and the wider population.

I do need to remind you that councillors need to be aware of the public sector duty at all times and particularly when making public comments.

I should be grateful if you would consider the contents of your comments and whether you are prepared to make an apology otherwise I will have no alternative but to deal with this matter in accordance with the Council's Localism Act Arrangements together with the previous complaint by Councillor Bourne referred to in my email dated 16 May 2016.

I look forward to hearing from you.

Andrew

### Andrew Weavers

Strategic Governance Manager  
Corporate and Financial Management  
Colchester Borough Council  
Tel: 01206 282213  
[www.colchester.gov.uk](http://www.colchester.gov.uk)





**Colchester Borough Council**  
**Governance and Audit Committee**  
**Councillor Code of Conduct**

**Arrangements for dealing with complaints**

(These arrangements came into effect on 1 July 2012)

**Introduction**

- 1.1 These “Arrangements” set out how you may make a complaint that an elected or co-opted member of Colchester Borough Council or of a parish council, town council or community council (referred to as a parish council in this document) within the Borough of Colchester has failed to comply with the Councillors’ Code of Conduct, and sets out how the Borough Council will deal with allegations of a failure to comply with the Councillors’ Code of Conduct.
- 1.2 Under Section 28(6) and (7) of the Localism Act 2011, the Borough Council must have in place “Arrangements” under which allegations that a member or co-opted member of the Borough Council (or of a parish council within the Borough of Colchester), or of a Committee or Panel of the Borough Council, has failed to comply with Code of Conduct can be investigated and decisions made on such allegations.
- 1.3 Such arrangements must provide for the Borough Council to appoint at least 1 Independent Person, whose views must be sought by the Borough Council before it takes a decision on an allegation which it has decided shall be investigated, and whose views can be sought by the Borough Council at any other stage, or by a member (or a member or co-opted member of a parish council) against whom an allegation has been made. Both members and co-opted members are referred to as councillors in this document for ease of reference.

**2. The Code of Conduct**

- 2.1 The Borough Council has adopted a Code of Conduct for Councillors, which is available for inspection on the Borough Council’s website

([www.colchester.gov.uk/standards](http://www.colchester.gov.uk/standards)) and on request from Reception at the Borough Council Offices.

- 2.2 Each Parish Council is also required to adopt a Code of Conduct. If you wish to inspect a Parish Council's Code of Conduct, you should inspect any website operated by the Parish Council or request the parish clerk to allow you to inspect the Parish Council's Code of Conduct.

### **3. Making a complaint**

- 3.1 If you wish to make a complaint, please write to:

The Monitoring Officer

Colchester Borough Council

Rowan House, 33 Sheepen Road

Colchester, CO3 3WG.

or by email to:

[andrew.weavers@colchester.gov.uk](mailto:andrew.weavers@colchester.gov.uk)

- 3.2 The Monitoring Officer is a senior officer of the Borough Council who has statutory responsibility for maintaining the register of councillors' interests and who is responsible for administering the system in respect of complaints of councillor misconduct.
- 3.3 In order to ensure that we have all the information which we need to be able to process your complaint, please complete and send us the complaint form, which can be downloaded from the Borough Council's website, next to the Code of Conduct, and is available on request from Reception at the Borough Council Offices.
- 3.4 Please provide us with your name and a contact address or email address, so that we can acknowledge receipt of your complaint and keep you informed of its progress. If you want to keep your name and address confidential, please indicate this in the space provided on the complaint form. The Monitoring Officer will consider your request and if granted we will not disclose your name and address to the Councillor against whom you make the complaint, without your prior consent.
- 3.5 The Borough Council does not normally investigate anonymous complaints, unless there is a clear public interest in doing so.

- 3.6 The Monitoring Officer will acknowledge receipt of your complaint within 5 working days of receiving it, and will keep you informed of the progress of your complaint.
- 3.7 The Complaints Procedure Flowchart is attached at Appendix 1 for your information.
- 3.8 The Borough Council has agreed a Press Policy in relation to complaints made against councillors and this is attached at Appendix 2 for your information.

**4. Will your complaint be investigated?**

- (1) The Monitoring Officer will review every complaint received and, may consult with the Independent Person before taking a decision as to whether it:
  - (a) merits no further investigation; or
  - (b) merits further investigation; or
  - (c) should be referred to the Governance and Audit Committee,
- (2) This decision will normally be taken within 28 working days of receipt of your complaint. Your complaint will be considered in accordance with the Borough Council's Assessment Criteria contained at Appendix 3. Where the Monitoring Officer has taken a decision, he/she will inform you of his/her decision and the reasons for that decision. Where the Monitoring Officer requires additional information in order to come to a decision, he/she may come back to you for such information, and may request information from the councillor against whom your complaint is directed.
- (3) Where your complaint relates to a Parish Councillor, the Monitoring Officer may also inform the Parish Council of your complaint and seek the views of the Parish Council before deciding whether the complaint merits formal investigation.
- (4) In appropriate cases, the Monitoring Officer may seek to resolve the complaint informally, without the need for a formal investigation. Such informal resolution may involve the councillor accepting that his/her conduct was unacceptable and offering an apology, or other remedial action by the authority. Where the councillor or the authority make a reasonable offer of informal resolution, but you are not willing to accept the

offer, the Monitoring Officer will take account of this in deciding whether the complaint merits further investigation.

- (5) If your complaint identifies criminal conduct or breach of other regulation by any person, the Monitoring Officer has the power to call in the Police or other regulatory agencies.

### **5. How is the investigation conducted?**

- (1) The Borough Council has adopted a procedure for the investigation of misconduct complaints, which is attached as Appendix 4 to these arrangements.
- (2) If the Monitoring Officer decides that a complaint merits further investigation, he/she may appoint an Investigating Officer, who may be another senior officer of the Borough Council, an officer of another authority or an external investigator. The Investigating Officer or Monitoring Officer will decide whether he/she needs to meet or speak to you to understand the nature of your complaint and so that you can explain your understanding of events and suggest what documents need to be seen, and who needs to be interviewed.
- (3) The Investigating Officer or Monitoring Officer will normally write to the councillor against whom you have complained and provide him/her with a copy of your complaint, and ask the councillor to provide his/her explanation of events, and to identify what documents he needs to see and who he needs to interview. In exceptional cases, where it is appropriate to keep your identity confidential or disclosure of details of the complaint to the councillor might prejudice the investigation, the Monitoring Officer can delete your name and address from the papers given to the councillor, or delay notifying the councillor until the investigation has progressed sufficiently.
- (4) At the end of his/her investigation, the Investigating Officer or Monitoring Officer will produce a draft report ("the Investigation Report") and will send copies of that draft report, in confidence, to you and to the councillor concerned, to give you both an opportunity to identify any matter in that draft report which you disagree with or which you consider requires more consideration.
- (5) Having received and taken account of any comments which you may make on the draft Investigation Report. Where an Investigating Officer

has been appointed the Investigating Officer will send his/her final report to the Monitoring Officer.

**6. What happens if the Investigating Officer or Monitoring Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?**

- (1) If an Investigating Officer has been appointed the Monitoring Officer will review the Investigating Officer's report and, if he is satisfied that the Investigating Officer's report is sufficient, the Monitoring Officer will write to you and to the councillor concerned and to the Parish Council, where your complaint relates to a Parish Councillor, notifying you that he is satisfied that no further action is required, and give you both a copy of the Investigation Final Report.
- (2) If an Investigating Officer has been appointed and if the Monitoring Officer is not satisfied that the investigation has been conducted properly, he may ask the Investigating Officer to reconsider his/her report.

**7. What happens if the Investigating Officer or Monitoring Officer concludes that there is evidence of a failure to comply with the Code of Conduct?**

- (1) If an Investigating Officer has been appointed the Monitoring Officer will review the Investigating Officer's report and will then either send the matter for a hearing before the Hearings Sub-Committee or in consultation with the Independent Person seek an informal resolution.

**(a) Informal Resolution**

The Monitoring Officer may consider that the matter can reasonably be resolved without the need for a hearing. In such a case, he/she will consult with the Independent Person and with you as complainant and seek to agree what you consider to be a fair resolution which also helps to ensure higher standards of conduct for the future. Such resolution may include the councillor accepting that his/her conduct was unacceptable and offering an apology, and/or other remedial action by the Council. If the councillor complies with the suggested resolution, the Monitoring Officer will report the matter to the Borough Council's Governance and Audit Committee (and the Parish Council) for information, but will take no further action.



### (b) Hearing

If the Monitoring Officer considers that informal resolution is not appropriate, or the councillor concerned is not prepared to undertake any proposed remedial action, such as giving an apology, then the Monitoring Officer will report the Investigation Report to the Hearings Sub-Committee which will conduct a hearing before deciding whether the councillor has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the councillor.

The Borough Council has agreed a procedure for hearing complaints, which is attached as Appendix 5 to these arrangements.

At the hearing, the Investigating Officer or the Monitoring Officer will present her/his report, call such witnesses as he/she considers necessary and make representations to substantiate his/her conclusion that the member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer or Monitoring Officer may ask you as the complainant to attend and give evidence to the Hearings Sub-Committee. The councillor will then have an opportunity to give his/her evidence, to call witnesses and to make representations to the Hearings Sub-Committee as to why he/she considers that he/she did not fail to comply with the Code of Conduct.

The Hearings Sub-Committee, with the benefit of any advice from the Independent Person, may conclude that the councillor did not fail to comply with the Code of Conduct, and dismiss the complaint. If the Hearings Sub-Committee concludes that the councillor did fail to comply with the Code of Conduct, the Chair will inform the councillor of this finding and the Hearings Sub-Committee will then consider what action, if any, the Sub-Committee should take as a result of the councillor's failure to comply with the Code of Conduct. In doing this, the Hearings Sub-Committee will give the councillor an opportunity to make representations to the Hearings Sub-

Committee and will consult the Independent Person, but will then decide what action, if any, to take in respect of the matter.

**8. What action can the Hearings Sub-Committee take where a member has failed to comply with the Code of Conduct?**

8.1 The Borough Council has delegated to the Hearings Sub-Committee such of its powers to take action in respect of individual councillors as may be necessary to promote and maintain high standards of conduct.

Accordingly the Hearings Sub-Committee may:-

- (a) Report its findings to Council (or to the Parish Council) for information;
- (b) Recommend to Council (or to the Parish Council) that the councillor be issued with a formal censure or be reprimanded
- (c) Recommend to the councillor's Group Leader (or in the case of un-grouped councillors, recommend to Council or to Committees) that the councillor be removed from any or all Committees or Panels of the Council;
- (d) Recommend to the Leader of the Council that the councillor be removed from the Cabinet, or removed from particular Portfolio responsibilities;
- (e) Instruct the Monitoring Officer to (or recommend that the Parish Council) arrange training for the councillor;
- (f) Recommend to Council to remove (or recommend to the Parish Council that the councillor be removed) from all outside appointments to which he/she has been appointed or nominated by the Council (or by the Parish Council);
- (g) Recommend to Council to withdraw (or recommend to the Parish Council that it withdraws) facilities provided to the councillor by the Council, such as a computer, website and/or email and internet access; or
- (h) Recommend to Council to exclude (or recommend that the Parish Council exclude) the councillor from the Council's Offices or other

7 of 18

premises, with the exception of meeting rooms as necessary for attending Council, Committee and Panel meetings.

- 8.2 The Hearings Sub-Committee has no power to suspend or disqualify the councillor or to withdraw the councillor's basic allowance or any special responsibility allowances.
- 8.3 Any actions recommended by the Hearings Sub-Committee should be proportionate and commensurate with the circumstances of the particular case.

## **9 What happens at the end of the hearing?**

- 9.1 At the end of the hearing, the Chair will state the decision of the Hearings Sub-Committee as to whether the councillor failed to comply with the Code of Conduct and as to any actions which the Hearings Sub-Committee resolves to take.
- 9.2 As soon as reasonably practicable thereafter, the Monitoring Officer shall prepare a formal decision notice in consultation with the Chair of the Hearings Sub-Committee, and send a copy to you, to the councillor (and to the Parish Council), make that decision notice available for public inspection and report the decision to the next convenient meeting of the Council.

## **10 Who are the Hearings Sub-Committee?**

- 10.1 It is a Sub-Committee comprising of Councillors who are members of the e Council's Governance and Audit Committee.
- 10.2 The Governance and Audit Committee has decided that it will comprise a maximum of five Councillors of the Council, including not more than one member of the Council's Cabinet and comprising councillors drawn from all political groups. Subject to those requirements, it is appointed on the nomination of party group leaders in proportion to the strengths of each party group on the Council. If the councillor complained about is a member of a Parish Council a parish councillor who is a co-opted member of the Governance and Audit Committee will also be invited to attend the Sub-Committee.
- 10.3 An Independent Person is invited to attend all meetings of the Hearings Sub-Committee and their views are sought and taken into consideration before the Sub-Committee takes any decision on whether the councillor's

conduct constitutes a failure to comply with the Code of Conduct and as to any action to be taken following a finding of failure to comply with the Code of Conduct.

## **11 Who are the Independent Persons?**

11.1 The Independent Persons are persons who has applied for the post following advertisement of a vacancy for the post, and is appointed by a positive vote from a majority of all the members of the Borough Council.

11.2 A person cannot be “independent” if he/she:

- (a) is, or has been within the past 5 years, a member, co-opted member or officer of the Borough Council;
- (b) (is or has been within the past 5 years, a member, co-opted member or officer of a parish council within the Borough of Colchester), or
- (c) is a relative or close friend, of a person within paragraph (a) or (b) above. For this purpose, a “relative” means:
  - (i) spouse or civil partner;
  - (ii) living with the other person as husband and wife or as if they were civil partners;
  - (iii) grandparent of the other person;
  - (iv) a lineal descendent of a grandparent of the other person;
  - (v) a parent, sibling or child of a person within paragraphs (a) or (b); above or
  - (vi) a spouse or civil partner of a person within paragraphs (iii), (iv) or (v) above; or
  - (vii) living with a person within paragraphs (iii), (iv) or (v) above as husband and wife or as if they were civil partners.

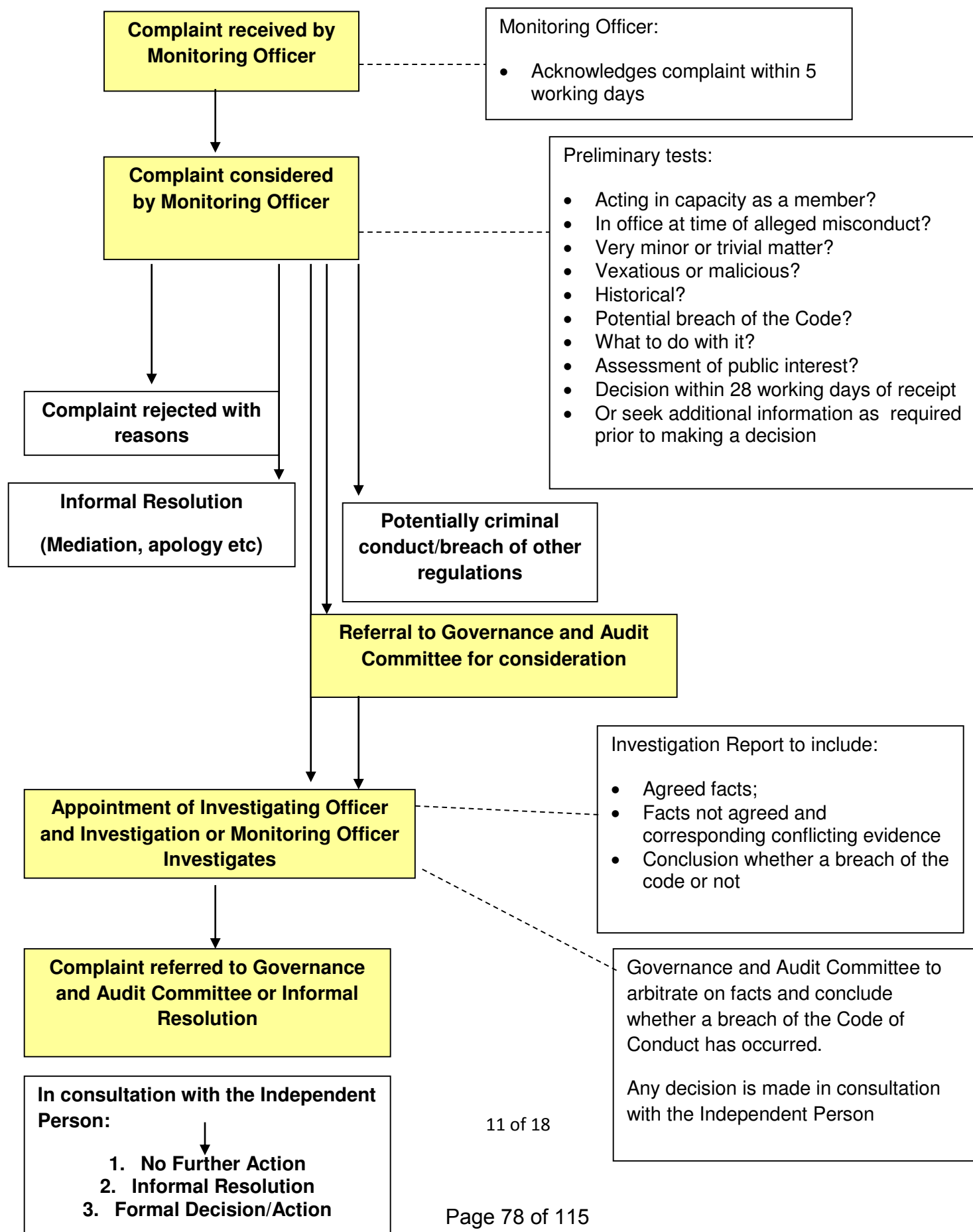
## **12. Revision of these Arrangements**

The Borough Council may by resolution agree to amend these arrangements, and has delegated to the Chair of the Hearings Sub-Committee the right to depart from these arrangements where he/she considers that it is expedient to do so in order to secure the effective and fair consideration of any matter.

**13. Appeals**

- 13.1 There is no right of appeal for you as complainant or for the councillor against a decision of the Monitoring Officer or of the Hearings Sub-Committee.
- 13.2 If you feel that the Borough Council has failed to deal with your complaint properly, you may make a complaint to the Local Government Ombudsman.

## Complaints Procedure Flowchart



**Colchester Borough Council****Press Policy****Complaints against Members**

This Policy sets out how the Borough Council will respond to press enquiries into a complaint made against councillor(s). This includes Borough Councillors and Parish and Town Councillors.

We like to be as helpful as possible to the press and we will confirm, when requested by a journalist:

- the name of a councillor(s) involved in an ongoing or past investigation
- the type of person who made the allegation – whether they are a member or Officer of the authority, or a member of the public
- part of the Code of Conduct potentially breached
- whether the case was referred for investigation and, if not, the reason it was not referred
- approximate dates of when the allegation was received and the date of when a decision was made on whether or not to investigate
- the outcome of any investigation, on issue of the final report

Please note that we will only respond to queries about specific Councillors.

We will not comment on complaints received until a decision has been made on whether a complaint will be investigated; we allow three working days from the date of that decision before confirming it to the press.

We will confirm the outcome of an investigation three working days after the final report has been issued. This policy ensures that the relevant parties involved in the complaint and investigation are notified before the press.

We will always stress that a complaint is just that: while an investigation is ongoing, no decision is made regarding a Councillor's guilt or otherwise.

## Colchester Borough Council

### STANDARDS COMPLAINTS ASSESSMENT CRITERIA

#### **Complaints which would not normally be referred for investigation**

1. The complaint is not considered sufficiently serious to warrant investigation; or
2. The complaint appears to be simply motivated by malice or is “tit-for-tat”; or
3. The complaint appears to be politically motivated; or
4. It appears that there can be no breach of the Code of Conduct; e.g. that it relates to the Councillor’s private life or is about dissatisfaction with a Council decision; or
5. It is about someone who is no longer a Councillor; or
6. There is insufficient information available for a referral; or
7. The complaint has not been received within 3 months of the alleged misconduct unless there are exceptional circumstances e.g. allegation of bullying, harassment etc; or
8. The matter occurred so long ago that it would be difficult for a fair investigation to be carried out; or
9. The same, or similar, complaint has already been investigated and there is nothing further to be gained by seeking the sanctions available to the Governance and Audit Committee; or
10. It is an anonymous complaint, unless it includes sufficient documentary evidence to show a significant breach of the Code of Conduct; or
11. Where the councillor complained of has apologised and/or admitted making an error and the matter would not warrant a more serious sanction.

#### **Complaints which may be referred to the Governance and Audit Committee**

1. It is serious enough, if proven, to justify the range of actions available to the Governance and Audit Committee; or
2. There are individual acts of minor misconduct which appear to be a part of a continuing pattern of behaviour that is unreasonably disrupting the business of the Council and there is no other avenue left to deal with it other than by way of an investigation; or



3. When the complaint comes from a senior officer of the Council, such as the Chief Executive or the Monitoring Officer and it would be difficult for the Monitoring Officer to investigate; or
4. The complaint is about a high profile Councillor such as the Leader of the Council and it would be difficult for the Monitoring Officer to investigate; or
5. Such other complaints as the Monitoring Officer considers it would not be appropriate for him to investigate.

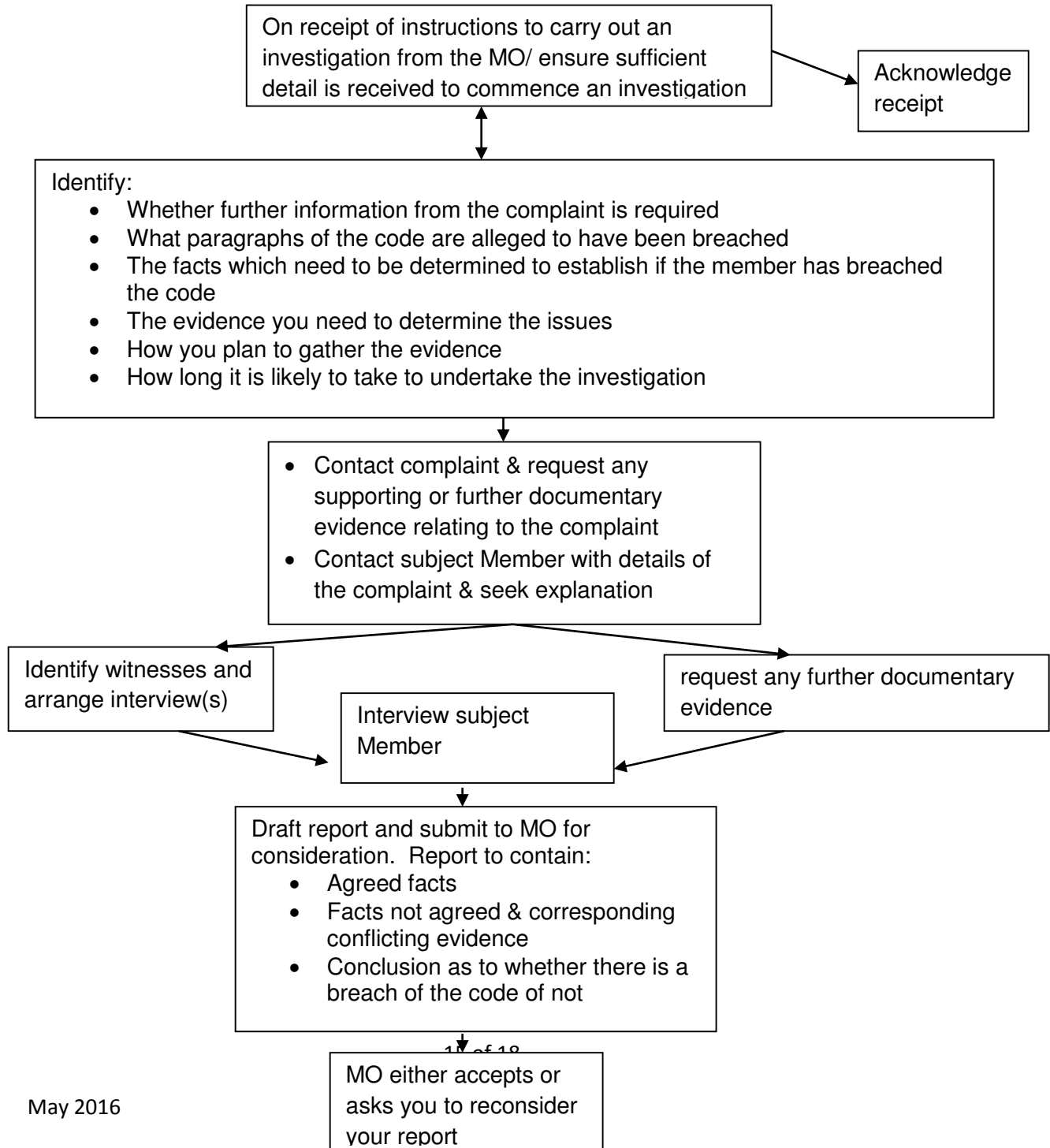
**Whilst complainants must be confident that complaints are taken seriously and dealt with appropriately, deciding to investigate a complaint or to take further action will cost both public money and officers' and councillors' time. This is an important consideration where the complaint is relatively minor.**

## STANDARDS COMPLAINTS INVESTIGATION PROCEDURE

### Investigation Procedure

You should maintain a written record to demonstrate what was considered at the start of each investigation and plan how you intend to carry out the investigation, the paragraphs of the Code that may have been breached, the facts you need to determine to establish, the evidence you will need, how you plan to gather the evidence and how long it will take to conclude your investigation. Remember there is no provision in the Localism Act 2011 compelling Members or witnesses to co-operate with your investigation.

A written Investigation Report will need to be prepared for consideration by the Council's Monitoring Officer.



**Colchester Borough Council**  
**GOVERNANCE AND AUDIT COMMITTEE**  
**HEARINGS SUB-COMMITTEE PROCEDURE**

<b><u>Item No.</u></b>	<b><u>Procedure</u></b>
	<b><u>Quorum</u></b>
1.	<p>1.1. Three members must be present throughout the hearing to form a quorum.</p> <p>1.2. Where the complaint refers to a Parish Councillor a non voting Parish member of the Governance Committee may be present.</p> <p>1.3. The Sub-Committee shall nominate a Chairman for the meeting</p>
2.	<b><u>Opening</u></b>
	<p>2.1 The Chairman explains the procedure for the hearing and reminds all parties to turn off mobile phones etc.</p> <p>2.2 The Chairman asks all present to introduce themselves.</p> <p>2.3 The Councillor will be asked whether they wish to briefly outline their position.</p>
3.	<b><u>The Complaint</u></b>
	<p>3.1 The Investigating Officer shall be invited to present their report including any documentary evidence or other material (and to call witnesses as required by the Investigating Officer). This report and documentary evidence must be based on the complaint made to the Council – no new points will be allowed.</p> <p>3.2 The Councillor against whom the complaint has been made (or their representative) may question the Investigating Officer upon the content of their report and any witnesses called by the Investigating Officer. (This is the Councillor's opportunity to ask questions rising from the Investigators report and not to make a statement).</p> <p>3.3 Members of the Sub-Committee may question the Investigating Officer upon the content of their report and/or any witnesses called by the Investigating Officer</p>

<b><u>The Councillor's case</u></b>	
4.	<p>4.1 The Councillor against whom the complaint has been made (or their representative) may present their case (and call any witnesses as required by the Councillor or their representative).</p> <p>4.2 The Investigating Officer may question the Councillor and/or any witnesses.</p> <p>4.3 Members of the Sub-Committee may question the Councillor and/or any witnesses.</p>
<b><u>Summing Up</u></b>	
5.	<p>5.1 The Investigating Officer may sum up the Complaint.</p> <p>5.2 The Councillor (or their representative) may sum up their case.</p>
<b><u>Decision</u></b>	
6.	<p>6.1 Members of the Sub-Committee will deliberate in private to consider the complaint in consultation with the Independent Person prior to reaching a decision.</p> <p>6.2 Upon the Sub-Committee's return the Chairman will announce the Sub-Committee's decision in the following terms:-</p> <p>6.2.1 The Sub-Committee decides that the Councillor has failed to follow the Code of Conduct; or</p> <p>6.2.2 The Sub-Committee decides that the Councillor has not failed to follow the Code of Conduct</p> <p>6.3 The Sub-Committee will give reasons for their decision</p> <p>6.4 If the Sub-Committee decides that the Councillor has failed to follow the Code of Conduct the Sub-Committee will consider any representations from the Investigator and/or the Councillor as to:</p> <p>6.4.1 Whether any action should be taken and</p> <p>6.4.2 What form any action should take</p> <p>6.5 The Sub-Committee will then deliberate in private to consider what action if any should be taken in consultation with the Independent Person.</p> <p>6.6 On the Sub-Committee's return the Chairman will announce the Sub-Committee's decision (in relation to a Parish Councillor a recommendation to the Parish Council).</p>

	<p>6.7 The Sub-Committee will consider whether it should make any recommendations to the Borough Council (or in relation to a Parish Councillor to the Parish Council) with a view to promoting high standards of conduct among councillors.</p> <p>6.8 The Chairman will confirm that a full written decision shall be issued within 7 working days following the hearing and that the Sub-Committee's findings to be published.</p>

26 July 2016

Report of	Assistant Chief Executive	Author	Hayley McGrath ☎ 01206 508902
Title	2015/16 Year End Review of Risk Management		
Wards affected	Not Applicable		

**This report reviews the Risk Management work undertaken for the period  
1 April 2015 to 31 March 2016.**

## 1. Decision(s) Required

- 1.1 The Committee is requested to:
- 1.2 Consider and note the risk management work undertaken during 2015/16.
- 1.3 Consider and comment on the current strategic risk register.
- 1.4 Consider and comment on the proposed risk management strategy for 2016/17.
- 1.5 Endorse the submission of this report to Cabinet.

## 2. Reason for decision

- 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.
- 2.2 Regular progress reports, detailing work undertaken and current issues, are provided to assist with this responsibility.

## 3. Key Messages

- The main risks on the register - the potential impact of future central government decisions to reduce public funding, failure or inappropriate management of a strategic partner and the potential impact of the European Union referendum result - are all outside of the direct control of the Council. However the impact of these risks can be mitigated, and the reduction of risk 6c – inability to deliver the budget strategy – is a reflection of the work that has been undertaken to ensure that the organisation can respond to these challenges.
- Risk Management principles continue to be reinforced and embedded in the organisation. The 2015 Audit Results Report, issued by the Council's external auditors, Ernst & Young, in August 2015, did not include any findings of anticipated risks occurring. This is further demonstrated by the 2015/16 internal audit review which provided a substantial assurance level.

## 4. Supporting Information

- 4.1 The aim of the Council is to adopt best practices in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.

- 4.2 In broad terms risks are split into three categories:
- Strategic – those risks relating to the long term goals of the Council
  - Operational – risks related to the day-to-day operation of each individual service
  - Project – consideration of the risks relating to specific initiatives
- 4.3 Strategic risks are essentially those that threaten the long term goals of the Council and therefore are mainly based around meeting the objectives of the Strategic Plan. They may also represent developing issues that have the potential to fundamentally affect service provision, such as proposals to dramatically change welfare processes. Strategic risks are owned by members of the Senior Management Team.
- 4.4 Operational risks are those that threaten the routine service delivery of the Council. Each service area has their own operational risk register that details the risks associated with providing the service. These registers are reported, in summary format, to the Senior Management Team and committee on an annual basis. High risks and the success in controlling them are reported to Senior Management Team on a quarterly basis, as these assist in the formulation of the strategic risk register.
- 4.5 Project risks are those that relate solely to the successful delivery of that specific project. They tend to be quantifiable issues, such as resource or time related, and constantly change and develop over the course of the project as each stage is completed. The lead on the project is responsible for ensuring that there is an appropriate risk register and high level issues are reported to the senior management team.

## **5.0 Summary of 2015/16**

- 5.1 A significant proportion of the work undertaken this year has been to support the review of the Council's Health and Safety framework. Health and Safety is the subject of a separate report to this committee later in the year, however it forms part of the governance framework and is essential for managing the Council's physical risks.
- 5.2 Work has been undertaken supporting the Community Stadium and football club with their Safety Advisory Group (SAG). This meets on a regular basis to review arrangements for general events as well as football matches. Previously this operated in isolation to the overall Colchester SAG ( which is chaired by the Council but is attended by partner organisations including Police, Fire and Essex County) however it now works alongside it.
- 5.3 A specific SAG has been set up in respect of Garrison related events, which include the Royal Salute, anniversaries of significant battles and Remembrance Sunday. The group reviews the risks relating to these events including public order and, crowd / traffic management.
- 5.4 The Change and Performance team have been refining the processes for managing project risks and there is guidance and documentation available online for all staff to access, to be able to complete a risk log for their projects. These are then used to monitor risks across all projects and any significant issues are raised at project board level.
- 5.4 There were no fundamental changes to the processes used to identify and control risk, during 2015/16.

- 5.5 An audit of the risk management function was carried out in January 2016. This produced two level two recommendations. These related to refreshing the information available to staff on-line and to the formal review of operational risks registers.
- 5.6 The risk registers for the Joint Museum Service and the North Essex Parking Partnership both continue to be produced and reported to the joint committees.

## **6. Strategic Risk Register**

- 6.1 During 2015/16 the strategic risk register was reviewed by the senior management team every quarter and reported to the Governance & Audit Committee every six months. The current register is shown at appendix 1. These risks have been mapped onto a risk chart as shown at appendix 2.
- 6.2 The Corporate Governance Manager reviewed the strategic risks with each member of the Senior Management Team in March 2016, and in June the Performance Management Board (PMB) comprehensively reviewed the register to ensure that the identified risks were still appropriate.
- 6.3 The review by PMB reduced the probability of risk 6c - Inability to deliver the budget strategy as planned - to 3, resulting in an overall score of 12 (down from 16).
- 6.4 A new risk has been added at 4.e - relating to the results of the EU referendum. Whilst it is still uncertain what the impacts will be on the organisation, it was felt appropriate that the risk should be included for monitoring.
- 6.5 A further new risk has been added at 5d – relating to the management of the Garden Communities project – recognising this is a fundamental project to deliver significant investment in not just Colchester but the surrounding areas as well.

## **7. Risk Management Strategy for 2016/17**

- 7.1 The Council's current approach to managing risk was introduced in 2006/07. A requirement within the strategy, and also of the annual audit assessment, is to review the approach each year to ensure that it is still appropriate to the Council's needs.
- 7.2 Therefore a review has been undertaken and the strategy has been updated for 2016/17. The revised strategy is attached at appendix 3. There are no fundamental changes proposed to the risk process with amendments only to external review comments and the updating of role titles.

## **8. Proposals**

- 8.1 To note and comment upon the Councils progress and performance in managing risk during 2015/16, the updated strategic risk register and the revised risk management strategy and endorse the submission of this report to Cabinet.

## **9. Strategic Plan Implications**

- 9.1 The strategic risk register reflects the objectives of the strategic plan and the actions have been set with due regard to the identified key strategic risks. Therefore the risk process supports the achievement of the strategic objectives.



## **10. Equality, Diversity and Human Rights Implications**

- 10.1 Whilst there are no direct equality, diversity or Human Rights implications from this report, the risk management process recognises the impact of the legislation and controls have been implemented, including the completion of Equality Impact Assessments, to mitigate the risk.

## **11. Risk Management Implications**

- 11.1 The failure to adequately identify and manage risks may have an effect on the ability of the Council to achieve its objectives and operate effectively.

## **12. Other Standard References**

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



# DRAFT Risk Management Strategy 2016/17

**A guide to the Council's approach to managing risk. Draft for review.**

July 2016

## **RISK MANAGEMENT STRATEGY**

*This document outlines the Council's commitment to managing risk in an effective and appropriate manner. It is intended to be used as the framework for delivery of the Risk Management function and provides guidance on developing risk management as a routine process for all services.*

### **INTRODUCTION**

The Council undertakes that this strategy will ensure that:

1. The management of risk is linked to performance improvement and the achievement of the Council's strategic objectives.
2. Members and the Senior Management Team own, lead and support on risk management.
3. Ownership and accountability are clearly assigned for the management of risks throughout the Council.
4. There is a commitment to embedding risk management into the Council's culture and organisational processes at all levels including strategic, programme, project and operational
5. All members and officers acknowledge and embrace the importance of risk management as a process, by which key risks and opportunities are identified, evaluated, managed and contribute towards good corporate governance.
6. Effective monitoring and reporting mechanisms are in place to continuously review the Council's exposure to, and management of, risks and opportunities.
7. Best practice systems for managing risk are used throughout the Council, including mechanisms for monitoring and reviewing effectiveness against agreed standards and targets.
8. Accountability to stakeholders is fully demonstrated through periodic progress reports and an annual statement on the effectiveness of and the added value (benefits) from the Council's risk management strategy, framework and processes.
9. The Council's approach is regularly assessed by an external, independent body against other public sector organisations, national standards and Best Practice.
10. The Risk Management Strategy is reviewed and updated annually in line with the Council's developing needs and requirements.

**Endorsement by Adrian Pritchard, Chief Executive**

*“Colchester Borough Council is committed to ensuring that risks to the effective delivery of its services and achievement of its overall objectives are properly and adequately controlled. It is recognised that effective management of risk will enable the Council to maximise its opportunities and enhance the value of services it provides to the community. Colchester Borough Council expects all officers and members to have due regard for risk when carrying out their duties.”*

A handwritten signature in black ink that reads "A. R. Pritchard." The signature is written in a cursive style with a large, sweeping flourish at the end.**WHAT IS RISK MANAGEMENT**

Risk Management is the control of business risks in a manner consistent with the principles of economy, efficiency and effectiveness. It is an essential performance management process to ensure that both the long and short term objectives of the Council are achieved and that opportunities are fully maximised.

Risk Management is not about eliminating risk, as this would limit the ability of the organisation to develop and deliver its ambitions. Its purpose is to recognise the issues that could effect the achievement of our objectives and develop actions to control or reduce those risks. Acknowledgement of potential problems and preparing for them is an essential element to successfully delivering any service or project. Good management of risk will enable the Council to rapidly respond to change and develop innovative responses to challenges and opportunities.

‘The Good Governance Standard for Public Services’ issued by The Independent Commission on Good Governance in Public Services states that there are six core principles of good governance including ‘Taking informed, transparent decisions and managing risk’. The document goes on to state ‘Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective’.

## **BACKGROUND**

A process for managing risks was first adopted by the Council in 2003 and since then has been developed to ensure that it continues to be an effective management system. This strategy defines Colchester Borough Council's definition of risk and the processes to be followed.

In broad terms risks are split into three categories:

- Strategic – those risks relating to the long term goals of the Council
- Operational – risks related to the day-to-day operation of each individual service
- Project – consideration of the risks occurring as a result of the Council's involvement in specific initiatives

The following are some of the practical ways that risks are managed and how effectiveness is measured:

- Creation of an overall strategic register.
- Creation of operational risk registers for all service areas.
- Consideration of risk in Committee reports.
- Development of a comprehensive risk register for the project management programme and consideration of risk as a project management tool.
- Successful internal and external assessment.
- Provision of advice to other authorities regarding our management of risk.

This has led to a practical and workable approach to managing risk and has resulted in the Council becoming more risk aware and actually taking more risks, as demonstrated by the comprehensive project risk register. Colchester is also highly regarded for managing risk by both our insurers and other authorities.

The 2015/16 internal audit of risk management gave a substantial assurance opinion. Two recommendations were raised during the audit relating to the update of on-line guidance and reviewing of operational risk registers.

## OWNERSHIP

The responsibility to manage risk rests with every member and officer of the Council however it is essential that there is a clearly defined structure for the co-ordination and review of risk information and ownership of the process.

Appendix 3 is from the CIPFA/SOLACE risk management guide, Chance or Choice. It is a generic map of responsibility for each part of the risk management process.

The following defines the responsibility for the risk management process at Colchester:

**Cabinet** – Overall ownership of the risk management process and endorsement of the strategic direction of risk management.

**Portfolio Holder for Resources** – Lead Member for the risk management process

**Governance and Audit Committee** – Responsible for reviewing the effectiveness of the risk management process and reporting critical items to Cabinet as necessary.

**Performance Management Board (PMB)** – Ownership of the strategic risks and overview of the operational risks. Actively support the Risk Management Strategy and framework.

**Chief Operating Officer** – Lead officer for the risk management process, demonstrating commitment to manage risk.

**Assistant Chief Executive** – Responsible for co-ordination of the risk management process, co-ordinating and preparing reports and providing advice and support.

**Heads of Service** – Ownership, control and reporting of their service's operational risks. Contribute to the development of a risk management culture in their teams.

**All Employees** – To understand and to take ownership of the need to identify, assess, and help manage risk in their individual areas of responsibility. Bringing to the management's attention at the earliest opportunity details of any emerging risks that may adversely impact on service delivery.

**Internal Audit, External Audit and other Review Bodies** – Annual review and report on the Council's arrangements for managing risk throughout the Council, having regard to statutory requirements and best practice. Assurance on the effectiveness of risk management and the control environment.

## AIMS & OBJECTIVES

**The aim** of the Council is to adopt best practices in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.

**The risk management objectives** of Colchester Borough Council are to:

- Integrate risk management into the culture of the Council
- Ensure that there are strong and identifiable links between managing risk and all other management and performance processes.
- Manage risk in accordance with best practice
- Anticipate and respond to changing social, environmental and legislative requirements
- Prevent injury, damage and losses and reduce the cost of risk
- Raise awareness of the need for risk management by all those connected with the Council's delivery of services.
- Ensure that opportunities are properly maximised through the control of risk.
- Reduce duplication between services in managing overlapping risks and promote 'best practise'.

Risk Management forms an important part of the Council's system of Internal Control. Previously the Audit Commission assessed the function as operating at level 3 as part of their 'Use of Resources' review... However, the Use of Resources assessment is no longer carried out but the criteria laid down for each assessment level, set out in Appendix C, still provides a robust framework for delivering an effective service.

## STRATEGIC RISK MANAGEMENT

Strategic risks are essentially those that threaten the long term goals of the Council and therefore are mainly based around meeting the objectives of the Strategic Plan. They may also represent developing issues that have the potential to fundamentally effect service provision, such as proposals to dramatically change the corporate assessment process.

Strategic risks will be controlled using a register that will detail the risks and associated controls. The register will be owned by the Senior Management Team, with ownership for risks being assigned to individual officers, and will be reviewed every quarter. The strategic risks will be reported to the Governance & Audit Committee at least twice a year.

## **OPERATIONAL RISK MANAGEMENT**

Operational risks are those that threaten the routine service delivery of the Council. Each service area will have their own operational risk register that details the risks associated with providing the service. These registers will be reported, in summary format, to the Senior Management Team and committee on an annual basis. High risks and the success in controlling them will be reported to Senior Management Team on a quarterly basis, as these will help in the formulation of the strategic risk register.

## **LINKS**

It is essential that risk management does not operate in isolation to other management processes. To fully embed a risk management culture it has to be demonstrated that risk is considered and influences all decisions that the Council makes. It is essential that there is a defined link between the results of managing risk and the following:

- The Strategic Plan
- Service Plans
- Revenue and Capital Budgets
- Annual Internal Audit Plan

## **ACTION REQUIRED**

The following actions will be implemented to achieve the objectives set out above:

- Considering risk management as part of the Council's strategic planning and corporate governance arrangements.
- Ensuring that the responsibility for risk management is clearly and appropriately allocated
- Maintaining documented procedures for managing risk
- Maintaining a corporate approach to identify and prioritise key services and key risks across the Council and assess risks on key projects.
- Maintain a corporate mechanism to evaluate these key risks and determine if they are being adequately managed and financed.
- Establish a procedure for ensuring that there is a cohesive approach to linking the risks to other management processes
- Including risk management considerations in all committee reports
- Providing risk management awareness training to both members and officers.
- Developing risk management performance indicators.
- Establishing a reporting system which will provide assurance on how well the Council is managing its key risks and ensures that the appropriate Members and officers are fully briefed on risk issues.
- Preparing contingency plans in areas where there is a potential for an occurrence to have a significant effect on the Council and its business capability.
- Regularly reviewing the risk process to ensure that it complies with current national Governance Standards and Best Practice.
- Developing risk management links with key partners and contractors, to ensure that principles are adopted in all areas of service delivery.



## REVIEW

To ensure that the risk management process is effective it will need to be measured and reported to P.M.B., Governance & Audit Committee and Cabinet. As well as a structured reporting process of risks and controls during the year there will need to be an annual review demonstrating the success of the following:

- The inclusion of risk management principles within Service Plans and budgets.
- The development of the Internal Audit plan based on the risk issues.
- Achievement against identified performance indicators.
- Members consistently ensuring managing risk is considered as part of the decision making processes within the Council.
- Service managers making recommendations that regard risk as an opportunity as well as a threat.
- Risk management principles being considered in service reviews, for example in areas such as options for change and service improvements.
- Changes in risk being independently identified and assessed by Service Managers
- Compliance with the use of resources criteria and self assessment requirements.

Suitable opportunities to benchmark the risk management service against other organisations should also be explored to ensure that it is effective and the work carried out by the Council conforms to best practise.

The four appendices attached give greater detail of key issues:

Appendix 1 – Outline of the risk management process

Appendix 2 – Details of how Risk Management will be reported.

Appendix 3 – CIPFA guidance on Risk Management Responsibilities

## **APPENDIX 1**

### **The Risk Management Process**

Risk Management is a continual process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them and / or responding to them. The risks faced by the Council are constantly changing and the continual process of monitoring risks should ensure that we can respond to the new challenges. This process is referred to as the risk management cycle.

#### **Stage 1 – Risk Identification**

Identifying and understanding the hazards and risks facing the council is crucial if informed decisions are to be made about policies or service delivery methods. There is detailed guidance available on how to identify risks which includes team sessions and individual knowledge. Once identified a risk should be reported to the Head of Service who will consider its inclusion on the relevant risk register. If the risk is identified in between register reviews then it is reported to the Risk & Resilience Manager for information and the Head of Service is responsible for managing the risk.

#### **Stage 2 – Risk Analysis**

Once risks have been identified they need to be systematically and accurately assessed. If a risk is seen to be unacceptable, then steps need to be taken to control or respond to it.

#### **Stage 3 – Risk Control**

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and / or reducing the severity of the consequences should it occur.

#### **Stage 4 – Risk Monitoring**

The risk management process does not finish with the risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of the risk has changed over time.

## APPENDIX 2

### Reporting

No matter how good the process to identify and control risks is, it will not be effective unless the information gained from it is reported and used to influence other management issues / processes. Therefore it is essential that there is a defined process and timetable for reporting the results of the risk management process to both members and officers.

#### Types of Report

- The strategic risk register is reviewed a minimum of twice yearly by P.M.B., with interim reports quarterly as required.
- Six monthly review of the operational risk registers and a summary report of these reviews to P.M.B.
- A six monthly report is provided to Committee (Governance and Audit) detailing the current strategic and high level operational risks and the progress made in controlling them.
- An annual report reviewing Risk Management activity and an action plan for the coming year - taking into account changes in methodology and results of internal and external reviews. Going to P.M.B., Governance & Audit and Cabinet. This needs to cover all of the three areas of risk
- Ad-hoc reports need to be provided to P.M.B. when new, significant risk issues arise.

The reports can be summarised as follows:

	<b>Service's</b>	<b>P.M.B.</b>	<b>Governance &amp; Audit</b>	<b>Cabinet</b>
<b>Quarterly</b>		Review of strategic risk register		
<b>6 Monthly</b>	Review of operational risk register	Summary of operational review from services	Progress report of strategic & high level operational risks	
<b>Yearly</b>		Scrutiny of annual progress report to cttee on R.M.	Endorsement of annual progress report on R.M.	Summary of past years work on R.M.

## Appendix 3

### Risk Management Responsibilities – CIPFA / SOLACE Guidance

	<b>Framework, Strategy and Process</b>	<b>Identifying risk</b>	<b>Analysing Risk</b>	<b>Profiling risk</b>	<b>Prioritising action based on risk appetite</b>	<b>Determining action on risk</b>	<b>Controlling risk</b>	<b>Monitoring &amp; Reporting</b>	<b>Reporting to external stakeholders.</b>
<b>Members</b>	Agreeing the Framework, Strategy and Process Determined by Officers	Identifying risk	Analysing Risk	Profiling Risk	Determining the risk appetite and prioritising risk.  Agreeing the priorities determined by officers			Reviewing the effectiveness of the risk management process.	Reporting to external stakeholders on the framework, strategy, process and effectiveness .
<b>Risk Management Team</b>	Providing advice And support to the executive Management Team and Members	Providing advice and support.	Providing Advice and support	Providing advice and support	Providing advice and support			Co-ordinating the results for reporting to the corporate management team and members	
<b>Senior Management Team</b>	Determining the framework, Strategy and Process	Identifying strategic and cross-cutting issues	Analysing Strategic and cross-cutting issues.	Profiling strategic and cross-cutting issues.	Determining the risk appetite and prioritising strategic and cross-cutting issues	Determining action on strategic and cross-cutting issues.  Delegating responsibility for control.		Monitoring progress on managing strategic and cross-cutting risks and reviewing the implementation of the risk management framework, strategy and process.  Reporting to members.	Reporting to external stakeholders on the framework, strategy, process and effectiveness.
<b>Assistant Chief Executive</b>	Providing Advice and Support	Providing advice and support	Providing advice and support	Providing advice and support	Providing advice and support	Providing advice and support	Providing advice and support	Co-ordinating the results for reporting to the executive management team and members	Preparing draft reports for the corporate management team and members to issue.
<b>Service Managers / G.M.T's</b>		Identifying service Risks	Analysing Service risks.	Profiling service risks.	Prioritising action on service risks.	Determining action on service risks.  Delegating responsibility for control.		Monitoring progress on managing service risks.  Reporting to the group management team	
<b>Employees, contractors And partners</b>		Maintaining awareness of risks and feeding these into the formal process.	Maintaining awareness impact of risks and feeding information into the processes				Controlling risk in their jobs.	Monitoring progress on Managing job related risks  Reporting to the service manager.	



**Colchester Borough Council – Corporate Strategic Risk Register**  
**July 2016 – September 2016**

**Appendix 1**

1. AMBITION											
Specific Risks		SCORE						Consequences	Actions	Owner	Timing
		Current			Previous						
		P	I	O	P	I	O				
1a	In a period of public sector resource reductions the ability to have ambition and to deliver on that ambition.	3	2	6				Major changes needed to the town would not be delivered thus affecting the quality of life of its residents and businesses.  Major downturn in public sector resourcing over the next few years will hamper the speed of delivery across the services provided.  Poorer external assessments by independent agencies and loss of Council reputation.  The Borough Council loses its status and influencing ability at sub-regional, regional and national levels.	Implement a regular reporting mechanism to SMT that includes defined performance criteria.	Executive Director	September 2016
1b	Unrealistic internal and external expectations on the speed of delivery.	3	3	9					Produce an IT development strategy that supports the next stage of our transformation and outcomes. This should be reviewed and reported to PMB on a regular basis.	Assistant Chief Executive	September 2016
1c	The Council is unable to effectively influence changes in the Borough economy.	3	4	12							
1d	Over reliance on a limited number of people limits ability to deliver our ambition.	3	3	9					Officers with more commercial skills have been appointed and others can learn from their experiences together with a set of commercial skills training being implemented across the organisation to re-skill officers for the new ways of working. The Trading Board and the Cabinet need to continue to enhance their commercial understanding in order to take the opportunities offered by a more commercial approach.	Strategic Director	September 2016
1f	The organisation fails to recognise the tensions between aspirations and statutory functions.	3	3	9							

P - Probability I – Impact O – Overall score

Page 1 of 8

June 2016

Low = 1 – 4 Medium = 5 – 9 High = 10 – 25

2. CUSTOMERS											
Specific Risks		SCORE						Consequences	Actions	Owner	Timing
		Current			Previous						
		P	I	O	P	I	O				
2a	The increasing expectations of our customers, set alongside the financial constraints will create challenges to service delivery, our channel shift ambitions and the reputation of the authority.	4	3	12				The Authority fails to deliver the standards of service and delivery which our customers expect, especially in relation to self-service and the reliance on IT capabilities.	An engagement and consultation programme is put in place, to ensure customers are able to inform service priorities and delivery and to secure the capability amongst our customers to drive our channel shift program. This will be evidenced by reporting the pattern of usage of the routes used by customers and savings achieved.	Executive Director	September 2016
2b	The expectation remains that the Council will step in to deliver services when other providers either fail or reduce service provision	3	3	9				The Council suffers from a loss of reputation as customers' expectations are not met. There is increased demand on existing services leading to a reduction in standards of delivery.	The UCC environment, creating a single point of contact for our customers, is now in place and a performance framework for customer standards is being developed and will be monitored to ensure delivery. A full lessons learned exercise will be conducted.	Executive Director	September 2016
2c	Impact of Welfare Reform will pose challenges to our resources in responding to rising customer need.	2	4	8				The Council fails to support our most vulnerable residents leading to an increase in crisis intervention.			

3. PEOPLE											
Specific Risks		SCORE						Consequence	Actions	Owner	Timing
		Current			Previous						
		P	I	o	P	I	O				
3a	Unable to compete with the private sector in the recruitment (and retention) of staff with key marketable skills	4	3	12				Decline in service performance  Disengaged and demotivated staff  Efficiency and productivity reduction	Communicate job opportunities and benefits of working at CBC clearly and imaginatively.  Review opportunities for to do things differently for key posts including considering the value of trading companies.	Assistant Chief Executive  Assistant Chief Executive	Ongoing  December 16
3d	Staff motivation declines with an impact on service delivery, our capacity to make changes and implementation of budget efficiencies	3	4	12				Inability to meet changing requirements and needs  Customer perceptions decline as we deliver less  Loss of key staff	Implement the internal communications strategy for staff allowing for staff to feed back.  Agree and implement an action plan for the new People Strategy; reviewing performance regularly.  Implement a formal learning and development strategy that includes financial considerations and business behaviours, and explores training alternatives.	Assistant Chief Executive  Assistant Chief Executive  Assistant Chief Executive	September 2016  September 2016  September 2016



#### 4. HORIZON SCANNING

Specific Risks		SCORE						Consequence	Actions	Owner	Timing
		Current			Previous						
		P	I	o	P	I	O				
4a	To continuously assess future challenges to ensure Council is fit for future purpose	2	4	8				If not properly managed then either the Council will lose the opportunity to develop further or will have enforced changes to service delivery.  Adverse impact on local residents / resources.  Missed opportunities to boost local economy.  Conflict between Council / Government agendas.  Reduction in levels of service provision and potential withdrawal of services.	Ensure organisational readiness to respond to external challenges through the organisational goals – Customer, Business, Culture	Executive Director	September 2016
4b	Not taking or creating opportunities to maximise the efficient delivery of services through shared provision, partnerships or commercial delivery	4	3	12					Ensure there are regular reports to the Trading Board providing updates on delivery options including assessing the future potential for the Council to deliver commercial income.	Strategic Director	September 2016
4c	Failure by the Council to spot / influence at an early stage the direction of Central Government policies / new legislation.	3	3	9					Review and report the Organisational Development Strategy	Assistant Chief Executive	September 2016
4d	Potential impact of future central government decisions to reduce public funding, including that of our partners	5	4	20					The budget situation is constantly reviewed, incl impact of decisions from central government. Additional actions and areas for spending reviews are being identified.	Chief Operating Officer	September 2016
4e	The outcome of the referendum to leave the European Union is leading to a number of uncertainties. At the moment it is unclear how this will impact on the Council, our communities and businesses. However, it does raise a potential set of risks that will need to be monitored	5	3	15							

P - Probability I – Impact O – Overall score

Page 4 of 8

June 2016

5. PARTNERSHIPS											
Specific Risks		SCORE						Consequence	Actions	Owner	Timing
		Current			Previous						
		P	I	O	P	I	O				
5a	Failure or inappropriate performance management of one or more strategic partnerships or key contracts E.g. Haven Gateway, LEP, Health, CAPITA, CBH	4	4	16				The cost of service delivery is increased however quality decreases.  Failure to deliver key priorities.  Reputational and financial loss by the Authority.	Set an assessment process for proposed strategic partnerships (to ensure that they will satisfy the Council's objectives) that needs to be signed off by EMT before commitment to new partnerships is made.	Executive Director	September 2016
5b	Change of direction / policy within key partner organisations and they revise input / withdraw from projects.	4	3	12				Failure to deliver expected outcomes through partnerships  Requirement to repay external funding granted to partnership – taking on the liabilities of the 'withdrawn' partner.	Set a formal relationship / performance review process to be used by all partnerships and ensure results are reported to senior management...	Executive Director	September 2016
5c	Potential inability to agree shared outcomes/ agendas with partners and the Council's ability to influence partner's performance.	3	4	12				External assessment of the Councils partnerships are critical and score poorly.			
5d	Working across the partners for delivery of the garden settlements project encounters delay. The partners - Colchester BC, Tendring DC, Braintree DC, Essex CC and the landowners fail to agree objectives and actions	2	4	8				The project fails to deliver its objectives leading to increased costs as there would be delays in local plan progress and loss of reputation, as well as the long term effect on ability to generate investment into the area and meet housing and employment needs.	There is a joint shadow delivery Board that allows the Authorities to co-ordinate their actions and resolve issues.	Strategic Director	September 2016

6. ASSETS & RESOURCES											
Specific Risks		SCORE						Consequence	Actions	Owner	Timing
		Current			Previous						
		P	I	O	P	I	O				
6a	Failure to protect public funds and resources – ineffective probity / monitoring systems	3	4	12				Service delivery failure  Financial and reputational loss by the Authority  Personal liability of Officers and Members.  Legal actions against the Council  Loss of stakeholder confidence in the Borough Inability to sustain costs	Develop a formal process to manage the assurance systems that form the internal control environment, including Internal Audit, Risk Management, Budget process, Corporate Governance and performance management. This must be reported to senior officers and members on a regular basis to ensure that it is fully embedded	Chief Operating Officer	September 2016
6b	Risk that Asset Management is not fully linked to strategic priorities and not supported by appropriate resources	3	4	12				Failure to deliver a balanced budget as planned.  A need to use balances / reserves or to adapt financial plans to deal with impact of changes.	Review the budget monitoring process to ensure it reflects the structure and co-ordinates finances across the whole Council not just individual service areas.	Chief Operating Officer	Regular reporting to PMB. & Governance Review September 2016
								Required to use Reserves & Resources to fund capital priorities  Severe impact on cash-flow leading to negative effect on performance targets	Ensure the continued development of the Revolving Investment Fund (RIF) - a sub-committee of Cabinet which has been created to link asset management to the strategic priorities and ensure that assets are used to their full commercial potential.	Strategic Director	September 2016

Continued.

6. ASSETS & RESOURCES											
Specific Risks		SCORE						Consequence	Actions	Owner	Timing
6c	Inability to deliver the budget strategy as planned.	3	4	12	4	4	16		Develop the annual budget strategy to ensure it has controls built in to be able to respond to changes in the strategic objectives and includes sensitivity analysis to consider the impact of potential changes to external funding or other incomes streams. Consider impact of loss or reduction in key income areas as part of budget strategy / budget plans.	Chief Operating Officer	Annual exercise. Council approves budget in Feb annually
6d	Failure to set aside sufficient capital funds for strategic priorities	3	4	12					Implement a regular review process for the medium term financial outlook, capital programme and HRA business plan processes to ensure they are kept up to date and realistic.	Chief Operating Officer	MTFS is part of the budget strategy & considered during the process. Capital programme regularly reported to Governance Cttee. Review September 2016
6e	Significant reliance on our ICT presents challenges in maintaining customer service in the event of service interruptions.	2	5	10					Changes to be planned to ensure customer service is maintained	Assistant Chief Executive	Next review September 2016
6f	Increasing demands around information security create a risk in the event that security breaches occur	2	5	10					Review the IT security policies to ensure that they are fit for purpose and implement a training program for all staff.	Assistant Chief Executive	Next review September 2016

<b>SCORE DEFINITIONS</b>	<b>1 Very Low</b>	<b>2 Low</b>	<b>3 Medium</b>	<b>4 High</b>	<b>5 Very High</b>
Impact	Insignificant effect on delivery of services or achievement of Strategic Vision & Corporate Objectives.	Minor interruption to service delivery or minimal effect on Corporate Objectives.	Moderate interruption to overall service delivery/effect on Corporate Objectives or failure of an individual service.	Major interruption to overall service delivery or severe effect on Corporate Objectives.	Inability to provide services or failure to meet Corporate Objectives
Probability	10% May happen – unlikely	10 -25% Possible	26 – 50% Could easily happen	51 – 75% Very likely to happen	Over 75% Consider as certain

### **Risks Removed**

1e The resource implications, including ICT, staffing and financial, of the UCC FSR are greater than anticipated. Removed July 15.

3b Failure to sustain adequate resource to support training and development because of the financial situation. Removed July 15.

3d Failure to provide effective and visible political and managerial leadership. Removed July 15

RISK MATRIX  
JUL 16 - SEP 16

Low Risks	Medium Risks	High Risks
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Scoring 1-5

Risk Tolerance  
Line

Probability of Occurrence	5 Very High			4e	4d	
	4 High			2a 3a 4b 5b	5a	
	3 Medium		1a	1b 1d 1f 2b 3d 4c	1c 5c 6a 6b 6c 6d	
	2 Low				2c 4a 5d	6e 6f
	1 Very Low					
		1 Very Low	2 Low	3 Medium	4 High	5 Very high
Severity of Impact						

Removed Risks

- 1e The resource implications, including ICT, staffing and financial, of the UCC FSR are greater than anticipated. Re
- 3b Failure to sustain adequate resource to support training and development because of the financial situation. Re



26 July 2016

Report of	Monitoring Officer	Author	Andrew Weavers
			☎ 282213
Title	Review of Meetings and Ways of Working		
Wards affected	Not applicable		

**This report requests the Committee to agree to review the Council's meetings and procedures**

## 1. Decision(s) Required

- 1.1 To note the contents of this report.
- 1.2 To agree that a further report be presented to the next meeting of the Committee providing more detail of the process and methodology of the review.

## 2. Background

- 2.1 The Chair of the Committee has intimated that we should review a range of issues regarding the way that we work as an Authority and that this Committee should undertake a review of the Council's meetings and associated procedures as part of its work programme.
- 2.3 With the advent of digital challenge and the increase in social media the time is now ripe to review how the Council makes decisions and how it conducts its public meetings. In addition whilst the "Have your Say" slot at meetings has been in place for many years and members of the public have participated and contributed to meetings, the level of attendance and engagement has been low (with the exception of high profile planning meetings). It is also worth reviewing whether some formal meetings could be held outside of the Town Hall.
- 2.3 Traditionally formal meeting agendas have been published on paper (all agendas have been published electronically on the Council's website for a number of years). However the time is right (subject to the necessary IT infrastructure and equipment being in place) to commit to move to electronic agendas and meeting papers.
- 2.4 There are several pieces of work already in train which will facilitate some of these issues i.e. work on improving technology for Councillors as part of digital challenge (including use of the Council Members Information System (CMIS) application which enables the delivery of committee agendas on devices), improvements to the Town Hall wi-fi and the work being undertaken by the Member Development Group.

## 3. Proposals

- 3.1 That the Committee undertakes a review of the Council's formal meetings and associated procedures as detailed in the Scoping Document attached at Appendix 1 as part of its work programme.



- 3.2 That a further report be submitted to the next meeting of the Committee which provides more information on the methodology and timescales etc.

#### **4. Strategic Plan References**

- 4.1 The manner in which the Council governs its business is an underpinning mechanism in the Council's Strategic Plan aims to set out the direction and future potential for our Borough.

#### **5. Financial, Equality, Diversity and Human Rights, Consultation, Community Safety, Health, Publicity and Safety and Risk Management Implications**

- 5.1 None identified.

## Scoping Document

### Objectives

- Improvement of public participation at public meetings
- Making public meetings more accessible and engaging for residents
- Make the way we work more flexible to improve the opportunity for an improved diversity of Councillors
- Offer Councillors a more efficient way of working through better use of new technology

### Scope

To review a range of issues regarding the way the Council currently works including:

- Start time of public meetings – currently all public meetings start at 6pm and this is a growing issue as the diversity of Councillors changes and more are of working age, this presents a barrier for participation from some groups.
- Making meetings more resident friendly – we have in place a “have your say” slot at the beginning of all public meetings, however, few people use this right. We need to explore why and how we might encourage people to come and take the opportunity to have their say.
- Consider whether holding all meetings in the Town Hall is still appropriate.
- How we might make some of our reports more accessible.
- A look at how we run meetings and what the public think of them.
- Training for Councillors – evaluation of how effective this is.
- Modernising our language and behaviours.
- Technology for Councillors – encouraging paperless agendas, accessibility, audio visual equipment.
- Review of meetings procedure rules.

### Key Stakeholders, Partners or other agencies involved

The key stakeholders and interested bodies are likely to include:-

- Councillors;
- Members of the Public;
- Parish Councils;
- Other Local Authorities.

### Evidence and research to be gathered

- To gather information and learn about other Council's practices;
- To consult with the public regarding what they think of our meetings and how they could be improved;
- To look at the practicality and likely costs of any possible solutions.

### Timescales and Reporting

Detailed timescales to be determined.

### Lead Officers

Matt Sterling , Assistant Chief Executive  
Andrew Weavers, Strategic Governance Manager.

